

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

40. Provide each group medical insurance policy that Columbia currently maintains.

**Response:**

Please refer to Attachment A of this response.

**NISOURCE CONSOLIDATED  
FLEX MEDICAL PLAN**

As Amended and Restated  
Effective as of the Separation Date (defined herein)

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## ARTICLE I INTRODUCTION

- 1.01 Purpose of Plan.** Columbia Energy Group established and maintained the Columbia Energy Group Medical Plan to provide group medical benefits for the participants and beneficiaries thereunder. The Columbia Energy Group Medical Plan was broadened to include coverage for the former participants and beneficiaries of other medical plans sponsored by NiSource Inc. (the “Company”) or an affiliate, was renamed the NiSource Consolidated Flex Medical Plan, effective as of January 1, 2004, and as of such date, was sponsored and maintained by the Company. The Plan was further amended and restated, effective as of January 1, 2006, January 1, 2008, January 1, 2010, January 1, 2011, January 1, 2013, January 1, 2014, and January 1, 2015. This is an amended and restated version of the Plan, effective as of the Separation Date (defined below), that reflects certain plan design changes in connection with the CPG Spin-Off (defined below).
- 1.02 Plan Components.** The Plan has 5 components: HD PPO 1, HD PPO 2, PPO, HMO, and Other Insured Arrangements. Alternatively, an Employee may choose the No Coverage Option.

## ARTICLE II DEFINITIONS

The following words and phrases as used in this Plan shall have the following meanings, unless a different meaning is plainly required by the context. A pronoun or adjective in the masculine gender includes the feminine gender, and the singular includes the plural, unless the context clearly indicates otherwise.

- 2.01 “Additional Preventive Health Services”** means those items or services constituting preventive care or screening that are described herein or in a Summary Plan Description as being covered by the Plan, but which do not constitute Recommended Preventive Health Services.
- 2.02 “Adopted Child”** means any child legally adopted by, or placed for adoption with, a Covered Participant or Covered Same-Sex Domestic Partner.
- 2.03 “Affordable Care Act”** means the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended.
- 2.04 “Annual Enrollment Period”** means the period selected by the Company each year during which time an Employee or Retiree may select a Coverage Option to be effective for the following Plan Year.
- 2.05 “Available Pre-65 Retiree Coverage Option”** means, with respect to a Pre-65 Retiree, a Pre-65 Retiree’s Dependent, or a Dependent of a Post-65 Retiree Plan Participant, any Coverage Option that is available to the Retiree’s Covered Retiree Group, as indicated in Schedule 1 attached hereto.
- 2.06 “Category of Coverage”** means each of the coverage choices described in Section 3.03.
- 2.07 “Child”** means a person who is either (1) a naturally born child of a Covered Participant; (2) an Adopted Child; (3) a Stepchild; (4) a Foster Child; (5) a Legal Ward who is dependent upon a Covered Participant or Covered Same-Sex Domestic Partner for at least 50% of his or her financial support and who may be claimed on the income tax return of the Covered Participant or

Covered Same-Sex Domestic Partner as a dependent (without giving effect to the Legal Ward's gross income); or (6) any person deemed by court order to be a Child for purposes of the Plan.

- 2.08** “**Claims Administrator**” means the person, persons or entity appointed by the Plan Administrator to process benefit claims pursuant to Section 20.05.
- 2.09** “**COBRA**” means Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.
- 2.10** “**COBRA Continuation Coverage**” means continuation coverage to the extent required by COBRA.
- 2.11** “**Code**” means the Internal Revenue Code of 1986, as amended from time to time.
- 2.12** “**Columbia Divested Company**” means any one of the following companies that previously was affiliated with a Related Employer: Columbia Energy Services Corp., Columbia Propane Corporation, Columbia Electric Corporation, Columbia LNG Corporation, Energy.com Corporation, Columbia Trans Communications, Commonwealth Propane, Columbia Propane LP, Columbia Petroleum Corporation, Columbia Natural Resources Inc., Hawg Hauling & Disposal Inc., Coal Gas, CS-42, Gas Development, New York Gas & Elec, Pittsburgh Market Division and Columbia Gas of West Virginia.
- 2.13** “**Committee**” means the NiSource Benefits Committee or its predecessor, the NiSource Inc. and Affiliates Welfare Plan Administrative and Investment Committee.
- 2.14** “**Company**” means NiSource Inc., a Delaware corporation.
- 2.15** “**Co-Insurance**” means the percentage of a Covered Expense that remains the responsibility of a Covered Person, and does not include any Co-Payment.
- 2.16** “**Co-Payment**” means a flat dollar amount that a Covered Person must pay before an expense will be covered.
- 2.17** “**Coverage Option**” means an HD PPO Option, a PPO Option, an HMO Option, an Other Insured Arrangement Option or a No Coverage Option; provided, however, the availability of an HMO Option or an Other Insured Arrangement Option may be subject to certain geographic restrictions based upon the residence of the Covered Person and such Option may impose eligibility restrictions in addition to those set forth herein, all as more particularly set forth in the applicable certificates of coverage, group insurance policies and other applicable governing documents with respect to such Option.
- 2.18** “**Covered Employee**” means an individual who is (or was) provided coverage under the Plan by virtue of the performance of services by the individual for an Employer.
- 2.19** “**Covered Expense**” means a service, treatment or supply, the Covered Percentage of which is paid for by the Plan, or which is subject to the applicable Deductible and Co-Insurance.
- 2.20** “**Covered Retiree Group**” means a group of retirees described in Schedule 1 attached hereto in which a Retiree is a member, as determined by the Plan Administrator or its designee, in its sole discretion.
- 2.21** “**Covered Participant**” means a Participant or Post-65 Retiree Plan Participant.

- 2.22 “**Covered Percentage**” means the percentage of a Covered Expense covered by the Plan.
- 2.23 “**Covered Person**” means an Employee, Retiree or Dependent covered under the Plan, and includes a Qualified Beneficiary covered under the Plan.
- 2.24 “**Covered Person Contribution**” means the contribution required under Section 11.01.
- 2.25 “**Covered Same-Sex Domestic Partner**” means a Same-Sex Domestic Partner covered under the Plan.
- 2.26 “**Covered Service**” has the same meaning as “Covered Expense.”
- 2.27 “**CPG**” means Columbia Pipeline Group, Inc., a Delaware corporation.
- 2.28 “**CPG Related Employer**” means, on and after the Separation Date, (1) any corporation that is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) that includes CPG; (2) any trade or business (whether or not incorporated) that is under common control (as defined in Section 414(c) of the Code) with CPG; and (3) any member of an affiliated service group (as defined in Section 414(m) of the Code) that includes CPG.
- 2.29 “**CPG Spin-Off**” means the transaction pursuant to which there was distributed to holders of shares of common stock of the Company, on a pro rata basis, all of the outstanding shares of common stock of CPG.
- 2.30 “**Deductible**” has the meaning set forth in Section 10.01.
- 2.31 “**Defined Dollar Subsidy**” means the Company’s contribution toward the cost of coverage for certain Retirees, as described in Sections 4.01 and 4.02.
- 2.32 “**Dependent**” means:
- (a) The Spouse of a Covered Participant, if not legally separated, and, with respect to the Spouse of a Retiree, who has not attained age 65;
  - (b) The Same-Sex Domestic Partner of a Covered Participant, provided that the term “Dependent” shall not include (i) a Retiree’s Same-Sex Domestic Partner who has attained age 65, or (ii) the Same-Sex Domestic Partner of a Retiree who retired on or before February 1, 2013;
  - (c) a person who satisfies the provisions of Section 22.01(c) of the Plan for continued coverage as a surviving dependent, subject to any other limitations on dependent status (e.g., the limiting age for eligibility of a Child) included in this Section 2.32;
  - (d) A Child who has not attained 26 years of age;
  - (e) An unmarried Child who satisfies the “dependency test” described in this Section 2.32 and who is incapable of self-sustaining employment due to mental or physical disability if: (1) proof of the Child’s disability, if requested by the Claims Administrator, is received by the Claims Administrator within 31 days of the date Dependent status would otherwise terminate and is provided to the Claims Administrator every three years thereafter, or more frequently if requested by the Claims Administrator; (2) the Child is dependent upon the Employee or Retiree (or Covered Same-Sex Domestic Partner of the Employee or Retiree, as the case may be) for financial support and maintenance; (3) the

Employee or Retiree continues to be covered by the Plan or by the Post-65 Retiree Medical Plan; (4) the Child's disability continues; and (5) the Child has not attained age 65; or

- (f) A Child who is recognized under any court order, including a Qualified Medical Child Support Order that is recognized as legally sufficient under ERISA, as having a right to participate in the Plan as a Dependent.

For purposes of this Section 2.32, a Child of a Covered Participant or of a Covered Same-Sex Domestic Partner satisfies the "dependency test" for a particular Plan Year if

- (x) the Covered Participant or the Covered Same-Sex Domestic Partner would be allowed a dependent exemption for such Child in computing his or her federal taxable income for such Plan Year, or
- (y) each of the following conditions is satisfied: (1) such Child receives over half of his or her support during the Plan Year from his or her parents and is in the custody of one or both parents for more than half of the Plan Year; (2) at least one parent would be allowed a dependent exemption for such Child in computing such parent's federal taxable income for such Plan Year; and (3) the Child's parents are divorced, legally separated under a decree of divorce or separate maintenance, legally separated under a written separation agreement, or live apart at all times for the last six month of the Plan Year.

For purposes of the "dependency test" in clause (x) above, the Child's gross income for such Plan Year may be ignored in determining whether the Covered Participant or Covered Same-Sex Domestic Partner would be entitled to a dependent exemption for such Child for such Plan Year.

**2.33** **"Employee"** means a regular or temporary employee of an Employer. No independent contractor shall be treated by the Plan Administrator as an Employee during the period he or she renders service as an independent contractor. Any person retroactively or in any other way found to be a common law employee will not be eligible under the Plan for any period during which he or she was not treated as an Employee by the Plan Administrator.

**2.34** **"Employer"** means the Company, any Related Employer, and any successor that shall maintain the Plan, but does not include (i) any Related Employer to the extent that a group health plan providing medical benefits is provided to the employees of such Related Employer (whether by the Related Employer or another entity) and such plan is not included as part of the Plan for purposes of reporting on Form 5500 filed with the Federal government, (ii) any Related Employer to the extent that an agreement related to the acquisition, sale or other disposition of the Related Employer provides that its employees shall not have coverage under the Plan, or (iii) any Related Employer that the Plan Administrator has determined in its discretion is not an "Employer" for purposes of the Plan. Any Related Employer that satisfies the conditions of the immediately preceding sentence for being an "Employer" shall be deemed to have adopted the Plan. Unless otherwise provided by the Plan Administrator, an Employer participating in the Plan shall automatically cease to participate in the Plan, without further action or notice by the Plan Administrator and without need for amendment or modification of the Plan, on the date that such entity is no longer considered a Related Employer of the Company. The Company and any applicable Related Employer may limit or extend the adoption of the Plan to one or more groups of Employees and/or divisions, locations or operations. Without limiting the generality of the foregoing, prior to May 1, 2014, Lake Erie Land Company shall not be an Employer under the Plan; however, subject to the other provisions of this Section 2.34, Lake Erie Land Company shall be an Employer under the Plan on and after May 1, 2014.

- 2.35 “**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.
- 2.36 “**Exempt Employee**” means an Employee who is not entitled to overtime under the Fair Labor Standards Act, 29 U.S.C. § 201, et seq.
- 2.37 “**Experimental or Investigational**” means services, equipment, supplies, devices, treatments, procedures or drugs that are not Medically Necessary or that are investigational or experimental for the diagnosis or treatment of any Sickness or Injury for which any of such items are prescribed. Experimental or Investigational items include, without limitation, items that (1) are not accepted as standard medical treatment by Physicians practicing the applicable medical specialty; (2) are the subject of scientific or medical research or study to determine the item’s effectiveness and safety; (3) have not been granted, at the time services were rendered, any required approval by a federal or state governmental agency, including without limitation, the Federal departments of Health and Human Services and the Food and Drug Administration, or any comparable state governmental agency; (4) have not been approved by the Federal Centers for Medicare and Medicaid Services for reimbursement under Medicare Title XVIII; or (5) are performed subject to the Covered Person’s informed consent under a treatment protocol that explains the treatment or procedure as being conducted under a human subject study or experiment.
- 2.38 “**Family**” means a Participant and such Participant’s covered Dependents, or the covered Dependents of a Post-65 Retiree Plan Participant.
- 2.39 “**Financially Interdependent**” means that a Covered Participant and another person satisfy any two of the following conditions:
- (a) the Covered Participant designates such other person as the Covered Participant’s beneficiary for employer-sponsored retirement or life insurance benefits;
  - (b) the Covered Participant designates such other person as the primary beneficiary under the Covered Participant’s will;
  - (c) the Covered Participant designates such other person as the Covered Participant’s attorney-in-fact under a durable power of attorney for health care;
  - (d) the Covered Participant and such other person have a common ownership or leasehold interest in real property;
  - (e) the Covered Participant and such other person have joint bank or credit accounts or joint investments; or
  - (f) the Covered Participant and such other person have joint liability for a mortgage, lease or loan.
- 2.40 “**Flexible Benefits Plan**” means the NiSource Flexible Benefits Plan, as amended or restated from time to time.
- 2.41 “**FMLA**” means the Family and Medical Leave Act of 1993, as amended.
- 2.42 “**Foster Child**” means a child legally placed in the custody of a Covered Participant or Covered Same-Sex Domestic Partner by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction, who is receiving parental care from such Covered

Participant Covered Same-Sex Domestic Partner, and for whom such Covered Participant or Covered Same-Sex Domestic Partner is legally responsible to provide medical care.

- 2.43 **“Full-Time Employee”** means an Employee characterized by an Employer as a full-time employee who regularly works 40 or more hours per week or, with respect to a Represented Employee, who regularly works such other period of time that is specified in the collective bargaining agreement covering such Employee as constituting full-time status for purposes of the Plan.
- 2.44 **“Group Health Plan”** means a plan (including a self-insured plan) of, or contributed to by, an employer (including a self-employed person) or employee organization to provide health care (directly or otherwise) to the employees, former employees, the employer, others associated or formerly associated with the employer in a business relationship, or their families.
- 2.45 **“HD PPO 1”** means the HD PPO 1 Option described in Article VI.
- 2.46 **“HD PPO 2”** means the HD PPO 2 Option described in Article VI.
- 2.47 **“HD PPO Option”** means one of the high deductible (HD) PPO Coverage Options described in Article VI.
- 2.48 **“HIPAA”** means the Health Insurance Portability and Accountability Act of 1996, as amended.
- 2.49 **“HMO Option”** means a Coverage Option offered through a health maintenance organization pursuant to Article VIII.
- 2.50 **“Home Health Care Agency”** means a public or private agency or organization that specializes in providing medical care and treatment in the home.
- 2.51 **“Hospital”** means an institution that, for compensation from its patients and on an inpatient basis, is primarily engaged in providing diagnostic and therapeutic facilities for the surgical and medical diagnosis, treatment, and care of injured and sick persons by or under the supervision of a staff of Physicians who are duly licensed to practice medicine, and which continuously provides 24-hour-a-day nursing services by registered graduate nurses. It is not, other than incidentally, a nursing home, or a place for rest or for the aged.
- 2.52 **“Injury”** means bodily injury that is caused by accidental means by an event that is sudden and not foreseen, and is exact as to time and place, which results in damage to a Covered Person’s body from an external force or contact.
- 2.53 **“IRO”** means an accredited independent review organization.
- 2.54 **“Legal Ward”** means any Child for whom a Covered Participant or Covered Same-Sex Domestic Partner is legal guardian, provided that such Child is dependent on such Covered Participant or Covered Same-Sex Domestic Partner for principal support and maintenance.
- 2.55 **“Maximum Allowed Amount”** means the maximum amount of charges that the Plan will pay for a service, treatment or supply. The determination of the Maximum Allowed Amount shall be made by the Claims Administrator or Plan Administrator in its sole discretion based on criteria agreed upon by the Company and the Claims Administrator or Plan Administrator, as applicable, including without limitation the criteria set forth in Section 10.07 below.

- 2.56 **“Medicaid”** means a state program of medical aid for needy persons established under Title XIX of the Social Security Act of 1965, as amended.
- 2.57 **“Medically Necessary”** means a service or supply ordered or prescribed by a Physician that is appropriate for the diagnosis, care, or treatment of a Sickness or Injury. Such service or supply must be (1) as likely to produce a significant outcome as, and no more likely to produce a negative outcome than, any alternative; (2) indicated by the Covered Person’s health status to result in information that could affect treatment, if a diagnostic procedure; and (3) no more costly than any alternative.
- 2.58 **“Medicare”** means the program of medical care benefits provided for aged and disabled persons under the Social Security Act of 1965, as amended.
- 2.59 **“Newborn Child”** means any Child newly born to a Covered Participant and his or her Spouse.
- 2.60 **“NIPSCO”** means Northern Indiana Public Service Company.
- 2.61 **“NIPSCO Represented Retiree”** means a Retiree who is a former NIPSCO Represented Employee.
- 2.62 **“No Coverage Option”** means an Employee’s or a Pre-65 Retiree’s election, or a Post-65 Retiree Plan Participant’s election (on behalf of his or her Dependent), not to become covered under a Coverage Option.
- 2.63 **“Non-Exempt Employee”** means an employee who is entitled to overtime under the Fair Labor Standards Act, 29 U.S.C. § 201 et seq.
- 2.64 **“Non-Represented”** means a Full-Time or Part-Time Employee or Retiree who is not covered by a collective bargaining agreement between an Employer and a union.
- 2.65 **“Other Insured Arrangement Option”** means any other fully-insured arrangement maintained by the Company.
- 2.66 **“Other Party”** includes, without limitation, any of the following:
- (a) Any party or parties who cause a Sickness or Injury;
  - (b) Any insurer or other indemnifier of the party or parties who caused a Sickness or Injury;
  - (c) Any guarantor of the party or parties who cause a Sickness or Injury;
  - (d) A Covered Person’s insurer;
  - (e) A workers’ compensation insurer; or
  - (f) Any other person, entity, policy or plan that is liable or legally responsible in relation to a Covered Person’s Sickness or Injury.
- 2.67 **“Out-of-Pocket Expense Limitation”** has the meaning set forth in Section 10.04.
- 2.68 **“Part-Time Employee”** means an Employee characterized by an Employer as a part-time employee who regularly works less than 40, hours per week or, with respect to a Represented Employee, who regularly works such other period of time that is specified in the collective

bargaining agreement covering such Employee as constituting part-time status for purposes of the Plan.

- 2.69 **“Participant”** means each Employee and Pre-65 Retiree who is a Covered Person.
- 2.70 **“Physician”** means a doctor of medicine or doctor of osteopathy who is legally qualified and licensed without limitation to practice medicine, surgery or obstetrics at the time and place service is rendered. This definition also includes physician’s assistants, certified surgical technologists, and registered nurse midwives, when working directly for a doctor of medicine. Doctors of dental surgery, doctors of dental medicine, doctors of podiatry or surgical chiropody, optometrists, and chiropractors shall be deemed to be Physicians when acting within the scope of their license for services covered by the Plan. Each registered physical, occupational, respiratory, and speech therapist, psychologist, and social worker licensed under state law when providing a service covered by the Plan shall be deemed to be a Physician.
- 2.71 **“Plan”** means the NiSource Consolidated Flex Medical Plan set forth herein, together with any and all amendments and supplements thereto.
- 2.72 **“Plan Administrator”** means the Committee, and any person or entity to whom the Committee has from time to time delegated authority to carry out the administrative functions of the Plan.
- 2.73 **“Plan Year”** means the calendar year.
- 2.74 **“Post-65 Retiree”** means a Retiree who has attained age 65.
- 2.75 **“Post-65 Retiree Medical Plan”** means the NiSource Post-65 Retiree Medical Plan, together with any and all amendments and supplements thereto, and any and all restatements thereof, from time to time.
- 2.76 **“Post-65 Retiree Plan Participant”** means a Post-65 Retiree who is properly enrolled in the Post-65 Retiree Medical Plan.
- 2.77 **“PPO Option”** means a Coverage Option offered through a preferred provider organization pursuant to Article VII.
- 2.78 **“Pre-65 Retiree”** means a Retiree who has not attained age 65.
- 2.79 **“Pre-Certification Provider”** means the entity retained by the Plan to pre-certify certain inpatient Hospital admissions and other specified procedures.
- 2.80 **“Pregnancy”** means the condition of being pregnant and all conditions and/or complications resulting therefrom.
- 2.81 **“Preventive Health Services”** means Recommended Preventive Health Services or Additional Preventive Health Services.
- 2.82 **“Provider”** has the same meaning as “Physician.”
- 2.83 **“Qualified Beneficiary”** means:
- (a) Any persons who were Covered Persons on the date immediately preceding a Qualifying Event as:



- (1) An Employee;
  - (2) An Employee's Spouse; or
  - (3) A Dependent Child.
- (b) A Child who is born to or placed for adoption with a Covered Employee who is a Qualified Beneficiary during a period of COBRA Continuation Coverage. The COBRA Continuation Coverage period for such a Qualified Beneficiary shall run from his or her birth or adoption to the end of the COBRA Coverage period for all Qualified Beneficiaries entitled to COBRA coverage as a result of the same Qualifying Event.
- (c) In the case of a Qualifying Event described in subsection 2.84(g), a Retiree who retired on or before the date of substantial elimination of coverage and any other individual who, on the day before such Qualifying Event, is a Covered Person as a Spouse, Dependent Child, or surviving Spouse.
- 2.84 "Qualifying Event"** means any of the following that results in loss of coverage for a Qualified Beneficiary:
- (a) The Covered Employee's employment ends (except in the case of gross misconduct);
  - (b) The Covered Employee's work hours are reduced;
  - (c) The Covered Employee becomes entitled to benefits under Medicare;
  - (d) The Covered Employee's death;
  - (e) The divorce or legal separation of the Covered Employee from the Covered Employee's Spouse;
  - (f) A Dependent Child is no longer an eligible Dependent; or
  - (g) With respect to a Retiree, a proceeding in a case under Title XI, United States Code, with respect to the Company. In the case of a Qualifying Event described in this subsection 2.84(g), a "loss of coverage" includes a substantial elimination of coverage with respect to a Qualified Beneficiary described in subsection 2.83(c) within one year before or after the date of commencement of the proceeding.
- 2.85 "Recommended Preventive Health Services"** means those items and services described in 29 C.F.R. §2590.715-2713(a), or any successor regulation, but subject to the timing rules of 29 C.F.R. §2590.715-2713(b), or any successor regulation. For the avoidance of doubt, "Recommended Preventive Services" shall not include an item or service specified in a recommendation or guideline described in 29 C.F.R. §2590.715-2713(a)(1) or any successor regulation (a) earlier than the first day of the first Plan Year after the date the recommendation or guideline is issued or (b) after the recommendation or guideline is no longer described therein. The frequency, method, treatment and setting of such items or services shall be subject to reasonable medical management techniques determined by the Plan Administrator or Claims Administrator in their discretion.
- 2.86 "Related Employer"** means (1) any corporation that is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) that includes the Company; (2) any trade or business (whether or not incorporated) that is under common control (as defined in Section

414(c) of the Code) with the Company; and (3) any member of an affiliated service group (as defined in Section 414(m) of the Code) that includes the Company.

- 2.87** “**Relative**” means a person who is the Spouse, mother, father, sister, brother, Child or in-law of a Participant.
- 2.88** “**Represented**” means a Full-Time or Part-Time Employee or a Retiree who is covered by a collective bargaining agreement between an Employer and a union.
- 2.89** “**Retiree**” means a former Employee who retired from service with an Employer, in accordance with a plan or procedure adopted by the Employer, after having attained the age of 55 years and ten Years of Service. ‘Retiree’ also means a former Employee who retired from service with an Employer, in accordance with a plan or procedure adopted by the Employer and after ten Years of Service, but prior to attaining the age of 55 years, and who elects continued coverage under the Plan in lieu of COBRA Continuation Coverage pursuant to a written agreement entered into with an Employer. For purposes of this Section 2.89, “Years of Service” has the same meaning given such term in Section 4.01(c)(3). Notwithstanding the foregoing,
- (a) A person who would otherwise meet the definition of “Retiree” shall not cease to be a Retiree solely because such person is rehired by an Employer to regularly work less than twenty hours per week;
  - (b) “Retiree” shall also mean any former Employee who qualifies as a Retiree under the Special Provisions described in Article IV;
  - (c) Upon reaching age 65, a Retiree shall be considered a Post-65 Retiree and, subject to the provisions of Section 22.05, shall no longer be eligible for coverage under the Plan;
  - (d) A person who would otherwise meet the definition of “Retiree” shall not be ineligible to be a Retiree solely because such person elected to retire from service with an Employer during a strike or lockout;
  - (e) A “Retiree” shall not include any former Employee who retired from employment with Lake Erie Land Company; and
  - (f) “Retiree” shall not include any person who is not a member of a Covered Retiree Group or who belongs to a Covered Retiree Group for which there is no Available Pre-65 Retiree Coverage Option.

Without limiting the generality of any other provision of the Plan, as of the Separation Date, the term ‘Employer’ for purposes of this Section 2.89 shall not include any Columbia Divested Company or any CPG Related Employer.

- 2.90** “**Room and Board Charges**” means an institution’s charges for room, board and for other necessary institutional services and supplies, which are made regularly at a daily or weekly rate as a condition of occupancy.
- 2.91** “**Same-Sex Domestic Partner**” means, with respect to a Covered Participant, a person of the same sex as the Covered Participant, if the Covered Participant and such person satisfy the requirements of paragraph (a) or each of the requirements of paragraph (b) below:

- (a) Such person is the Covered Participant's registered domestic partner, or is a party to a civil union with the Covered Participant, under the laws of the Covered Participant's state of residence; or
- (b) The Covered Participant and such person
  - (1) are both age 18 or older and competent to enter into a legal contract;
  - (2) have shared for at least 12 months (and continue to share) the same principal residence, are jointly responsible for each other's common welfare, and are Financially Interdependent;
  - (3) share a committed personal relationship and are not related to one another in a way that would prohibit marriage, civil union or domestic partnership between two persons in the Covered Participant's state of residence;
  - (4) are not legally able to enter into marriage or a registered domestic partnership, or be party to a civil union, with each other under the law of their state of residence (however, if such state in the future permits same-sex marriage, civil unions or registered domestic partnerships, the Covered Participant and such person must marry or enter into a civil union or registered domestic partnership within 12 months of the effective date of the new state law either to retain same-sex domestic partner status or to acquire status as a Spouse);
  - (5) are not currently married to, a party to a civil union with, or the domestic partner, of any other person;
  - (6) intend that their same-sex domestic partnership be of unlimited duration; and
  - (7) do not have a relationship that is primarily for the purpose of obtaining benefits under an employer-sponsored benefit program.

Notwithstanding the foregoing, for any insured benefit option, a person shall not be a Same-Sex Domestic Partner if he is otherwise ineligible for coverage under the terms of the certificate of coverage, group insurance policy or other governing document for such benefit option.

From time to time, a Covered Participant may be required to confirm orally, electronically or in writing, in a manner prescribed by the Plan Administrator, that the Covered Participant and his or her Same-Sex Domestic Partner satisfy the foregoing eligibility requirements.

- 2.92 **"Semi-Private Rate"** means the daily Room and Board Charges that an institution applies to the greatest number of beds in its semi-private rooms containing two or more beds. If the institution has no semi-private rooms, the Semi-Private Rate shall be the daily Room and Board Charges most commonly charged for semi-private rooms with two or more beds by similar institutions in the area. For purposes of this Section, "area" means a city, a county or any greater area necessary to obtain a representative cross-section of similar institutions.
- 2.93 **"Separation Date"** means July 1, 2015, or if later, the date of the consummation of all transactions necessary to effectuate the CPG Spin-Off.
- 2.94 **"Sickness"** means an illness causing loss commencing while the Plan is in force for a Covered Person. Sickness shall be deemed to include disability caused or contributed to by Pregnancy,

miscarriage, childbirth and recovery therefrom. Sickness shall only mean sickness or disease that requires treatment by a Physician.

**2.95 “Special Enrollment Period”** means the enrollment periods offered under subsection 3.02(d).

**2.96 “Spouse”** means a person who is treated as a spouse under the Code.

**2.97 “Status Change”** means any of the following:

- (a) Legal Marital Status. Events that change an Employee’s legal marital status, including marriage, death of a Spouse, divorce, legal separation, or annulment.
- (b) Number of Dependents. Events that change an Employee’s number of Dependents, including birth, adoption, placement for adoption (as defined in Treasury Regulations under Code Section 9801), or death of a Dependent.
- (c) Employment Status. A termination or commencement of employment, a strike or lockout, a commencement or return from an unpaid leave of absence, or a change in worksite that changes the employment status of an Employee, a Spouse or other Dependent, or any other change in the employment status of an Employee, a Spouse or other Dependent that makes such individual eligible or ineligible for coverage under the Plan (such as switching from full-time to part-time status or from salaried to hourly-paid).
- (d) Dependent Satisfies or Ceases to Satisfy the Requirements for Dependents. An event that causes a Dependent to satisfy or cease to satisfy the requirements for coverage due to marriage, attainment of age, student status, or any similar circumstance as provided in the Plan.
- (e) Residence. A change in the place of residence of an Employee, a Spouse or other Dependent.
- (f) Other Permissible Events. Any other event that the Plan Administrator or a member of the Committee determines to be a permissible Status Change under the Code or any regulation, ruling or release issued thereunder. Such determination shall be (1) consistent with the terms of the Plan; and (2) made in a uniform and non-discriminatory manner.

As used in this Section 2.97, and subject to the immediately following paragraph, the term “Dependent” shall include only those Dependents described in Section 2.32 above who would be considered a “dependent” for purposes of Code Section 125, the regulations thereunder, and Internal Revenue Service Notice 2010-38, as such statutory provision, regulations or guidance may be amended or modified from time to time.

Solely for purposes of this Section 2.97 and Section 3.02(e), a “Spouse” will be deemed to include a Covered Participant’s Same-Sex Domestic Partner, “marriage” will be deemed to include the establishment of a Same-Sex Domestic Partner relationship, “divorce” will be deemed to include the termination of a Same-Sex Domestic Partner relationship, and the term “Dependent” will be deemed to include a Same-Sex Domestic Partner and a Same-Sex Domestic Partner’s Child; provided, however, that notwithstanding any other provision of the Plan, no Category of Coverage change under Section 3.02(e) involving a Same-Sex Domestic Partner or a Same-Sex Domestic Partner’s Child shall be made if such change would violate requirements of the Code or any regulations or other guidance issued thereunder, as determined by the Plan

Administrator or its designee, in their sole discretion, or would violate the requirements of any insurer under any HMO Option or Other Insured Arrangement.

- 2.98** “**Stepchild**” means any natural or adopted child of a Covered Participant’s current Spouse or Same-Sex Domestic Partner, and any natural or adopted child of a former Spouse or Same-Sex Domestic Partner of a Covered Participant living in the Covered Participant’s home in a familial relationship if the natural parents of such child are both deceased.
- 2.99** “**Summary Plan Description**” means the summary plan description for the Plan.
- 2.100** “**Surgical Procedure**” means cutting, suturing, treating burns, correcting a fracture, reducing a dislocation, manipulating a joint under general anesthesia, electrocauterizing, tapping (paracentesis), applying plaster casts, administering pneumothorax, endoscopy or injecting sclerosing solution.
- 2.101** “**Urgent Hospitalization**” means a hospitalization that is necessary to address a condition occurring suddenly and unexpectedly and resulting in an urgent need for immediate medical attention because the Covered Person’s life is endangered.
- 2.102** “**Well Newborn Child**” means a Newborn Child who does not require any unusual services or supplies during his or her initial Hospital confinement.

### **ARTICLE III PARTICIPATION**

- 3.01** **Eligibility.** Subject to the specific eligibility restrictions provided for each Coverage Option described in Articles IV through IX, Employees and Pre-65 Retirees shall be eligible to participate in the Plan, and their eligible Dependents and eligible Dependents of certain Post-65 Retirees may be enrolled for coverage under the Plan, as follows:
- (a) Regular Employees. Each regular, Full-Time and Part-Time Employee of an Employer may be covered under the Plan on the first day of his or her active employment, providing he or she properly enrolls for coverage under Section 3.02. For new hires, such Employee must be actively at work on the date coverage is scheduled to begin.
  - (b) Temporary Employees. Each eligible Employee characterized by an Employer as a temporary employee may be covered under the Plan.
  - (c) Dependents. A Covered Participant’s eligible Dependent who is properly enrolled for coverage under Section 3.02 shall be covered on the earliest of (1) January 1 after the Annual Enrollment Period in which a Covered Participant elects to cover such Dependent; (2) with respect to the Dependent of a Participant hired after January 1, the date the Participant’s coverage becomes effective; (3) with respect to the Dependent of a Pre-65 Retiree or Post-65 Retiree Plan Participant, the date the Retiree’s Retiree coverage becomes effective; or (4) the date coverage is provided under the provisions of subsections 3.02(d)-(j).
  - (d) Retirees. A Pre-65 Retiree may be covered under the Plan as of the date of his or her retirement if he or she properly enrolls for coverage under Section 3.02. The Committee reserves the right to amend or terminate the provisions for Retiree participation in the Plan in accordance with Article XXVI.

- (e) No Double Coverage. Notwithstanding the foregoing, no person is eligible to be covered as both a Participant and a Dependent, nor may any person be covered as a Dependent of more than one Covered Person.

**3.02 Enrollment.** Subject to the specific eligibility restrictions provided for each Coverage Option described in Articles IV through IX, Employees, Pre-65 Retirees and Post-65 Retiree Plan Participants (on behalf of their eligible Dependents only) shall be eligible to enroll in the Plan as follows:

- (a) New Hires. Each newly hired Employee who becomes eligible to become covered under subsections 3.01(a) or (b) shall be permitted to enroll such Employee and any Dependents such Employee desires to cover on or before the day the Employee first becomes eligible for coverage. Any enrollment will be effective for the period beginning on the first day of eligibility and ending on the last day of the Plan Year in which such participation begins. If a newly hired Employee fails to properly enroll, he or she shall be covered pursuant to Sections 3.05 and 3.06.
- (b) Retirees. Each Pre-65 Retiree who becomes eligible to become covered under subsection 3.01(d) shall properly enroll such Pre-65 Retiree and any Dependents such Pre-65 Retiree desires to cover no later than the date of such Pre-65 Retiree's retirement. Such Pre-65 Retiree enrollment shall be effective on the date of the Pre-65 Retiree's retirement. A Pre-65 Retiree who fails to properly enroll pursuant to this subsection shall be covered, and such Pre-65 Retiree's Dependents shall be covered, pursuant to Sections 3.05 and 3.06.
- (c) Annual Enrollment Period. An eligible Employee, Pre-65 Retiree, Post-65 Retiree Plan Participant (on behalf of his or her eligible Dependents only), or Qualified Beneficiary may elect or change any Coverage Option during the Annual Enrollment Period. Such election shall be effective for the period beginning on the first day of the following Plan Year and ending on the last day of such following Plan Year; provided, however, if such Employee, Pre-65 Retiree, Post-65 Retiree Plan Participant or Qualified Beneficiary makes no election or change during the Annual Enrollment Period, such Employee, Pre-65 Retiree, Post-65 Retiree Plan Participant or Qualified Beneficiary shall be deemed to have elected a Coverage Option for the following Plan Year as described in Section 3.05.
- (d) Special Enrollment Periods.
  - (1) *Loss of Coverage*. If an Employee declined Plan participation for himself or herself, or declined coverage for a Spouse or Dependent, because he or she or the Spouse or Dependent was covered under another Group Health Plan or had other health insurance coverage when the Employee declined coverage, such Employee may apply for coverage and make any necessary Coverage Option change during the Special Enrollment Period provided under this subsection if the Employee, Spouse or Dependent loses the other coverage for reasons including, but not limited to:
    - (A) Loss of eligibility of coverage (other than failure to pay premiums or termination of coverage for cause);
    - (B) Termination of employer contributions under the other plan; or
    - (C) Exhaustion of COBRA continuation coverage.

If requested, such Employee must have stated when he or she declined coverage under the Plan that he or she declined coverage because of such other coverage.

The Special Enrollment Period offered pursuant to this subsection shall begin on the date the other coverage was lost and shall expire 31 days thereafter. Accordingly, to become covered under this subsection, the Employee shall properly enroll for coverage within such Special Enrollment Period. If the Employee so properly enrolls, coverage under this subsection shall be effective as of the date such enrollment is approved by the Plan.

- (2) *Newly Acquired Dependent.* If an eligible Employee, Pre-65 Retiree, Post-65 Retiree Plan Participant or Qualified Beneficiary acquires a Spouse or Dependent as a result of marriage, birth, adoption, or placement for adoption, the Employee, Pre-65 Retiree, Post-65 Retiree Plan Participant or Qualified Beneficiary may apply for coverage for any such Spouse or Dependent (and the Employee if not previously covered) and make any necessary Coverage Option change during the Special Enrollment Period provided under this subsection.

The Special Enrollment Period offered pursuant to this subsection shall begin on the date of the marriage, birth, adoption or placement for adoption, and shall expire 31 days thereafter. Accordingly, to become covered under this subsection, the Employee, Pre-65 Retiree, Post-65 Retiree Plan Participant or Qualified Beneficiary shall properly enroll for coverage within such Special Enrollment Period. If the Employee, Pre-65 Retiree, Post-65 Retiree Plan Participant or Qualified Beneficiary so properly enrolls, coverage under this subsection shall be effective as of the beginning of the Special Enrollment Period.

Solely for purposes of this subsection (d)(2), the term “Spouse” shall include a Same-Sex Domestic Partner and the term “marriage” shall include the establishment of a Same-Sex Domestic Partner relationship.

- (3) *Gain or Loss of Eligibility for Medicaid or State Child Health Plan Coverage.* An eligible Employee who has not enrolled for coverage under the Plan (or who has not enrolled his or her Dependent for coverage under the Plan) may apply for coverage and make any necessary Coverage Option changes during the Special Enrollment Period provided under this subsection if the Employee (or his or her eligible Dependent) either

- (A) Was covered under a Medicaid plan or under a State child health plan under title XXI of the Social Security Act of 1965, as amended, and coverage of the Employee or Dependent under such a plan was terminated as a result of loss of eligibility for such coverage; or
- (B) Becomes eligible for assistance, with respect to coverage under the Plan, under a Medicaid plan or under a State child health plan under title XXI of the Social Security Act of 1965, as amended, (including under any waiver or demonstration project conducted under or in relation to such a plan).

The Special Enrollment Period offered pursuant to this subsection (d)(3) shall begin on the date coverage under the Medicaid plan or State child health plan was terminated or the date the Employee or Dependent is determined to be

eligible for assistance with respect to coverage under the Plan, and shall expire 60 days thereafter. Accordingly, to become covered under this subsection, the Employee shall properly enroll for coverage within such Special Enrollment Period. If the Employee so properly enrolls, coverage under this subsection shall be effective as of the date such enrollment is approved by the Plan.

- (e) Status Change Enrollment. If a Status Change occurs, an Employee, Pre-65 Retiree or Post-65 Retiree Plan Participant (on behalf of his or her eligible Dependents only) may make a Category of Coverage change during the Status Change Enrollment Period provided under this subsection; provided, however, if required by Section 125 of the Code and the Regulations, rulings and releases issued thereunder, such Category of Coverage change shall be consistent with the Status Change event. A Category of Coverage change is consistent with a Status Change event if, and only if, (1) the Status Change results in an Employee, Pre-65 Retiree or Dependent gaining or losing eligibility for coverage under either the Plan or an accident or health plan of the Dependent's employer; and (2) the Category of Coverage change corresponds with such gain or loss of coverage.

Such Status Change Enrollment Period shall begin on the date of the Status Change event, and shall expire 31 days thereafter. Accordingly, to obtain or modify coverage under this subsection, the Employee, Pre-65 Retiree or Post-65 Retiree Plan Participant shall properly modify his or her enrollment during such Status Change Enrollment Period. Any Category of Coverage change under this subsection shall be effective as of the date it is approved by the Plan.

- (f) Judgment, Decree or Order. An Employee, Pre-65 Retiree or Post-65 Retiree Plan Participant may make a Category of Coverage change upon entry of a court judgment, decree or order resulting from a divorce, legal separation, annulment, or change in legal custody (including a qualified medical child support order defined in Section 609 of ERISA) that requires Plan coverage for a Child.
- (g) Entitlement to Medicare or Medicaid. An Employee, Pre-65 Retiree or Post-65 Retiree Plan Participant may make a Category of Coverage change if a Covered Person becomes enrolled under Medicare Parts A, B or C, or Medicaid, other than coverage consisting solely of benefits under Section 1928 of the Social Security Act (the program for distribution of pediatric vaccines). Any such Category of Coverage change shall be requested within the time period and in the manner specified in the Flexible Benefits Plan for Employees.
- (h) Automatic Cost Change. If the cost of the Plan increases or decreases during a Plan Year, a Covered Participant is required to make a corresponding change in his or her payments under the Plan. In such event, on a prospective basis, the Plan Administrator shall automatically effectuate the increase or decrease in the Covered Participant's elective Covered Person Contributions. In addition, the Plan Administrator may automatically make a prospective decrease in a Covered Participant's elective Covered Person Contributions as a result of any event that causes the Covered Participant to lose eligibility for coverage.
- (i) Significant Cost Change. An Employee, Pre-65 Retiree or Post-65 Retiree Plan Participant may make a Coverage Option change if the cost of a Coverage Option under the Plan significantly increases or decreases during a Plan Year. Any Coverage Option change must correspond with such increase or decrease in cost. Changes that are



permitted include commencing participation in a Coverage Option that significantly decreases in cost, or, in the case of an Coverage Option that significantly increases in cost, revoking an election for that Coverage Option and, in lieu thereof, either receiving on a prospective basis coverage under another Coverage Option providing similar coverage or dropping the Coverage Option if no other Coverage Option providing similar coverage is available. Any such Coverage Option change shall be requested within the time period and in the manner specified in the Flexible Benefits Plan for Employees.

(j) Significant Coverage Change. An Employee, Pre-65 Retiree or Post-65 Retiree Plan Participant may make a Coverage Option change:

- (1) If the coverage under a Coverage Option is significantly curtailed during a period of coverage, in which case the Participant or Post-65 Retiree Plan Participant (on behalf of his or her eligible Dependents only) may revoke his or her election for coverage under such Coverage Option and, in lieu thereof, elect to receive on a prospective basis coverage under another Coverage Option providing similar coverage;
- (2) If the coverage under a Coverage Option ceases during a period of coverage, in which case the Participant or Post-65 Retiree Plan Participant (on behalf of his or her eligible Dependents only) may revoke his or her election for coverage under such Coverage Option and, in lieu thereof, elect to receive on a prospective basis coverage under another Coverage Option providing similar coverage, or elect the No Coverage Option if no Coverage Option providing similar coverage is available;
- (3) If the Plan adds a new benefit or other coverage option or the terms of a benefit offered under the Plan are significantly improved during a period of coverage; or
- (4) On account of and corresponding with a change made under another employer's plan if (i) the other cafeteria plan or qualified benefits plan permits participants to make an election that is consistent with the permitted election change rules under Section 125 of the Code and the regulations issued thereunder, or (ii) the Plan permits Covered Participants to make an election for a period of coverage that is different from the period of coverage under the other employer's cafeteria plan or qualified benefits plan.

Any such Coverage Option change shall be requested within the time period and in the manner specified in the Flexible Benefits Plan for Employees.

(k) Retirement. An Employee may make a Coverage Option and Category of Coverage change upon retirement.

(l) Election Changes involving the HMO Option or Other Insured Arrangements. Notwithstanding any other provision of the Plan, enrollment or a change in enrollment in any HMO Option or Other Insured Arrangement shall be subject to any additional terms or conditions imposed by the insurer under such HMO Option or Other Insured Arrangement.

(m) Changes Involving Same-Sex Domestic Partners. Notwithstanding any provision of this Section 3.02, no Category of Coverage change, Coverage Option change, or change in Covered Person Contributions in respect of an event involving a Same-Sex Domestic

Partner or a Same-Sex Domestic Partner's Child shall be made if such change would violate requirements of the Code or of any regulations or other guidance issued thereunder, as determined by the Plan Administrator or its designee in their sole discretion, or would violate the requirements of any insurer under any HMO Option or Other Insured Arrangement.

**3.03 Categories of Coverage.** The Plan offers the following Categories of Coverage within each Coverage Option:

- (a) Employee- or Retiree-Only;
- (b) Employee or Retiree + Spouse (not available for the HD PPO Options described in Article VI);
- (c) Employee or Retiree + Child (not available for the HD PPO Options described in Article VI);
- (d) Employee or Retiree + Family;
- (e) Spouse-Only (only in case of Spouse of a Post-65 Retiree Plan Participant);
- (f) Spouse + Child(ren) (only in case of a Spouse and Child(ren) of a Post-65 Retiree Plan Participant);
- (g) Child(ren)-Only (only in case of Child(ren) of a Post-65 Retiree Plan Participant); and
- (h) No Coverage.

Where applicable, Categories of Coverage include an eligible Same-Sex Domestic Partner and an eligible Child of a Same-Sex Domestic Partner.

**3.04 Opt-Out Credit.** An Employee who elects the No Coverage Option under the Plan for himself or herself and his or her Dependents shall receive an Opt-Out Credit (of an amount determined by the Plan Administrator) on a monthly basis (unless otherwise agreed pursuant to an applicable collective bargaining agreement) until he or she ceases to be eligible to participate in the Plan. Notwithstanding anything contained herein to the contrary, (i) a Part-Time Employee shall not be eligible for an Opt-Out Credit; and (iii) an Employee who elects the No Coverage Option under the Plan for himself or herself, but who is covered under the Plan as a Dependent, is not entitled to an Opt-Out Credit.

**3.05 Election of a Coverage Option.** An Employee may select a Coverage Option as a new hire or during the Annual Enrollment Period, a Pre-65 Retiree may select a Coverage Option as a new Retiree, and a Post-65 Retiree Plan Participant may select a Coverage Option for his or her eligible Dependents upon becoming a Post-65 Retiree. Such an Option selection shall remain effective until properly changed during an Annual Enrollment Period or by reason of an event described in subsections 3.02(d)-(k).

- (a) If a newly hired Employee or a new Pre-65 Retiree fails to properly enroll for coverage, such Employee or Pre-65 Retiree shall be deemed to have selected the following Coverage Options:
  - (1) Represented Employees shall be deemed to have selected the PPO Option.

- (2) Non-Represented Employees shall be deemed to have selected the HD PPO 2 Option.
  - (3) A Pre-65 Retiree shall be deemed to have selected the Coverage Option that was in effect on the date immediately preceding such Pre-65 Retiree's retirement.
  - (4) Notwithstanding the foregoing, Represented Bay State Gas Company Employees who are represented by the International Brotherhood of Electrical Workers Local Union No. 486 shall be deemed to have elected the HMO Option, as more particularly defined by the Plan Administrator.
- (b) If a new Post-65 Retiree Plan Participant fails to properly enroll his or her eligible Dependents for coverage, such Post-65 Retiree Plan Participant shall be deemed to have continued in effect the Coverage Options for his or her eligible Dependents that were in effect on the date immediately preceding the Post-65 Retiree Plan Participant's enrollment in the Post-65 Retiree Medical Plan.
- (c) If an Employee, Pre-65 Retiree or Post-65 Retiree Plan Participant (on behalf of his or her eligible Dependents) fails to properly enroll for coverage during the Annual Enrollment Period, such Employee, Pre-65 Retiree or Post-65 Retiree Plan Participant shall be deemed to have selected the following Coverage Options:
- (1) Non-Represented Employees and Retirees who formerly were Non-Represented Employees shall be deemed to have selected the same Coverage Option in place at the beginning of the Annual Enrollment Period. However, if the Company requires affirmative enrollment, Non-Represented Employees and Retirees who formerly were Non-Represented Employees shall be deemed to have selected the HD PPO 1 Option.
  - (2) Represented Employees and Retirees who formerly were Represented Employees shall be deemed to have selected the same Coverage Option in place at the beginning of the Annual Enrollment Period. However, if the Company requires affirmative enrollment, such Represented Employees and Retirees who formerly were Represented Employees shall be deemed to have selected the PPO Option.
  - (3) Notwithstanding the foregoing, Represented Bay State Gas Company Employees who are represented by the International Brotherhood of Electrical Workers Local Union No. 486 shall be deemed to have selected the same Coverage Option in place at the beginning of the Annual Enrollment Period. However, if the Company requires affirmative enrollment, such Employees shall be deemed to have elected the HMO Option, as more particularly defined by the Plan Administrator.
- (d) A Pre-65 Retiree or Post-65 Retiree Plan Participant (on behalf of his or her eligible Dependents) may change a Coverage Option to the No Coverage Option at any time during the Plan Year; provided, however, that no further change in Coverage Option may be made except in connection with an Annual Enrollment Period or by reason of an event described in subsections 3.02(d)-(k)

**3.06 Election of a Category of Coverage.** An Employee, Pre-65 Retiree, Post-65 Retiree Plan Participant (on behalf of his or her eligible Dependents only) or Qualified Beneficiary may select or change a Category of Coverage during the enrollment periods set forth in Section 3.02 and

subject to any requirements or limitations under the Flexible Benefits Plan. Any such selection shall remain effective until properly changed by an Employee or Retiree during an Annual Enrollment Period, or by reason of an event described in subsections 3.02(d)-(k). If a new hire fails to properly enroll, such new hire shall be deemed to have selected Employee-Only coverage. If a new Pre-65 Retiree fails to properly enroll for coverage, such Pre-65 Retiree shall be deemed to have selected the same (or analogous) Category of Coverage that was in effect immediately before such Pre-65 Retiree's retirement. A Pre-65 Retiree or Post-65 Retiree Plan Participant (on behalf of his or her eligible Dependents) may change his or her Category of Coverage to No Coverage at any time during the Plan Year; provided, however, that no further change of Category of Coverage may be made except in connection with an Annual Enrollment Period or by reason of an event described in subsections 3.02(d)-(k)

#### **ARTICLE IV RETIREE COVERAGE**

##### **4.01 Participation in Coverage Options.**

- (a) Eligibility.
  - (1) Subject to the provisions of Article III, prior to any such person attaining age 65, a Pre-65 Retiree, his or her Dependents, and each Dependent of a Post-65 Retiree Plan Participant shall be eligible to participate in an Available Pre-65 Retiree Coverage Option.
  - (2) Upon attaining age 65, (i) a Pre-65 Retiree becomes a Post-65 Retiree and is no longer eligible for coverage under the Plan, and (ii) a Dependent of a Pre-65 Retiree or Post-65 Retiree Plan Participant is no longer eligible for coverage under the Plan.
- (b) Enrollment. Subject to the provisions of Article III, a person described in Section 4.01(a)(1) above may enroll or be enrolled in an Available Pre-65 Retiree Coverage Option or may elect or have elected for him or her the No Coverage Option.
- (c) Contributions. The following provisions apply with respect to contributions toward the cost of coverage under the Plan:
  - (1) A Pre-65 Retiree who participates in an Available Pre-65 Retiree Coverage Option shall be required to contribute toward his or her coverage, and such Participant or a Post-65 Retiree Plan Participant shall be required to contribute toward the coverage of his or her Dependents who are covered under the Plan, in an amount as determined from time to time by the Plan Administrator.
  - (2) If a Pre-65 Retiree or Post-65 Retiree Plan Participant is a member of a Covered Retiree Group for which a Defined Dollar Subsidy or other premium subsidy is made available, as indicated by Schedule 1 attached hereto, such Pre-65 Retiree, and the Spouse or Same-Sex Domestic Partner of any such Pre-65 Retiree or Post-65 Retiree Plan Participant, if the Spouse or Same-Sex Domestic Partner is under age 65 and a Covered Person, shall be credited with an annual Defined Dollar Subsidy or other premium subsidy, as applicable, toward the cost of coverage in the amount indicated by Schedule 1. The Pre-65 Retiree or Post-65 Retiree Plan Participant, as the case may be, shall remain responsible for the cost

of coverage to the extent such cost exceeds the Defined Dollar Subsidy or other premium subsidy.

- (3) The Defined Dollar Subsidy for an eligible Pre-65 Retiree is an annual amount to be applied toward the cost of coverage under the Plan that is equal to the product of (i) a dollar value, as specified in Schedule 1 attached hereto, multiplied by (ii) the Pre-65 Retiree's Years of Service. The Defined Dollar Subsidy for a Covered Participant's Spouse or Same-Sex Domestic Partner who is a Covered Person is an annual amount to be applied toward the cost of coverage for the Spouse or Same-Sex Domestic Partner under the Plan that is equal to the product of (i) a dollar value, as specified in Schedule 1 attached hereto, multiplied by (ii) the Covered Participant's Years of Service. For purposes of this Section 4.01(c)(3) only, "Years of Service" equals the total number of Years of Service at retirement, rounded up to the nearest whole number, earned by the Pre-65 Retiree or Post-65 Retiree Plan Participant for purposes of benefit accrual (including all service prior to a distribution that causes any prior service to be disregarded) under each defined benefit pension plan maintained by the Company or an affiliate in which the former Employee accrued a benefit, as calculated under the terms of each applicable defined benefit pension plan. Notwithstanding the foregoing, for purposes of the Special Provisions Applicable to Certain Outsourced and Severed Employees described in Section 4.03, "Years of Service" for purposes of this Section 4.01(c)(3) shall mean "Years of Service" as defined in subsection 4.03(d).
- (4) If a Pre-65 Retiree or Post-65 Retiree Plan Participant dies prior to his or her eligible Spouse or Same-Sex Domestic Partner, the surviving Spouse or Same-Sex Domestic Partner, if under age 65, shall be credited with a Defined Dollar Subsidy in the same amount as a Pre-65 Retiree who is a member of the same Covered Retiree Group as the Pre-65 Retiree or Post-65 Retiree Plan Participant.
- (5) Contributions shall also be governed by Article XI. The Committee reserves the right to modify these contribution provisions from time to time.
- (d) Rehires. A Retiree who is rehired by an Employer and subsequently retires shall be considered a member of the Covered Retiree Group applicable to such Retiree as of the date of his or her latest retirement.

**4.02 Special Provisions Applicable to 2002 NiSource Organization Restructuring.** From August 28, 2002, through December 31, 2002, certain Employees were notified of their involuntary separation under the 2002 NiSource Inc. Organization Restructuring (the "2002 Restructuring"). The purpose of this Section is to specify the special provisions that apply to Employees who were eligible for and elected the Defined Dollar Subsidy for retiree medical coverage offered pursuant to the 2002 Restructuring.

- (a) Retiree Medical Benefits Offered in Connection with the 2002 NiSource Inc. Organization Restructuring.

An Employee who:

- (1) Was notified of his or her involuntary separation from an Employer under the 2002 Restructuring between August 28, 2002 and December 31, 2002;

- (2) Elected salary continuation as his or her severance benefit option and, at the end of the salary continuation period, was age 50 to 54 with 10 Years of Service;
- (3) Properly executed the release attached to his or her Severance Agreement in accordance with the procedures set forth in that Severance Agreement, or if appropriate, any subsequently tendered release from the Company or an affiliate thereof; and
- (4) Was eligible for and elected the Defined Dollar Subsidy offered in connection with the 2002 Restructuring,

shall be eligible, subject to the other provision of Article IV, including without limitation Section 4.01(a), for retiree medical coverage under any Coverage Option and shall be credited with an annual Defined Dollar Subsidy toward the cost of such coverage. The Pre-65 Retiree or Post-65 Retiree Plan Participant shall remain responsible for the annual cost of coverage to the extent such cost exceeds the Defined Dollar Subsidy equal to the applicable amount set forth in subsection 4.02(b).

- (b) Pre-Medicare Defined Dollar Subsidy. Before the date the former Employee becomes eligible for Medicare coverage, the annual Defined Dollar Subsidy shall equal \$180 times Years of Service towards coverage for the Pre-65 Retiree, and \$125 times Years of Service towards coverage for such Spouse, if any, of a Pre-65 Retiree or Post-65 Retiree Plan Participant.
- (c) Years of Service. For purposes of this Section only, “Years of Service” equals the total number of Years of Service at retirement, rounded up to the nearest whole number, earned by the Pre-65 Retiree or Post-65 Retiree Plan Participant for purposes of benefit accrual (including all service prior to a distribution that causes any prior service to be disregarded) under each defined benefit pension plan maintained by the Company or an affiliate in which the former Employee accrued a benefit, as calculated under the terms of each applicable defined benefit pension plan.

**4.03 Special Provisions Applicable to Certain Outsourced and Severed Employees.**

Notwithstanding any provision of the Plan to the contrary, any Participant who (i) was notified in writing on June 21, 2005, or any following date up to and including December 31, 2005, that his or her employment was outsourced to International Business Machines Corporation (the “IBM Outsourcing”), (ii) received an initial Severance Letter Agreement dated on June 21, 2005, or any following date up to and including December 31, 2005, from the Company in connection with the IBM Outsourcing, (iii) elected by January 10, 2006 to be part of the termination from service window offered to employees eligible for the NiSource Inc. Executive Severance Policy, or (iv) was otherwise terminated from employment in connection with the 2005/2006 corporate restructuring on or before March 31, 2006, as reflected in his termination letter, shall be considered a Retiree and, subject to the other provisions of Article IV, including without limitation Section 4.01(a), shall be eligible for retiree medical coverage under any Coverage Option as follows:

- (a) Each Participant who was age 50 to 54 with at least 10 Years of Service as of his or her termination of employment with the Company and any Related Employer shall be considered a Retiree upon reaching age 55;
- (b) Each Participant who was age 55 or over with 5 to 9 Years of Service as of his or her termination of employment with the Company and any Related Employer shall be

considered a Retiree as of the date that such individual would have completed 10 Years of Service had he or she continued to be employed by the Company or a Related Employer but for the IBM Outsourcing or related severance; and

- (c) Each Participant who was age 50 or over with 5 to 9 Years of Service as of his or her termination of employment with the Company and any Related Employer shall be considered a Retiree as of the date that such individual reaches age 55 and would have completed 10 Years of Service had he or she continued to be employed by the Company or a Related Employer but for the IBM Outsourcing or related severance.
- (d) For purposes of this Section 4.03 and Section 4.01, "Years of Service" equals the number of Years of Service earned by a former Employee towards eligibility for an early retirement pension under each defined benefit pension plan maintained by the Company or an affiliate in which the former Employee participated, as calculated under the terms of each applicable defined benefit pension plan; provided, however, that Years of Service shall not include any pension service time added as a result of the IBM Outsourcing or severance in connection with the IBM Outsourcing.

**4.04 Special Provisions Applicable to Pre-65 Retirees and Post-65 Retiree Plan Participants Who are Former Represented Employees.**

- (a) Eligibility. Notwithstanding any other provision in Article IV, Pre-65 Retirees (and their Dependents) and Post-65 Retiree Plan Participants (with respect to coverage of eligible Dependents only) who retired from employment with an Employer as Represented Employees shall be eligible for coverage under this Article IV only to the extent provided by the respective collective bargaining agreements applicable to such Retirees as former Represented Employees.
- (b) Contributions. Notwithstanding any other provision in Article IV, Pre-65 Retirees and Post-65 Retiree Plan Participants (with respect to coverage of eligible Dependents only) who retired from employment with an Employer as Represented Employees shall be required to contribute to coverage under this Article IV as provided by the respective collective bargaining agreements applicable to such Retirees as former Represented Employees.

**ARTICLE V  
RESERVED**

**ARTICLE VI  
HD PPO OPTIONS**

- 6.01 Eligibility.** Subject to the provisions of Articles III and IV, the HD PPO Options shall be available to all Full-Time Employees and Part-Time Employees and their Dependents, to Pre-65 Retirees (and their Dependents) for whom such Options are Available Pre-65 Retiree Coverage Options, and to all Dependents of Post-65 Retiree Plan Participants for whom such Options are Available Pre-65 Retiree Coverage Options. Notwithstanding the foregoing, the HD PPO Options shall not be available to Employees of Bay State Gas Company who are represented by the International Brotherhood of Electrical Workers Local Union No. 486 (Northampton) or to their Dependents.

**6.02 Participating Providers.** The Plan shall make available to each Covered Participant a list of participating providers in the HD PPO Options. If a Covered Participant resides outside the HD PPO Option coverage area, he or she shall receive “Out-of-Area” benefits. A Covered Participant shall be deemed to be “Out-of-Area” if he or she does not have a minimum of (1) two primary Physicians within ten miles of his or her residence; and (2) one network Hospital with 30 miles of his or her primary residence. In such circumstances, Physicians and Hospitals located within such 30-mile area shall be considered to be In-Network.

**6.03 HD PPO Options.** The Plan offers two HD PPO Options. Both HD PPO Options shall cover the same Covered Expenses. The HD PPO Options shall consist of HD PPO 1 and HD PPO 2 as follows:

(a) Self-Only (includes Employee- or Retiree-Only; Spouse-Only; and Child-Only).

Options	Annual Deductible	Covered Percentage	Co-Insurance	Out-of-Pocket Expense Limitation <sup>†</sup>
<b>HD PPO 1 In-Network</b>	\$1,500	80%	20%	\$3,000
<b>HD PPO 1 Out-of- Network</b>	\$1,500	60%	40%	\$4,500
<b>HD PPO 2 In-Network</b>	\$2,500	80%	20%	\$5,000
<b>HD PPO 2 Out-of- Network</b>	\$2,500	60%	40%	\$7,500

<sup>†</sup> Includes Deductible, but does not include premiums, balance billed charges, penalties for non-compliance or expenses not covered by the Plan

(b) Family (includes Employee or Retiree + Family; Employee or Retiree + Spouse; Employee or Retiree + Child; Spouse + Children; and Children-Only).

Options	Annual Deductible	Covered Percentage	Co-Insurance	Out-of-Pocket Expense Limitation <sup>†</sup>
<b>HD PPO 1 In-Network</b>	\$3,000	80%	20%	\$6,000
<b>HD PPO 1 Out-of- Network</b>	\$3,000	60%	40%	\$9,000
<b>HD PPO 2 In-Network</b>	\$5,000	80%	20%	\$10,000
<b>HD PPO 2 Out-of- Network</b>	\$5,000	60%	40%	\$15,000

<sup>†</sup> Includes Deductible, but does not include premiums, balance billed charges, penalties for non-compliance or expenses not covered by the Plan

**6.04 Health Savings Accounts.** Participants who elect the HD PPO Options, and certain Dependents of Post-65 Retiree Plan Participants who are covered under the HD PPO Options, may be eligible to contribute to a health savings account under the Flexible Benefits Plan. Subject to the terms, conditions and limitations of the Flexible Benefits Plan, the Company may make a health savings account contribution through the Flexible Benefits Plan on behalf of any Participant who elects



coverage under HD PPO 1 or HD PPO 2. In addition, subject to any limitations imposed by the Code or any regulations thereunder, the Company may make a one-time health savings account contribution on behalf of any Participant who (i) is a former NIPSCO Represented Employee and an eligible Retiree hereunder, (ii) retires on or after January 1, 2015 and before January 1, 2017, (iii) timely elects HD PPO 1 or HD PPO 2 coverage and the Defined Dollar Subsidy in conjunction with his retirement in accordance with procedures established by the Company, and (iv) is eligible to contribute to a health savings account.

**ARTICLE VII  
PPO OPTION**

**7.01 Eligibility.** Subject to the provisions of Articles III and IV, the PPO Option shall be available to all Full-Time Employees and Part-Time Employees and their Dependents, to all Pre-65 Retirees (and their Dependents) for whom such Option is an Available Pre-65 Retiree Coverage Option, and to all Dependents of Post-65 Retiree Plan Participants for whom such Option is an Available Pre-65 Retiree Coverage Option. Notwithstanding the foregoing the PPO Option shall not be available to Employees of Bay State Gas Company who are represented by the International Brotherhood of Electrical Workers Local Union No. 486 (Northampton) or to their Dependents.

**7.02 Participating Providers.** The Plan shall make available to each Covered Participant a list of participating providers in the PPO Option. If a Covered Participant resides outside the PPO Option coverage area, he or she shall receive “Out-of-Area” benefits. A Covered Participant shall be deemed to be “Out-of-Area” if he or she does not have a minimum of (1) two primary Physicians within ten miles of his or her residence; and (2) one network Hospital with 30 miles of his or her primary residence. In such circumstances, Physicians and Hospitals located within such 30-mile area shall be considered to be In-Network.

**7.03 PPO Option.** The Plan offers one PPO Option as follows:

(a) Employee- or Retiree-Only.

Options	Individual Annual Deductible	Covered Percentage	Co-Insurance	Physician Office Visit Cost to Participant	Specialist Office Visit Cost to Participant	Emergency Room (Accidents) Cost to Participant	Annual Out-of-Pocket Expense Limitation <sup>††</sup>
<b>PPO In-Network</b>	\$500	80%	20%	\$35 <sup>†</sup>	\$40 <sup>†</sup>	\$150 <sup>†</sup>	\$1,500
<b>PPO Out-of-Network</b>	\$1,000	60%	40%	40% after deductible	40% after deductible	0%	\$3,000

<sup>†</sup> Does not apply toward any Deductible

<sup>††</sup> Does not include premiums, prescription drug expenses, balanced billed charges and expenses not covered under Plan

(b) Employee or Retiree + Spouse or Child(ren)

Options	Family Annual Deductible	Covered Percentage	Co-Insurance	Physician Office Visit Cost to Participant	Specialist Office Visit Cost to Participant	Emergency Room (Accidents) Cost to Participant	Annual Out-of-Pocket Expense Limitation <sup>††</sup>
<b>PPO In-Network</b>	\$1,000	80%	20%	\$35 <sup>†</sup>	\$40 <sup>†</sup>	\$150 <sup>†</sup>	\$3,000
<b>PPO Out-of-Network</b>	\$2,000	60%	40%	40% after deductible	40% after deductible	0%	\$6,000

<sup>†</sup> Does not apply toward any Deductible

<sup>††</sup> Does not include premiums, prescription drug expenses, balanced billed charges and expenses not covered under Plan

(c) Employee or Retiree + Family

Options	Family Annual Deductible	Covered Percentage	Co-Insurance	Physician Office Visit Cost to Participant	Specialist Office Visit Cost to Participant	Emergency Room (Accidents) Cost to Participant	Annual Out-of-Pocket Expense Limitation <sup>††</sup>
<b>PPO In-Network</b>	\$1,500	80%	20%	\$35 <sup>†</sup>	\$40 <sup>†</sup>	\$150 <sup>†</sup>	\$4,500
<b>PPO Out-of-Network</b>	\$3,000	60%	40%	40% after deductible	40% after deductible	0%	\$9,000

<sup>†</sup> Does not apply toward any Deductible

<sup>††</sup> Does not include premiums, prescription drug expenses, balanced billed charges and expenses not covered under Plan

**7.04 Special NIPSCO Union Provisions.** Notwithstanding the provisions of Section 7.03, for the PPO Option, the Annual Deductible, Covered Percentage, Co-Insurance, Office Visit Cost to Participant and Annual Out-of-Pocket Expense Limitation for Represented Employees employed by NIPSCO, and for Retirees who were former Represented Employees of NIPSCO, are as follows:

(a) Employee- or Retiree-Only

Options	Individual Annual Deductible	Covered Percentage	Co-Insurance	Office Visit Cost to Participant	Annual Out-of-Pocket Expense Limitation <sup>††</sup>
<b>PPO In-Network</b>	\$300	80%	20%	\$20 <sup>†</sup>	\$1,300
<b>PPO Out-of-Network</b>	\$600	60%	40%	40% after deductible	\$2,600

<sup>†</sup> Does not apply toward any Deductible

<sup>††</sup> Does not include premiums, prescription drug expenses, balanced billed charges and expenses not covered under Plan

(b) Employee or Retiree + Spouse or Child(ren).

Options	Family Annual Deductible	Covered Percentage	Co-Insurance	Office Visit Cost to Participant	Annual Out-of-Pocket Expense Limitation <sup>††</sup>
<b>PPO In-Network</b>	\$600	80%	20%	\$20 <sup>†</sup>	\$2,600
<b>PPO Out-of-Network</b>	\$1,200	60%	40%	40%. after deductible	\$5,200

<sup>†</sup> Does not apply toward any Deductible

<sup>††</sup> Does not include premiums, prescription drug expenses, balanced billed charges and expenses not covered under Plan

(c) Employee or Retiree + Family.

Options	Family Annual Deductible	Covered Percentage	Co-Insurance	Office Visit Cost to Participant	Annual Out-of-Pocket Expense Limitation <sup>††</sup>
<b>PPO In-Network</b>	\$900	80%	20%	\$20 <sup>†</sup>	\$3,900
<b>PPO Out-of-Network</b>	\$1,800	60%	40%	40% after deductible	\$7,800

<sup>†</sup> Does not apply toward any Deductible

<sup>††</sup> Does not include premiums, prescription drug expenses, balanced billed charges and expenses not covered under Plan

**ARTICLE VIII  
HMO OPTION**

The Plan may make an HMO Option available. The terms and conditions applicable to such Option shall be contained in the certificate of coverage, the group insurance policy, and other applicable governing documents, which are incorporated herein by reference.

**ARTICLE IX  
OTHER INSURED ARRANGEMENT OPTION**

The Plan may make an Other Insured Arrangement Option available. The terms and conditions applicable to such Option shall be contained in applicable certificates of coverage, any applicable group insurance policy, and other applicable governing documents, which are incorporated herein by reference.

**ARTICLE X  
PARTICIPANT PAYMENTS AND LIMITS**

**10.01 Deductible.** The Deductible is the amount of Covered Expenses that must be incurred by an individual or Family in a Plan Year before the Plan will pay benefits. Any Covered Expenses applied to the In-Network Deductible shall also apply to the Out-of-Network Deductible, and any Covered Expenses applied to the Out-of-Network Deductible shall also apply to the In-Network Deductible.

- (a) **PPO Option.** Regardless of the Category of Coverage chosen, the Individual Deductibles for the PPO Option apply separately to each Covered Person each Plan Year. The Individual Deductible shall be considered met by the Participant and by all covered Dependents for the Plan Year if the Employee's or Retiree's Family meets the Family Deductible in that year. In determining whether the Family Deductible has been met for a Plan Year, the Individual Deductibles of those Family members who have satisfied the Individual Deductible are added together. If one Covered Person of the Employee's or Retiree's Family meets the Individual Deductible, the annual deductible requirement is considered met for that Covered Person. The applicable Deductibles are set forth in Articles VII and XV. The Plan shall not pay any amount until either (1) a Covered Person incurs Covered Expenses in a Plan Year in excess of the applicable Individual Deductible; or (2) an Employee's or Retiree's Family incurs Covered Expenses in a Plan Year in excess of the applicable Family Deductible. Covered Expenses that were incurred in the last three months of the Plan Year and applied to the individual Deductible and Family Deductible for such Plan Year, shall also apply to satisfying the Deductibles for the following Plan Year. With respect to the PPO Option, prescription drug expenses shall not be applied toward the Deductible.
- (b) **HD PPO Options.** The applicable Deductibles are set forth in Article VI.
- (1) If an Employee or Retiree elects the Employee- or Retiree-Only Category of Coverage, no amount is payable under the Plan until the Participant satisfies the annual individual deductible.
  - (2) If an Employee or Retiree elects the Employee or Retiree + Family Category of Coverage, no amount is payable under the Plan until the Employee and his or her Family satisfy the annual Family deductible.

**10.02 Co-Insurance.** After Covered Expenses incurred in a calendar year equal the Deductible amount, the Plan will pay the Covered Percentage of Covered Expenses (not exceeding the Maximum Allowed Amount) thereafter incurred in that calendar year. The Covered Participant shall be responsible for any applicable Co-Insurance. Applicable Covered Percentages and Co-Insurance are set forth herein and, to the extent not set forth herein, are set forth in an applicable Summary Plan Description.

**10.03 Co-Payments.** A Co-Payment applies to certain Covered Expenses. Applicable Co-Payments are set forth herein and, to the extent not set forth herein, are set forth in an applicable Summary Plan Description.

**10.04 Out-of-Pocket Expense Limitation.** The out-of-pocket expenses of a Covered Person for Co-Insurance, Co-Payments, Deductibles and any other expenditure referred to in Section 1302(c)(3) of the Affordable Care Act during any Plan Year shall be limited to the amount set forth in Articles VI, VII and XIV. Once the applicable Out-of-Pocket Expense Limitation has been reached in a particular Plan Year, no further Co-Insurance shall be required to be paid during the balance of that Plan Year. Any out-of-pocket expenses applied to the In-Network Out-of-Pocket Expense Limitation shall also apply to the Out-of-Network Out-of-Pocket Expense Limitation, and any out-of-pocket expenses applied to the Out-of-Network Out-of-Pocket Expense Limitation shall also apply to the In-Network Out-of-Pocket Expense Limitation.

**10.05 Schedule of Co-Payments and Deductibles.**

- (a) Co-Payments shall apply to the following Covered Expenses for each arrangement as indicated below if performed In-Network:

Covered Expense	HD PPO 1	HD PPO 2	PPO/Non-NIPSCO Union	PPO NIPSCO Union
Office Visits	N/A	N/A	\$35*	\$20*
Office Visits - Specialists	N/A	N/A	\$40	\$20
Office Visits – Allergy Testing	N/A	N/A	\$40	\$20
Emergency Room Visits/Accident (True Emergencies)	N/A	N/A	\$150	N/A
Emergency Room Visits/Urgent Care	N/A	N/A	\$35	\$20
Emergency Room Visits/Non-Accident (True Emergency)/Non-Urgent Care	N/A	N/A	N/A	N/A
Pre-Natal Office Visits (first visit only)	N/A	N/A	\$40	\$20
Outpatient Physical, Occupational & Speech Therapy	N/A	N/A	\$40	\$20
Outpatient Physician Services	N/A	N/A	\$40	\$20
Recommended Preventive Health Services	N/A	N/A	N/A	N/A
Additional Preventive Health Services	N/A	N/A	N/A	N/A
Second Surgical Opinion	N/A	N/A	\$40**	\$20

\* Co-pay does not apply to allergy injections, shots, serums and immunizations when no office visit is billed.  
\*\* Co-pay is \$35 if the second surgical opinion is provided by a primary care physician.

- (b) The applicable Deductible for the HD PPO Options shall apply to all of the Covered Expenses listed below except Preventive Health Services and Hearing Exams during Well Child office visits.

The applicable Deductible for the PPO Option shall apply to the Covered Expenses listed below as indicated.

Covered Expense	PPO Option In-Network	PPO Option Out-of-Network
Inpatient Room and Board	Yes	Yes
Inpatient Ancillary Services	Yes	Yes
Urgent Care	No	Yes
Emergency Room (accident)	No	No
Emergency Room (non-accident)	Yes	Yes
Inpatient Physician Services	Yes	Yes
Outpatient Physician Services	No	Yes
Private Duty Nursing	Yes	Yes
Preventive Health Services	No	Yes
Inpatient Surgery	Yes	Yes
Outpatient Surgery	Yes	Yes
Second Surgical Opinions	No	Yes
Dental/Oral Surgery	Yes	Yes
Inpatient Therapy	Yes	Yes
Outpatient Therapy	No	Yes
Inpatient Radiology	Yes	Yes

<b>Covered Expense</b>	<b>PPO Option In-Network</b>	<b>PPO Option Out-of-Network</b>
<b>Outpatient Radiology</b>	Yes	Yes
<b>Inpatient Pathology</b>	Yes	Yes
<b>Outpatient Pathology</b>	Yes	Yes
<b>Hospice</b>	Yes	Yes
<b>Skilled Nursing Facility</b>	Yes	Yes
<b>Pre-Admission Testing</b>	Yes	Yes
<b>Durable Medical Equipment/Supplies</b>	Yes	Yes
<b>Home IV Infusion</b>	Yes	Yes
<b>Prosthetics/Orthotics</b>	Yes	Yes
<b>Home Health Care</b>	Yes	Yes
<b>Diabetic Education - Office</b>	No	Yes
<b>Diabetic Education – Outpatient and Facility</b>	Yes (except for NIPSCO Represented Employees or Retirees)	Yes
<b>Diabetic Supplies</b>	Yes	Yes
<b>TMJ</b>	Yes	Yes
<b>Hearing Exams</b>	No	Yes
<b>Ambulance</b>	Yes	Yes
<b>Maternity Services</b>	Yes	Yes
<b>Infertility Diagnosis</b>	Yes	Yes

**10.06 Special Co-Insurance Provisions.**

- (a) Preventive Health Services will be covered as follows:
  - (1) Covered Expenses for Preventive Health Services under the PPO Option will be paid at 100% of the Maximum Allowed Amount, with no Co-Payment or Deductible, if furnished In-Network. Preventive Health Services furnished Out-of-Network will be subject to a Deductible and Co-Insurance.
  - (2) Covered Expenses for Preventive Health Services under the HD PPO Options will be paid at 100% of the Maximum Allowed Amount with no Co-Payment or Deductible.
- (b) The following In-Network Covered Expenses will be paid at 80% of the Maximum Allowed Amount under the PPO Option after the applicable Co-Payment or Deductible is satisfied:
  - (1) Durable Medical Equipment and Supplies; and
  - (2) Prosthetics and Orthotics.
- (c) The following Out-of-Network Covered Expenses will be paid at 80% of the Maximum Allowed Amount under the HD PPO Option after the applicable Deductible is satisfied:

- (1) Hospital emergency room care services when care is associated with an accident, a medical emergency or a non-medical emergency; and
- (2) Ambulance services (local ground or air transportation), when Medically Necessary to transport the Covered Person to the nearest appropriately equipped Hospital that is able to provide Medically Necessary treatment. Covered Expenses include air-ambulance services only if Medically Necessary.

**10.07 Maximum Allowed Amount.**

(a) General.

- (1) With respect to those Covered Services for which claims are administered by Anthem Blue Cross/Blue Shield (hereinafter in this Section 10.07, the “Claims Administrator”), this Section 10.07 describes how the amount of reimbursement for Covered Services is determined.
- (2) Reimbursement for services, treatments or supplies rendered or furnished by In-Network and Out-of-Network Providers is based on the Plan’s Maximum Allowed Amount for the Covered Service.
- (3) The Maximum Allowed Amount is the maximum amount of reimbursement the Claims Administrator will allow for services, treatments and supplies:
  - (A) to the extent the cost for such services, treatments and supplies are covered under the Plan and are not excluded;
  - (B) that are Medically Necessary; and
  - (C) that are provided in accordance with all applicable preauthorization, utilization management or other requirements set forth in the Plan.
- (4) A Participant will be required to pay all or a portion of the Maximum Allowed Amount to the extent such Participant has not met his or her Deductible or has a Co-payment or Co-insurance. In addition, when receiving Covered Services from an Out-of-Network Provider, a Participant will be responsible for paying any difference between the Maximum Allowed Amount and the Provider’s actual charges.

When receiving Covered Services from a Provider, the Claims Administrator will, to the extent applicable, apply claim processing rules to the claim submitted for those Covered Services. Such rules evaluate the claim information and, among other things, determine the accuracy and appropriateness of the procedure and diagnosis codes included in the claim. Applying these rules may affect the Claims Administrator’s determination of the Maximum Allowed Amount. The Claims Administrator’s application of these rules does not necessarily mean that the Covered Services received by a Covered Person were not Medically Necessary but, rather, may mean that the Claims Administrator has determined that the claim was submitted inconsistent with procedure coding rules and/or reimbursement policies. For example, a Provider may have submitted the claim using several procedure codes when there is a single procedure code that includes all of the procedures that were performed. When this occurs, the Maximum

Allowed Amount will be based on the single procedure code rather than a separate Maximum Allowed Amount for each billed code.

Likewise, when multiple procedures are performed on the same day by the same physician or other healthcare professional, the Plan may reduce the Maximum Allowed Amounts for those secondary and subsequent procedures because reimbursement at 100% of the Maximum Allowed Amount for those procedures would represent duplicative payment for components of the primary procedure that may be considered incidental or inclusive.

(b) Provider Network Status.

- (1) The Maximum Allowed Amount may vary depending upon whether the Provider is an In-Network Provider or an Out-of-Network Provider.
- (2) An In-Network Provider is a Provider who is in the managed network for the Plan or in a closely managed specialty network, or who has a participation contract with the Claims Administrator. For Covered Services performed by an In-Network Provider, the Maximum Allowed Amount for the Plan is the rate the Provider has agreed with the Claims Administrator to accept as reimbursement for the Covered Services. A Participant may be asked to pay all or a portion of the Maximum Allowed Amount to the extent he or she has not met the applicable Deductible or to the extent there is a Co-payment or Co-insurance.
- (3) Providers who have not signed any contract with the Claims Administrator and are not in any of the Claims Administrator's networks are Out-of-Network Providers, subject to Blue Cross Blue Shield Association rules governing claims filed by certain ancillary providers.
- (4) For Covered Services obtained from an Out-of-Network Provider, the Maximum Allowed Amount for the Plan will be one of the following as determined by the Claims Administrator:
  - (A) An amount based on the Claims Administrator's Out-of-Network Provider fee schedule/rate, which the Claims Administrator has established in its discretion, and which the Claims Administrator reserves the right to modify from time to time, after considering one or more of the following: reimbursement amounts accepted by like/similar providers contracted with the Claims Administrator, reimbursement amounts paid by the Centers for Medicare and Medicaid Services ("CMS") for the same services or supplies, and other industry cost, reimbursement and utilization data; or
  - (B) An amount based on reimbursement or cost information from CMS. When basing the Maximum Allowed amount upon the level or method of reimbursement used by CMS, the Claims Administrator will update such information, which is unadjusted for geographic locality, no less than annually; or
  - (C) An amount based on information provided by a third party vendor, which may reflect one or more of the following factors: (i) the complexity or



- severity of treatment; (ii) level of skill and experience required for the treatment; or (iii) comparable providers' fees and costs to deliver care; or
- (D) An amount negotiated by the Claims Administrator or a third party vendor which has been agreed to by the Provider. This may include rates for services coordinated through case management; or
  - (E) An amount based on or derived from the total charges billed by the Out-of-Network Provider.
- (5) Providers who are not contracted for the Plan, but contracted for other benefit plans with the Claims Administrator are also considered Out-of-Network. For the Plan, the Maximum Allowed Amount for services from these Providers will be one of the methods indicated in subsection (b)(4) above unless the contract between the Claims Administrator and that Provider specifies a different amount.
  - (6) Unlike In-Network Providers, Out-of-Network Providers may bill and collect for the amount of the Provider's charge that exceeds the Plan's Maximum Allowed Amount. The Participant is responsible for paying the difference between the Maximum Allowed Amount and the amount the Provider charges.
- (c) Prescription Drugs Obtained Through HD PPO Options. For prescription drugs obtained under an HD PPO Option, the Maximum Allowed Amount is the amount determined by the Claims Administrator using prescription drug cost information provided by the pharmacy benefits manager for that Option.
  - (d) Participant Cost Share.
    - (1) For certain Covered Services and depending on the Coverage Option, a Participant may be required to pay a part of the Maximum Allowed Amount as his or her cost share amount (for example, Deductible, Co-payment, and/or Co-insurance).
    - (2) A Participant's cost share amount and out-of-pocket limits may vary depending on whether services are obtained from an In-Network or Out-of-Network Provider.
    - (3) The Plan will not provide any reimbursement for non-Covered Services. A Participant will be responsible for the total amount billed by his or her Provider for non-Covered Services, regardless of whether such services are performed by an In-Network or Non Network Provider. Non-Covered Services include services specifically excluded from coverage by the terms of the Medical Plan SPD and services received after benefits have been exhausted.
  - (e) Authorized Services. In some circumstances, such as where there is no In-Network Provider available for the Covered Service, the Plan may authorize the In-Network cost share amounts (Deductible, Co-payment, and/or Co-insurance) to apply to a claim for a Covered Service a Covered Person receives from an Out-of-Network Provider. In such circumstance, the Participant must contact the Claims Administrator in advance of the Covered Person's obtaining the Covered Service. The Plan also may authorize the In-Network cost share amounts to apply to a claim for Covered Services if a Covered Person receives emergency services from an Out-of-Network Provider and is not able to contact

the Claims Administrator until after the Covered Service is rendered. If the Plan authorizes an In-Network cost share amount to apply to a Covered Service received from an Out-of-Network Provider, the Participant will still be liable for the difference between the Maximum Allowed Amount and the Out-of-Network Provider's charge.

## ARTICLE XI CONTRIBUTIONS TO THE PLAN

- 11.01 Employer Contributions.** Except as provided in Article IV and subsection 22.05(f), each Employer will contribute to the cost of the Plan. The amount of the Employer contribution shall be determined by the Company or Plan Administrator on an annual basis or as otherwise required by a collective bargaining agreement.
- 11.02 Covered Person Contributions.** As a condition of participation, a Covered Person shall contribute to the cost of coverage in such amount as may be determined from time to time by the Company or Plan Administrator. The Covered Person contribution shall be the cost of the Plan less any Employer contribution described in Section 11.01.

## ARTICLE XII MANDATORY COST CONTAINMENT PROGRAM

- 12.01 Pre-Admission Pre-Certification.** Except in the case of an Urgent Hospitalization, all hospitalizations shall be pre-certified prior to admission for any reason. The Pre-Certification Provider's name and telephone number shall be provided to each Covered Participant. Hospital admission pre-certification shall not guarantee benefits under the Plan. Actual benefits provided under the Plan are determined based on the provisions of the Plan other than this Article.
- 12.02 Pre-Certification Procedure.** When a Physician recommends a non-Urgent Hospitalization, the Covered Participant or such Physician shall call the Pre-Certification Provider. The Covered Participant shall advise the Physician of the Plan's pre-admission certification requirement and provide such Physician with adequate information to obtain the pre-certification. The Covered Participant or Physician should secure pre-certification as soon as possible and before a Covered Person actually enters the hospital. It shall be the Covered Participant's responsibility to see that the Pre-Certification Provider is notified.
- 12.03 Urgent Hospital Admission.** In the case of an Urgent Hospitalization, the Covered Person's Physician, the Hospital, or a family member shall telephone the Pre-Certification Provider within 48 hours of admission or on the first business day following weekend or holiday admissions. The Covered Participant shall provide the Pre-Certification Provider with the information requested by the Pre-Certification Provider.
- 12.04 Continued Stay Review.** The Pre-Certification Provider may monitor all Hospital stays through contact with the Covered Person's Physician.
- 12.05 Other Required Pre-Certifications.** The Covered Participant or Covered Participant's Physician shall notify the Pre-Certification Provider prior to the provision of the following additional services or supplies: (i) inpatient Surgery; (ii) a Newborn Child Hospital stay beyond that of the mother; (iii) plastic reconstructive surgery; and (iv) durable medical equipment/prosthetics. With approval of the Plan, the Pre-Certification Provider may require pre-certification for other services or supplies in accordance with reasonable procedures.

**12.06 Penalty for Non-Compliance.** If a Covered Participant fails to comply with the requirements of this Article, the Plan may assess a \$300 penalty.

### **ARTICLE XIII MEDICAL BENEFITS**

**13.01 General.** Subject to the provisions of Articles VI, VII or X, as applicable, any Deductible requirements, and any limitations with respect to the Maximum Allowed Amount, medical benefits under the Plan shall include, but shall not be limited to, medical benefits set forth in this Article. Benefits under the HMO Option and the Other Insured Arrangement Option shall be set forth in the certificates of coverage, the group insurance policies, and any other applicable governing documents. The Plan will not discriminate with respect to participation under the Plan against any health care provider who is acting within the scope of that provider's license or certification under applicable law. Notwithstanding the foregoing, the Plan is not required to contract with any health care provider willing to abide by the terms and conditions for participation established by the Plan and the Plan may establish varying reimbursement rates based on quality or performance measures. In addition, to the extent the Plan generally provides benefits for a type of Injury, benefits otherwise provided for treatment of the Injury will not be denied if the Injury results from an act of domestic violence or a medical condition (including both physical and mental health conditions). The following provisions shall apply to each of the PPO Option and the HD PPO Options, except as otherwise noted.

**13.02 Preventive Care Benefit.**

- (a) General. The Plan shall cover Preventive Health Services. Covered Expenses shall include the Maximum Allowed Amount for services provided by a Physician for Preventive Health Services not associated with the diagnosis or treatment of a Sickness. No Co-Insurance, Co-Payment or Deductible shall be imposed with respect to Preventive Health Services under the HD PPO Options or with respect to Recommended Preventive Health Services or Additional Preventive Health Services under the PPO Option that are delivered by an In-Network Hospital, Physician or other provider. As described in Section 10.06, Co-Insurance, Co-Payments and/or Deductibles may apply under the PPO Option with respect to Additional Preventive Health Services and Recommended Preventive Health Services that are delivered by an Out-of-Network Hospital, Physician or other provider. For purposes of the Plan, diagnostic allergy testing and allergy injections, shots, serums and immunizations are not considered Preventive Health Services. Notwithstanding the foregoing, the Plan may use reasonable medical management techniques to determine the frequency, method, treatment, or setting for a Recommended Preventive Health Service, to the extent not specified in the recommendation or guideline described in 29 C.F.R. §2590.715-2713(a)(1) or any successor regulation.
- (b) Office Visits. If a Recommended Preventive Health Service is billed separately (or is not tracked as individual encounter data separately) from an office visit, then the Plan may impose a Co-Payment and/or Deductible with respect to such office visit. If a Recommended Preventive Health Service is not billed separately (or is not tracked as individual encounter data separately) from an office visit and the primary purpose of the office visit is the delivery of the Recommended Preventive Health Service, then the Plan will not impose a Co-Payment, Co-Insurance and/or Deductible with respect to the office visit, unless the Recommended Preventive Health Services is furnished by an Out-of-Network Physician under the PPO Option. If a Recommended Preventive Health Service

is not billed separately (or is not tracked as individual encounter data separately) from an office visit and the primary purpose of the office visit is not the delivery of the Recommended Preventive Health Service, then the Plan may impose a Co-Payment, Co-Insurance and/or Deductible with respect to such office visit.

**13.03 Well Child Care.** To the extent not already considered a Recommended Preventive Health Service, the Plan shall cover well child care. The provisions set forth in Articles VI or VII, as applicable, shall apply. Covered Expenses shall include charges associated with Physician office visits, routine medical examinations, immunizations and routine diagnostic procedures associated with routine medical examinations for children up to two years of age.

**13.04 Maternity Benefits.** The Plan shall provide maternity benefits for a Participant, for a Covered Participant's Spouse, Same-Sex Domestic Partner or female Dependent Child, and for a female Dependent Child of a Covered Same-Sex Domestic Partner, provided such persons are enrolled in the Plan. The provisions set forth in Articles VI or VII, as applicable, shall apply. Covered Expenses shall include charges associated with (a) pre-natal office visits, including one routine ultrasound, and (b) hospital maternity care related to a normal pregnancy and complications of pregnancy, including inpatient care and obstetrician services, and routine inpatient nursery charges (unlimited newborn visits), inpatient pediatrician visits and birthing center expenses while the mother is hospitalized after childbirth. If a Newborn Child requires treatment for an Sickness or Injury or remains hospitalized after the mother is discharged from the hospital after giving birth, benefits are provided under the Plan only if the Newborn Child is properly enrolled in the Plan. The Plan shall not restrict benefits for any Hospital length of stay in connection with childbirth for the mother or Newborn Child to less than 48 hours following a normal vaginal delivery, or less than 96 hours following a cesarean section, or require that a provider obtain authorization from the Plan for prescribing a length of stay not in excess of the above periods. Notwithstanding the foregoing, nothing shall preclude the mother's or newborns' attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours if applicable).

**13.05 Convalescent Care Benefit.**

(a) General. The Plan shall provide a convalescent care benefit. The provisions set forth in Articles VI or VII, as applicable, shall apply. Such convalescent care benefit shall provide benefits for expenses incurred during a convalescent care confinement after a Hospital stay that is covered under the Plan. To be covered, such confinement must start within 14 days of release from the Hospital and be ordered by the attending Physician as a result of the condition necessitating the prior hospitalization. Only charges incurred in connection with convalescence from the Sickness or Injury for which the Covered Person is confined shall be covered.

(b) Covered Expenses. If the requirements of subsection 13.05(a) are met, the Plan shall pay the Covered Expenses applicable to inpatient charges for the following services and supplies furnished while the Covered Person is under continuous care of the attending Physician and requires 24 hour care:

- (1) Room and Board Charges and other services and supplies that are Medically Necessary;
- (2) Use of special treatment rooms;
- (3) X- ray and laboratory examinations;

- (4) Physical, occupational, and speech therapy; and
  - (5) Oxygen, respiratory, and other gas therapy.
- (c) Limitation. The convalescent care benefit shall be subject to limitations as contained in the Summary Plan Description.

**13.06 Home Health Care.** The Plan shall provide coverage for home health care as follows:

- (a) PPO Option. The provisions set forth in Article VII shall apply. Up to 120 visits per calendar year for the services listed below as rendered by any Home Health Care Agency shall be Covered Expenses. Subject to the foregoing, the following, if ordered by a Physician and furnished to a Covered Person in his or her home for care in accordance with a home health care plan, shall be Covered Expenses:
- (1) Part-time or intermittent nursing care by a registered graduate nurse (R.N.) or by a licensed practical nurse (L.P.N.) if the services of a registered graduate nurse are not available;
  - (2) Part-time or intermittent home health aide services that consist primarily of caring for the individual;
  - (3) Physical, occupational, and speech therapy; and
  - (4) Medical supplies, drugs and medicines prescribed by a Physician, and laboratory or dietary services provided by or on behalf of a Hospital, but only to the extent that such items would have been covered under the Plan if the Covered Person had been hospitalized.
- (b) HD PPO Options. The provisions set forth in Article VI shall apply. Up to 120 visits per calendar year for the services listed below as rendered by any Home Health Care Agency shall be Covered Expenses. Subject to the foregoing, the following, if the charge is made by a Home Health Care Agency and furnished to a Covered Person in his or her home for care in accordance with a home health care plan, shall be Covered Expenses:
- (1) Part-time or intermittent nursing care by a registered graduate nurse (R.N.) or by a licensed practical nurse (L.P.N.) if the services of a registered graduate nurse are not available;
  - (2) Part-time or intermittent home health aide services;
  - (3) Physical, occupational, and speech therapy; and
  - (4) Medical supplies, drugs and medicines prescribed by a Physician, and laboratory provided by a home health care agency, but only to the extent that such items would have been covered under the Plan if the Covered Person had been hospitalized.

**13.07 Hospice Care Benefit.**

- (a) General. The Plan shall provide a Hospice Care Benefit. The provisions set forth in Articles VI or VII, as applicable, shall apply. Hospice care coverage provides benefits

for charges incurred for treatment of a Terminally Ill person while in a Hospice Care Program. Such care may be administered through:

- (1) A centrally administered, medically directed, and nurse coordinated program that; (1) provides a coherent system primarily of home care; (2) is available 24 hours a day, seven days a week; and (3) uses a Hospice Team; or
- (2) Confinement in a Hospital.

With regard to benefits provided under the PPO Option, the Program shall meet applicable standards set by the National Hospice Organization and approved by the Claims Administrator. If such Program is required by a state to be licensed, certified, or registered, it shall also meet that requirement to be considered a Hospice Care Program eligible for coverage. With regard to benefits provided under the HD PPO Options, the Hospice Care Program must be licensed.

(b) Definitions. For purposes of this Section, the following terms have these meanings:

- (1) “Counseling Services” means supporting services provided after the death of a Terminally Ill person, by members of a Hospice Team, in counseling sessions with the Family Unit. Counseling Services include care to (1) reduce or abate pain or other symptoms of mental or physical distress; and (2) meet the special needs arising out of the stresses of the Terminal Illness, death and bereavement.
- (2) “Family Unit” means a Covered Participant and his or her other Dependents.
- (3) “Hospice” means a free standing or Hospital affiliated facility that provides short periods of stay for the Terminally Ill in a home like setting for either direct care or respite. It must operate as an integral part of the Hospice Care Program.
- (4) “Hospice Care Program” means a formal program directed by a Physician, as defined herein, to help care for a Terminally Ill Covered Person.
- (5) “Hospice Services” means services and supplies furnished to a Terminally Ill person by a Hospice or a Hospice Team.
- (6) “Hospice Team” means a group of professional and volunteer workers who provide care to reduce or abate pain or other symptoms of mental or physical distress and meet the special needs arising out of the stresses of the Terminal Illness, dying and bereavement. A Hospice Team shall include a Physician and a registered nurse. It may also include social workers, clergy, counselors, volunteers, clinical psychologists, physiotherapists, and occupational therapists.
- (7) “Remission” means a halt in the progression of the disease that led to the Terminal Illness or an actual reduction in the extent to which such disease has already progressed.
- (8) “Terminally Ill” means the primary attending Physician, who is treating the Covered Person, has certified that such person’s life expectancy is six months or less.

(c) Hospice Care Benefits.

The Plan shall cover any one period of care in a Hospice Care Program up to 180 days, including charges incurred for the Terminally Ill Covered Person (1) while not an inpatient in a Hospice for Hospice Services furnished under a Hospice Care Program; or (2) while an inpatient in a Hospice for Hospice Room and Board Charges and Hospice Services furnished under a Hospice Care Program.

- (d) Counseling Services. Counseling Services are Covered Expenses under this Section.
- (e) Conditions for Benefits.

As conditions of coverage under this Section, a Terminally Ill person shall (1) be in a Hospice Care Program; and (2) have the primary attending Physician furnish certification of the Terminally Ill status to the Claims Administrator. Additionally, the Hospice Services or stay shall be (1) provided while the individual is a Covered Person; (2) ordered by the supervising Physician who is directing the Hospice Care Program; (3) charged for by the Hospice Care Program; and (4) provided within six months of the individual's entry or re-entry (after a period of Remission) in the Hospice Care Program.

- (f) Exclusions. The following shall not be covered under this Section:
  - (1) Charges incurred during a Remission period if the Covered Person is discharged from the Hospice Care Program during such period;
  - (2) Charges for services provided by a Relative;
  - (3) Charges for home-delivered meals or homemaker services;
  - (4) Charges for respite care;
  - (5) Charges for traditional medical services to treat the Terminal Illness, disease or condition; and
  - (6) Charges for transportation, including but not limited to ambulance transportation.

**13.08 Elective Sterilization.** Certain elective sterilization procedures such as tubal ligations and vasectomies shall be covered under the Plan. Such procedures shall be subject to the provisions set forth in Article VI or VII, as applicable. No reversal or attempted reversal of an elective sterilization shall be considered a Covered Expense. Only a Covered Participant's Spouse who is enrolled in the Plan shall be entitled to coverage under this Section.

**13.09 Newborn Hospital Expenses.** Hospital charges and professional services, including charges associated with circumcision, incurred by a Well Newborn Child during the initial period of hospital confinement, shall be covered as charges of the mother, provided the mother was covered for the Pregnancy.

Hospital charges and professional services incurred by a Newborn Child who is not a Well Newborn Child shall be considered charges of the Newborn Child, and providing the Newborn Child is a Covered Person, shall be covered pursuant to the provisions of the Plan.

**13.10 Human Organ and Tissue Transplant Benefit.**

- (a) General. The Plan shall provide benefits for any Medically Necessary human organ and tissue transplant, as determined by the Plan Administrator, including necessary

acquisition costs and preparatory myeloblastic therapy, and for all expenses that are (i) Medically Necessary, as determined by the Plan Administrator, and (ii) directly related to the disease that has necessitated the covered transplant procedure or that arise as a result of the procedure, including any diagnostic evaluation for the purpose of determining the appropriateness of the procedure for a Covered Person. The provisions set forth in Article VI or VII, as applicable, shall apply.

Notwithstanding the foregoing, the Plan shall pay benefits only for Hospital and Physician charges that are described elsewhere in the Plan as Covered Expenses. In order for such charges to be Covered Expenses, the Claims Administrator must approve all hospital confinements and/or surgical procedures related to an organ or tissue transplant. The benefits or requirements described below in this Section do not apply to Medically Necessary cornea or kidney transplants, which are paid as inpatient services, outpatient services or physician office services, depending where the service is performed. Without limiting the generality of any other provision of the Plan, benefits for charges of an Out-of-Network Hospital or Physician shall be limited to the Maximum Allowed Amount.

- (b) Human Organ and Tissue Transplant Benefits. Without limiting the generality of the foregoing, the Plan shall pay benefits for the following Medically Necessary services related to a human organ or tissue transplants:
- (1) Physician's charges related to surgery, including charges for a surgical physician's assistant (if Medically Necessary), and related anesthesia.
  - (2) Inpatient covered Hospital services related to the transplant procedure.
  - (3) Storage and transportation costs related to the donated organ or tissue (including the donor's medical expenses incurred as the result of a transplant provided the recipient is covered under the Plan, the expense is charged to the Covered Person, and no other source is available to pay the actual donor's medical expenses).
  - (4) Storage of the patient's own blood in advance of an approved transplant surgical procedure.
  - (5) If a participating (In-Network) transplant facility performs transplant-related services, the Plan shall pay benefits for Medically Necessary pre-transplant evaluations and 12 months of transplant-related follow-up care (including any rejection events).
  - (6) The Plan shall provide assistance with reasonable and necessary travel expenses as determined by the Plan Administrator when the Covered Person obtains prior approval and is required to travel more than 100 miles from his or her residence to reach the Hospital where the covered transplant procedure will be performed. The Plan's assistance with travel expenses includes transportation to and from the Hospital and lodging for the patient and one companion. If the Covered Person receiving treatment is a minor, then reasonable and necessary expenses for transportation and lodging may be allowed for two companions. Benefits for lodging are limited to \$75.00 per day. Travel expenses and lodging expenses, on a combined basis, are limited to \$20,000. To obtain reimbursement, the Covered Person must submit itemized receipts for transportation and lodging expenses in a form satisfactory to the Plan Administrator.



**13.11 Miscellaneous Covered Expenses.** The Plan shall cover the miscellaneous services and supplies set forth below. Such coverage shall be subject to the provisions set forth herein, as applicable.

- (a) Hospital inpatient expenses including:
  - (1) *Hospital Room and Board.* An amount per day up to the Semi-Private Room rate and charges incurred for use of the Intensive Care Unit (ICU) when ordered by the Covered Person's primary Physician. Care exceeding 23 hours shall be considered an inpatient admission and must be pre-certified pursuant to Article XII; and
  - (2) *Hospital Miscellaneous.* All other charges made by a Hospital during an inpatient confinement exclusive of personal items or services not necessary for the treatment of Sickness or Injury.
- (b) Certain emergency care expenses including
  - (1) Hospital emergency room care services when care is associated with an accident, a medical emergency or a non-medical emergency;
  - (2) Urgent care services; and
  - (3) Ambulance services (local ground or air transportation), when Medically Necessary to transport the Covered Person to the nearest appropriately equipped Hospital that is able to provide Medically Necessary treatment. Covered Expenses include air-ambulance services only if Medically Necessary.
- (c) Expenses in or out of the Hospital (unless otherwise specified), including:
  - (1) Hospital outpatient services: Services at an outpatient facility where care does not exceed 23 hours, but only if the charge for such service is less than an overnight charge in such outpatient care facility;
  - (2) Diagnostic x-ray and laboratory services;
  - (3) Surgical Procedure charges;
  - (4) Second surgical opinions, provided the Covered Person's Physician (other than the Physician offering the second surgical opinion) performs the eventual surgery;
  - (5) Anesthesia charges;
  - (6) Services related to mastectomies, including:
    - (A) All stages of reconstruction of the breast on which the mastectomy has been performed;
    - (B) Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
    - (C) Prostheses; and

- (D) Treatment of physical complications of all stages of the mastectomy (including lymphedemas)

These services will be provided subject to the same Deductibles and Co-Insurance applicable to other medical and surgical benefits provided under the Plan.

- (7) Physician and related services, including:
  - (A) Allergy injections, shots, serums and immunizations, unless otherwise limited by the Plan;
  - (B) Diagnostic allergy testing;
  - (C) If performed as a preventive care service or screening, one In-Network colonoscopy per Covered Person per calendar year, and one In-Network mammography per Covered Person per calendar year, which procedures shall not be subject to any Deductible, Co-Insurance or Co-Payment requirement, notwithstanding that any treatment incidental or ancillary to such service or screening (such as the removal of polyps during a diagnostic colonoscopy) is also performed during such service or screening;
  - (D) Radiation therapy;
  - (E) Infusion;
  - (F) Pathological services;
  - (G) Electrocardiograms;
  - (H) Cardiac rehabilitation;
  - (I) Inpatient physical medicine/rehabilitation, limited to 60 days per Covered Person per year;
  - (J) Outpatient Physical therapy (up to 26 visits per calendar year). With regard to benefits provided under the HD PPO Options, this 26-visit limit includes visits for occupational therapy. Services must be provided by a registered professional physical therapist who renders the appropriate services under the supervision of a Physician;
  - (K) Electroencephalograms;
  - (L) Hospital visits;
  - (M) Assistant surgeon charges (when Medically Necessary);
  - (N) Private duty nursing services (except those provided by a Relative);
  - (O) Medically Necessary durable medical equipment and supplies including

- (i) Rental of wheelchairs, hospital beds, equipment for the administration of oxygen, and iron lungs and other mechanical equipment to treat respiratory paralysis;
  - (ii) Internal cardiac valves and internal pacemakers;
  - (iii) Mandibular reconstruction devices that are not primarily used to support a dental prosthesis; and
  - (iv) Bone screws, bolts, nails, plates, and other internal and permanent devices that are approved by the Plan Administrator or Claims Administrator.
- (P) Medical and surgical dressings, supplies, casts, splints, trusses, orthopedic braces, crutches, and prosthetic devices;
- (Q) Hearing care examinations for Sickness or Injury or to determine the need for a hearing aid – each Covered Person is limited to 1 exam and 1 aid per ear during a two-calendar year period, with no lifetime maximum;
- (R) Vision examinations for Sickness or Injury;
- (S) Wigs – each Covered Person shall be eligible for one wig per Plan Year when baldness is a result of chemotherapy, alopecia, radiation therapy or surgery;
- (T) Blood and blood related products;
- (U) Oxygen and its administration;
- (V) Respiratory therapy;
- (W) Chemotherapy for treatment of a malignancy;
- (X) Hemodialysis when provided to a Covered Person as an inpatient of a Hospital or as an outpatient in a Medicare approved dialysis center;
- (Y) Speech therapy, but only to restore speech abilities lost due to Sickness or Injury or surgery on account of a Sickness (other than a functional nervous disorder) (up to 26 visits per calendar year; additional visits may be authorized based upon a determination by the Claims Administrator that such visits are Medically Necessary). If speech loss is due to a congenital anomaly for which corrective surgery has been performed, the corrective surgery must be performed before the therapy and the therapy must be designed to provide significant improvement on a relatively short-term basis. Services must be provided by a registered professional speech therapist certified by the American Speech and Hearing Association who renders the appropriate services under the supervision of a Physician;
- (Z) Occupational therapy (up to 26 visits per calendar year). Services must be provided by a registered professional physical therapist who renders

the appropriate services under the supervision of a Physician. With regard to benefits provided under the HD PPO Options, this 26-visit limit includes visits for Physical therapy;

- (AA) Chiropractic care when provided by a licensed chiropractor to a Covered Person on an out-patient basis (up to 26 visits per calendar year);
  - (BB) Dental services provided by a dentist, oral surgeon, or Physician only as follows:
    - (i) Treatment for Injury to natural teeth or facial bones within 36 months of such Injury;
    - (ii) Extraction of completely bony impacted teeth, including completely impacted wisdom teeth; and
    - (iii) Services in connection with a gingivectomy (PPO Option only).
  - (CC) Diagnosis of infertility;
  - (DD) Home IV;
  - (EE) Blood glucose testing machines;
  - (FF) Diabetic education and, for the HD PPO Option only, diabetic supplies that are not available over the counter, if prescribed by a Physician for a medical condition or diagnosis; and
  - (GG) Appliances and Medically Necessary surgical procedures to treat temporomandibular joint dysfunction.
- (d) Expenses out of the Hospital, including:
- (1) Physician office visits;
  - (2) Doctor's office surgery; and
  - (3) Skilled nursing facility charges, but excluding charges for custodial care, domiciliary care and care attributable primarily to mental retardation, senile deterioration or mental deficiency.

**13.12 Alternate Treatment Under Case Management.** In cases where a Covered Person's condition is expected to be or is of a serious nature, the Plan Administrator may arrange for review and/or case management services from a professional qualified to perform such services. The Plan Administrator, following consultation with appropriate medical professionals, shall have the right to alter or waive the normal provisions of this Plan when it is reasonable to expect a cost effective result without a sacrifice to the quality of the patient's care.

**13.13 Payment of Benefits.** All benefits shall be paid directly to the provider unless the Covered Participant submits proof that the bill has been paid or if services are received Out-of-Network, in which case benefits shall be paid to the Covered Participant, or if deceased, in accordance with Section 13.13. Benefits may be paid directly from the general assets of the Employers or from any other lawful funding vehicle as may be established by the Company.

- 13.14 Designation of Beneficiaries.** Each Covered Person, from time to time, may name any person (who may be named concurrently, contingently or successively) to whom the Covered Person's benefits under the Plan are to be paid if the Covered Person dies before he or she receives all of such benefits. Each such beneficiary designation will revoke all prior designations by the Covered Person, shall not require the consent of any previously named beneficiary, shall be in a form prescribed by the Plan Administrator, and shall be effective only when filed with the Plan Administrator during the Covered Person's lifetime. If a Covered Person fails to designate a beneficiary before his or her death, as provided above, or if the designated beneficiary dies before the date of the Covered Person's death or before complete payment of the Covered Person's benefits, the Plan Administrator shall pay such benefits to the Covered Person's Spouse; or if no Spouse is living, to his or her lawful descendants, *per stirpes*; or if none are living, to the legal representative of the estate of the Covered Person; or if none is appointed within 6 months after the date of his or her death, to his or her heirs under the laws of the state in which he or she is domiciled at the date of his or her death.
- 13.15 Facility of Payment.** When a person entitled to benefits under the Plan is under a legal disability or, in the Plan Administrator's opinion, is in any way incapacitated so as to be unable to manage his or her affairs, the Plan Administrator may direct the payment of benefits to such person's legal representative, or to a relative or friend of such person for such person's benefit, or the Plan Administrator may direct the application of such benefits for the benefit of such person in such manner as the Plan Administrator considers advisable. Any payment made in accordance with the preceding sentence shall be a full and complete discharge of any liability for such payment under the Plan.

#### **ARTICLE XIV PRESCRIPTION DRUG COVERAGE**

- 14.01 General.** The Plan provides prescription drug coverage in accordance with the provisions in this Article. A prescription drug card shall be issued to each Covered Person which shall provide coverage as set forth in the remainder of this Section.
- 14.02 Deductible.**
- (a) With regard to the HD PPO Options, no prescription drug benefits are payable under the Plan until the Employee, or the Employee and his or her Family, as applicable, have satisfied the annual Deductible as described in Section 10.01.
  - (b) With regard to the PPO Option, no Deductible shall apply to items covered under this Article.
- 14.03 Co-Payments and Co-Insurance.**
- (a) PPO Option. The amount of prescription drug Co-Payment depends on the category of drug the Covered Participant purchases. There is an out-of-pocket expense limitation with respect to prescription drugs of \$1,500 per person per calendar year and (A) for Covered Participants other than (i) NIPSCO Represented Employees and (ii) Retirees who were former NIPSCO Represented Employees, \$8,700 per family per calendar year, and (B) for Covered Participants who are (i) NIPSCO Represented Employees or (ii) Retirees who were former NIPSCO Represented Employees, \$9,300 per family per calendar year.

- (1) *Participating Retail Pharmacy.* For a 30-day supply, a Covered Participant shall pay 20 percent of the cost of the drug, subject to a minimum and maximum cost, as set forth in the table below.

30-Day Supply	Co-Payment	Minimum	Maximum
<b>Generic</b>	20% of the drug cost	\$5	\$15
<b>Formulary</b>	20% of the drug cost	\$15	\$45
<b>Non-formulary</b>	20% of the drug cost	\$30	\$90

- (2) *Mail Order.* The Co-Payment for a prescription drug ordered through the mail-order service shall be based on the coverage class of the drug.

Co-Payments applicable to Covered Participants other than (i) NIPSCO Represented Employees and (ii) Retirees who were former NIPSCO Represented Employees:

90-Day Supply	Co-Payment	Covered Amount
<b>Generic</b>	\$20	100% after Co-Payment
<b>Formulary</b>	\$60	100% after Co-Payment
<b>Non-formulary</b>	\$120	100% after Co-Payment

Co-Payments applicable to (i) NIPSCO Represented Employees and (ii) Retirees who were former NIPSCO Represented Employees:

90-Day Supply	Co-Payment	Covered Amount
<b>Generic</b>	\$10	100% after Co-Payment
<b>Formulary</b>	\$30	100% after Co-Payment
<b>Non-formulary</b>	\$60	100% after Co-Payment

- (3) *Ninety-Day Supply at Retail Program.* Covered Participants may purchase a 90-day supply of prescription drugs from a participating retail pharmacy under the Ninety-Day Supply at Retail Program. The Co-Payment for such 90-day supply shall be 20 percent of the drug cost, subject to a minimum and maximum cost, as set forth in the table below.

90-Day Supply	Co-Payment	Minimum	Maximum
<b>Generic</b>	20% of the drug cost	\$15	\$45
<b>Formulary</b>	20% of the drug cost	\$30	\$90
<b>Non-formulary</b>	20% of the drug cost	\$60	\$180

- (b) *HD PPO Options.* The amount of Co-Insurance depends on the source of the prescription drugs. No prescription drug benefits are payable under the Plan until the Employee, or the Employee and his or her Family, as applicable, have satisfied the annual Deductible as described in Section 10.01.

Source	Covered Amount	Co-Insurance
<b>Retail (30-day supply)</b>	80%	20%
<b>Mail Order (90-day supply)</b>	80%	20%
<b>Out-of-Network</b>	60%	40%

**14.04 Definitions.** For purposes of this Section, the following definitions shall apply:

- (a) “Generic” means drugs no longer covered by the original patent.
- (b) “Formulary” means a list of approved drugs covered under the prescription drug plan.
- (c) “Non-formulary” means drugs not chosen for the Formulary, which do not qualify as Generic.

**14.05 Items Covered.** Items covered under this Section include, without limitation, the following Federal legend drugs and supplies, but excluding any item described in Section 14.06 below:

- (a) Insulin;
- (b) Disposable insulin needles/syringes;
- (c) AZT (Retrovir);
- (d) Fluoride vitamins to age 19;
- (e) Immunosuppressants;
- (f) Injectables, other than insulin;
- (g) Vitamins (only if prescribed);
- (h) Prescription contraceptive drugs (non-injectable monthly, non-injectable 90-day supply only, injectable monthly and injectable 90-day supply only) and contraceptive devices such as diaphragms, intrauterine devices (IUDs) and implants (provided, however, that prescription contraceptive drugs and contraceptive devices for women will be covered as a Recommended Preventive Health Service with no co-pays or deductibles; provided, further, that if a Covered Person requests that a brand-name contraceptive drug be dispensed when a generic equivalent is available that is medically appropriate, the Covered Person will be required to pay the regular co-payment, in the case of the PPO Option, or the applicable deductible, in the case of an HD PPO Option);
- (i) Retin-A, up to age 25;
- (j) Diabetic diagnostics;
- (k) Certain smoking cessation products;
- (l) Compound medications of which at least one ingredient is a Federal legend drug; and
- (m) Any other drugs that under the applicable state law may only be dispensed upon the written prescription of a Physician or other lawful prescriber.

**14.06 Items Not Covered.** Items not covered under this Section include, without limitation, the following, in addition to other items that the Plan Administrator determines from time to time are not eligible for coverage:

- (a) Drugs or medicines that are lawfully obtainable without the prescription of a Physician, whether or not such drugs are actually obtained by prescription;

- (b) Prescription drugs dispensed through a retail pharmacy that is not a member of the network of participating retail pharmacies established by the Plan's pharmacy benefit manager;
- (c) Drugs prescribed for cosmetic reasons;
- (d) Drugs used for the treatment of infertility or relating to conception;
- (e) Drugs used in the treatment of erectile dysfunction or impotence, regardless of the origin, whether biological or psychological;
- (f) Hair treatments;
- (g) Anti-wrinkle treatment;
- (h) Blood glucose testing machines;
- (i) Vaccines, serums and allergens;
- (j) Nutritional dietary supplements;
- (k) Over-the-counter medications; and
- (l) Any item that is not legally procured, including without limitation any Federal legend drug that may not legally be imported from another county.

**14.07 Preauthorization.** The Plan may require authorization before it will cover certain drugs. Such authorization shall be requested and granted pursuant to procedures as the Plan may establish.

**14.08 Step-Therapy.** Except with respect to PPO Option coverage for Represented Employees and Retirees who were former Represented Employees (for whom step therapy shall not apply), coverage under the Plan shall be subject to a step-therapy prescription drug program that requires pre-approval of certain prescription drugs. Under the terms of such program, a Covered Person shall consult his or her Physician about clinically effective and less costly prescription drug alternatives before the Plan will consider approval of the use of the drugs on the step therapy list.

**14.09 Brand versus Generic Drugs.** Except with respect to PPO Option coverage for Represented Employees and Retirees who were former Represented Employees, if a prescribed brand-name drug has a Generic substitute and a Covered Person requests that the brand-name drug be dispensed, the Covered Participant will be responsible for payment of the applicable Co-Payment or Co-Insurance plus the difference in cost between the brand-name drug and the Generic substitute. With respect to PPO Option coverage for Represented Employees and Retirees who were former Represented Employees, if a Generic substitute is prescribed and a Covered Person requests that the brand-name drug be dispensed, the Covered Participant will be responsible for payment of the applicable Co-Payment or Co-Insurance plus the difference in cost between the brand-name drug and the Generic substitute.



**ARTICLE XV  
 MENTAL ILLNESS COVERAGE**

**15.01 General.** The Plan shall provide benefits for treatment related to mental disorders and substance use disorders as set forth in the applicable Summary Plan Description. Coverage of such treatment shall be subject to the provisions set forth herein.

**15.02 Coverage.** Coverage shall be subject to the following conditions and limitations:

(a) PPO Option.

(1) Benefits for mental disorders shall be available as follows:

For Covered Participants other than (i) NIPSCO Represented Employees and (ii) Retirees who were former NIPSCO Represented Employees:

Category	Covered Amount	Co-Payment
<b>Inpatient – In-Network</b>	80% after Deductible	N/A
<b>Inpatient – Out-of-Network</b>	60% after Deductible	N/A
<b>Outpatient – In-Network</b>	100%	\$30
<b>Outpatient – Out-of-Network</b>	60% after Deductible	N/A

For (i) NIPSCO Represented Employees and (ii) Retirees who were former NIPSCO Represented Employees:

Category	Covered Amount	Co-Payment
<b>Inpatient – In-Network</b>	85% after Deductible	N/A
<b>Inpatient – Out-of-Network</b>	65% after Deductible	N/A
<b>Outpatient – In-Network</b>	100%	\$15
<b>Outpatient – Out-of-Network</b>	65% after Deductible	N/A

(2) Benefits for substance abuse treatment shall be available as follows:

For Covered Participants other than (i) NIPSCO Represented Employees and (ii) Retirees who were former NIPSCO Represented Employees:

Category	Covered Amount	Co-Payment
<b>Detox Inpatient – In-Network</b>	80% after Deductible	N/A
<b>Detox Inpatient – Out-of-Network</b>	60% after Deductible	N/A
<b>Detox Outpatient – In-Network</b>	100%	\$30
<b>Detox Outpatient – Out-of-Network</b>	60% after Deductible	N/A
<b>Rehab Inpatient – In-Network</b>	80% after Deductible	N/A
<b>Rehab Inpatient – Out-of-Network</b>	60% after Deductible	N/A
<b>Rehab Outpatient – In-Network</b>	100%	\$30
<b>Rehab Outpatient – Out-of-Network</b>	60% after Deductible	N/A

For (i) NIPSCO Represented Employees and (ii) Retirees who were former NIPSCO Represented Employees:

Category	Covered Amount	Co-Payment
<b>Detox Inpatient – In-Network</b>	85% after Deductible	N/A
<b>Detox Inpatient – Out-of-Network</b>	65% after Deductible	N/A
<b>Detox Outpatient – In-Network</b>	100%	\$15
<b>Detox Outpatient – Out-of-Network</b>	65% after Deductible	N/A
<b>Rehab Inpatient – In-Network</b>	85% after Deductible	N/A
<b>Rehab Inpatient – Out-of-Network</b>	65% after Deductible	N/A
<b>Rehab Outpatient – In-Network</b>	100%	\$15
<b>Rehab Outpatient – Out-of-Network</b>	65% after Deductible	N/A

(b) HD PPO Options.

(1) Benefits for mental disorders shall be available as follows:

Category	HD PPO 1 Covered Amount*	HD PPO 2 Covered Amount*
<b>Inpatient – In-Network</b>	80%	80%
<b>Inpatient – Out-of-Network</b>	60%	60%
<b>Outpatient – In-Network</b>	80%	80%
<b>Outpatient – Out-of-Network</b>	60%	60%

\* After Deductible

(2) Benefits for chemical dependency shall be available as follows:

Category	HD PPO 1 Covered Amount*	HD PPO 2 Covered Amount*
<b>Inpatient – In-Network</b>	80%	80%
<b>Inpatient – Out-of-Network</b>	60%	60%
<b>Outpatient – In-Network</b>	80%	80%
<b>Outpatient – Out-of-Network</b>	60%	60%

\* After Deductible

**ARTICLE XVI  
 EMPLOYEE ASSISTANCE PROGRAM COVERAGE**

**16.01 Benefits.** Covered Persons may choose to receive Employee Assistance Program benefits for which they are eligible as set forth in the applicable Summary Plan Description.

**16.02 Claim for Benefits.** Any Covered Person, or his or her duly authorized representative, may file a claim in accordance with the procedures set forth in the applicable Summary Plan Description for the benefits offered hereunder to which the claimant believes he or she is entitled, but that have been previously denied by the Plan Administrator.

**ARTICLE XVII**  
**GENERAL EXCLUSIONS**

**17.01 Services or Supplies not Covered under PPO Option.** Notwithstanding any other Plan provision, the Plan shall not provide coverage under the PPO Option for services or supplies:

- (a) Which are determined not Medically Necessary;
- (b) Received from an individual or entity that is not a Provider, as defined in the Plan;
- (c) Which are Experimental or Investigational or related to such, whether incurred prior to, in connection with, or subsequent to the Experimental or Investigational service or supply, as determined by the Claims Administrator, on behalf of the Employer. Notwithstanding any other provision of the Plan, if a Covered Person is a “qualified individual,” as defined in Section 2709 of the Affordable Care Act, the Plan will not (i) deny such person’s participation in an “approved clinical trial,” as also defined in Section 2709, (ii) deny (or limit or impose additional conditions on) coverage of routine patient costs for items and services furnished in connection with participation in such trial, or (iii) discriminate against such person on the basis of his or her participation in the trial. If an In-Network Provider is participating in the approved clinical trial, the Plan may require participation in the trial through such In-Network Provider, if the Provider will accept the Covered Person as a participant in the trial;
- (d) For any condition, disease, defect, ailment, or Injury arising out of and in the course of employment if benefits are available under any Worker’s Compensation Act or other similar law. This exclusion applies if the Covered Person receives the benefits in whole or in part. This exclusion also applies whether or not the Covered Person claims the benefits or compensation. It also applies whether or not the Covered Person recovers from any third party;
- (e) To the extent that they are provided as benefits by any governmental unit, unless otherwise required by law or regulation;
- (f) For Sickness or Injury that occurs as a result of any act of war, declared or undeclared;
- (g) For a condition resulting from direct participation in a riot, civil disobedience;
- (h) For court ordered testing or care;
- (i) For which you have no legal obligation to pay in the absence of this or like coverage;
- (j) Received from a dental or medical department maintained by or on behalf of an employer, mutual benefit association, labor union, trust or similar person or group;
- (k) Prescribed, ordered, or referred by, or received from a member of the Covered Person’s immediate family, including the Covered Person’s Spouse, Child, brother, sister, parent, or self;
- (l) For completion of claim forms or charges for medical records or reports unless otherwise required by law;
- (m) For missed or canceled appointments;

- (n) For mileage costs or other travel expenses, except as authorized by the Claims Administrator, on behalf of the Employer;
- (o) For which benefits are payable under Medicare Part A and/or Medicare Part B or would have been payable if a Covered Person had applied for Part A and/or Part B, except, as specified elsewhere in the Plan or as otherwise prohibited by federal law;
- (p) The cost of which is in excess of the Maximum Allowed Amount;
- (q) Incurred prior to the effective date of coverage;
- (r) Incurred after the termination date of this coverage except as specified elsewhere in the Plan;
- (s) For any procedures, services, equipment or supplies provided in connection with cosmetic services. Cosmetic services are primarily intended to preserve, change or improve a Covered Person's appearance or are furnished for psychiatric or psychological reasons. No benefits are available for surgery or treatments to change the texture or appearance of a Covered Person's skin or to change the size, shape or appearance of facial or body features (such as a Covered Person's nose, eyes, ears, cheeks, chin, chest or breasts), except benefits are provided for a reconstructive service performed to correct a physical functional impairment of any area caused by disease, trauma, congenital anomalies, or previous therapeutic process. Reconstructive services are payable only if the original procedure would have been a Covered Service under this Plan. Other reconstructive services are not covered except as otherwise required by law;
- (t) For custodial care, domiciliary or convalescent care, except as otherwise provided in the Plan;
- (u) For foot care only to improve comfort or appearance;
- (v) For any treatment of teeth, gums or tooth related service except as otherwise specified as covered in the Plan;
- (w) Related to weight loss or treatment of obesity, except for surgical treatment of morbid obesity;
- (x) For sex transformation surgery and related services, or the reversal thereof;
- (y) For marital counseling;
- (z) For eyeglasses or contact lenses except for the first pair of eyeglasses or contact lenses prescribed following cataract surgery;
- (aa) For services or supplies primarily for educational, vocational, or training purposes, except as otherwise specified herein;
- (bb) For reversal of sterilization;
- (cc) For artificial insemination; fertilization (such as in vitro or GIFT) or procedures and testing related to fertilization; infertility drugs and related services following the diagnosis of infertility;

- (dd) For or related to developmental delays, autistic disease, learning disabilities, hyperkinetic syndromes, or mental retardation (except for prescription drugs as provided in Article XIV);
- (ee) For personal hygiene and convenience items;
- (ff) For care received in an emergency room which is not emergency care, except as specified in the Plan;
- (gg) For expenses incurred at a health spa or similar facility;
- (hh) For self-help training and other forms of non-medical self care, except as otherwise provided herein;
- (ii) For examinations relating to research screenings;
- (jj) For stand-by charges of a Physician;
- (kk) For physical exams and immunizations required for enrollment in any insurance program, as a condition of employment, for licensing, for marriage or for other purposes;
- (ll) Related to radial keratotomy or keratomileusis or excimer laser photo refractive keratectomy;
- (mm) Related to any mechanical equipment, device, or organ. However, this exclusion does not apply to a left ventricular assist device when used as a bridge to a heart transplant. Permanent LVADs are now approved by the FDA and the Claims Administrator will allow based on medical review for particular circumstances;
- (nn) For private duty nursing services except when provided through the Home Health Care services benefit;
- (oo) Related to sex transformation or male or female sexual or erectile dysfunctions or inadequacies, regardless of origin or cause. This exclusion includes sexual therapy and counseling. This exclusion also includes penile prostheses or implants and vascular or artificial reconstruction, prescription drugs, and all other procedures and equipment developed for or used in the treatment of impotency, and all related diagnostic testing;
- (pp) For (or related to) any new FDA Approved Drug Product or Technology (including but not limited to medications, medical supplies, or devices) available in the marketplace for dispensing by the appropriate source for the product or technology, including but not limited to pharmacies, for the first six months after the product or technology received FDA New Drug Approval or other applicable FDA approval. The Plan may at its sole discretion, waive this exclusion in whole or in part for a specific New FDA Approved Drug Product or Technology;
- (qq) For (services or supplies related to) alternative or complementary medicine. Services in this category include, but are not limited to, acupuncture, holistic medicine, homeopathy, hypnosis, aroma therapy, massage therapy, reiki therapy, herbal, vitamin or dietary products or therapies, naturopathy, thermograph, orthomolecular therapy, contact reflex analysis, bioenergetic synchronization technique (BEST) and iridology-study of the iris;
- (rr) Consisting of drugs in quantities which exceed the limits established by the Plan;

- (ss) For elective abortions;
- (tt) For developmental delays;
- (uu) For care that is considered to be maintenance in nature, unless Medically Necessary;
- (vv) For care furnished mainly to provide a surrounding free from exposure that can worsen the person's disease;
- (ww) For speech therapy, unless therapy is expected to restore speech to a person who has lost speech function as a result of disease or Injury;
- (xx) For which a charge is made, or which are furnished, only because there is health care;
- (yy) For dental work other than when related to an accident;
- (zz) The cost of which is in excess of a negotiated rate or reimbursement as specified in any agreement between the Claims Administrator and a preferred provider; and
- (aaa) For non-accident oral surgery.

**17.02 Services, Supplies and Charges not Covered under HD PPO Options.** Notwithstanding any other Plan provision, the Plan shall not provide coverage under the HD PPO Options for any of the following services, supplies or charges:

- (a) Services or supplies relating to the treatment of any disease or Injury resulting from a war, declared or not, or any military duty or any release of nuclear energy. Also excluded are charges for services directly related military service provided or available from the Veterans' Administration or military facilities as required by law;
- (b) Services for custodial care;
- (c) Services for confinement for custodial or convalescent care, rest cures or long-term custodial Hospital care;
- (d) Dental care and treatment and oral surgery (by Physicians or dentists) including dental surgery; dental appliances; dental prostheses such as crowns, bridges, or dentures; implants; orthodontic care; operative restoration of teeth (fillings); dental extractions; endodontic care; apicoectomies; excision of radicular cysts or granuloma; treatment of dental caries, gingivitis, or periodontal disease by gingivectomies or other periodontal surgery. Any treatment of teeth, gums or tooth related service except otherwise specified as covered;
- (e) Charges for treatment received before coverage under this Option began or after it is terminated;
- (f) Treatments, procedures, equipment, drugs, devices or supplies (hereafter called "services") which are, in the judgment of the Claims Administrator, Experimental or Investigational for the diagnosis for which the Covered Person is being treated. Notwithstanding any other provision of the Plan, if a Covered Person is a "qualified individual," as defined in Section 2709 of the Affordable Care Act, the Plan will not (i) deny such person's participation in an "approved clinical trial," as also defined in Section 2709, (ii) deny (or limit or impose additional conditions on) coverage of routine patient

costs for items and services furnished in connection with participation in such trial, or (iii) discriminate against such person on the basis of his or her participation in the trial. If an In-Network Provider is participating in the approved clinical trial, the Plan may require participation in the trial through such In-Network Provider, if the Provider will accept the Covered Person as a participant in the trial;

- (g) Services, treatment or supplies not generally accepted in medical practice for the prevention, diagnosis or treatment of a Sickness or Injury, as determined by the Claims Administrator;
- (h) Foot care only to improve comfort or appearance, routine care of corns, bunions (except capsular or related surgery), calluses, toe nails (except surgical removal or care rendered as treatment of the diabetic foot or ingrown toenail), flat feet, fallen arches, weak feet, chronic foot strain, or asymptomatic complaints related to the feet. Coverage is available, however, for Medically Necessary foot care required as part of the treatment of diabetes and for Covered Persons with impaired circulation to the lower extremities;
- (i) Shoe inserts, orthotics (will be covered if prescribed by a Physician for diseases of the foot or systemic diseases that affect the foot such as diabetes when deemed Medically Necessary);
- (j) Treatment where payment is made by any local, state, or federal government (except Medicaid), or for which payment would be made if the Covered Person had applied for such benefits. Services that can be provided through a government program for which the Covered Person as a member of the community is eligible for participation. Such programs include, but are not limited to, school speech and reading programs;
- (k) Services paid under Medicare or which would have been paid if the Covered Person had applied for Medicare and claimed Medicare benefits, except as specified elsewhere in the Plan or as otherwise prohibited by federal law. With respect to end-stage renal disease (ESRD), Medicare shall be treated as the primary payor whether or not the Covered Person has enrolled in Medicare Part B;
- (l) Services covered under Workers' Compensation, no-fault automobile insurance and/or services covered by similar statutory program;
- (m) Court-ordered services, or those required by court order as a condition of parole or probation unless Medically Necessary and approved by the Plan;
- (n) Services for prescription and non-prescription medications unless provided by a Hospital in conjunction with admission;
- (o) Drugs, devices, products, or supplies with over the counter equivalents and any drugs, devices, products, or supplies that are therapeutically comparable to an over the counter drug, device, product, or supply;
- (p) Care, supplies, or equipment not Medically Necessary, as determined by the Claims Administrator, for the treatment of an Injury or Sickness. This includes, but is not limited to, care which does not meet the Claims Administrator's medical policy, clinical coverage guidelines, or benefit policy guidelines;

- (q) Vitamins, minerals and food supplement, as well as vitamin injections not determined to be Medically Necessary in the treatment of a specific Sickness. Nutritional supplements; services, supplies and/or nutritional sustenance products (food) related to enteral feeding, except when determined to be Medically Necessary;
- (r) Services for Hospital confinement primarily for diagnostic studies;
- (s) Cosmetic surgery, reconstructive surgery, pharmacological services, nutritional regimens or other services for beautification, or treatment relating to the consequences of, or as a result of, cosmetic surgery, except for reconstructive surgery following a mastectomy or when Medically Necessary to correct damage caused by an accident, an Injury or to correct a congenital defect;
- (t) Donor search/compatibility fee (except as otherwise indicated in the Plan);
- (u) Hearing aids, hearing devices or examinations for prescribing or fitting them;
- (v) Contraceptive drugs, except for any contraceptive drugs expressly covered by the Plan, and except as otherwise required by law;
- (w) In-vitro Fertilization and artificial insemination;
- (x) Hair transplants, hair pieces or wigs (except when necessitated by disease) wig maintenance, or prescriptions or medications related to hair growth;
- (y) Services and supplies primarily for educational, vocational or training purposes, including but not limited to structured teaching, applied behavioral analysis, or educational interventions, except as expressly provided as a Covered Service under the Plan;
- (z) Religious, marital and sex counseling, including services and treatment related to religious counseling, marital/relationship counseling and sex therapy;
- (aa) Services of a Christian Science Practitioner;
- (bb) Certain Services and supplies for smoking cessation programs and treatment of nicotine addiction;
- (cc) Services provided in a halfway house for substance abuse rehabilitation;
- (dd) Treatment or services provided by a non-licensed Provider, or that do not require a license to provide; services that consist of supervision by a Provider of a non-licensed person; services performed by a relative of a Covered Person for which, in the absence of any health benefits coverage, no charge would be made; services provided to the Covered Person by a local, state, or federal government agency, or by a public school system or school district, except when the plan's benefits must be provided by law; services if the Covered Person is not required to pay for them or they are provided to the Covered Person for free;
- (ee) Contraceptive devices, except for any contraceptive devices expressly covered by the Plan, and except as otherwise required by law;
- (ff) Elective abortions;



- (gg) Services or supplies related to alternative or complementary medicine. Services in this category include, but are not limited to holistic medicine, homeopathy, hypnosis, aroma therapy, massage therapy, reiki therapy, herbal, vitamin or dietary products or therapies, naturopathy, thermograph, orthomolecular therapy, contact reflex analysis, bioenergetic synchronization technique (BEST) and iridology-study of the iris;
- (hh) Any treatment of teeth, gums or tooth related service except as otherwise specified as covered;
- (ii) Care received from a dental or medical department maintained by or on behalf of an employer, mutual benefit association, labor union, trust or similar person or group;
- (jj) Examinations relating to research screenings;
- (kk) Foot care only to improve comfort or appearance including, but not limited to care for flat feet, subluxations, corns, bunions (except capsular and bone surgery), calluses, and toenails;
- (ll) Mileage costs or other travel expenses, except as authorized by the Claims Administrator, on behalf of the Employer;
- (mm) Stand-by charges of a Physician;
- (nn) Routine care is not covered, except for Preventive Health Services expressly provided for by the Plan;
- (oo) Biofeedback;
- (pp) Services or supplies provided by a member of a Covered Person's family or household;
- (qq) Charges or any portion of a charge in excess of the Maximum Allowed Amount as determined by the Claims Administrator;
- (rr) Fees or charges made by an individual, agency or facility operating beyond the scope of its license;
- (ss) Services and supplies for which a Covered Person has no legal obligation to pay, or for which no charge has been made or would be made if the Covered Person had no health insurance coverage;
- (tt) Services for any form of telecommunication;
- (uu) Administrative Charges - Charges for any of the following: failure to keep a scheduled visit; completion of claim forms or medical records or reports unless otherwise required by law; for Physician or Hospital's stand-by services; for holiday or overtime rates; membership, administrative, or access fees charged by Physicians or other Providers. Examples of administrative fees include, but are not limited to, fees charged for educational brochures or calling a patient to provider their test results; specific medical reports including those not directly related to the treatment of the Covered Person, e.g., employment or insurance physicals, and reports prepared in connection with litigation;
- (vv) Separate charges by interns, residents, house Physicians or other health care professionals who are employed by the covered facility, which makes their services available;

- (ww) Personal comfort items such as those that are furnished primarily for a Covered Person's personal comfort or convenience, including those services and supplies not directly related to medical care, such as guest's meals and accommodations, barber services, telephone charges, radio and television rentals, homemaker services, travel expenses, and take-home supplies;
- (xx) Charges for or related to sex change surgery or to any treatment of gender identity disorders;
- (yy) Reversal of vasectomy or tubal ligation;
- (zz) Salabrasion, chemosurgery and other such skin abrasion procedures associated with the removal of scars, tattoos, actinic changes and/or which are performed as a treatment for acne;
- (aaa) Services for outpatient therapy or rehabilitation other than those specifically noted. Excluded forms of therapy include, but are not limited to: primal therapy, chelation therapy, rolfing, psychodrama, megavitamin therapy, purging, bioenergetic therapy unless Medically Necessary;
- (bbb) Vision care services and supplies, including but not limited to eyeglasses, contact lenses, and related or routine examinations and services. Eye refractions. Analysis of vision or the testing of its acuity. Service or devices to correct vision or for advice on such service. Orthoptic training is covered. This exclusion does not apply for initial prosthetic lenses or sclera shells following intraocular surgery, or for soft contact lenses due to a medical condition, i.e. diabetes;
- (ccc) Related to radial keratotomy or keratomileusis or excimer laser photo refractive keratectomy; and surgery, services or supplies for the surgical correction of nearsightedness and/or astigmatism or any other correction of vision due to a refractive problem; and
- (ddd) Services for weight reduction programs, services and supplies. Weight loss programs, including but not limited to, commercial weight loss programs (Weight Watchers, Jenny Craig, LA Weight Loss):

#### **ARTICLE XVIII SUBROGATION**

**18.01 Subrogation.** If an Other Party is liable or legally responsible to pay expenses, compensation and/or damages in relation to a Sickness or an Injury incurred by any Covered Person, and benefits are payable under the Plan in relation to such Sickness or Injury, the Plan shall be subrogated to all rights of recovery of such Covered Person. The Covered Person or his or her legal representative shall transfer to the Plan any rights he or she may have to take legal action arising from the Sickness or Injury so that the Plan may recover any sums paid on behalf of the Covered Person. If the Covered Person fails to take legal action against an Other Party, and the Plan elects to take such legal action against such Other Party, in addition to the right to recover Plan benefits paid, the Plan shall be entitled to all expenses, including reasonable attorney's fees, incurred for such recovery. If the Plan recovers an amount greater than Plan benefits paid, the excess, reduced by the expenses of recovery, including reasonable attorney's fees, shall be paid to the Covered Person. The Plan shall have the right, with prior notice to, but without the consent

of, the Covered Person, to compromise the amount of its claim if, in the opinion of the Plan Administrator, it is appropriate to do so.

**18.02 Right of Recovery.** The Plan may recover from a Covered Person or his or her legal representative the amount of any benefits paid under the Plan from any payment the Covered Person receives or is entitled to receive from an Other Party. The Plan shall not be responsible for any attorney's fees associated with any payment received by a Covered Person, unless the Plan expressly assumes such obligation prior to the Covered Person's recovery. Accordingly, unless the Plan expressly agrees otherwise, its recovery shall not be offset by any attorney's fees incurred by a Covered Person.

**18.03 Application to Funds Recovered.** For the avoidance of doubt, the Plan's right of subrogation described in Section 18.01 and its right of recovery described in Section 18.02 apply to any funds recovered from an Other Party by or on behalf an Employee or Retiree, an Employee's or Retiree's covered Dependent, the estate of any Covered Person or any incapacitated person. If the Covered Person is a minor, any amount recovered by the minor, the minor's trustee, guardian, parent, or other representative, shall be subject to the provisions of Sections 18.01 and 18.02, regardless of state law and whether the minor's representative has access to, or control of, any recovery funds.

**18.04 Cooperation Required.** The Covered Person or his or her legal representative shall cooperate fully with the Plan in asserting its subrogation and recovery rights. The Covered Person or his or her legal representative shall, upon request from the Plan, provide all information and sign and return all documents or agreements deemed by the Plan Administrator to be necessary for the Plan to exercise its rights under this Article. No Covered Person shall take any action to prejudice the Plan's subrogation rights. Each Covered Person shall provide notice to the Plan within a reasonable time prior to the date that he or she expects to receive a payment from an Other Party. As a condition of participating in the Plan, each Covered Person acknowledges that the Plan has a right to intervene in any lawsuit involving an Other Party, and such Covered Person consents to the unfettered exercise of that right. Failure or refusal to execute any of the aforementioned documents or agreements or to furnish information, to comply with the obligations under such agreements or to cooperate fully with the Plan in asserting its subrogation and recovery rights does not preclude the Plan from exercising its right to subrogation or obtaining full reimbursement, and in such case, the Plan may cease paying benefits and reduce future benefits payable until full reimbursement is received.

**18.05 First Lien Created.** The Plan shall have a first lien and priority right upon any recovery, whether by settlement, judgment, mediation, arbitration or any other means, that the Covered Person receives or is entitled to receive from any Other Party. Such lien and priority right shall extend to the first proceeds of any such recovery in the possession of the Covered Person, his or her legal representative or any third party, who shall hold the same in trust for the benefit of the Plan. Such lien shall not exceed the lesser of:

- (a) The amount of benefits paid by the Plan for the Sickness or Injury, plus the amount of all future benefits that may become payable under the Plan that result from the Sickness or Injury. The Plan shall have the right to offset or recover such future benefits from the amount received from the Other Party; or
- (b) The amount recovered from the Other Party.

The Plan's first lien rights will not be reduced (1) due to the Covered Person's own negligence; (2) due to the Covered Person not being made whole; or (3) due to any attorney's fees and costs

incurred by the Covered Person. Without limiting the generality of the foregoing, neither the “common fund” or “make whole” doctrines shall be applicable with regard to the Plan, and as a condition of participating in the Plan, each Covered Person agrees that he or she will not retain counsel, unless such counsel agrees to not assert either of these doctrines during the representation.

**18.06 Constructive Trust.** A Covered Person and his or her legal representative shall place any and all funds recovered from an Other Party in a separate reserve account under the control of the Covered Person and/or his or her legal representative. As a condition of participating in the Plan, a Covered Person and his or her legal representative shall agree that any funds received from an Other Party rightfully and in good conscience belong to the Plan in accordance with this Article, and that such funds shall be held in a constructive trust until distributed in accordance with this Article.

**18.07 Personal Liability Created.** If a Covered Person or his or her legal representative makes any recovery from any Other Party and fails to reimburse the Plan for any benefits paid as a result of the Sickness or Injury, then (1) the Covered Person or his or her legal representative shall be personally liable to the Plan for the amount of the benefits paid under the Plan; and (2) the Plan may reduce future benefits payable by the amount of payment that the Covered Person or his or her legal representative has received from the Other Party. If the Plan institutes legal action against a Covered Person who fails to reimburse the Plan as required by this Section, in addition to liability to the Plan for the amount of benefits paid under the Plan, such Covered Person shall be liable to the Plan for the amount of the Plan’s costs of collection, including reasonable attorney’s fees.

## ARTICLE XIX NONDUPLICATION OF BENEFITS

**19.01 General.** Nonduplication of Benefits rules set forth the order of payment of Covered Expenses when two or more plans, including Medicare, are liable for payment. This Article shall not apply to benefits obtained by a Covered Person from an individual medical insurance policy under which such Covered Person is entitled to benefits as a named person.

**19.02 Definitions.** For purposes of this Article, the following definitions shall apply:

- (a) “Allowable Expense” shall mean the amount of expenses, at least a portion of which is paid under at least one of any multiple plans covering the person for whom the claim is made.
- (b) “Plan” or “Benefit Plan” means this Plan or any one of the following plans:
  - (1) Group or blanket benefit plans, including health maintenance organizations;
  - (2) Blue Cross and Blue Shield group plans;
  - (3) Group practice and other group prepayment plans;
  - (4) Federal government plans or programs, including Medicare;
  - (5) Other plans required or provided by law; and

- (6) “No fault vehicle insurance,” by whatever name it is called, when inclusion is not prohibited by law.

“Plan” or “Benefit Plan” shall not encompass Medicaid or any other plan, program, policy or arrangement that, by its terms, does not allow coordination, integration or carve out of benefits.

- (c) “Order of Benefits Determination” shall mean the method for ascertaining the order in which the Plan renders payment hereunder.

**19.03 Application of the Rules.** The Plan that is obligated to pay its benefits first shall be known as the “Primary” Plan. The Plan that, by its terms, is obligated to pay additional benefits for Allowable Expenses not paid by the Primary Plan is known as the “Secondary” Plan. Where another Plan contains a provision providing for coordination, integration or carve out of benefits, the following Order of Benefits Determination shall establish the responsibility for payment hereunder:

- (a) The Plan covering the patient as an employee shall be deemed to be the Primary Plan and is obligated to pay before the Plan covering the patient as a Dependent.
- (b) The Plan covering the patient as a Dependent of a person with a birthday earlier in the year shall be deemed to be the Primary Plan and is obligated to pay before the Plan covering the patient as a Dependent of a person with a birthday later in the year. In the event of divorce or legal separation, the following order shall establish responsibility for payment.
  - (1) If a court decree has determined financial responsibility for a Child’s health care expenses, the Plan of the parent having that responsibility is Primary. If the parent with financial responsibility has no coverage for the Child’s health care expenses, but that parent’s Spouse does, such Spouse’s Plan is Primary.
  - (2) The Plan of the parent with custody of the Child pays before the Plan of the other parent or the Plan of any stepparent.
  - (3) The Plan of the stepparent married to the parent with custody of the Child pays first.
  - (4) The Plan of the parent without custody of the child pays before the non-custodial stepparent.

If this Order of Benefits Determination is not recognized by the other Plan, the order will be determined at the option of the Claims Administrator on a case by case basis.

- (c) Where the order of payment cannot be determined in accordance with (a) and (b) above, the Primary Plan shall be deemed to be the Plan that has covered the patient for the longer period of time.

**19.04 Plan As Primary Payor.** If this Plan is Primary, it will provide payment in accordance with its terms.

**19.05 Plan As Secondary Payor.** If this Plan is Secondary, it will provide payment in accordance with its terms, considering as a Covered Expense the amount that would have been a Covered Expense in the absence of the Primary Plan, less the amount payable from the Primary Plan.

**19.06 When Other Plan Has No Nonduplication of Benefits Rules.** This Plan shall be considered to be Secondary when the other Plan does not contain a coordination, integration or carve-out of benefits provision, or if the other Plan provides that it will be Secondary payor in all instances.

**19.07 Vehicle Coverage Limitation.** When medical benefits are available under vehicle insurance, this Plan shall always be considered as Secondary regardless of the individual's election under PIP (personal injury protection) coverage with the vehicle insurance carrier.

**19.08 If Medicare Is Involved.**

(a) General. Notwithstanding anything in the Plan to the contrary, the provisions of this Section apply if Medicare is involved. Medicare shall be deemed to be "involved" if any Covered Person is eligible for benefits from Medicare, regardless of whether such Person has enrolled for coverage under Medicare. A Medicare-eligible Covered Person who fails to enroll for Medicare coverage shall be deemed to be enrolled under all parts of Medicare except Medicare Part D.

(b) Definitions. The following terms have the meanings set forth herein for purposes of this Section:

- (1) "Benefits" means any service or supply for which a Medicare Advantage Organization incurs a liability under a Medicare Advantage plan.
- (2) "Current Employment Status" has the meaning given such term in 42 C.F.R. § 411.104, or in any successor regulation or provision implementing the Medicare Secondary Payer Rule, 42 U.S.C. § 1395y(b)(1).
- (3) "Medicare Advantage Plan Enrollee" means a Medicare Advantage eligible individual who has enrolled in a Medicare Advantage Plan.
- (4) "Medicare Advantage Organization" means a public or private entity organized and licensed by a State as a risk bearing entity (with the exception of provider sponsored organizations receiving waivers) that is certified by the Centers for Medicare and Medicaid Services ("CMS") as meeting the requirements for participation in the Medicare Advantage program.
- (5) "Medicare Advantage Plan" means health benefits coverage offered under a policy or contract by a Medicare Advantage Organization.
- (6) "Medicare Advantage Provider" means any provider authorized to provide medical services or supplies under the Medicare Advantage program.
- (7) "Medicare Advantage Provider Network" means the Medicare Advantage Providers with which a Medicare Advantage Organization contracts or makes arrangements to furnish covered health care services to Medicare Advantage Plan Enrollees.

- (8) “Medicare” means Title XVIII (Health Insurance for the Aged) of the United States Social Security Act, as amended.
  - (9) “Order of Benefits Determination” means the order in which Medicare benefits are paid, in relation to the benefits of this Plan.
  - (10) “Person” means a person who is eligible for benefits as a Covered Person under this Plan and who is or could be covered by Medicare Parts A and B, whether or not actually enrolled.
- (c) Order of Benefits Determination. When Medicare is involved, the Order of Benefits Determination shall be as follows:
- (1) For Employees who are Covered Persons with Current Employment Status, and for their Dependents who are Covered Persons, this Plan will be Primary payor and Medicare will be Secondary payor.
  - (2) For Covered Persons who are not in Current Employment Status and who are eligible for Medicare by reason of age alone, and for their Dependents who are Covered Persons and eligible for Medicare, this Plan will be Secondary payor and Medicare will be Primary payor.
  - (3) For a Post-65 Retiree Plan Participant’s Dependent who is a Covered Person, this Plan will be Secondary payor and Medicare will be Primary payor.
  - (4) For Covered Persons eligible for Medicare, either entirely or in part, by reason other than age, the following provisions shall apply:
    - (A) For persons eligible for Medicare by reason of disability, the following provisions shall apply:
      - (i) For Employees who are not actively working and have received disability benefits from an Employer for more than six months, and for their Dependents, this Plan will be Secondary payor and Medicare will be Primary payor.
      - (ii) For Employees or Retirees who are not actively working and have COBRA continuation coverage or who are otherwise not in Current Employment Status, and for their Dependents, this Plan will be Secondary payor and Medicare will be Primary payor.
    - (B) Subject to subparagraph (C) below, for a Covered Person eligible for Medicare by reason of end-stage renal disease, benefits of this Plan shall be Primary during the initial thirty-month period that begins on the date such Covered Person first becomes eligible for Medicare due to end-stage renal disease. Once the thirty-month period has expired, Medicare shall be Primary.
    - (C) For a Covered Person eligible for Medicare by reason of end-stage renal disease and for whom Medicare was already Primary at the time such Covered Person became eligible for Medicare due to end-stage renal disease, benefits of this Plan shall continue to be Secondary and

Medicare shall be Primary. Provided, however, that Medicare must have been Primary at the time the Covered Person became eligible for Medicare due to end-stage renal disease because all of the following are true: (i) the Covered Person was already entitled to Medicare on the basis of age or disability; (ii) the Covered Person did not have coverage under the Plan by virtue of his or her own Current Employment Status or the Current Employment Status of another Covered Person; and (iii) the Plan was Secondary because it had justifiably taken into account the age-based or disability based Medicare entitlement of the Covered Person.

- (5) For Covered Persons who are Medicare Advantage Plan Enrollees, this Plan shall be either a Primary or Secondary payor in accordance with subparagraphs (1) through (4) above.
- (d) Payment Provisions. If this Plan is Secondary to Medicare, this Plan will provide payment in accordance with its terms, considering as a Covered Expense the amount that would have been a Covered Expense in the absence of Medicare, less (1) the amount payable from Medicare; and (2) the amount denied by Medicare for which a Covered Person is not legally responsible. An amount shall be deemed “payable” from or “denied” by Medicare without regard for whether the person is enrolled under Medicare. If a Medicare Advantage Plan Enrollee who is a Covered Person receives services or supplies for which no Benefits are payable because such services or supplies are from a provider that is not a Medicare Advantage Provider, or are provided outside of a Medicare Advantage Provider Network, this Plan, if a Secondary payor, shall provide benefits in the same amount as if the Covered Person had received Benefits.
- (e) Coordination of Medicare Part D. If a Covered Person has prescription drug coverage under the Plan and Medicare Part D simultaneously, such coverage shall coordinate as provided by law.

## ARTICLE XX ADMINISTRATION OF PLAN

- 20.01 Committee to Administer the Plan.** The Plan shall be administered by the Committee. The Committee shall be the “Named Fiduciary” and the “Plan Administrator” within the meaning of ERISA. The Committee may delegate its fiduciary responsibilities under the Plan to the extent permitted by ERISA.
- 20.02 The Committee.** The powers of the Committee are set forth below and in the charter of the Committee, as such charter may be modified from time to time.
- 20.03 Powers of the Plan Administrator.** The Plan Administrator shall have the duties and powers necessary to administer the Plan properly, including, but not limited to, the following:
  - (a) To maintain all Plan records;
  - (b) To file all required government reports and other documents;
  - (c) To provide required disclosures to Covered Persons;
  - (d) To direct the Claims Administrator to process claims;



- (e) To interpret the Plan, construe Plan terms and decide questions and disputes, which interpretations, constructions and decisions shall be conclusive for all purposes of the Plan;
- (f) To make factual determinations;
- (g) To determine eligibility for and the amount of benefits payable under the Plan;
- (h) To determine the status and rights of all Covered Persons;
- (i) To make regulations and prescribe procedures;
- (j) To authorize the Claims Administrator to make benefit payments to any person entitled to benefits under the Plan;
- (k) To obtain from the Company, Covered Persons and others, such information as is necessary for the proper administration of the Plan;
- (l) To determine and establish the level of cash reserves, if any, as may be necessary, appropriate or desirable to administer the Plan properly and accomplish its objectives;
- (m) To retain and pay the reasonable expenses of such legal, consulting, medical, accounting, clerical and other assistance as it deems necessary or desirable to assist it in the administration of the Plan. The Plan Administrator shall be entitled to rely upon any information from any source assumed in good faith to be correct; and
- (n) To exercise any other authority necessary, appropriate or helpful to manage and administer the Plan.

**20.04 Interpretative Authority.** The Plan Administrator has the full and final discretionary authority to decide all questions or controversies of whatever character arising in any manner between any parties or persons in connection with the Plan or the interpretation thereof, including, without limitation, the construction of the language of the Plan and the Summary Plan Description thereunder. Any writing, decision, determination of benefit eligibility or any other determination or instrument created by the Plan Administrator in connection with the operation of the Plan shall be binding upon all persons dealing with the Plan or claiming any benefits thereunder, except to the extent that the Plan Administrator may subsequently determine, in its sole discretion, that its original decision was in error, or to the extent such decision may be determined to be arbitrary or capricious by a court or other entity having jurisdiction over such matters. Benefits under the Plan shall be paid only if the Plan Administrator decides in its discretion that the applicant is entitled to them.

**20.05 Appointment of the Claims Administrator.** The Plan Administrator shall appoint a Claims Administrator to provide administrative services to the Plan Administrator in connection with the operation of the Plan and to perform such other functions, including processing and payment of claims, as may be delegated to it. The person, persons or entity serving as Claims Administrator shall serve at the pleasure of the Plan Administrator.

**ARTICLE XXI  
CLAIMS FOR BENEFITS**

**21.01 Consideration of Initial Claim.**

- (a) Filing Initial Claim. The Claims Administrator shall process benefit claims pursuant to the procedures set forth below. Initial claims shall be filed within eighteen months from the date a charge is incurred. The Plan Administrator, a member of the Company's Human Resource Department or such other designee of the Plan Administrator may decide benefit claims requiring a determination of whether an individual meets the requirements for eligibility under the terms of the Plan, which determination may result in a denial, reduction, or termination of, or failure to provide payment for, a benefit. Solely with respect to claims involving a determination of an individual's eligibility under the Plan, the term "Claims Administrator" as used in this Article shall refer also to the Plan Administrator, a member of the Company's Human Resource Department or such other designee of the Plan Administrator.
- (b) Urgent Care Claims. In the case of an Urgent Care Claim, the Claims Administrator shall provide notice to the claimant of its decision regarding his or her claim within a reasonable period of time appropriate to the medical circumstances, but not later than 72 hours after receipt of the claim by the Plan, unless the claimant fails to provide sufficient information to permit a determination whether, or to what extent, benefits are covered or payable under the Plan. If the claimant does not provide sufficient information for the Claims Administrator to make such determination, then within 24 hours after the Claims Administrator's receipt of the claim, the claimant shall be notified of the specific information needed to complete the claim. Notice regarding missing information may be provided orally, unless a claimant or his or her authorized representative specifically request written notification. Once the claimant is notified, he or she shall have a reasonable amount of time, but not less than 48 hours, to provide the missing information. The Claims Administrator shall notify the claimant of its decision regarding the claim within 48 hours of the earlier of (i) the Claims Administrator's receipt of the specified information, or (ii) the end of the period afforded the claimant to provide the specified additional information.

An "Urgent Care Claim" is any claim that must be processed on an expedited basis because a delay in processing could seriously jeopardize the life or health of the patient or the ability of the patient to regain maximum function, or in the opinion of the patient's doctor, a delay would subject the patient to severe pain that cannot be adequately managed without the care or treatment that is the subject of the claim.

- (c) Pre-Service Claims. In the case of a Pre-Service Claim, the Claims Administrator shall provide notice to the claimant of its decision regarding his or her claim within a reasonable period of time appropriate to the medical circumstances, but not later than 15 days after receipt of the claim by the Plan. This 15-day period may be extended for up to 15 days due to matters beyond the control of the Plan if, prior to the expiration of the initial 15-day period, the Claims Administrator notifies the claimant of the circumstances requiring the extension and the date by which the Claims Administrator expects to render a decision. If the claimant does not provide sufficient information for the Claims Administrator to make a determination, within five days after receipt of the claim he or she shall be notified of the specific information necessary to complete the claim. Notice regarding missing information may be provided orally, unless a claimant or his or her

authorized representative specifically request written notification. Once the claimant is notified, he or she shall have a reasonable amount of time, but not less than 45 days from receipt of the notice, to provide the missing information.

A “Pre-Service Claim” is any claim where the Plan requires approval of the benefit in advance of obtaining the medical care, in whole or in part.

- (d) Post-Service Claims. In the case of a Post-Service Claim, the Claims Administrator shall provide notice of an adverse benefit determination to the claimant within a reasonable period of time, but not later than 30 days after receipt of the claim by the Plan. This 30-day period may be extended for up to 15 days for matters beyond the control of the Plan if, prior to the expiration of the initial 30-day period, the Claims Administrator notifies the claimant of the circumstances requiring the extension and the date by which the Claims Administrator expects to render a decision. If the claimant does not provide sufficient information for the Claims Administrator to make a determination, the claimant shall receive notice of the specific information necessary to complete the claim. Once the claimant is notified he or she shall have a reasonable amount of time, but not less than 45 days from receipt of the notice, to provide the missing information.

A “Post-Service Claim” is any claim that is not an Urgent Care Claim, a Pre-Service Claim or a Concurrent Care Claim.

- (e) Concurrent Care Claims. In the case of an ongoing course of treatment, the claimant shall receive notice of any reduction or early termination of treatment in advance so that the claimant may appeal the reduction or termination and obtain a determination on review before the treatment is reduced or terminated. If the claimant submits an Urgent Care Claim to extend any ongoing course of treatment beyond the period of time or number of treatments initially prescribed, the Claims Administrator shall notify the claimant of the determination to extend the treatment within 24 hours after receipt of the claim, provided the claimant submits the claim at least 24 hours prior to the expiration of the prescribed treatment. If the request to extend any ongoing course of treatment is not an Urgent Care Claim, the Claims Administrator will treat the claim as either a Pre-Service Claim or a Post-Service Claim (as applicable) and will consider the claim according to the timeframes applicable to Pre-Service Claims or Post-Service Claims, whichever applies. The Claims Administrator shall be solely responsible for handling all Concurrent Care Claims.

A “Concurrent Care Claim” is any claim involving a decision to reduce or terminate an ongoing course of treatment or a decision regarding a request by a claimant to extend a course of treatment beyond what has been approved.

- 21.02 If the Claims Administrator Makes an Adverse Benefit Determination Regarding the Initial Claim.** If the Claims Administrator makes an adverse benefit determination, it shall provide notice of the adverse benefit determination that (1) includes information sufficient to identify the claim involved and a statement describing the availability, upon request, of the diagnosis code and its corresponding meaning, and the treatment code and its corresponding meaning; (2) explains the specific reason for the adverse benefit determination; (3) refers to the specific Plan provisions on which the adverse benefit determination is based; (4) describes any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; (5) describes the Plan’s review procedures (as set forth below) and the time limits applicable to such procedures, including a description of available internal appeals and external review processes and information regarding how to initiate an

appeal, as well as a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following a final adverse benefit determination; and (6) to the extent required by applicable regulations, discloses the availability of, and contact information for, an applicable office of health insurance consumer assistance or ombudsman who may assist the claimant. An "adverse benefit determination" means (i) a denial, reduction, or termination of, or a failure to provide or make payment (in whole or in part) for, a benefit, including any such denial, reduction, termination, or failure to provide or make payment that is based on a determination of a claimant's eligibility to participate in a plan, and including a denial, reduction, or termination of, or a failure to provide or make payment (in whole or in part) for, a benefit resulting from the application of any utilization review, as well as a failure to cover an item or service for which benefits are otherwise provided because it is determined to be experimental or investigational or not medically necessary or appropriate, and (ii) a rescission of coverage. A "rescission of coverage" means a cancellation or discontinuance of coverage that has retroactive effect, but does not include any such cancellation or discontinuance to the extent it is attributable to a claimant's failure to pay on a timely basis premiums or contributions towards the cost of coverage.

If the Claims Administrator relied upon an internal rule, guideline, protocol, or other similar criterion in making the adverse benefit determination, either the specific rule, guideline, protocol, or other similar criterion shall be provided to the claimant free of charge, or the claimant shall be informed that such rule, guideline, protocol, or other criterion shall be provided free of charge to the claimant upon request. If the Claims Administrator relied upon medical necessity or experimental treatment or similar exclusion or limit in making the adverse benefit determination, either an explanation of the scientific or clinical judgment for the determination (applying the terms of the Plan to the medical circumstances) shall be provided free of charge to the claimant, or the claimant shall be informed that such explanation shall be provided free of charge to the claimant upon request.

If the Claims Administrator denies a claimant's Urgent Care Claim in whole or in part, the Claims Administrator shall provide a description of the expedited review process for Urgent Care Claims (as set forth below). The Claims Administrator shall provide notice to the claimant orally, followed by written or electronic notice within three days of the oral notification.

### **21.03 Mandatory First-Level Internal Appeal to the Claims Administrator.**

- (a) General. If the Claims Administrator makes an adverse benefit determination, a claimant or his or her duly authorized representative may request a review of such adverse benefit determination by the Claims Administrator by sending a written request for review to the Claims Administrator within 180 days of receipt of the Claims Administrator's notice of adverse benefit determination.

A claimant may submit written comments, documents, records, and other information relating to his or her claim for benefits. Upon request, a claimant shall receive, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to his or her claim.

A claimant's written request should state why he or she thinks the claim should not have been denied or the coverage should not have been rescinded. The claimant's request shall include any adverse benefit determination letter he or she received and any additional documents, information or comments he or she thinks may have a bearing on the claim.

Upon receipt of a request for review, the Claims Administrator shall conduct a review that takes into account all comments, documents, records, and other information submitted by a claimant or his or her authorized representative relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The review shall not afford any deference to the Claims Administrator's adverse benefit determination, and shall be conducted by an individual who is neither the individual who made the adverse benefit determination that is subject of the appeal, nor the subordinate of such individual.

If the adverse benefit determination was based in whole or in part on a medical judgment, the Claims Administrator shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. This health care professional consultant shall be neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual. The Claims Administrator shall provide to the claimant upon request the identities of any medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination.

- (b) Expedited Review for Urgent Care Claims. In the case of an Urgent Care Claim, a claimant may submit a request for an expedited appeal either in writing or orally. All necessary information for the review, including the Claims Administrator's determination on review, shall be transmitted between the Plan and the claimant by telephone, facsimile, or another similarly expeditious method. To proceed with an expedited internal appeal, the claimant or the claimant's authorized representative must contact the Claims Administrator and provide at least the following information: (1) the claimant's name; (2) the date(s) of the medical service; (3) the specific medical condition or symptom; (4) the provider's name; (5) the service or supply for which approval of benefits was sought; and (6) any reasons why the appeal should be processed on a more expedited basis. The Claims Administrator shall notify the claimant of its determination on review as soon as possible, taking into account the medical exigencies, but not later than 72 hours after receipt of the claimant's request for review of an adverse benefit determination.
- (c) Pre-Service Claims. In the case of a Pre-Service Claim, the Claims Administrator shall notify the claimant of its determination on review within a reasonable period of time appropriate to the medical circumstances, but not later than 30 days after receipt of a claimant's request for review.
- (d) Post-Service Claims. In the case of a Post-Service Claim, the Claims Administrator shall provide the claimant with notice of its determination on review within a reasonable period of time, but not later than 60 days after receipt of the claimant's request for review.

**21.04 If the Claims Administrator Makes an Adverse Benefit Determination on a Mandatory First-Level Internal Appeal.** If the Claims Administrator makes an adverse benefit determination on a mandatory first-level internal appeal, it shall provide notice, in a manner calculated to be understood by the claimant of the adverse benefit determination (such determination a "final adverse benefit determination"), which notice shall (1) to the extent required by applicable regulations, include information sufficient to identify the claim involved

and a statement describing the availability, upon request, of the diagnosis code and its corresponding meaning, and the treatment code and its corresponding meaning; (2) explain the specific reason for the adverse benefit determination; (3) refer to the specific Plan provisions on which the adverse benefit determination is based; (4) state that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to his or her claim; (5) describe any voluntary appeal procedures offered by the Plan and a claimant's right to obtain information about such procedures; (6) describe available internal appeals and external review processes, including information regarding how to initiate an appeal; (7) indicate that a claimant has a right to bring a civil action under section 502(a) of ERISA following a final adverse benefit determination; and (8) to the extent required by applicable regulations, disclose the availability of, and contact information for, an applicable office of health insurance consumer assistance or ombudsman who may assist the claimant.

If the Claims Administrator relied upon an internal rule, guideline, protocol, or other similar criterion in making the adverse benefit determination, either the specific rule, guideline, protocol, or other similar criterion shall be provided to the claimant free of charge, or the claimant shall be informed that such rule, guideline, protocol, or other criterion shall be provided free of charge to the claimant upon request. If the Claims Administrator relied upon medical necessity or experimental treatment or similar exclusion or limit in making the adverse benefit determination, either an explanation of the scientific or clinical judgment for the determination (applying the terms of the Plan to the claimant's medical circumstances) shall be provided to the claimant free of charge, or the claimant shall be informed that such explanation shall be provided free of charge to the claimant upon request.

If the Claims Administrator denies an urgent care claim on review, the Claims Administrator may provide oral notice of its determination, then follow up with a written or electronic confirmation within three days.

In addition, the notice shall include the following statement: "A claimant and his or her plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact the local U.S. Department of Labor office."

#### **21.05 Voluntary Second-Level Internal Appeal to the Claims Administrator of Pre- and Post-Service Claim Denials.**

- (a) General. If the Claims Administrator makes an adverse benefit determination with respect to a Pre-Service Claim or a Post-Service Claim on a mandatory first-level internal appeal, a claimant or his or her duly authorized representative may request a review of such adverse benefit determination by the Claims Administrator by sending a written request for a voluntary second-level internal appeal to the Claims Administrator within 60 days of receipt of the Claims Administrator's notice of denial of the mandatory first-level internal appeal. A claimant is not required to request a voluntary second-level internal appeal before submitting a request for an independent external review. However, if a claimant requests a voluntary second-level internal appeal, the claimant must obtain a determination on such appeal before requesting an independent external review.

The Plan waives any right to assert that a claimant failed to exhaust administrative remedies because the claimant did not request a voluntary second-level internal appeal. The Plan agrees that any statute of limitations or other defense based upon timeliness is tolled during the time that any properly initiated second-level voluntary internal appeal is pending. The Claims Administrator will, upon request, provide a claimant with

information relating to the voluntary second-level internal appeal to enable the claimant to make an informed judgment about whether to request such an appeal. A claimant's decision whether or not to request a voluntary second-level internal appeal will have no effect on such claimant's right to any other benefits under the Plan.

Requests for review should be sent to the Claims Administrator at the address furnished by the Plan Administrator from time to time.

A claimant may submit written comments, documents, records, and other information relating to his or her claim for benefits. Upon request, a claimant shall receive, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to his or her claim.

A claimant's written request should state why he or she thinks the claim should not have been denied. The claimant's request shall include any denial letter he or she received and any additional documents, information or comments he or she thinks may have a bearing on the claim.

Upon receipt of a request for review, the Claims Administrator shall conduct a review that takes into account all comments, documents, records, and other information submitted by a claimant or his or her authorized representative relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The review shall not afford any deference to the Claims Administrator's adverse benefit determination on appeal, and shall be conducted by an individual who is neither the individual who made the adverse benefit determination that is subject of the appeal, nor the subordinate of such individual.

If the denial was based in whole or in part on a medical judgment, the Claims Administrator shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. This health care professional consultant shall be neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual. The Claims Administrator shall provide to the claimant upon request the identities of any medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination.

- (b) Pre-Service Claims. In the case of a Pre-Service Claim, the Claims Administrator shall notify the claimant of its determination on review within a reasonable period of time appropriate to the medical circumstances, but not later than 30 days after receipt of a claimant's request for review.
- (c) Post-Service Claims. In the case of a Post-Service Claim, the Claims Administrator shall provide the claimant with notice of its determination on review within a reasonable period of time, but not later than 60 days after receipt of the claimant's request for review.

**21.06 If the Claims Administrator Makes an Adverse Benefit Determination on a Voluntary Second-Level Internal Appeal.** If the Claims Administrator makes an adverse benefit determination on a voluntary second-level internal appeal, it shall provide notice, in a manner calculated to be understood by the claimant of the adverse benefit determination, which notice shall (1) to the extent required by applicable regulations, include information sufficient to identify

the claim involved and a statement describing the availability, upon request, of the diagnosis code and its corresponding meaning, and the treatment code and its corresponding meaning; (2) explain the specific reason for the adverse benefit determination; (3) refer to the specific Plan provisions on which the adverse benefit determination is based; (4) state that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to his or her claim; (5) describe any voluntary appeal procedures offered by the Plan and a claimant's right to obtain information about such procedures; (6) describe available internal appeals and external review processes, including information regarding how to initiate an appeal; (7) indicate that a claimant has a right to bring a civil action under section 502(a) of ERISA following a final adverse benefit determination; and (8) to the extent required by applicable regulations, disclose the availability of, and contact information for, an applicable office of health insurance consumer assistance or ombudsman who may assist the claimant.

If the Claims Administrator relied upon an internal rule, guideline, protocol, or other similar criterion in making the adverse benefit determination, either the specific rule, guideline, protocol, or other similar criterion shall be provided to the claimant free of charge, or the claimant shall be informed that such rule, guideline, protocol, or other criterion shall be provided free of charge to the claimant upon request. If the Claims Administrator relied upon medical necessity or experimental treatment or similar exclusion or limit in making the adverse benefit determination, either an explanation of the scientific or clinical judgment for the determination (applying the terms of the Plan to the claimant's medical circumstances) shall be provided to the claimant free of charge, or the claimant shall be informed that such explanation shall be provided free of charge to the claimant upon request.

In addition, the notice shall include the following statement: "A claimant and his or her plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact the local U.S. Department of Labor office."

**21.07 Full and Fair Review.** In connection with a claim or internal appeal, the Claims Administrator will provide a claimant, free of charge, with any new or additional evidence considered, relied upon, or generated by the Plan (or at the direction of the Plan) in connection with a claim. Such evidence will be provided in advance of the date on which a notice of a final internal adverse benefit determination is required to be provided. In addition, before a claimant receives a final internal adverse benefit determination on review based upon a new or additional rationale, the Claims Administrator will provide to the claimant, free of charge, the rationale. The rationale will be provided in advance of the date on which a notice of a final internal adverse benefit determination is required to be provided.

**21.08 Voluntary External Review by Independent Review Organization.**

- (a) General. If the Claims Administrator makes an adverse benefit determination or final adverse benefit determination, a claimant may be entitled to obtain an independent external review pursuant to federal law. External review applies only to an adverse benefit determination (including a final internal adverse benefit determination) by the Claims Administrator that involves medical judgment or a rescission of coverage (whether or not the rescission has any effect on any particular benefit at that time). External review is not available in connection with an adverse benefit determination based upon a determination that a claimant fails to meet the requirements for eligibility under the terms of the Plan. A claimant does not need to pursue an external review in order to complete or exhaust the appeal procedure described above. A claimant's



decision to seek an independent external review will not affect the claimant's rights to any other benefits under the Plan. There is no charge to initiate an independent external review. The external review decision is final and binding on all parties except for any relief available through ERISA.

- (b) Standard External Review. This subsection (b) sets forth procedures for standard external review. Standard external review is external review that is not considered expedited (as described in subsection (c) below).
- (1) If the Claims Administrator makes an adverse benefit determination or a final adverse benefit determination, a claimant or his or her duly authorized representative may file a request for an external review under federal law within four months of the date the claimant received notice of an adverse benefit determination or final internal adverse benefit determination. A claimant's request must be in writing, unless the Claims Administrator determines that it is not reasonable to require a written statement. A claimant does not have to resubmit information that was submitted for the initial claim or internal appeal.
  - (2) Within five business days following the date an external review request is received, the Claims Administrator will complete a preliminary review of the request to determine whether:
    - (A) The claimant is or was covered under the Plan at the time the health care item or service was requested or, in the case of a retrospective review, was covered under the Plan at the time the health care item or service was provided;
    - (B) The adverse benefit determination or the final adverse benefit determination does not relate to the claimant's failure to meet the requirements for eligibility under the terms of the Plan and does not involve medical judgment or a rescission of coverage;
    - (C) The claimant has exhausted the Plan's internal appeal process, unless the claimant is not required to exhaust such process under applicable federal regulations;
    - (D) The claimant has provided all the information and forms required to process an external review.
  - (3) Within one business day after completion of its preliminary review, the Claims Administrator will notify the claimant in writing of the results of such review. If the request is complete, the Claims Administrator will assign an IRO to conduct the external review.
  - (4) The assigned IRO is required to notify the claimant in writing of the eligibility of the request and of the acceptance of the request for external review. Within ten business days following the date of the claimant's receipt of such notice, the claimant may submit in writing to the assigned IRO additional information that the IRO must consider when conducting the external review. The IRO is not required to, but may, accept and consider additional information submitted after ten business days.

- (5) Within five business days after the date of assignment of the IRO, the Plan must provide to the assigned IRO the documents and any information considered in making the adverse benefit determination or final internal adverse benefit determination. If the Plan fails to provide the documents and information on a timely basis, the assigned IRO may terminate the external review and make a decision to reverse the adverse benefit determination or final internal adverse benefit determination. The IRO will notify the claimant and the Plan within one business day after making any such decision.
- (6) Upon receipt of any information submitted by the claimant, the assigned IRO must within one business day forward the information to the Plan. Upon receipt of any such information, the Plan may reconsider its adverse benefit determination or final internal adverse benefit determination that is the subject of the external review. The external review may be terminated as a result of the reconsideration only if the Plan decides, upon completion of its reconsideration, to reverse its adverse benefit determination or final internal adverse benefit determination and provide coverage or payment. Within one business day after making such a decision, the Plan must provide written notice of its decision to the claimant and to the assigned IRO. The assigned IRO is required to terminate the external review upon receipt of any such notice from the Plan.
- (7) The IRO is required to review all of the information and documents timely received. In reaching a decision, the assigned IRO will review the claim *de novo* and will not be bound by any decisions or conclusions reached during the Plan's internal claims and appeals process. In addition to the documents and information provided, the assigned IRO, to the extent the information or documents are available and the IRO considers them appropriate, will consider the following in reaching a decision:
  - (A) The claimant's medical records;
  - (B) The attending health care professional's recommendation;
  - (C) Reports from appropriate health care professionals and other documents
  - (D) The terms of the Plan, to ensure that the IRO's decision is not contrary to the terms of the Plan;
  - (E) Appropriate practice guidelines, which must include applicable evidence-based standards and may include any other practice guidelines developed by the Federal government, national or professional medical societies, boards and associations;
  - (F) Any applicable clinical review criteria developed and used by the Plan, unless the criteria are inconsistent with the terms of the Plan or with applicable law;
  - (G) The opinion of the IRO's clinical reviewer or reviewers after considering the information above and applicable Federal guidance, to the extent the information or documents are available and the clinical reviewer or reviewers consider such information or documents appropriate.

- (8) The assigned IRO is required to provide written notice of the final external review decision within 45 days after it receives the request for the external review. The IRO must deliver the notice of final external review decision to the claimant and to the Plan. The assigned IRO's decision notice on external review will contain:
- (A) A general description of the reason for the request for external review, including information sufficient to identify the claim;
  - (B) The date the IRO received the assignment to conduct the external review and the date of the IRO decision;
  - (C) References to the evidence or documentation, including the specific coverage provisions and evidence-based standards, considered in reaching its decision;
  - (D) A discussion of the principal reason or reasons for its decision, including the rationale for its decision and any evidence-based standards that were relied on in making its decision;
  - (E) A statement that the determination is binding except to the extent that other remedies may be available under State or Federal law to either the Plan or to the claimant;
  - (F) A statement that judicial review may be available to the claimant; and
  - (G) Current contact information, including phone number, for any applicable office of health insurance consumer assistance or ombudsman.
- (c) Expedited External Review. This subsection (c) sets forth procedures for expedited external review.
- (1) If the Claims Administrator makes an adverse benefit determination or final adverse benefit determination, and the claim is an urgent care claim or a concurrent care claim, the claimant may proceed with an expedited external review without filing an internal appeal or while simultaneously pursuing an expedited appeal through the Plan's internal appeal process.
  - (2) The claimant or his or her authorized representative may request an expedited external review orally or in writing. All necessary information for the review, including the Claims Administrator's determination, may be transmitted between the Claims Administrator and the claimant by telephone, facsimile, or another similarly expeditious method. To proceed with an expedited external review, the claimant or his or her authorized representative must contact the Claims Administrator and provide at least the following information:
    - (A) The claimant's name;
    - (B) The date(s) of the medical service;
    - (C) The specific medical condition or symptom;
    - (D) The provider's name

- (E) The service or supply for which approval of benefits was sought; and
  - (F) Any reasons why the appeal should be processed on a more expedited basis.
- (3) Upon receipt of a request for expedited external review, the Claims Administrator will determine whether the request meets the reviewability requirements set forth above for standard external review. The Claims Administrator will notify the claimant in writing of the results of such review.
  - (4) If the Claims Administrator determines that a request is eligible for external review, the Claims Administrator will assign an IRO to conduct the review.
  - (5) The assigned IRO, to the extent the information or documents are available and the IRO considers them appropriate, will consider the information or documents described above under the procedures for standard external review. In reaching a decision, the assigned IRO will review a claim *de novo* and is not bound by any decisions or conclusions reached during the Plan's internal claims and appeals process.
  - (6) The IRO is required to notify the claimant of the final external review decision as expeditiously as the claimant's medical condition or circumstances require, but in no event more than 72 hours after the IRO receives a request for an expedited external review. If the notice is not in writing, within 48 hours after the date of providing that notice, the assigned IRO is required to provide written confirmation of the decision to the claimant and to the Plan.

**21.09 Limitations Upon Civil Actions.** No civil action regarding a claim for benefits under the Plan may be commenced unless the claims procedure process for internal appeals described in this Article XXI (but not including any voluntary appeal provided for in Section 21.05) has been exhausted. In addition, in no event may any civil action regarding a claim for benefits or a rescission of coverage be commenced later than three years after the date such claim was incurred or the date of the rescission of coverage, as the case may be. A claim for benefits is incurred when the services giving rise to the claim were rendered.

**21.10 Construction of Article.** This Article shall be construed in a manner consistent with Department of Labor Regulations governing claims procedures applicable to group health plans.

## ARTICLE XXII TERMINATION OF PARTICIPATION AND CONTINUATION COVERAGE

**22.01 Cessation of Participation.** Except as otherwise provided in this Article:

- (a) An Employee shall cease to participate in the Plan on the earliest of the following dates:
  - (1) The date as of which the Plan is terminated;
  - (2) The date that the Plan is amended to terminate coverage with respect to an Employee;
  - (3) The date of death of the Employee;

- (4) The last day of the month in which an Employee is no longer eligible for coverage under Article III, including without limitation as a result of the Employee's employer no longer being a Related Employer;
- (5) The last day of the month in which an Employee commences active duty in the armed forces, except to the extent continuation coverage is required pursuant to the Uniformed Services Employment and Reemployment Rights Act of 1994 and except as provided in the NiSource Military Leave of Absence Policy;
- (6) The last day of the last month for which any required Covered Person Contribution was made, in the case of cessation of required Covered Person contributions;
- (7) The last day of the month in which a leave of absence begins, except to the extent continuation coverage is required under Section 22.02 (relating to coverage required by the FMLA); or
- (8) The last day of the month in which an Employee terminates employment, unless the Employee elects coverage as a Retiree prior to his or her retirement.

If, after the Employee ceases to be actively employed due to his or her purported disability or other approved leave status, an Employer under its personnel policies continues to treat an individual as an Employee generally eligible for health and welfare benefits offered by the Employer, then the Employee will continue to be treated as an Employee eligible to participate in the Plan, subject to the terms and conditions of the Plan. Provided, however, that such participation shall cease upon the earliest of any event set forth in (1) through (6) and (8) above.

(b) A Retiree shall cease to participate in the Plan on the earliest of the following dates:

- (1) The date as of which the Plan is terminated;
- (2) The date the Retiree attains age 65;
- (3) The date of the death of the Retiree;
- (4) The last day of the month in which a Retiree is no longer eligible for coverage under Article III, including without limitation as a result of the Retiree's former employer no longer being a Related Employer, unless the Plan Administrator determines, in its discretion, that such event shall not cause a loss of coverage;
- (5) The Separation Date, with respect to any Retiree who retired from employment with a Columbia Divested Company;
- (6) The last day of the last month for which any required Covered Person Contribution was made, in the case of cessation of required Covered Person Contributions; or
- (7) The date Retiree coverage ceases pursuant to any Plan amendment.

(c) A Dependent of an Employee or Retiree shall cease to participate in the Plan on the earliest of the following dates:

- (1) The date as of which the Plan is terminated;
- (2) The last day of the month in which the Employee's or Retiree's coverage ends, except that
  - (A) if coverage ended due to the death of the Employee or Retiree before January 1, 2004, and if COBRA continuation coverage was elected by or on behalf of such Dependent who was a Qualified Beneficiary and such coverage was not terminated for any reason prior to the maximum continuation coverage period specified in Section 22.05 being exhausted, then coverage under the Plan may be continued for such Dependent in accordance with a written plan or procedure, if any, applicable to such Employee or Retiree that was adopted by the Company and in effect as of December 31, 2003, as such plan or procedure was thereafter, or may hereafter, be modified by the Company; provided, however, that such coverage shall cease as of the Separation Date if the Employee's or Retiree's last employment was with a Columbia Divested Company or a CPG Related Employer. If such Dependent's COBRA continuation coverage terminated for any reason before the maximum COBRA continuation coverage period was exhausted, or if any coverage provided beyond the maximum COBRA continuation coverage period is terminated for any reason (including without limitation the voluntary relinquishment of such coverage), no further coverage is available under the Plan;
  - (B) if coverage ends due to the death of the Employee (other than a Bay State Gas Company Represented Employee or a NIPSCO Represented Employee who is a Temporary ManPower Pool, Temporary Work Force or Part-Time Employee) on or after January 1, 2004, and if COBRA Continuation Coverage or COBRA-like continuation coverage is elected by or on behalf of such Dependent who is a Qualified Beneficiary and such coverage is not terminated prior to the maximum continuation coverage period specified in Section 22.05 being exhausted, then coverage under the Plan may be continued for such Dependent until the earliest of (i) the date of the death of the Employee's Spouse or Same-Sex Domestic Partner; (ii) the last day of the month in which the Employee's Spouse or Same-Sex Domestic Partner remarries or enters into a domestic partnership or civil union with another person; (iii) the last day of the last month for which any required Covered Person Contributions for such coverage are made, in the case of cessation of required Covered Person Contributions; (iv) with respect to a Dependent Child, the last day of the month in which such Dependent would no longer be considered a Dependent under the Plan, had the Employee survived; (v) with respect to any Dependent of an Employee, the date such Dependent attains age 65; (vi) the Separation Date, in the case of an Employee whose last employment was with a Columbia Divested Company or CPG Related Employer; and (vii) the date the Employer of such Employee ceases to be a Related Employer, unless the Plan Administrator determines, in its discretion, that such event shall not cause a loss of coverage. If such Dependent's COBRA Continuation Coverage or COBRA-like continuation coverage terminates for any

reason before the maximum COBRA continuation coverage period has been exhausted, or if any coverage provided beyond the maximum COBRA continuation coverage period is terminated for any reason (including without limitation the voluntary relinquishment of such coverage), no further coverage is available under the Plan;

- (C) if coverage ends due to the death of a Bay State Gas Company Represented Employee, a NIPSCO Represented Part-Time Employee (excluding any Employee who is a Temporary ManPower Pool or Temporary Work Force Employee), or a Retiree within thirty days preceding, or at any time on or after, May 1, 2010, and if COBRA Continuation Coverage or COBRA-like continuation coverage is elected by or on behalf of such Dependent who is a Qualified Beneficiary and such coverage is not terminated prior to the maximum continuation coverage period specified in Section 22.05 being exhausted, then coverage under the Plan may be continued for such Dependent until the earliest of (i) the date of the death of the Employee's or Retiree's Spouse or Same-Sex Domestic Partner; (ii) the last day of the month in which the Employee's or Retiree's Spouse or Same-Sex Domestic Partner remarries or enters into a domestic partnership or civil union with another person; (iii) the last day of the last month for which any required Covered Person Contributions for such coverage are made, in the case of cessation of required Covered Person Contributions; (iv) with respect to a Dependent Child, the last day of the month in which such Dependent would no longer be considered a Dependent under the Plan, had the Employee or Retiree survived; (v) with respect to any Dependent of an Employee or Retiree, the date such Dependent attains age 65; (vi) the Separation Date, in the case of an Employee whose last employment was with a Columbia Divested Company or CPG Related Employer; and (vii) the date the Employer of such Employee or Retiree ceases to be a Related Employer, unless the Plan Administrator determines, in its discretion, that such event shall not cause a loss of coverage. If such Dependent's COBRA Continuation Coverage or COBRA-like continuation coverage terminates for any reason before the maximum COBRA continuation coverage period has been exhausted, or if any coverage provided beyond the maximum COBRA continuation coverage period is terminated for any reason (including without limitation the voluntary relinquishment of such coverage), no further coverage is available under the Plan;
- (D) if a Retiree's coverage under this Plan ends because such Retiree attains age 65, and if such Retiree timely and properly enrolls in the Post-65 Retiree Medical Plan, the Dependent's coverage under this Plan may continue, subject to the other terms and conditions of this Plan, if the Dependent is otherwise eligible for coverage hereunder; and
- (E) if coverage ends due to the death of any other Employee or Retiree, coverage for his or her Dependents will end on the date of the Employee's or Retiree's death;

- (3) The last day of the last month for which any required Covered Person Contributions for Dependent coverage were made, in the case of cessation of required Covered Person Contributions; or
- (4) The last day of the month in which a Dependent no longer qualifies as a Dependent.

**22.02 Leave of Absence Under the FMLA.** Eligibility for Plan coverage shall continue for an Employee who is granted a leave of absence under the FMLA at the same level of contribution and under the same conditions as if the Employee had continued in employment. However, to the extent permitted by the FMLA, the Company may recover from the Employee its cost of coverage and benefits provided hereunder if the Employee fails to return from leave for reasons other than the continuation or onset of a serious health condition (as defined in the FMLA), or other circumstances beyond the control of the Employee. The Company may require that a claim that an Employee is unable to return to work because of the continuation, recurrence, or onset of a serious health condition be supported by certification of a health care provider.

**22.03 Military Leave Policy.** Coverage for a Covered Person shall continue to the extent provided under the NiSource Military Leave of Absence Policy and as required by applicable state or federal law.

**22.04 Severance.** Eligibility for Plan coverage shall continue for an Employee to the extent provided under any severance arrangement between such Employee and the Company. The level of contribution and the conditions of such continuation coverage shall be determined by the terms of the applicable severance agreement. The Plan's COBRA continuation of coverage provisions will be available to the extent required by law. Unless a severance arrangement expressly provides to the contrary, continuation coverage pursuant to this Section shall be deemed to be "subsidized COBRA Continuation Coverage" and shall count towards the maximum COBRA Continuation Coverage period.

**22.05 COBRA.** The Plan offers continuation of coverage to the extent required by COBRA.

- (a) Continuation of Coverage. If Plan coverage ends because of a Qualifying Event, a Qualified Beneficiary may elect to continue the Coverage Option in force immediately prior to the Qualifying Event, subject to the provisions below.
- (b) Election Period. A Qualified Beneficiary may elect COBRA Continuation Coverage only during the election period. The election period begins on the date of the Qualifying Event and ends on the later of (1) 60 days after the date coverage would have stopped due to the Qualifying Event; or (2) 60 days after the date the Qualified Beneficiary is sent notice of the right to continue coverage under COBRA.

A Covered Employee or Spouse's election of COBRA Continuation Coverage shall be considered an election on behalf of all other Qualified Beneficiaries who would also lose coverage because of the same Qualifying Event.

If COBRA Continuation Coverage is elected within the election period, coverage shall be reinstated retroactively to the date of the Qualifying Event. If a Qualified Beneficiary waives COBRA Continuation Coverage during the election period, the Qualified Beneficiary may revoke that waiver at any time before the end of the election period and elect COBRA Continuation Coverage retroactive to the date of the Qualifying Event.



(c) Coverage Period. COBRA Continuation Coverage shall begin as of the date of the Qualifying Event and shall continue until the earliest of the following dates:

- (1) The date the Qualified Beneficiary first becomes entitled to benefits under Medicare.
- (2) 18 months from the date of a Qualifying Event set forth in subsection 2.83(a) or (b).
- (3) If a Qualifying Event set forth in subsection 2.84(a) or (b) occurs less than 18 months after the date a Covered Employee becomes entitled to Medicare benefits, the period of coverage for each Qualified Beneficiary other than the Covered Employee shall not terminate before the close of the 36-month period beginning on the date the Covered Employee becomes entitled to Medicare.
- (4) If any Qualified Beneficiary is determined by the Social Security Administration to have been disabled at any time before the 61<sup>st</sup> day of COBRA Continuation Coverage resulting from a Qualifying Event set forth in subsection 2.84(a) or (b), any Qualified Beneficiary may elect an additional 11 months of COBRA Continuation Coverage if:
  - (A) The disabled Qualified Beneficiary provides the Plan Administrator with the Social Security Administration's determination of disability (i) within 60 days of the later of date the determination is issued and the date the Qualified Beneficiary loses coverage under the Plan as a result of the Qualifying Event, and (ii) within the initial 18 month COBRA Continuation period; and
  - (B) The Qualified Beneficiary agrees to pay the increased Covered Person Contribution necessary to continue the coverage for the additional 11 months.

COBRA Continuation Coverage shall automatically end before the additional 11-month period ends on the first day of the month coincident with or next following 30 days from the date that the Social Security Administration determines that the Qualified Beneficiary is no longer disabled.

- (5) 36 months from the date coverage would have ended due to a Qualifying Event other than that set forth in subsection 2.84(a) or (b).
- (6) The date on which the Company ceases to provide any Group Health Plan to any Employee.
- (7) If the Qualified Beneficiary fails to make a required Covered Person Contribution, the end of the period for which the last Contribution was made.
- (8) The date the Qualified Beneficiary first becomes covered under any other Group Health Plan that does not contain any exclusion or limitation with respect to any pre-existing condition, and such pre-existing condition limitation is permissible pursuant to HIPAA.

- (9) In the case of a Qualifying Event described in subsection 2.84(g), the date of death of the Retiree or, for a Qualified Beneficiary (described in subsection 2.83(c)) who is the surviving Spouse or Dependent Child of the Retiree, the earlier of the date of such Qualified Beneficiary's death or 36 months after the date of the death of the Retiree.
- (10) The Separation Date, in the case of a person (A) who (i) is a former employee of the Company or of a Related Employer, of a CPG Related Employer, or of a Columbia Divested Company, and whose last employment with any of such parties prior to termination of employment was with a CPG Related Employer or a Columbia Divested Company (a "CPG Participant"), or (ii) is or was a dependent of a CPG Participant or of an employee of CPG or of a CPG Related Employer; and (B) whose coverage under the Plan ended prior to the Separation Date because of a Qualifying Event.
- (d) Multiple Qualifying Events. If after the first Qualifying Event another Qualifying Event occurs, coverage may be continued for an additional period, up to 36 months from the first Qualifying Event.
- (e) Notification Requirements. A Qualified Beneficiary shall notify the Plan Administrator within 60 days of the Qualifying Events set forth in subsection 2.84(e) or (f) or of a second Qualifying Event described in subsection 22.05(d). If such notice is not given, the Qualified Beneficiary shall not be eligible for COBRA Continuation Coverage.
- (f) Required Contributions. Except as provided in subsection 22.05(g), the Company will not make any contribution toward the cost of COBRA Continuation Coverage. A Qualified Beneficiary electing COBRA Continuation Coverage shall be responsible for a Covered Person Contribution in the amount of 102% of what is calculated to be the total cost of the Coverage Option being continued, or in the case of an individual who is entitled to extended COBRA Continuation Coverage beyond 18 months pursuant to subsection 22.05(c)(4), 150% of what is calculated to be the average cost of the Coverage Option being continued. Premiums for the period of COBRA Continuation Coverage prior to the date of the election will be due 45 days after the COBRA Continuation Coverage is elected. Thereafter, monthly premiums shall be due the first day of the calendar month. There shall be a grace period of 30 days for the payment of regularly scheduled monthly premiums.
- (g) Subsidized COBRA. The Company may subsidize all or a portion of the cost of COBRA Continuation Coverage. If the Company so elects, the period of such subsidized coverage shall count towards the COBRA Continuation Coverage period required under this Section.
- (h) COBRA-Like Continuation Coverage for Same-Sex Domestic Partners. The Plan will make COBRA-like continuation coverage available to a Same-Sex Domestic Partner who is a Covered Person (and to a Same-Sex Domestic Partner's Child who is a Covered Person) under circumstances, and subject to the same, terms, conditions and limitations, that would entitle the lawful Spouse or Child of a Covered Participant to elect COBRA continuation coverage. A Same-Sex Domestic Partner and a Child of a Same-Sex Domestic Partner shall have the same notice and other obligations with respect to such continuation coverage as a lawful Spouse or Child of a Covered Participant has with respect to COBRA continuation coverage. For purposes of this COBRA-like

continuation coverage, a termination of a same-sex domestic partner relationship will be treated as a divorce.

**ARTICLE XXIII**  
**PROVISIONS CONCERNING PROTECTED HEALTH INFORMATION**

- 23.01 General.** The Department of Health and Human Services has issued Standards for Privacy of Individually Identifiable Health Information (the “Privacy Standards”), effective April 14, 2003, that govern the manner in which the Plan must handle Protected Health Information. “Protected Health Information” means individually identifiable health information related to a Covered Employee or Dependent.
- 23.02 Permitted Uses and Disclosure.** The Plan may use and disclose Protected Health Information to carry out payment and health care operations without consent or authorization. If the Plan must use and disclose Protected Health Information for purposes other than payment or health care operations, patient authorization for such use or disclosure shall be required, unless such use or disclosure is expressly permitted by the Policies and Procedures Regarding Protected Health Information related to the Plan or the Privacy Standards.
- 23.03 Disclosures to Company.** The Plan may disclose Protected Health Information to the Company to the extent that such disclosure is permissible under law, but prior to any such disclosure the Company shall certify that (1) the Plan documents have been amended as required by the Privacy Standards; and (2) the Company has agreed to certain conditions set forth in the Privacy Standards regarding the use and disclosure of that Protected Health Information.

The Company, in its capacity as sponsor of the Plan, agrees to:

- (a) not use or further disclose Protected Health Information received from the Plan other than as permitted or required by the Plan documents or as required by law;
- (b) ensure that any agents to whom it provides Protected Health Information received from the Plan agree to the same restrictions and conditions that apply to the Company with respect to such information;
- (c) not use or disclose Protected Health Information received from the Plan for employment-related actions and decisions;
- (d) not use or disclose Protected Health Information received from the Plan in connection with any other benefit or employee benefit plan of the Company (except to the extent that such other benefit, or benefit plan, program, or arrangement is part of an organized health care arrangement of which the Plan is a part);
- (e) report to the Privacy Official, acting on behalf of the Plan, any use or disclosure of Protected Health Information received from the Plan that is inconsistent with the uses or disclosures authorized by this Section and of which the Company becomes aware;
- (f) make available Protected Health Information in accordance with 45 C.F.R. § 164.524 (pertaining to an individual’s access to his or her own Protected Health Information) and in accordance with the Policies and Procedures Regarding Protected Health Information related to the Plan;

- (g) make available Protected Health Information for amendment and incorporate any amendments to Protected Health Information in accordance with 45 C.F.R. § 164.526 and in accordance with the Policies and Procedures Regarding Protected Health Information related to the Plan;
- (h) make available the information required to provide an accounting of disclosures in accordance with 45 C.F.R. § 164.528 and in accordance with the Policies and Procedures Regarding Protected Health Information related to the Plan;
- (i) make its internal practices, books, and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Secretary of Health and Human Services (“HHS”) or to any other officer or employee of HHS to whom the authority involved has been delegated, for purposes of determining compliance by the Plan with 45 C.F.R. Subchapter C, Subpart E; and
- (j) if feasible, return or destroy all Protected Health Information received from the Plan that the Company still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, the Company shall limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.

The foregoing restrictions do not apply to disclosures of enrollment information or summary health information by or on behalf of the Plan to the Company or any other Employer, acting in their respective capacities as an employer.

**23.04 Adequate Separation.** There shall be adequate separation between the Plan and the Company to help ensure that only persons involved in Plan administration have access to Protected Health Information. Only the following employees, classes of employees or other persons under the control of the Company or its affiliates may have access to Protected Health Information created under the Plan:

- Privacy Official
- Security Official
- Members of the Benefits Department
- HRIS-Benefits Analyst
- Members of the Legal Department
- Members of the Internal Audit Department
- Members of the Committee
- Any other employee of the Company or its affiliates who performs plan administration functions for the Plan and who is designated in writing by the Privacy Official or a member of the Committee as being entitled to access to Protected Health Information.

Access to and use by such individuals shall be restricted to the plan administration functions that the Company and its affiliates perform for the Plan. The Plan or the Company (or an affiliate) has retained one or more third party administrators and others that receive Protected Health Information in the ordinary course of business performed on behalf of the Plan. Such persons or entities, known in the Privacy Standards as “Business Associates,” shall enter into agreements with the Plan governing their obligations under the Privacy Standards.

**23.05 Unauthorized Use or Disclosure.** The improper use or disclosure of Protected Health Information by an employee of Company (or an affiliate) shall be governed by the Policies and

Procedures Regarding Protected Health Information related to the Plan. The terms of the applicable Business Associate Agreement shall address non-compliance with the Privacy Standards by a Business Associate.

- 23.06 Special Amendatory Authority.** The Privacy Official appointed by the Plan Administrator pursuant to the Privacy Standards shall be authorized to make and execute any amendment to this Article that such Privacy Official deems necessary or appropriate.

**ARTICLE XXIV  
PROVISIONS CONCERNING THE SECURITY OF  
ELECTRONIC PROTECTED HEALTH INFORMATION**

- 24.01 General.** The Department of Health and Human Services has issued Regulations, effective April 20, 2005, that govern the manner in which a group health plan, such as the Plan, must handle Electronic Protected Health Information. "Electronic Protected Health Information" refers to Protected Health Information that is (i) maintained in Electronic Media (as defined in 45 C.F.R. Section 160.103), or (ii) transmitted by Electronic Media.
- 24.02 Duty of the Plan Sponsor.** The Company shall reasonably and appropriately safeguard Electronic Protected Health Information created, received, maintained or transmitted to or by the Company on behalf of the Plan. To this end, the Company shall: (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Electronic Protected Health Information that the Company creates, receives, maintains or transmits on behalf of the Plan; (ii) ensure that the adequate separation required by Section 23.04 above is supported by reasonable and appropriate security measures; (iii) ensure that any agent, including a subcontractor, to whom or which the Company provides Electronic Protected Health Information agrees to implement reasonable and appropriate security measures to protect such Electronic Protected Health Information; and (iv) report to the Plan any security incident involving Electronic Protected Health Information of which the Company becomes aware.

**ARTICLE XXV  
MISCELLANEOUS PROVISIONS**

- 25.01 Assignment of Benefits.** A Covered Person may assign benefits otherwise payable to the Covered Person or to the persons or institutions providing care covered under the Plan. No such assignment, however, shall be binding on the Plan unless the Claims Administrator is notified in writing of such assignment prior to payment hereunder. Otherwise, except as required by law, no benefit payable at any time under the Plan shall be assignable or transferable, or subject to any lien, in whole or in part, either directly or by operation of law, or otherwise, including, but not by way of limitation, execution, levy, garnishment, attachment, pledge, bankruptcy, or, in any other manner, and no benefit payable under the Plan shall be liable for, or subject to, any obligation or liability of any Covered Person. If any Covered Person entitled to a benefit under the Plan attempts to alienate, sell, transfer, assign, pledge or otherwise impede a benefit or any part, or if by reason of his or her bankruptcy or other event happening at any time, a benefit devolves upon anyone else or would not be enjoyed by him or her, then the Plan Administrator in its discretion, which will be exercised uniformly by treating individuals in similar circumstances alike, may terminate his or her interest in any such benefit and hold or apply it to or for his or her benefit or the benefit of his or her Dependents, in a manner the Plan Administrator may deem proper.

- 25.02 Information To Be Furnished.** Covered Persons shall provide such information and evidence, and shall sign such documents, as may reasonably be requested from time to time for the purpose of administration of the Plan.
- 25.03 Limitation of Rights.** Neither the establishment of the Plan nor any amendment thereof, nor the payment of any benefits, will be construed as giving to any Covered Person any legal or equitable right against the Company or any Employer, except as provided herein.
- 25.04 Plan Not Contract.** The Plan shall not be deemed to constitute a contract between the Company or any Employer and any Covered Participant or to be a consideration for, or an inducement or condition of, the employment of any Employee. Nothing in the Plan shall be deemed to give any Employee the right to be retained in the service of the Company or of any Employer or to interfere with the right of the Company or of any Employer to discharge any Employee at any time; provided, however, that the foregoing shall not be deemed to modify the provisions of any collective bargaining agreement that may be made by the Company with the bargaining representative of any Employee.
- 25.05 Fiduciary Operation.** Each Plan Fiduciary shall discharge his or her duties with respect to the Plan solely in the interest of the participants and beneficiaries (as those terms are defined in ERISA) and (1) for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Plan; (2) with care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and (3) in accordance with the documents and instruments governing the Plan, except as otherwise required by law.
- 25.06 No Guaranty.** No person shall have any right or interest in the Plan other than as specifically provided herein. Except to the extent required by law, neither the Company nor any Employer shall be liable for the payment of any benefit provided for herein; all benefits hereunder shall be payable only from the Plan, and only to the extent that the Plan has been allocated sufficient assets.
- 25.07 Misrepresentation.** Any material misrepresentation on the part of any Covered Person in making application for coverage, or any application for reclassification thereof, shall render the coverage null and void. Without limiting the generality of the foregoing, a Covered Participant's enrollment of, or failure to disenroll, a person who does not satisfy the eligibility requirements for coverage under the Plan will be deemed to constitute fraud or intentional misrepresentation of a material fact and may result in retroactive termination of benefits, required repayment of any ineligible expenses, and disciplinary action up to and including termination of employment.
- 25.08 Inadvertent Error.** Inadvertent error by the Plan Administrator in the keeping of records or the transmission of any Enrollment Form shall not deprive any Covered Participant or Dependent of benefits otherwise due, if such inadvertent error is corrected by the Plan Administrator within 90 days after it was made.
- 25.09 No Limitation of Management Rights.** Participation in the Plan shall not lessen the responsibility of an Employee to perform his or her duties satisfactorily, or affect the rights of the Company or of any Employer to discipline or terminate an Employee.
- 25.10 No Liability for Acts of Any Provider.** Nothing contained herein shall confer upon a Covered Person any claim, right or cause of action, either at law or at equity, against the Plan for the acts

of any Hospital in which he or she receives care, or for the acts of any Physician from whom he or she receives service under this Plan.

- 25.11 Covered Person's Responsibilities.** Each Covered Person is responsible for providing the Plan Administrator with his or her current address. Any notices required or permitted to be given shall be deemed given if directed to such address and mailed by regular United States mail. Neither the Plan Administrator nor the Claims Administrator shall have any obligation or duty to locate a Covered Person. If a Covered Person becomes entitled to a payment under the Plan and it cannot be made because (1) the current address is incorrect; (2) the Covered Person does not respond to the notice sent to the current address; (3) there are conflicting claims to such payment; or (4) any other reason, the amount of such payment, if and when made, shall be that determined under the terms of the Plan, without interest. Each Covered Participant shall also notify the Plan in writing when any person is no longer eligible for coverage as his or her Dependent hereunder.
- 25.12 Right of Recovery.** Whenever the Plan, for whatever reason, has overpaid the amount of benefits that should have been provided, the Plan shall have the right to offset the overpaid amount against future benefits that are payable or to recover such payments, to the extent of such excess, from among one or more of the following as the Plan shall determine: any persons to, or for, or with respect to whom, such payments were made, and/or any insurance company or other organization. Without limiting the generality of the foregoing, the Plan shall have the right to recover any amounts it pays in respect of a person who is not an eligible Participant or Dependent.
- 25.13 Governing Law and Venue.** The Plan shall be governed by and construed according to ERISA, the Code, and the laws of the State of Indiana, to the extent Indiana law does not conflict with the Code and ERISA, and to the extent Indiana law is not preempted by ERISA. In order to benefit Participants under this Plan by establishing a uniform application of law with respect to the administration of the Plan, the provisions of this Section 25.13 shall apply. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Plan shall be brought in any court of the State of Indiana or in the United States District Court for the Northern District of Indiana. The Company, each Employer, each Participant, and any related parties irrevocably and unconditionally consent to the exclusive jurisdiction of such courts in any such litigation related to this Plan and any transactions contemplated hereby. Such parties irrevocably and unconditionally waive any objection that venue is improper or that such litigation has been brought in an inconvenient forum.
- 25.14 Severability.** In the event any portion of this Plan is declared by a court of competent jurisdiction to be void, said portion shall be deemed severed from the remainder of this Plan, and the balance of the Plan shall remain in full force and effect.
- 25.15 Participant Litigation.** In any action or proceeding involving the Plan, Covered Persons or any other person having or claiming to have an interest in the Plan shall not be necessary parties to such action or proceeding and shall not be entitled to any notice or process thereof, except as required by applicable law. Any final judgment which is not appealed or appealable that may be entered in any such action or proceeding shall be binding and conclusive upon the parties hereto and upon all persons having or claiming to have any interest in the Plan. To the extent permitted by law, if a legal action is begun against the Company or other organization or institution providing benefits under the Plan by or on behalf of any person, and such action results adversely to such person or, if a legal action arises because of conflicting benefit claims, the cost to the Company or other organization or institution of defending the action will be charged to the sums, if any, which were involved in the action or were payable to the Covered Person or other person

concerned. To the extent permitted by applicable law, an election to become a Covered Person under the Plan shall constitute a release of the Company and its agents from any and all liability and obligation not involving willful misconduct or gross neglect.

**25.16 Counterparts.** This Plan document may be executed in any number of identical counterparts, each of which shall be deemed a complete original in itself and may be introduced in evidence or used for any other purpose without the production of any other counterparts.

**25.17 Notice.** Any notice given under this Plan shall be sufficient, if given to the Plan Administrator when addressed to it at its office; if given to the Claims Administrator, when addressed to it at its home office; or if given to a Covered Participant, when addressed to the Covered Participant at his or her address as it appears on the records of the Claims Administrator.

**25.18 Extension of Plan to Related Employers.**

(a) With the approval of the Plan Administrator, any Related Employer may adopt the Plan and qualify its Employees and Retirees to become Covered Participants hereunder by taking such action to adopt the Plan and making such contributions to the cost of coverage as the Plan Administrator may require.

(b) The Plan will terminate with respect to any Employer that has adopted the Plan pursuant to this Section if the Employer ceases to be a Related Employer, revokes its adoption of the Plan by appropriate corporate action, permanently discontinues any required contributions for its Employees, is judicially declared bankrupt, makes a general assignment for the benefit of creditors, or is dissolved.

(c) The Committee shall have the sole right to amend or terminate the Plan and shall act as the agent for each Related Employer that adopts the Plan for all purposes of administration thereof.

## ARTICLE XXVI FUNDING, AMENDMENT AND TERMINATION OF THE PLAN

**26.01 Plan Self-Insured.** The Plan is a self-insured plan. All contributions made to the Plan are used to pay claims and related expenses thereunder.

**26.02 Participants' and Dependents' Rights Unsecured.** The right of a Covered Person or any other person to receive a distribution hereunder, shall be an unsecured claim against the general assets of the Company and no Covered Person or any other person shall have any rights in any amount allocated for his or her benefit under the terms of the Plan, or any other specific assets of the Company. All amounts allocated pursuant to the terms of the Plan shall constitute general assets of the Company and may be disposed of by the Committee at such time and for such purpose as it may deem appropriate. Benefits payable pursuant to the terms of the Plan shall be paid solely as required out of the general assets of the Company or from any other funding vehicle as may be established by the Company.

**26.03 Amendment.** The Committee reserves the right at any time and from time to time to change or amend, in whole or in part, any or all of the provisions of the Plan. Unless expressly provided, no amendment shall affect, or be construed to affect, any existing delegations to amend the Plan. Any such amendment may have retroactive or prospective effect. However, no change or amendment shall be made that enables any part of Plan assets to be used for, or diverted to,



purposes other than the exclusive benefit of those entitled to benefits hereunder and the payment of reasonable expense of administration. To the extent that any applicable collective bargaining agreement imposes a more restrictive requirement regarding Plan eligibility or benefits than is set forth herein, such requirement, as applied solely to those Represented Employees or Retirees subject to the collective bargaining agreement, is incorporated herein by this reference. Notwithstanding anything contained herein to the contrary, any change or amendment (other than a Plan administration change, the addition or deletion of network providers, drug formulary changes or similar changes) affecting coverage for any NIPSCO Represented Employee, Retiree or Dependent shall only be made effective as of January 1 of any year, and notification of such change or amendment shall be made to affected NIPSCO Represented Employees or Retirees during the Annual Enrollment Period.

- 26.04 Termination.** The Company is not and shall not be under any obligation or liability whatsoever to continue its contributions or to maintain the Plan for any given length of time. In their sole and absolute discretion, the Company may discontinue contributions to the Plan and the Committee may terminate the Plan, in whole or in part, at any time, in each case without liability for such discontinuance or termination.
- 26.05 Collective Bargaining Agreement.** Notwithstanding the foregoing provisions of this Article, the right to amend or terminate the Plan shall be subject to the express terms of any applicable collective bargaining agreement.

[Remainder of page intentionally left blank]

**IN WITNESS WHEREOF**, the Committee has caused this amended and restated Plan to be executed on its behalf, by one of its members duly authorized, this 22<sup>nd</sup> day of JUNE, 2015, to be effective as of the Separation Date.

**NISOURCE BENEFITS COMMITTEE**

By:  \_\_\_\_\_

One of the Members of the Committee

**SCHEDULE 1**  
**PRE-65 RETIREE BENEFIT PROGRAM MATRIX**

## NiSource Plan Provisions

### Summary of Pre-65 Medical Plan Provisions

This section highlights the key Pre-65 Medical plan provisions reflected as of July 1, 2015.

Eligibility for Participation	Immediate. Groups excluded from coverage are noted in table below.
Eligibility for Benefits	Age 55 and 10 years of service.
Continuation to Spouses of Deceased Retirees	Coverage continues until death of spouse or until spouse remarries.
Available Coverage <sup>1</sup>	NIPSCO Union PPO Nonunion PPO HD PPO 1 HD PPO 2 Various HMOs by location
Medical Plan Options	See table below.
Cost Sharing	See table below.

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<sup>1</sup> For detail on specific plan benefit provisions, see applicable NiSource plan documents.

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
101	All Nonunion Exempt FT retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt FT retired on or after 02/01/2004 and hired before 01/01/2013	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
101A	Bay State Nonunion FT retired on or before 01/01/2002	Nonunion PPO HD PPO 1 HD PPO 2 Tufts HMO	80% of "You Only" premium and 50% of premium for all other tiers until age 60, then 100% of premium (all active/pre65 blended)
101B	Bay State Nonunion FT retired after 01/01/2002 and age 45 or older as of 01/01/1992 and hired before 09/01/1990 and elected retiree medical coverage and waived special saving plans match	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
101C	Bay State Nonunion FT retired between 01/01/2002 and 02/01/2004	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	85% of premium (active/pre-65 for HMOs), not to exceed 103% of prior year's subsidy
101D	CEG Nonunion FT retired before 01/01/1993	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
101E	CEG Nonunion FT retired after 01/01/1993 and before 02/01/2004 and hired before 01/01/1993	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
101F	CEG Nonunion FT retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/1993	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	50% of active/pre-65 premium
101G	Columbia Nonunion FT—2002 ERWVSP Age 50–52 (Salary continuation)	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
101H	Columbia Nonunion FT—2002 ERWVSP Group Age 53–55, retired on or after 02/01/2004	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
101I	Kokomo Nonunion FT retired before 01/01/2002	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
101J	Kokomo Nonunion FT retired between 01/01/2002 and 02/01/2004	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	85% of premium (active/pre-65 for HMOs), not to exceed 103% of prior year's subsidy
101K	NiSource Nonunion FT retired on or before 02/01/1997	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	85% of premium (active/pre-65 for HMOs)

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Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
101L	NISource Nonunion FT retired after 02/01/1997 and before 02/01/2004	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	85% of premium (active/pre-65 for HMOs), not to exceed 103% of prior year's subsidy
101M	NIFL FT retired before 01/01/2002	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Retiree pays same contribution as nonexempt nonunion actives
101N	NIFL FT retired after 01/01/2002 and prior to 02/01/2004; retirement eligible as of 12/31/2001	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Retiree pays same contribution as nonexempt nonunion actives
101O	NIFL FT retired after 01/01/2002 and retired prior to 02/01/2004 and not retirement eligible as of 01/01/2002	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	85% of premium (active/pre-65 for HMOs), not to exceed 103% of prior year's subsidy
102	All Nonunion Exempt PT retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt PT retired on or after 02/01/2004 and hired before 01/01/2013	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
102D	Columbia Nonunion PT—2002 ERW/VSP Age 50–52	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
104	All Nonunion Exempt FT retired on or after 02/01/2006 and hired before 01/01/2010	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse

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Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
105	All Nonunion Exempt PT retired on or after 02/01/2006 and hired before 01/01/2010	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
132	Special 4th Quarter FT VSP retired before 02/01/2004	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
221	NIPSCO Union FT retired prior to 01/01/2005	NIPSCO Union PPO HD PPO 1 HD PPO 2	85% of active/pre-65 premium
221Y05	NIPSCO Union FT hired before 06/01/2004 and retired on or after 01/01/2005 and before 01/01/2015	NIPSCO Union PPO HD PPO 1 HD PPO 2	77% of active/pre-65 premium
221Y14	NIPSCO Union FT retired before 01/01/2015, and hired on or after 06/01/2004 and before 06/01/2009	NIPSCO Union PPO HD PPO 1 HD PPO 2	70% of active/pre-65 premium



Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
221Y15	NIPSCO Union FT hired before 06/01/2004 and retiring on or after 01/01/2015	NIPSCO Union PPO HD PPO 1 HD PPO 2	Retirements before 01/01/2017 get choice between: (a) Defined Dollar \$180 x service retiree <sup>1</sup> \$125 x service spouse <sup>2</sup>  (b) 77% of active/pre-65 premium
225Y15	NIPSCO Union FT retiring on or after 01/01/2015, and hired on or after 06/01/2004 and before 06/01/2009	NIPSCO Union PPO HD PPO 1 HD PPO 2	Retirements on or after 01/01/2017 get Defined Dollar as described above. Retirements before 01/01/2017 get choice between: (a) Defined Dollar \$180 x service retiree <sup>1</sup> \$125 x service spouse <sup>2</sup>  (b) 70% of active/pre-65 premium
226	NIPSCO Union FT hired on or after 06/01/2009 and retiring on or after 6/1/2019	NIPSCO Union PPO HD PPO 1 HD PPO 2	Retirements on or after 01/01/2017 get Defined Dollar as described above. Defined Dollar \$180 x service retiree <sup>1</sup> \$125 x service spouse <sup>2</sup>
321	NIFL Union FT retired on or after 01/01/2006 but before 01/01/2012	PPO HD PPO 1 HD PPO 2	Defined Dollar \$180 x service retiree \$125 x service spouse

<sup>1</sup> Defined Dollar increases to \$190 x service effective 01/01/2017 and to \$225 x service effective 01/01/2019. Retiree is entitled to a one-time HSA contribution of \$1,500 for retirements in 2015-2016 and \$1,200 for retirements in 2019.

<sup>2</sup> Defined Dollar increases to \$135 x service effective 01/01/2017 and to \$170 x service effective 01/01/2019.

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
321Y12	NIFL Union FT retired on or after 01/01/2012 but before 01/01/2015	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$180 x service retiree <sup>1</sup> \$125 x service spouse <sup>2</sup>
321Y15	NIFL Union FT retired on or after 01/01/2015	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$180 x service retiree <sup>3</sup> \$125 x service spouse <sup>2</sup>
621	CEG Union FT retired after 01/01/2004 and hired before 01/01/2013	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
621A	CEG Union FT retired before 01/01/1993	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
621B	CEG Union FT retired after 01/01/1993 and before 02/01/2004 and hired before 01/01/1993	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
621C	CEG Union FT retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/1993	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	50% of active/pre-65 premium

<sup>1</sup> Defined Dollar increases to \$190 x service effective 01/01/2017 and to \$225 x service effective 01/01/2019.  
<sup>2</sup> Defined Dollar increases to \$135 x service effective 01/01/2017 and to \$170 x service effective 01/01/2019.  
<sup>3</sup> Defined Dollar increases to \$190 x service effective 01/01/2017 and to \$225 x service effective 01/01/2019. Retiree is entitled to a one-time HSA contribution of \$1,500 for retirements in 2015-2018 and \$1,200 for retirements in 2019.

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Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
621D	CEG Union FT—2002 ERWVSP Group Age 50–52 (Salary Continuation)	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
621E	CEG Union FT—2002 ERWVSP Group Age 53–55, retired on or after 02/01/2004	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
622	CEG Union PT retired after 02/01/2004 and hired before 01/01/2013	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$180 x service retiree \$125 x service spouse
622C	CEG Union PT retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/2003	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	50% of active/pre-65 premium
721Y05	Kokomo Union FT Outside (majority) retired after 01/01/2005 but before 01/01/2012	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$180 x service retiree \$125 x service spouse
721Y12	Kokomo Union FT retired on or after 01/01/2012 but before 01/01/2015	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$180 x service retiree <sup>1</sup> \$125 x service spouse <sup>2</sup>
721Y15	Kokomo Union FT retired on or after 01/01/2015	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$180 x service retiree <sup>3</sup> \$125 x service spouse <sup>2</sup>

<sup>1</sup> Defined Dollar increases to \$190 x service effective 01/01/2017 and to \$225 x service effective 01/01/2019.

<sup>2</sup> Defined Dollar increases to \$135 x service effective 01/01/2017 and to \$170 x service effective 01/01/2019.

<sup>3</sup> Defined Dollar increases to \$190 x service effective 01/01/2017 and to \$225 x service effective 01/01/2019. Retiree is entitled to a one-time HSA contribution of \$1,200 for retirements in 2019.

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
821	Bay State Union Brockton Physical FT hired before 01/01/2013 and does not meet requirements of 821A	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$180 x service retiree \$125 x service spouse
821A	Bay State Union Brockton Physical FT hired before 03/01/1991 and age 45 on 09/01/1991	PPO HD PPO 1 HD PPO 2 Tufts HMO	100% of premium
822	Bay State Union Brockton C/T FT and hired before 06/01/2013 and retired before 05/01/2013 and does not meet requirements of 822A	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$180 x service retiree \$125 x service spouse
822A	Bay State Union Brockton C/T FT hired before 10/01/1990 and age 45 by 01/01/1992	PPO HD PPO 1 HD PPO 2 Tufts HMO	100% of premium
822Y13	Bay State Union Brockton C/T FT hired before 06/01/2013 and retired on or after 05/01/2013	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$180 x service retiree \$125 x service spouse
823	Bay State Union Granite FT retired after 01/01/2004	COBRA Active Medical	None
823A	Bay State Union Granite FT hired before 05/01/1991 and age 45 by 05/01/1991 and retired before 01/01/2004	PPO HD PPO 1 HD PPO 2 Anthem BCBS NH-ME HMO	100% of premium
824	Bay State Union Lawrence FT retired after 01/01/2004 and retired before 01/01/2013 and does not meet requirements of 824A	COBRA Active Medical	None

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
824A	Bay State Union Lawrence FT hired before 01/01/1994 and age 45 by 01/01/1994 and retired before 01/01/2013	PPO HD PPO 1 HD PPO 2 Tufts HMO	100% of premium
824Y13	Bay State Union Lawrence FT hired before 01/01/2013 retired on or after 01/01/2013	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$180 x service retiree \$125 x service spouse
825	Bay State Union Northampton FT hired after 06/18/1999 but before 01/01/2011	COBRA Active Medical	None
825A	Bay State Union Northampton FT hired before 06/18/1999 and at least age 45 on 01/01/1993	PPO HD PPO 1 HD PPO 2 Health New England HMO	100% of premium
825B	Bay State Union Northampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retired before 01/01/2013	PPO HD PPO 1 HD PPO 2 Health New England HMO	Up to \$1,100 per month
825B13	Bay State Union Northampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retiring on or after 01/01/2013	PPO HD PPO 1 HD PPO 2 Health New England HMO	Up to \$1,100 per month
826	Bay State Union Portland FT retired after 01/01/2004 and does not meet requirements of 826A	COBRA Active Medical	None
826A	Bay State Union Portland FT hired before 04/01/1991 and age 45 by 04/01/1991	PPO HD PPO 1 HD PPO 2 Anthem BCBS NH-ME HMO	100% of premium
827	Bay State Union Portsmouth FT hired after 06/04/1999	COBRA Active Medical	None

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
827A	Bay State Union Portsmouth FT hired before 06/04/1999 and age 45 on 01/01/1993	PPO HD PPO 1 HD PPO 2 Anthem BCBS NH-ME HMO	100% of premium
827B	Bay State Union Portsmouth FT hired before 06/04/1999 and not age 45 on 01/01/1993	PPO HD PPO 1 HD PPO 2 Anthem BCBS NH-ME HMO	Up to \$1,100 per month
828	Bay State Union Springfield Physical FT hired after 05/14/1999 and retired before 05/15/2013	COBRA Active Medical	None
828A	Bay State Union Springfield Physical FT hired before 05/14/1999 and at least age 45 on 01/01/1993	PPO HD PPO 1 HD PPO 2 Health New England HMO	100% of premium
828B	Bay State Union Springfield Physical FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired before 05/15/2013	PPO HD PPO 1 HD PPO 2 Health New England HMO	Up to \$1,100 per month
828B13	Bay State Union Springfield Physical FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired between 05/15/2013 and 12/31/2013	PPO HD PPO 1 HD PPO 2 Health New England HMO	Up to \$1,100 per month
828B14	Bay State Union Springfield Physical FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired on or after 01/01/2014	PPO HD PPO 1 HD PPO 2 Health New England HMO	Up to \$1,100 per month
828Y13	Bay State Union Springfield Physical FT hired after 05/14/1999 and retired on or after 05/15/2013	COBRA Active Medical	None

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Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
829	Bay State Union Springfield C/T FT retired after 01/01/2004 and retired on or before 01/01/2008 and does not meet the requirements of 829A	COBRA Active Medical	None
829A	Bay State Union Springfield C/T FT hired before 10/01/1990 and age 45 by 01/01/1992	PPO HD PPO 1 HD PPO 2 Health New England HMO Tufts HMO	100% of premium
829Y08	Bay State Union Springfield C/T FT retired after 01/01/2008 and retired before 01/01/2011 and does not meet the requirements of 829A	PPO HD PPO 1 HD PPO 2 Health New England HMO Tufts HMO	Defined Dollar \$180 x service retiree <sup>1</sup> \$125 x service spouse <sup>2</sup>
829Y11	Bay State Union Springfield C/T FT hired before 01/01/2011 and retired on or after 01/01/2011 and does not meet the requirements of 829A	PPO HD PPO 1 HD PPO 2 Health New England HMO Tufts HMO	Defined Dollar \$180 x service retiree <sup>1</sup> \$125 x service spouse <sup>2</sup>

<sup>1</sup> Defined Dollar increases to \$190 x service effective 01/01/2018, and to \$225 x service effective 01/01/2019.  
<sup>2</sup> Defined Dollar increases to \$135 x service effective 01/01/2018, and to \$170 x service effective 01/01/2019.

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### Active Programs That Will Not Receive Retiree Benefits

<b>Active Benefit Program</b>	<b>Group</b>
106	All Nonunion Exempt FT hired after 01/01/2010
107	All Nonunion Exempt PT hired after 01/01/2010
108	All Nonunion Non-Exempt FT hired on or after 01/01/2013
109	All Nonunion Non-Exempt PT hired on or after 01/01/2013
222	NIPSCO Union PT
223	NIPSCO Union TMP
224	NIPSCO Union TWF
623	CEG Union FT hired on or after 01/01/2013
624	CEG Union PT hired on or after 01/01/2013
830	Bay State Union Springfield C/T PT hired before 01/01/2011
831	Bay State Union Brockton Physical FT hired on or after 01/01/2013
832	Bay State Union Brockton C/T FT hired on or after 06/01/2013 and retired after 05/01/2013
834	Bay State Union Brockton Physical PT hired before 01/01/2013
835	Bay State Union Northhampton FT hired on or after 01/01/2011
838	Bay State Union Springfield Physical FT hired on or after 01/01/2014
839	Bay State Union Springfield C/T FT hired on or after 01/01/2011
844	Bay State Union Brockton Physical PT hired on or after 01/01/2013
854	Bay State Union Lawrence FT hired on or after 01/01/2013



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

41. Provide detailed descriptions of all early retirement plans or other staff reduction programs Columbia has offered or intends to offer its employees during either the base period or the forecasted test period. Include all cost-benefit analyses related to these programs.

**Response:**

Columbia has not offered any early retirement or other staff reduction programs during the base period, nor does it intend to offer any during the forecasted test period.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

42. Concerning employee fringe benefits:

a. Provide a detailed list of all fringe benefits available to Columbia employees and the expected cost of each benefit in the base period and the forecasted test period. Indicate any fringe benefits which are limited to management employees.

b. Provide comparative cost information for the 12 months preceding the base period and the base period. Explain any changes in fringe benefits occurring over this 24-month period.

**Response:**

a. Please refer to Attachment A of the response.

b. Please refer to Attachment B of the response. The primary change in fringe benefits over the 24-month period are Comprehensive Medical Insurance, SFAS 112 Annual Accrual Adjustment and Pension expense. The Comprehensive Medical Insurance increase of 12% is directly correlated

with the change in employees from an average of 136 in the preceding 12 months to the base period compared to an average of 152 in the base period (increase of 16 employees or 12%). The change in SFAS 112 Annual Accrual Adjustment is due to a one-time accrual adjustment made at year-end 2015 driven by an increase in medical premiums. The pension change between periods is primarily driven by the underlying assets performance during the respective periods.

## Columbia Gas of Kentucky, Inc.

Case No. 2016-00162

## Employee Fringe Benefits

Base Period: For the Twelve Months Ended August 31, 2016

Forecast Period: For the Twelve Months Ended December 31, 2017

Line No.	<u>Description</u>	Base <u>TME 08/31/2016</u> \$	Forecasted <u>TME 12/31/2017</u> \$
1	<u>EMPLOYEE INSURANCE PLANS</u>		
2	Comprehensive Medical Insurance	1,458,743	1,712,005
3	Employee Assistance Plan	2,446	2,000
4	Dental Assistance Plan	100,616	99,996
5	Group Life Insurance	45,847	36,000
6	Long Term Disability	83,569	92,004
7	Insured Plans Transfers	(565,485)	(665,717)
8	Total Employee Insurance Plans	<u>1,125,736</u>	<u>1,276,288</u>
9	<u>OTHER POST-EMPLOYMENT BENEFITS</u>		
10	Ongoing OPEB - Medical	(71,789)	(60,468)
11	Ongoing OPEB - Group Life	(48,474)	(61,116)
12	SFAS 106 Amortization	0	0
13	SFAS 112 Amortization	0	0
14	SFAS 112 Annual Accrual Adjustment	(105,144)	0
15	Total OPEB	<u>(225,407)</u>	<u>(121,584)</u>
16	<u>PENSIONS AND RETIREMENT INCOME</u>		
17	Pension-Retirement Plans	337,074	258,996
18	Pension-Retirement Plans Transfers	(118,715)	(88,788)
19	Total Pensions and Retirement Income	<u>218,359</u>	<u>170,208</u>
20	<u>THRIFT PLAN (401K)</u>		
21	Thrift Plan	538,042	581,160
22	Thrift Plan Contributions Transfers	(191,282)	(199,224)
23	Profit Sharing	74,257	74,928
24	Total Thrift Plan	<u>421,016</u>	<u>456,864</u>
25	TOTAL	<u><u>1,539,704</u></u>	<u><u>1,781,776</u></u>

Columbia Gas of Kentucky, Inc.  
 Case No. 2016-00162  
 Employee Fringe Benefits  
 Preceding Period: For the Twelve Months Ended August 31, 2015  
 Base Period: the Twelve Months Ended August 31, 2016

Line No.	Description	Preceding TME 08/31/2015 \$	Base TME 08/31/2016 \$	Variance \$
1	<u>EMPLOYEE INSURANCE PLANS</u>			
2	Comprehensive Medical Insurance	1,303,502	1,458,743	155,241
3	Employee Assistance Plan	1,653	2,446	793
4	Dental Assistance Plan	85,157	100,616	15,459
5	Group Life Insurance	30,532	45,847	15,315
6	Long Term Disability	74,025	83,569	9,544
7	Insured Plans Transfers	(491,976)	(565,485)	(73,509)
8	Total Employee Insurance Plans	<u>1,002,893</u>	<u>1,125,736</u>	<u>122,843</u>
9	<u>OTHER POST-EMPLOYMENT BENEFITS</u>			
10	Ongoing OPEB - Medical	(59,535)	(71,789)	(12,254)
11	Ongoing OPEB - Group Life	(46,366)	(48,474)	(2,108)
12	SFAS 106 Amortization	0	0	0
13	SFAS 112 Amortization	0	0	0
14	SFAS 112 Annual Accrual Adjustment	0	(105,144)	(105,144)
15	Total OPEB	<u>(105,901)</u>	<u>(225,407)</u>	<u>(119,506)</u>
16	<u>PENSIONS AND RETIREMENT INCOME</u>			
17	Pension-Retirement Plans	101,243	337,074	235,831
18	Pension-Retirement Plans Transfers	(34,409)	(118,715)	(84,306)
19	Total Pensions and Retirement Income	<u>66,834</u>	<u>218,359</u>	<u>151,525</u>
20	<u>THRIFT PLAN (401K)</u>			
21	Thrift Plan	455,977	538,042	82,065
22	Thrift Plan Contributions Transfers	(151,672)	(191,282)	(39,610)
23	Profit Sharing	106,238	74,257	(31,981)
24	Total Thrift Plan	<u>410,543</u>	<u>421,016</u>	<u>10,473</u>
25	TOTAL	<u><u>1,374,369</u></u>	<u><u>1,539,704</u></u>	<u><u>165,335</u></u>

**COLUMBIA GAS OF KENTUCKY, INC.  
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION  
DATED MAY 11, 2016**

43. Provide a complete description of Columbia's Other Post-Employment Benefits package(s) provided to its employees.

**Response:**

Please refer to Attachment A of this response.

**NISOURCE POST-65  
RETIREE MEDICAL PLAN**

As Amended and Restated  
Effective as of the Separation Date (defined herein)

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## ARTICLE I INTRODUCTION

- 1.01 Purpose of Plan.** NiSource Inc. (the “Company”) established and maintained the NiSource Consolidated Flex Medical Plan, a component welfare plan of the NiSource Life and Medical Benefits Program, to provide group medical benefits for the participants and beneficiaries thereunder, including for certain Post-65 Retirees (as defined below) and their dependents who have attained age 65 and for certain dependents of Pre-65 Retirees (as defined below) who have attained age 65, under one or more Medicare supplement plan options. Effective September 1, 2010, the Company established the Plan (as defined below) for the purpose of merging and incorporating all such Medicare supplement plan options into a single retiree-only plan that shall be a separate employee welfare benefit plan for purposes of ERISA (as defined below). The Plan was amended and restated effective as of January 1, 2011, January 1, 2013, January 1, 2014 and January 1, 2015. This is an amended and restated version of the Plan, effective as of the Separation Date (defined below), that reflects certain plan design changes in connection with the CPG Spin-Off (defined below).
- 1.02 Plan Components.** The Plan has 11 components: the BSG Med Supp (Med Only) Option, the BSG Med Supp Option, the BSG Med Supp Multi-Union Option, the HMO Option, the MAP-Med Only Option, the MAP Option, the Medigap Med-Only Supplement Option, the Medigap Supplement Option, the NIPSCO Medicare Supplement Option, the Medicare Supplement Option and Other Insured Arrangements. Alternatively, a Post-65 Retiree, or a Pre-65 Retiree Plan Participant on behalf of his eligible dependent, may choose the No Coverage Option.

## ARTICLE II DEFINITIONS

The following words and phrases as used in this Plan shall have the following meanings, unless a different meaning is plainly required by the context. A pronoun or adjective in the masculine gender includes the feminine gender, and the singular includes the plural, unless the context clearly indicates otherwise.

- 2.01 “Adopted Child”** means any child legally adopted by, or placed for adoption with, a Covered Participant or Covered Same-Sex Domestic Partner.
- 2.02 “Annual Enrollment Period”** means the period selected by the Company each year during which time a Retiree may select an Available Post-65 Retiree Coverage Option to be effective for the following Plan Year.
- 2.03 “Available Post-65 Retiree Coverage Option”** means, with respect to a Post-65 Retiree, a Post-65 Retiree’s Dependent, or a Dependent of a Pre-65 Retiree Plan Participant, any Post-65 Retiree Coverage Option that is available to the Retiree’s Covered Retiree Group, as indicated in Schedule 1 attached hereto.
- 2.04 “BSG”** means Bay State Gas Company, a Massachusetts corporation.
- 2.05 “BSG Med Supp (Med Only) Option”** means the BSG Medical Supplement Plan Option, without prescription drug coverage, offered to Retirees pursuant to Article IV.

- 2.06 **“BSG Med Supp Option”** means the BSG Medical Supplement Plan Option, with prescription drug coverage, offered to Retirees pursuant to Article IV.
- 2.07 **“BSG Med Supp Multi-Union Option”** means the BSG Medical Supplement Multi-Union Plan Option offered to Retirees pursuant to Article IV.
- 2.08 **“Category of Coverage”** means each of the coverage choices described in Section 3.03.
- 2.09 **“Child”** means an unmarried person who is either (1) a naturally born child of a Covered Participant; (2) an Adopted Child; (3) a Stepchild; (4) a Foster Child; (5) a Legal Ward who is dependent upon a Covered Participant or Covered Same-Sex Domestic Partner for at least 50% of his or her financial support and who may be claimed on the income tax return of the Covered Participant or Covered Same-Sex Domestic Partner as a dependent (without giving effect to the Legal Ward's gross income for such year); or (6) any person deemed by court order to be a Child for purposes of the Plan.
- 2.10 **“Claims Administrator”** means the person, persons or entity appointed by the Plan Administrator to process benefit claims pursuant to Section 13.05.
- 2.11 **“COBRA”** means Public Law 99-272, the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended from time to time.
- 2.12 **“COBRA Continuation Coverage”** means continuation coverage to the extent required by COBRA.
- 2.13 **“Code”** means the Internal Revenue Code of 1986, as amended from time to time.
- 2.14 **“Columbia Divested Company”** means any one of the following companies that previously was affiliated with a Related Employer: Columbia Energy Services Corp., Columbia Propane Corporation, Columbia Electric Corporation, Columbia LNG Corporation, Energy.com Corporation, Columbia Trans Communications, Commonwealth Propane, Columbia Propane LP, Columbia Petroleum Corporation, Columbia Natural Resources Inc., Hawg Hauling & Disposal Inc., Coal Gas, CS-42, Gas Development, New York Gas & Elec, Pittsburgh Market Division and Columbia Gas of West Virginia.
- 2.15 **“Committee”** means the NiSource Benefits Committee.
- 2.16 **“Company”** means NiSource Inc., a Delaware corporation.
- 2.17 **“Co-Insurance”** means the amount of a Covered Expense that remains the responsibility of a Covered Person.
- 2.18 **“Consolidated Flex Plan”** means the NiSource Consolidated Flex Medical Plan, a component welfare plan of the NiSource Life and Medical Benefits Program, together with any and all amendments and supplements thereto, and any and all restatements thereof, from time to time.
- 2.19 **“Contracted Provider”** means, with respect to the BSG Med Supp Multi-Union Option, the BSG Med Supp (Med Only) Option and the BSG Med Supp Option, a Physician or Hospital with whom the exclusive provider organization through which such Post-65 Retiree Coverage Options are offered has contracted.
- 2.20 **“Co-Payment”** means a flat dollar amount that a Covered Person must pay before an expense will be covered.

- 2.21 **“Covered Employee”** means an individual who is (or was) provided coverage under the Plan by virtue of being or having been an Employee, and includes a Retiree who is covered by the Plan.
- 2.22 **“Covered Expense”** means a service or supply, the Covered Percentage of which is paid for by the Plan, or which is subject to the applicable Deductible and Co-Insurance.
- 2.23 **“Covered Participant”** means a Participant or Pre-65 Retiree Plan Participant.
- 2.24 **“Covered Percentage”** means the percentage of a Covered Expense covered by the Plan.
- 2.25 **“Covered Person”** means a Post-65 Retiree or Dependent covered under the Plan, and includes a Qualified Beneficiary covered under the Plan.
- 2.26 **“Covered Person Contribution”** means the contribution required under Section 8.02.
- 2.27 **“Covered Retiree Group”** means a group of retirees described in Schedule 1 attached hereto in which a Retiree is a member, as determined by the Plan Administrator or its designee, in its sole discretion.
- 2.28 **“Covered Same-Sex Domestic Partner”** means a Same-Sex Domestic Partner covered under the Plan.
- 2.29 **“CPG”** means Columbia Pipeline Group, Inc., a Delaware corporation.
- 2.30 **“CPG Related Employer”** means, on and after the Separation Date, (1) any corporation that is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) that includes CPG; (2) any trade or business (whether or not incorporated) that is under common control (as defined in Section 414(c) of the Code) with CPG; and (3) any member of an affiliated service group (as defined in Section 414(m) of the Code) that includes CPG.
- 2.31 **“CPG Spin-Off”** means the transaction pursuant to which there was distributed to holders of shares of common stock of the Company, on a pro rata basis, all of the outstanding shares of common stock of CPG.
- 2.32 **“Deductible”** has the meaning set forth in Section 7.01.
- 2.33 **“Defined Dollar Subsidy”** means the Company’s contribution toward the cost of coverage for certain Retirees, as described in Sections 4.01 and 4.02.
- 2.34 **“Dependent”** means:
- (a) The Spouse of a Covered Participant, if not legally separated, who has attained age 65;
  - (b) The Same-Sex Domestic Partner of a Covered Participant, provided such Covered Participant retired after February 1, 2013, and provided the Same-Sex Domestic Partner has attained age 65;
  - (c) a person who satisfies the provisions of Section 15.01(b) of the Plan for continued coverage as a surviving dependent, subject to any other limitations on dependent status (e.g., the limiting age for eligibility of a Child) included in this Section 2.34;
  - (d) A Child of a Covered Participant or Covered Same-Sex Domestic Partner who has attained age 65, who satisfies the “dependency test” described in this Section 2.34 and

who is incapable of self-sustaining employment due to mental or physical disability if: (1) proof of the Child's disability, if requested by the Claims Administrator, is received by the Claims Administrator and is provided to the Claims Administrator every three years, or more frequently if requested by the Claims Administrator; (2) the Child is dependent upon the Retiree (or Covered Same-Sex Domestic Partner, as the case may be) for financial support and maintenance; (3) the Post-65 Retiree continues to be covered by the Plan or the Pre-65 Retiree continues to be covered by the Consolidated Flex Plan; and (4) the Child's disability continues; or

- (e) A Child of a Covered Participant or of a Covered Same-Sex Domestic Partner who has attained age 65 and is recognized under any court order, including a Qualified Medical Child Support Order that is recognized as legally sufficient under ERISA, as having a right to participate in the Plan as a Dependent.

For purposes of this Section 2.34, a Child of a Covered Participant or of a Covered Same-Sex Domestic Partner satisfies the "dependency test" for a particular Plan Year if

- (x) the Covered Participant or Covered Same-Sex Domestic Partner would be allowed a dependent exemption for such Child in computing his or her federal taxable income for such Plan Year, or
- (y) each of the following conditions is satisfied: (1) such Child receives over half of his or her support during the Plan Year from his or her parents and is in the custody of one or both parents for more than half of the Plan Year; (2) at least one parent would be allowed a dependent exemption for such Child in computing such parent's federal taxable income for such Plan Year; and (3) the Child's parents are divorced, legally separated under a decree of divorce or separate maintenance, legally separated under a written separation agreement, or live apart at all times for the last six month of the Plan Year.

For purposes of the "dependency test" in clause (x) above, the Child's gross income for such Plan Year may be ignored in determining whether the Covered Participant or Covered Same-Sex Domestic Partner would be entitled to a dependent exemption for such Child for such Plan Year.

**2.35** **"Employee"** means a regular or temporary employee of an Employer. No independent contractor shall be treated by the Plan Administrator as an Employee during the period he renders service as an independent contractor. Any person retroactively or in any other way found to be a common law employee shall not be considered an Employee for any period during which he was not treated as an Employee by the Plan Administrator.

**2.36** **"Employer"** means the Company, any Related Employer, and any successor that shall maintain the Plan, but does not include (i) any Related Employer that maintains a group health plan providing medical benefits for its employees or retirees, or for whose employees or retirees such a plan is maintained, if such plan is not included as part of the Plan or as part of the Consolidated Flex Plan for purposes of reporting on Form 5500 filed with the Federal government, (ii) any Related Employer to the extent that an agreement related to the acquisition, sale or other disposition of the Related Employer provides that its Employees or Retirees shall not have coverage under the Plan, or (iii) any Related Employer that the Plan Administrator has determined in its discretion is not an "Employer" for purposes of the Plan. Any Related Employer that satisfies the conditions of the immediately preceding sentence for being an "Employer" shall be deemed to have adopted the Plan. Unless otherwise provided by the Plan Administrator, an Employer participating in the Plan shall automatically cease to participate in the Plan, without further action or notice by the Plan Administrator and without need for



amendment or modification of the Plan, on the date that such entity is no longer considered a Related Employer of the Company. The Company and any applicable Related Employer may limit or extend the adoption of the Plan to one or more groups of Employees and/or divisions, locations or operations. Without limiting the generality of the foregoing, Lake Erie Land Company shall not be an Employer under the Plan.

- 2.37** “**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.
- 2.38** “**Exempt Employee**” means an Employee who is not entitled to overtime under the Fair Labor Standards Act, 29 U.S.C. § 201, et seq.
- 2.39** “**Family**” means a Participant and such Participant’s covered Dependents.
- 2.40** “**Financially Interdependent**” means that a Covered Participant and another person satisfy any two of the following conditions:
- (a) the Covered Participant designates such other person as the Covered Participant's beneficiary for employer-sponsored retirement or life insurance benefits;
  - (b) the Covered Participant designates such other person as the primary beneficiary under the Covered Participant's will;
  - (c) the Covered Participant designates such other person as the Covered Participant's attorney-in-fact under a durable power of attorney for health care;
  - (d) the Covered Participant and such other person have a common ownership or leasehold interest in real property;
  - (e) the Covered Participant and such other person have joint bank or credit accounts or joint investments; or
  - (f) the Covered Participant and such other person have joint liability for a mortgage, lease or loan.
- 2.41** “**Foster Child**” means a child legally placed in the custody of a Covered Participant or Covered Same-Sex Domestic Partner by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction, who is receiving parental care from such Covered Participant or Covered Same-Sex Domestic Partner, and for whom such Covered Participant or Covered Same-Sex Domestic Partner is legally responsible to provide medical care.
- 2.42** “**Full-Time Employee**” means an Employee characterized by an Employer as a full-time employee who regularly works 40 or more hours per week or, with respect to a Represented Employee, who regularly works such other period of time that is specified in the collective bargaining agreement covering such Employee as constituting full-time status for purposes of the Consolidated Flex Plan.
- 2.43** “**Group Health Plan**” means a plan (including a self-insured plan) of, or contributed to by, an employer (including a self-employed person) or employee organization to provide health care (directly or otherwise) to the employees, former employees, the employer, others associated or formerly associated with the employer in a business relationship, or their families.
- 2.44** “**HIPAA**” means the Health Insurance Portability and Accountability Act of 1996, as amended.

- 2.45 **“HMO Option”** means a Coverage Option offered through a health maintenance organization pursuant to Article V.
- 2.46 **“Hospital”** means an institution that, for compensation from its patients and on an inpatient basis, is primarily engaged in providing diagnostic and therapeutic facilities for the surgical and medical diagnosis, treatment, and care of injured and sick persons by or under the supervision of a staff of Physicians who are duly licensed to practice medicine, and which continuously provides 24-hour-a-day nursing services by registered graduate nurses. It is not, other than incidentally, a nursing home, or a place for rest or for the aged.
- 2.47 **“Injury”** means bodily injury that is caused by accidental means by an event that is sudden and not foreseen, and is exact as to time and place, which results in damage to a Covered Person’s body from an external force or contact.
- 2.48 **“Legal Ward”** means any Child for whom a Covered Participant or Covered Same-Sex Domestic Partner is legal guardian, provided that the Child is dependent on such Covered Participant or Covered Same-Sex Domestic Partner for principal support and maintenance.
- 2.49 **“MAP Deductible ”** means the amount of Covered Expenses that must be incurred by a Covered Person in a Plan Year under the MAP Option or the MAP-Med Only Option before the Plan will pay benefits for such Covered Person. The MAP Deductible shall be determined by the Plan Administrator from time to time. As of January 1, 2015, the MAP Deductible is \$100.
- 2.50 **“MAP-Med Only Option”** means the Medical Assistance Plan Option, without prescription drug coverage, offered to Retirees pursuant to Article IV.
- 2.51 **“MAP Option”** means the Medical Assistance Plan Option, with prescription drug coverage, offered to Retirees pursuant to Article IV.
- 2.52 **“Maximum Allowed Amount”** has the meaning given such term in the Consolidated Flex Medical Plan.
- 2.53 **“Medicaid”** means a state program of medical aid for needy persons established under Title XIX of the Social Security Act of 1965, as amended.
- 2.54 **“Medigap Med-Only Supplement Option”** means the Medigap Med-Only Supplement Option offered to Retirees pursuant to Articles IV and Article VI.
- 2.55 **“Medigap Supplement Option”** means the Medigap Supplement Option offered to Retirees pursuant to Articles IV and Article VI.
- 2.56 **“Medically Necessary”** means a service or supply ordered or prescribed by a Physician that is appropriate for the diagnosis, care, or treatment of a Sickness or Injury. Such service or supply must be (1) as likely to produce a significant outcome as, and no more likely to produce a negative outcome than, any alternative; (2) indicated by the Covered Person’s health status to result in information that could affect treatment, if a diagnostic procedure; and (3) no more costly than any alternative.
- 2.57 **“Medicare”** means the program of medical care benefits provided for aged and disabled persons under the Social Security Act of 1965, as amended.

- 2.58** “**Medicare Supplement Option**” means the Medicare Supplement Plan Option offered to Retirees pursuant to Article IV.
- 2.59** “**NIPSCO**” means Northern Indiana Public Service Company.
- 2.60** “**NIPSCO Medicare Supplement Option**” means the NIPSCO Medicare Supplement Option (formerly known as the Medicare-Plus Plan Option) offered to NIPSCO Represented Retirees pursuant to Article IV.
- 2.61** “**NIPSCO Represented Retiree**” means a Retiree who is a former NIPSCO Represented Employee.
- 2.62** “**No Coverage Option**” means an election not to become covered under a Post-65 Retiree Coverage Option.
- 2.63** “**Non-Represented**” means a Full-Time or Part-Time Employee or Retiree who is not covered by a collective bargaining agreement between an Employer and a union.
- 2.64** “**Other Insured Arrangement Option**” means any other fully-insured arrangement maintained by the Company.
- 2.65** “**Other Party**” includes, without limitation, any of the following:
- (a) Any party or parties who cause a Sickness or Injury;
  - (b) Any insurer or other indemnifier of the party or parties who caused a Sickness or Injury;
  - (c) Any guarantor of the party or parties who cause a Sickness or Injury;
  - (d) A Covered Person’s insurer;
  - (e) A workers’ compensation insurer; or
  - (f) Any other person, entity, policy or plan that is liable or legally responsible in relation to a Covered Person’s Sickness or Injury.
- 2.66** “**Out-of-Pocket Expense Limitation**” has the meaning set forth in Section 9.03.
- 2.67** “**Part-Time Employee**” means an Employee characterized by an Employer as a part-time employee who regularly works less than 40, hours per week or, with respect to a Represented Employee, who regularly works such other period of time that is specified in the collective bargaining agreement covering such Employee as constituting part-time status for purposes of the Consolidated Flex Plan.
- 2.68** “**Participant**” means a Post-65 Retiree who is a Covered Person.
- 2.69** “**Physician**” means a doctor of medicine or doctor of osteopathy who is legally qualified and licensed without limitation to practice medicine, surgery or obstetrics at the time and place service is rendered. This definition also includes physician’s assistants, certified surgical technologists, and registered nurse midwives, when working directly for a doctor of medicine. Doctors of dental surgery, doctors of dental medicine, doctors of podiatry or surgical chiropody, optometrists, and chiropractors shall be deemed to be Physicians when acting within the scope of their license for services covered by the Plan. Each registered physical, occupational, respiratory,

and speech therapist, psychologist, and social worker licensed under state law when providing a service covered by the Plan shall be deemed to be a Physician.

- 2.70** “**Plan**” means the NiSource Post-65 Retiree Medical Plan set forth herein, together with any and all amendments and supplements thereto.
- 2.71** “**Plan Administrator**” means the Committee, and any person or entity to whom the Committee has from time to time delegated authority to carry out the administrative functions of the Plan.
- 2.72** “**Plan Effective Date**” means September 1, 2010.
- 2.73** “**Plan Year**” means the calendar year, except that the initial Plan Year shall be the period commencing September 1, 2010 and ending December 31, 2010.
- 2.74** “**Post-65 Retiree**” means a Retiree who has attained age 65.
- 2.75** “**Post-65 Retiree Coverage Option**” means the BSG Med Supp (Med Only) Option, the BSG Med Supp Option, the BSG Med Supp Multi-Union Option, the HMO Option, the MAP-Med Only Option, the MAP Option, the Medigap Med-Only Supplement Option, the Medigap Supplement Option, the NIPSCO Medicare Supplement Option, the Medicare Supplement Option and the Other Insured Arrangement Option.
- 2.76** “**Pre-65 Retiree**” means a Retiree who has not attained age 65.
- 2.77** “**Pre-65 Retiree Plan Participant**” means a Pre-65 Retiree who is properly enrolled in the Consolidated Flex Plan.
- 2.78** “**Predecessor Medicare Supplement Option**” means any Medicare supplement option maintained prior to the Plan Effective Date under the Consolidated Flex Plan or any predecessor plan, or under any other plan maintained by an Employer, that provided benefits for certain Post-65 Retirees or their dependents who had attained age 65 or for certain dependents of Pre-65 Retirees (as defined below) who had attained age 65.
- 2.79** “**Pregnancy**” means the condition of being pregnant and all conditions and/or complications resulting therefrom.
- 2.80** “**Qualified Beneficiary**” means:
- (a) Any persons who were Covered Persons on the date immediately preceding a Qualifying Event as:
    - (1) A Covered Employee;
    - (2) A Covered Employee’s Spouse; or
    - (3) A Dependent Child.
  - (b) In the case of a Qualifying Event described in subsection 2.81(d), a Retiree who retired on or before the date of substantial elimination of coverage and any other individual who, on the day before such Qualifying Event, is a Covered Person as a Spouse, Dependent Child, or surviving Spouse.

- 2.81 “Qualifying Event”** means any of the following that results in loss of coverage for a Qualified Beneficiary:
- (a) The Covered Employee’s death;
  - (b) The divorce or legal separation of the Covered Employee from the Covered Employee’s Spouse;
  - (c) A Dependent Child is no longer an eligible Dependent; or
  - (d) With respect to a Retiree, a proceeding in a case under Title XI, United States Code, with respect to the Company. In the case of a Qualifying Event described in this subsection 2.81(d), a “loss of coverage” includes a substantial elimination of coverage with respect to a Qualified Beneficiary described in subsection 2.80(b) within one year before or after the date of commencement of the proceeding.
- 2.82 “Related Employer”** means (1) any corporation that is a member of a controlled group of corporations (as defined in Section 414(b) of the Code) that includes the Company; (2) any trade or business (whether or not incorporated) that is under common control (as defined in Section 414(c) of the Code) with the Company; and (3) any member of an affiliated service group (as defined in Section 414(m) of the Code) that includes the Company.
- 2.83 “Relative”** means a person who is the Spouse, mother, father, sister, brother, Child or in-law of a Covered Participant.
- 2.84 “Represented”** means a Full-Time or Part-Time Employee or a Retiree who is covered by a collective bargaining agreement between an Employer and a union.
- 2.85 “Retiree”** means a former Full-Time Employee or Part-Time Employee who retired from service with an Employer, in accordance with a plan or procedure adopted by the Employer, after having attained the age of 55 years and ten Years of Service. ‘Retiree’ also means a former Full-Time Employee or Part-Time Employee who retired from service with an Employer, in accordance with a plan or procedure adopted by the Employer and after ten Years of Service, but prior to attaining the age of 55 years, and who elects continued coverage under the Plan in lieu of COBRA Continuation Coverage pursuant to a written agreement entered into with an Employer. For purposes of this Section 2.85, “Years of Service” has the same meaning given such term in Section 4.01(c)(3). Notwithstanding the foregoing,
- (a) A person who would otherwise meet the definition of “Retiree” shall not cease to be a Retiree solely because such person is rehired by an Employer to regularly work less than twenty hours per week;
  - (b) “Retiree” shall also mean any former Employee who qualifies as a Retiree under the Special Provisions described in Article IV;
  - (c) Upon reaching age 65, a Retiree shall be considered a Post-65 Retiree;
  - (d) A person who would otherwise meet the definition of “Retiree” shall not be ineligible to be a Retiree solely because such person elected to retire from service with an Employer during a strike or lockout;

- (e) “Retiree” shall include any person who satisfied the definition of “Retiree” that was in effect under the Plan or any predecessor plan at the time of such person’s retirement; and
- (f) “Retiree” shall not include any person who is not a member of a Covered Retiree Group or who belongs to a Covered Retiree Group for which there is no Available Post-65 Retiree Coverage Option.

Without limiting the generality of any other provision of the Plan, as of the Separation Date, the term ‘Employer’ for purposes of this Section 2.85 shall not include any Columbia Divested Company or any CPG Related Employer.

**2.86 “Same-Sex Domestic Partner”** means, with respect to a Covered Participant, a person of the same sex as the Covered Participant, if the Covered Participant and such person satisfy the requirements of paragraph (a) or each of the requirements of paragraph (b) below:

- (a) Such person is the Covered Participant's registered domestic partner, or is a party to a civil union with the Covered Participant, under the laws of the Covered Participant's state of residence; or
- (b) The Covered Participant and such person
  - (1) are both age 18 or older and competent to enter into a legal contract;
  - (2) have shared for at least 12 months (and continue to share) the same principal residence, are jointly responsible for each other’s common welfare, and are Financially Interdependent;
  - (3) share a committed personal relationship and are not related to one another in a way that would prohibit marriage, civil union or domestic partnership between two persons in the Covered Participant's state of residence;
  - (4) are not legally able to enter into marriage or a registered domestic partnership, or be party to a civil union, with each other under the law of their state of residence (however, if such state in the future permits same-sex marriage, civil unions or registered domestic partnerships, the Covered Participant and such person must marry or enter into a civil union or registered domestic partnership within 12 months of the effective date of the new state law either to retain same-sex domestic partner status or to acquire status as a Spouse);
  - (5) are not currently married to, a party to a civil union with, or the domestic partner, of any other person;
  - (6) intend that their same-sex domestic partnership be of unlimited duration; and
  - (7) do not have a relationship that is primarily for the purpose of obtaining benefits under an employer-sponsored benefit program.

Notwithstanding the foregoing, for any insured benefit option, a person shall not be a Same-Sex Domestic Partner if he is otherwise ineligible for coverage under the terms of the certificate of coverage, group insurance policy or other governing document for such benefit option.

From time to time, a Covered Participant may be required to confirm orally, electronically or in writing, in a manner prescribed by the Plan Administrator, that the Covered Participant and his or her Same-Sex Domestic Partner satisfy the foregoing eligibility requirements.

- 2.87** “**Separation Date**” means July 1, 2015, or if later, the date of the consummation of all transactions necessary to effectuate the CPG Spin-Off.
- 2.88** “**Sickness**” means an illness causing loss commencing while the Plan is in force for a Covered Person. Sickness shall be deemed to include disability caused or contributed to by Pregnancy, miscarriage, childbirth and recovery therefrom. Sickness shall only mean sickness or disease that requires treatment by a Physician.
- 2.89** “**Spouse**” means a person who is treated as a spouse under the Code.
- 2.90** “**Status Change**” means any of the following:
- (a) Legal Marital Status. Events that change a Retiree’s legal marital status, including marriage, death of Spouse, divorce, legal separation, or annulment.
  - (b) Number of Dependents. Events that change a Retiree’s number of Dependents, including birth, adoption, placement for adoption (as defined in Treasury Regulations under Code Section 9801), or death of a Dependent.
  - (c) Employment Status. A termination or commencement of employment, a strike or lockout, a commencement or return from an unpaid leave of absence, or a change in worksite that changes the employment status of a Retiree, a Spouse or other Dependent, or any other change in the employment status of a Retiree, a Spouse or other Dependent that makes such individual eligible or ineligible for coverage under the Plan (such as switching from full-time to part-time status or from salaried to hourly-paid).
  - (d) Dependent Satisfies or Ceases to Satisfy the Requirements for Unmarried Dependents. An event that causes a Dependent to satisfy or cease to satisfy the requirements for coverage due to marriage, attainment of age, student status, or any similar circumstance as provided in the Plan.
  - (e) Residence. A change in the place of residence of a Retiree, a Spouse or other Dependent.
  - (f) Other Permissible Events. Any other event that the Plan Administrator or a member of the Committee determines to be a permissible Status Change under the Code or any regulation, ruling or release issued thereunder. Such determination shall be (1) consistent with the terms of the Plan; and (2) made in a uniform and non-discriminatory manner.

As used in this Section 2.90, and subject to the immediately following paragraph, the term “Dependent” shall include only those Dependents described in Section 2.34 above who would be considered a “dependent” for purposes of Code Section 125, the regulations thereunder, and Internal Revenue Service Notice 2010-38, as such statutory provision, regulations or guidance may be amended or modified from time to time.

Solely for purposes of this Section 2.90 and Section 3.02(c), a “Spouse” will be deemed to include a Covered Participant’s Same-Sex Domestic Partner, “marriage” will be deemed to include the establishment of a Same-Sex Domestic Partner relationship, “divorce” will be deemed to include the termination of a Same-Sex Domestic Partner relationship, and the term

“Dependent” will be deemed to include a Same-Sex Domestic Partner and a Same-Sex Domestic Partner’s Child; provided, however, that notwithstanding any other provision of the Plan, no Category of Coverage change under Section 3.02(c) involving a Same-Sex Domestic Partner or a Same-Sex Domestic Partner’s Child shall be made if such change would violate requirements of the Code or any regulations or other guidance issued thereunder, as determined by the Plan Administrator or its designee, in their sole discretion, or would violate the requirements of any insurer under any HMO Option or Other Insured Arrangement.

- 2.91 “**Stepchild**” means any natural or adopted child of a Covered Participant’s current Spouse or Covered Same-Sex Domestic Partner, and any natural or adopted child of a former Spouse or Same-Sex Domestic Partner of a Covered Participant living in the Covered Participant’s home in a familial relationship if the natural parents of such child are both deceased.
- 2.92 “**Summary Plan Description**” means the summary plan description for the Plan.

### ARTICLE III PARTICIPATION

3.01 **Eligibility.** Subject to the specific eligibility restrictions provided for each Post-65 Retiree Coverage Option described in Article IV, Post-65 Retirees shall be eligible to participate in the Plan, and their eligible Dependents and eligible Dependents of certain Pre-65 Retirees may be eligible to be enrolled in the Plan, as follows:

- (a) Post-65 Retirees. If he properly enrolls for coverage under Section 3.02, a Post-65 Retiree may be covered under the Plan as of the later of the date he (i) attains age 65, or (ii) becomes a Retiree.
- (b) Dependents. A Covered Participant’s eligible Dependent who is properly enrolled for coverage under Section 3.02 shall be covered on the earliest of (1) January 1 after the Annual Enrollment Period in which a Covered Participant elects to cover such Dependent; (2) the date a Post-65 Retiree’s coverage becomes effective; or (3) the date coverage is provided under the Status Change Enrollment provisions of subsection 3.02(c).
- (c) No Double Coverage. Notwithstanding the foregoing, no person is eligible to be covered as both a Participant and a Dependent, no person may be covered as a Dependent of more than one Covered Person, and no Employee may be covered as a Dependent.
- (d) Reservation of Right to Amend and Terminate. The Committee reserves the right to amend or terminate the provisions for Post-65 Retiree participation and for enrollment of Dependents in accordance with Article XX.

3.02 **Enrollment.** Subject to the specific eligibility restrictions provided for each Post-65 Retiree Coverage Option described in Article IV, Post-65 Retirees shall be eligible to enroll in the Plan, and eligible Dependents of Covered Participants may be enrolled in the Plan, as follows:

- (a) Post-65 Retirees. Each Post-65 Retiree who becomes eligible to become covered under subsection 3.01(a) shall properly enroll himself on or before the later of (i) the date he attains age 65, or (ii) the date he becomes a Retiree. Such Post-65 Retiree enrollment shall be effective on the first day of the month in which the Post-65 Retiree attains age 65 or becomes a Retiree, whichever is later. If the Post-65 Retiree attains age 65 or becomes



a Retiree on the first day of the month, then such Post 65 Retiree enrollment shall be effective on the first day of the month immediately preceding the month in which the Post-65 Retiree attains age 65 or becomes a Retiree. A Post-65 Retiree who fails to properly enroll pursuant to this subsection shall be covered pursuant to Sections 3.04 and 3.05.

A Post-65 Retiree who enrolls in the Plan, or a Pre-65 Retiree Plan Participant, may enroll his or her eligible Dependent in the Plan.

- (b) Annual Enrollment Period. Subject to the provisions of Section 3.04 and Article IV, an eligible Post-65 Retiree, a Pre-65 Retiree Plan Participant, or a Qualified Beneficiary may elect or change a Post-65 Retiree Coverage Option or Category of Coverage during the Annual Enrollment Period. Such election shall be effective for the period beginning on the first day of the following Plan Year and ending on the last day of such following Plan Year; provided, however, if such Post-65 Retiree, Pre-65 Retiree Plan Participant or Qualified Beneficiary makes no election or change during the Annual Enrollment Period, such Post-65 Retiree, Pre-65 Retiree or Qualified Beneficiary shall be deemed to have elected a Post-65 Retiree Coverage Option and Category of Coverage for the following Plan Year as described in Sections 3.04 and 3.05.
- (c) Status Change Enrollment. If a Status Change occurs, a Post-65 Retiree or a Pre-65 Retiree Plan Participant may make a Category of Coverage change during the Status Change Enrollment Period provided under this subsection; provided, however, if required by Section 125 of the Code and the regulations, rulings and releases issued thereunder, such Category of Coverage change shall be consistent with the Status Change event. A Category of Coverage change is consistent with a Status Change event if, and only if, (1) the Status Change results in a Post-65 Retiree or Dependent gaining or losing eligibility for coverage under either the Plan or an accident or health plan of the Dependent's employer; and (2) the Category of Coverage change corresponds with such gain or loss of coverage.

Such Status Change Enrollment Period shall begin on the date of the Status Change event, and shall expire 31 days thereafter. Accordingly, to obtain or modify coverage under this subsection, the Post-65 Retiree shall properly modify his or her enrollment during such Status Change Enrollment Period. Any Category of Coverage change under this subsection shall be effective as of the date it is approved by the Plan.

- (d) Judgment, Decree or Order. A Post-65 Retiree or a Pre-65 Retiree Plan Participant may make a Category of Coverage change upon entry of a court judgment, decree or order resulting from a divorce, legal separation, annulment, or change in legal custody (including a qualified medical child support order defined in Section 609 of ERISA) that requires Plan coverage for a Child.
- (e) Entitlement to Medicare or Medicaid. A Post-65 Retiree or a Pre-65 Retiree Plan Participant may make a Category of Coverage change if a Covered Person becomes enrolled under Medicare Parts A, B or C, or Medicaid, other than coverage consisting solely of benefits under Section 1928 of the Social Security Act (the program for distribution of pediatric vaccines). Any such Category of Coverage change must be requested in the manner prescribed by the Plan Administrator within 31 days after the occurrence of the applicable event giving rise to the requested change and will become effective as of the date such change is approved by the Plan.

- (f) Automatic Cost Change. If the cost of the Plan increases or decreases during a Plan Year, a Covered Participant is required to make corresponding change in his or her payments under the Plan. In such event, on a prospective basis, the Plan Administrator shall automatically effectuate the increase or decrease in the Covered Participant's elective Covered Person Contributions.
- (g) Significant Cost Change. Subject to the provisions of Section 3.04 and Article IV, a Covered Participant may make a Post-65 Retiree Coverage Option change if the cost of a Post-65 Retiree Coverage Option under the Plan significantly increases or decreases during a Plan Year. Any Post-65 Retiree Coverage Option change must correspond with such increase or decrease in cost. Changes that are permitted include commencing participation in a Post-65 Retiree Coverage Option that significantly decreases in cost, or, in the case of a Post-65 Retiree Coverage Option that significantly increases in cost, revoking an election for that Post-65 Retiree Coverage Option and, in lieu thereof, either receiving on a prospective basis coverage under another Post-65 Retiree Coverage Option providing similar coverage or dropping the Post-65 Retiree Coverage Option if no other Post-65 Retiree Coverage Option providing similar coverage is available. Any such Coverage Option change must be requested in the manner prescribed by the Plan Administrator within 31 days after the occurrence of the applicable event giving rise to the requested change and will become effective as of the date such change is approved by the Plan..
- (h) Significant Coverage Change. Subject to the provisions of Section 3.04 and Article IV, a Covered Participant may make a Post-65 Retiree Coverage Option change:
- (1) If the coverage under a Post-65 Retiree Coverage Option is significantly curtailed during a period of coverage, in which case the Covered Participant may revoke his or her election for coverage under such Post-65 Retiree Coverage Option and, in lieu thereof, elect to receive on a prospective basis coverage under another Post-65 Retiree Coverage Option providing similar coverage;
  - (2) If the coverage under a Post-65 Retiree Coverage Option ceases during a period of coverage, in which case the Covered Participant may revoke his or her election for coverage under such Post-65 Retiree Coverage Option and, in lieu thereof, elect to receive on a prospective basis coverage under another Post-65 Retiree Coverage Option providing similar coverage, or elect the No Coverage Option if no Post-65 Retiree Coverage Option providing similar coverage is available;
  - (3) If the Plan adds a new benefit or other coverage option or the terms of a benefit offered under the Plan are significantly improved during a period of coverage; or
  - (4) On account of and corresponding with a change made under another employer's plan if (i) the other cafeteria plan or qualified benefits plan permits participants to make an election that is consistent with the permitted election change rules under Section 125 of the Code and the regulations issued thereunder, or (ii) the Plan permits Covered Participants to make an election for a period of coverage that is different from the period of coverage under the other employer's cafeteria plan or qualified benefits plan.

Any such Coverage Option change must be requested in the manner prescribed by the Plan Administrator within 31 days after the occurrence of the applicable event giving rise to the requested change and will become effective as of the date such change is approved by the Plan..

- (i) Election Changes involving the HMO Option or Other Insured Arrangements. Notwithstanding any other provision of the Plan, enrollment or a change in enrollment in any HMO Option or Other Insured Arrangement shall be subject to any additional terms or conditions imposed by the insurer under such HMO Option or Other Insured Arrangement.
- (j) Changes Involving Same-Sex Domestic Partners. Notwithstanding any provision of this Section 3.02, no Category of Coverage change, Coverage Option change, or change in Covered Person Contributions in respect of an event involving a Same-Sex Domestic Partner or a Same-Sex Domestic Partner's Child shall be made if such change would violate requirements of the Code or of any regulations or other guidance issued thereunder, as determined by the Plan Administrator or its designee in their sole discretion, or would violate the requirements of any insurer under any HMO Option or Other Insured Arrangement.

**3.03 Categories of Coverage.** The Plan offers the following Categories of Coverage within each Post-65 Retiree Coverage Option:

- (a) Post-65 Retiree-Only;
- (b) Post-65 Retiree + Spouse;
- (c) Post-65 Retiree + Child;
- (d) Post-65 Retiree + Family;
- (e) Spouse Only (only in case of Spouse of Pre-65 Retiree Plan Participant);
- (f) Spouse + Child (only in case of Spouse and Child of Pre-65 Retiree Plan Participant);
- (g) Spouse + Family (only in case of Spouse and Family of Pre-65 Retiree Plan Participant);  
and
- (h) No Coverage.

Where applicable, Categories of Coverage include an eligible Same-Sex Domestic Partner and an eligible Child of a Same-Sex Domestic Partner.

**3.04 Election of a Post-65 Retiree Coverage Option.** A Post-65 Retiree or a Pre-65 Retiree Plan Participant may select a Post-65 Retiree Coverage Option as permitted in Article IV. Subject to the provisions of Article IV, such selection shall remain effective until properly changed during an Annual Enrollment Period, by reason of an event described in subsections 3.02(b)-(h), or by reason of the selection of the No Coverage Option at any time during the Plan Year. A Pre-65 Retiree Plan Participant who previously selected a Post-65 Retiree Plan Coverage Option for his or her Dependent and who subsequently becomes eligible for coverage under the Plan upon attaining age 65 may select only that Post-65 Retiree Coverage Option in which his or her Dependent is or has been enrolled or the No Coverage Option.

If a Pre-65 Retiree Plan Participant fails to properly enroll his or her eligible Dependent for coverage upon such Dependent attaining age 65, such Pre-65 Retiree Plan Participant shall be deemed to have selected the No Coverage Option. Such Pre-65 Retiree Plan Participant shall

have an opportunity to enroll his or her eligible Dependent for coverage during each Annual Enrollment Period thereafter.

If a Post-65 Retiree fails to properly enroll for coverage upon the later of reaching age 65 or becoming a Retiree, he shall be deemed to have selected the No Coverage Option. Such Post-65 Retiree shall have an opportunity to enroll for coverage during each Annual Enrollment Period thereafter.

Except as provided in the immediately following sentence, once a Post-65 Retiree or Pre-65 Retiree Plan Participant selects a Post-65 Retiree Coverage Option other than the No Coverage Option, he may not thereafter select a different Post-65 Retiree Coverage Option, other than the No Coverage Option. A Post-65 Retiree or Pre-65 Retiree Plan Participant may (i) select the No Coverage Option at any time during a Plan Year; (ii) during each Annual Enrollment Period or as otherwise permitted pursuant to subsections 3.02(b)-(h), make a change from the MAP Option to the MAP-Med Only Option, from the BSG Med Supp Option to the BSG Med Supp (Med Only) Option, or from the Medigap Supplement Option to the Medigap Med-Only Supplement Option; and (iii) during each Annual Enrollment Period or as otherwise permitted pursuant to subsections 3.02(b)-(h), enroll again in the Post-65 Retiree Coverage Option (other than the No Coverage Option) initially selected under the Plan, if such Post-65 Retiree or Pre-65 Retiree Plan Participant is currently enrolled in the No Coverage Option; provided, however, that enrollment in the MAP Option, the BSG Med Supp Option or the Medigap Supplement Option shall not be permitted if a Post-65 Retiree or Pre-65 Retiree Plan Participant has at any time enrolled in the MAP-Med Only Option, the BSG Med Supp (Med Only) Option or the Medigap Med-Only Supplement Option. For the avoidance of doubt, a change in Post-65 Retiree Coverage Option may not be made from the MAP-Med Only Option to the MAP Option, from the BSG Med Supp (Med Only) Option to the BSG Med Supp Option or from the Medigap Med-Only Supplement Option to the Medigap Supplement Option. Further, once a lifetime maximum has been attained by a Covered Person with respect to any Post-65 Retiree Coverage Option, no further coverage is available under the Plan. If a Post-65 Retiree or Pre-65 Retiree Plan Participant selects the No Coverage Option at any time during a Plan Year, he may not enroll again in the Post-65 Retiree Coverage Option he initially selected under the Plan except during the Annual Enrollment Period or as otherwise permitted pursuant to subsections 3.02(b)-(h).

- 3.05 Election of a Category of Coverage.** Subject to the provisions of Section 3.04 and Article IV, a Post-65 Retiree or a Pre-65 Retiree Plan Participant may select or change a Category of Coverage during the enrollment periods set forth in Section 3.02. Any such selection shall remain effective until properly changed by the Post-65 Retiree or Pre-65 Retiree during an Annual Enrollment Period, or by reason of an event described in subsections 3.02(b)-(h).

#### **ARTICLE IV RETIREE COVERAGE**

**4.01 Participation in Particular Post-65 Retiree Coverage Options.**

- (a) Eligibility. Subject to the provisions of Article III, when a Retiree attains age 65 or becomes a Retiree after attaining age 65, or when his or her Dependent, or a Dependent of a Pre-65 Retiree Plan Participant, attains age 65, such person shall be eligible to participate in an Available Post-65 Retiree Coverage Option.
- (b) Enrollment. Subject to the provisions of Article III, upon attaining age 65 or upon becoming a Retiree, a person described in Section 4.01(a) above may enroll or be

enrolled in an Available Post-65 Retiree Coverage Option or may elect or have elected for him the No Coverage Option.

(c) Contributions. The following provisions apply with respect to contributions toward the cost of coverage under the Plan:

- (1) A Participant who participates in an Available Post-65 Retiree Coverage Option shall be required to contribute toward his or her coverage, and such Participant or a Pre-65 Retiree Plan Participant shall be required to contribute toward the coverage of his or her Dependents who are covered under the Plan, in an amount as determined from time to time by the Plan Administrator.
- (2) If a Post-65 Retiree is eligible for Medicare coverage and is a member of a Covered Retiree Group for which a Defined Dollar Subsidy or other premium subsidy is made available, as indicated by Schedule 1 attached hereto, such Post-65 Retiree and his or her Spouse or Same-Sex Domestic Partner, if the Spouse or Same-Sex Domestic Partner is over age 65 and a Covered Person, shall be credited with an annual Defined Dollar Subsidy or other premium subsidy, as applicable, toward the cost of coverage in the amount indicated by Schedule 1. If a Pre-65 Retiree Plan Participant is a member of a Covered Retiree Group for which a Defined Dollar Subsidy or other premium subsidy is made available, as indicated by Schedule 1 attached hereto, his or her Spouse or Same-Sex Domestic Partner, if over age 65 and a Covered Person, shall be credited with an annual Defined Dollar Subsidy or other premium subsidy, as applicable, toward the cost of coverage in the amount indicated by Schedule 1. The Covered Participant shall remain responsible for the cost of coverage to the extent such cost exceeds the Defined Dollar Subsidy or other premium subsidy.
- (3) The Defined Dollar Subsidy for an eligible Post-65 Retiree is an annual amount to be applied toward the cost of coverage under the Plan that is equal to the product of (i) a dollar value, as specified in Schedule 1 attached hereto, multiplied by (ii) the Post-65 Retiree's Years of Service. The Defined Dollar Subsidy for an eligible Covered Participant's Spouse or Same-Sex Domestic Partner who is a Covered Person is an annual amount to be applied toward the cost of coverage for the Spouse or Same-Sex Domestic Partner under the Plan that is equal to the product of (i) a dollar value, as specified in Schedule 1 attached hereto, multiplied by (ii) the Covered Participant's Years of Service. For purposes of this Section 4.01(c)(3) only, "Years of Service" equals the total number of Years of Service at retirement, rounded up to the nearest whole number, earned by the Post-65 Retiree or Pre-65 Retiree Plan Participant for purposes of benefit accrual (including all service prior to a distribution that causes any prior service to be disregarded) under each defined benefit pension plan maintained by the Company or an affiliate in which the former Employee accrued a benefit, as calculated under the terms of each applicable defined benefit pension plan. Notwithstanding the foregoing, for purposes of the Special Provisions Applicable to Certain Outsourced and Severed Employees described in Section 4.03, "Years of Service" for purposes of this Section 4.01(c)(3) shall mean "Years of Service" as defined in subsection 4.03(d).
- (4) If a Covered Participant dies prior to his or her eligible Spouse or Same-Sex Domestic Partner, the surviving Spouse or Same-Sex Domestic Partner, if age 65

or older, shall be credited with a Defined Dollar Subsidy in the same amount as a Post-65 Retiree who is a member of the same Covered Retiree Group as the Covered Participant.

- (5) If a Post-65 Retiree is a member of a Covered Retiree Group for which a Medicare Part B reimbursement, a Medicare Part D reimbursement, or any other reimbursement is made available, as indicated by Schedule 1 attached hereto, the Post-65 Retiree shall be credited with such reimbursement in the amount indicated by Schedule 1.
  - (6) Contributions shall also be governed by Article VIII. The Committee reserves the right to modify these contribution provisions from time to time.
- (d) Rehires. A Retiree who is rehired by an Employer and subsequently retires shall be considered a member of the Covered Retiree Group applicable to such Retiree as of the date of his or her latest retirement.

**4.02 Special Provisions Applicable to 2002 NiSource Organization Restructuring.** From August 28, 2002, through December 31, 2002, certain Employees were notified of their involuntary separation under the 2002 NiSource Inc. Organization Restructuring (the “2002 Restructuring”). The purpose of this Section is to specify the special provisions that apply to Employees who were eligible for and elected the Defined Dollar Subsidy for retiree medical coverage offered pursuant to the 2002 Restructuring.

- (a) Retiree Medical Benefits Offered in Connection with the 2002 NiSource Inc. Organization Restructuring.

An Employee who:

- (1) Was notified of his or her involuntary separation from an Employer under the 2002 Restructuring between August 28, 2002 and December 31, 2002;
- (2) Elected salary continuation as his or her severance benefit option and, at the end of the salary continuation period, was age 50 to 54 with 10 Years of Service;
- (3) Properly executed the release attached to his or her Severance Agreement in accordance with the procedures set forth in that Severance Agreement, or if appropriate, any subsequently tendered release from the Company or an affiliate thereof; and
- (4) Was eligible for and elected the Defined Dollar Subsidy offered in connection with the 2002 Restructuring,

shall be eligible, subject to the other provisions of Article IV, including without limitation Section 4.01(a), for retiree medical coverage under the MAP-Med Only Option, the MAP Option or the Medicare Supplement Option and shall be credited with an annual Defined Dollar Subsidy toward the cost of such coverage. The Post-65 Retiree or Pre-65 Retiree Plan Participant shall remain responsible for the annual cost of coverage to the extent such cost exceeds the Defined Dollar Subsidy equal to the applicable amount set forth in subsection 4.02(b).

- (b) Medicare-Eligible Defined Dollar Subsidy. On and after the date the former Employee becomes eligible for Medicare coverage, the annual Defined Dollar Subsidy shall equal \$60 times Years of Service towards coverage for the former Employee, and \$40 times Years of Service towards coverage for his or her Spouse.
- (c) Years of Service. For purposes of this Section only, “Years of Service” equals the total number of Years of Service at retirement, rounded up to the nearest whole number, earned by the Post-65 Retiree or Pre-65 Retiree Plan Participant for purposes of benefit accrual (including all service prior to a distribution that causes any prior service to be disregarded) under each defined benefit pension plan maintained by the Company or an affiliate in which the former Employee accrued a benefit, as calculated under the terms of each applicable defined benefit pension plan.

**4.03 Special Provisions Applicable to Certain Outsourced and Severed Employees.**

Notwithstanding any provision of the Plan to the contrary, but subject to the particular eligibility provisions of each section of this Article IV, any Participant who (i) was notified in writing on June 21, 2005, or any following date up to and including December 31, 2005, that his or her employment was outsourced to International Business Machines Corporation (the “IBM Outsourcing”), (ii) received an initial Severance Letter Agreement dated on June 21, 2005, or any following date up to and including December 31, 2005, from the Company in connection with the IBM Outsourcing, (iii) elected by January 10, 2006 to be part of the termination from service window offered to employees eligible for the NiSource Inc. Executive Severance Policy, or (iv) was otherwise terminated from employment in connection with the 2005/2006 corporate restructuring on or before March 31, 2006, as reflected in his termination letter, shall be considered a Retiree and, subject to the other provisions of Article IV, including without limitation Section 4.01(a), shall be eligible for retiree medical coverage under the MAP-Med Only Option, the MAP Option or the Medicare Supplement Option as follows:

- (a) Each Participant who was age 50 to 54 with at least 10 Years of Service as of his or her termination of employment with the Company and any Related Employer shall be considered a Retiree upon reaching age 55;
- (b) Each Participant who was age 55 or over with 5 to 9 Years of Service as of his or her termination of employment with the Company and any Related Employer shall be considered a Retiree as of the date that such individual would have completed 10 Years of Service had he continued to be employed by the Company or a Related Employer but for the IBM Outsourcing or related severance; and
- (c) Each Participant who was age 50 or over with 5 to 9 Years of Service as of his or her termination of employment with the Company and any Related Employer shall be considered a Retiree as of the date that such individual reaches age 55 and would have completed 10 Years of Service had he continued to be employed by the Company or a Related Employer but for the IBM Outsourcing or related severance.
- (d) For purposes of this Section 4.03 and Section 4.01(c)(3), “Years of Service” equals the number of Years of Service earned by a former Employee towards eligibility for an early retirement pension under each defined benefit pension plan maintained by the Company or an affiliate in which the former Employee participated, as calculated under the terms of each applicable defined benefit pension plan; provided, however, that Years of Service shall not include any pension service time added as a result of the IBM Outsourcing or severance in connection with the IBM Outsourcing.

**4.04 MAP Option.** The terms and conditions of coverage under the MAP Option are as follows:

- (a) MAP Deductible.
  - (1) Medicare Part A. All services considered under Medicare Part A are subject to the payment of the MAP Deductible.
  - (2) Medicare Part B. All services considered under Medicare Part B are subject to the payment of the MAP Deductible.
- (b) Lifetime Maximum. The total maximum benefit payable under the MAP Option and the MAP-Med Only Option, separately and collectively, with respect to each Covered Person during such person's lifetime shall not exceed \$50,000.
- (c) Benefits. The MAP Option provides the following benefits:
  - (1) Physician Services. For office visits (primary care and specialist visits), up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare Part B deductible and the MAP Deductible.
  - (2) Preventive and Wellness Services. Up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare Part B deductible and the MAP Deductible, for the following services:
    - (A) Routine gynecological exam;
    - (B) Routine annual mammogram;
    - (C) Routine annual Pap smear test;
    - (D) Routine flexible sigmoidoscopy; and
    - (E) Routine prostate cancer screening;Routine physical exams are not covered under this Option.
  - (3) Diagnostic Services. For x-rays, allergy tests and laboratory tests, up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare Part B deductible and the MAP Deductible.
  - (4) Outpatient Services. For surgery, up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare Part B deductible and the MAP Deductible.
  - (5) Emergency Services. For emergency room services, up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare deductible and the MAP Deductible.
  - (6) Hospital Services.
    - (A) Inpatient days covered by Medicare (including the inpatient deductible for inpatient days covered by Medicare) are not covered or payable under the Plan. Without limiting the generality of the foregoing, inpatient



facility charges and skilled nursing facility charges covered by Medicare are not covered by the Plan.

- (B) For semi-private room and board charges, surgery services and x-ray and laboratory services, after Covered Person's payment of the MAP Deductible, 80% of charges not covered by Medicare due to Medicare day maximum being exhausted.
- (7) Transplant Services. Up to 20% of Medicare-approved charges for which Medicare pays 80%. The Plan shall provide assistance with reasonable and necessary travel expenses as determined by the Plan Administrator when the Covered Person obtains prior approval and is required to travel more than 100 miles from his or her residence to reach the Hospital where the covered transplant procedure will be performed. The Plan's assistance with travel expenses includes transportation to and from the Hospital and lodging for the patient and one companion. Benefits for lodging are limited to \$75.00 per day. Travel expenses and lodging expenses, on a combined basis, are limited to \$20,000. To obtain reimbursement, the Covered Person must submit itemized receipts for transportation and lodging expenses in a form satisfactory to the Plan Administrator.
- (8) Prescription Drug Coverage. The MAP Option shall provide prescription drug coverage. A Post-65 Retiree who enrolls in Medicare Part D shall automatically be deemed to have elected the MAP-Med Only Option. A Post-65 Retiree who elects, or is deemed to have elected, the MAP-Med Only Option shall not be eligible to participate in the MAP Option at a later date. Prescription drug coverage under the MAP Option shall be provided in accordance with the provisions of Article IX.
- (9) Mental Health Services.
- (A) *Inpatient Treatment - Facility.* After Covered Person's payment of the MAP Deductible, 85% of charges not covered by Medicare.
  - (B) *Inpatient Treatment - Professional.* After Covered Person's payment of the MAP Deductible, remaining 20% of charges not covered by Medicare.
  - (C) *Outpatient Treatment.* After Covered Person's payment of the MAP Deductible, 85% of Medicare-approved charges not paid by Medicare.
- (10) Substance Use Disorder Services.
- (A) *Inpatient Treatment - Facility.* After Covered Person's payment of the MAP Deductible, 85% of charges not covered by Medicare.
  - (B) *Inpatient Treatment - Professional.* After Covered Person's payment of the MAP Deductible, remaining 20% of charges not covered by Medicare.
  - (C) *Outpatient Treatment.* After Covered Person's payment of the MAP Deductible, 85% of Medicare-approved charges not paid by Medicare.

- (11) Other Services. For durable medical equipment, vision benefits (one routine vision exam and refraction per year) and hearing benefits (diagnostic hearing exams only), up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare Part B deductible and the MAP Deductible.

**4.05 MAP-Med Only Option.** The terms and conditions of coverage under the MAP-Med Only Option are as follows:

- (a) MAP Deductible.
  - (1) Medicare Part A. All services considered under Medicare Part A are subject to the payment of the MAP Deductible.
  - (2) Medicare Part B. All services considered under Medicare Part B are subject to the payment of the MAP Deductible.
- (b) Lifetime Maximum. The total maximum benefit payable under the MAP Option and the MAP-Med Only Option, separately and collectively, with respect to each Covered Person during such person's lifetime shall not exceed \$50,000.
- (c) Benefits. The MAP Option provides the following benefits:
  - (1) Physician Services. For office visits (primary care and specialist visits) and surgical/hospital visits, up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare Part B deductible and the MAP Deductible.
  - (2) Preventive and Wellness Services. Up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare Part B deductible and the MAP Deductible, for the following services:
    - (A) Routine gynecological exam;
    - (B) Routine annual mammogram;
    - (C) Routine annual Pap smear test;
    - (D) Routine flexible sigmoidoscopy; and
    - (E) Routine prostate cancer screening;Routine physical exams are not covered under this Option.
  - (3) Diagnostic Services. For x-rays, allergy tests and laboratory tests, up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare Part B deductible and the MAP Deductible.
  - (4) Outpatient Services. For surgery, up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare Part B deductible and the MAP Deductible.

- (5) Emergency Services. For emergency room services, up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare deductible and the MAP Deductible.
- (6) Hospital Services.
  - (A) Inpatient days covered by Medicare (including the inpatient deductible for inpatient days covered by Medicare) are not covered or payable under the Plan. Without limiting the generality of the foregoing, inpatient facility charges and skilled nursing facility charges covered by Medicare are not covered by the Plan.
  - (B) For semi-private room and board charges, surgery services and x-ray and laboratory services, after Covered Person's payment of the MAP Deductible, 80% of charges not covered by Medicare due to Medicare day maximum being exhausted.
- (7) Transplant Services. Up to 20% of Medicare-approved charges for which Medicare pays 80%. The Plan shall provide assistance with reasonable and necessary travel expenses as determined by the Plan Administrator when the Covered Person obtains prior approval and is required to travel more than 100 miles from his or her residence to reach the Hospital where the covered transplant procedure will be performed. The Plan's assistance with travel expenses includes transportation to and from the Hospital and lodging for the patient and one companion. Benefits for lodging are limited to \$75.00 per day. Travel expenses and lodging expenses, on a combined basis, are limited to \$20,000. To obtain reimbursement, the Covered Person must submit itemized receipts for transportation and lodging expenses in a form satisfactory to the Plan Administrator.
- (8) Prescription Drug Coverage. The MAP-Med Only Option does not provide prescription drug coverage. A Post-65 Retiree who enrolls in Medicare Part D shall automatically be deemed to have elected the MAP-Med Only Option. A Post-65 Retiree who elects, or is deemed to have elected, the MAP-Med Only Option shall not be eligible to participate in the MAP Option at a later date.
- (9) Mental Health Services.
  - (A) *Inpatient Treatment - Facility.* After Covered Person's payment of the MAP Deductible, 85% of charges not covered by Medicare.
  - (B) *Inpatient Treatment - Professional.* After Covered Person's payment of the MAP Deductible, remaining 20% of charges not covered by Medicare.
  - (C) *Outpatient Treatment.* After Covered Person's payment of the MAP Deductible, 85% of Medicare-approved charges not paid by Medicare.
- (10) Substance Use Disorder Services.
  - (A) *Inpatient Treatment - Facility.* After Covered Person's payment of the MAP Deductible, 85% of charges not covered by Medicare.

- (B) *Inpatient Treatment - Professional.* After Covered Person's payment of the MAP Deductible, remaining 20% of charges not covered by Medicare.
- (C) *Outpatient Treatment.* After Covered Person's payment of the MAP Deductible, 85% of Medicare-approved charges not paid by Medicare.

- (11) Other Services. For durable medical equipment, vision benefits (one routine vision exam and refraction per year) and hearing benefits (diagnostic hearing exams only), up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare Part B deductible and the MAP Deductible.

**4.06 Medicare Supplement Option.** The terms and conditions of coverage under the Medicare Supplement Option are as follows:

(a) Payment of Medicare Deductibles.

- (1) Medicare Part A. The Plan pays the Medicare Part A deductible, except for lifetime reserve days.
- (2) Medicare Part B. The Plan pays one hundred percent of the annual Medicare Part B deductible.

(b) Benefits. The Medicare Supplement Option provides the following benefits:

- (1) Physician Services. For office visits (primary care and specialist visits), Medicare deductible and up to 20% of Medicare-approved charges for which Medicare pays 80%.
- (2) Preventive and Wellness Services. Medicare deductible and up to 20% of Medicare-approved charges for which Medicare pays 80% for the following services:
  - (A) Flu, pneumonia and hepatitis B shots;
  - (B) Routine gynecological exam (once every 24 months);
  - (C) Routine annual mammogram;
  - (D) Routine Pap smear test (once every 24 months);
  - (E) Routine flexible sigmoidoscopy (once every 48 months); and
  - (F) Routine prostate cancer screening (once every 12 months);

Routine physical exams are not covered under this Option.

- (3) Diagnostic Services. For x-rays and allergy tests, Medicare deductible and up to 20% of Medicare-approved charges for which Medicare pays 80%. Laboratory services are not covered.

- (4) Outpatient Services. For surgery, Medicare deductible and up to 20% of Medicare-approved charges for which Medicare pays 80%.
- (5) Emergency Services. For emergency room services, Medicare deductible and up to 20% of Medicare-approved charges for which Medicare pays 80%.
- (6) Hospital Services.
  - (A) For semi-private room and board charges, Medicare Part A deductible and 100% of charges not paid by Medicare from days 61-90 of confinement.
  - (B) For x-ray and laboratory services, payment of the Medicare Part A deductible.
- (7) Transplant Services. Up to 20% of Medicare-approved charges for which Medicare pays 80%. Meals are not covered.
- (8) Surgical Charges Above Those Covered by Medicare. 80% of Maximum Allowed Amount, after a \$50 Deductible per year, for surgical charges above those covered by Medicare, up to a maximum of \$10,000 per year.
- (9) Skilled Nursing Facility. 12.5% of the Medicare inpatient hospital deductible for room and board charges from day 21 to day 100 for a skilled nursing facility confinement in a facility approved by Medicare.
- (10) Prescription Drug Coverage. The Medicare Supplement Option does not provide prescription drug coverage.
- (11) Mental Health Services.
  - (A) *Inpatient Treatment*. After Plan payment of Medicare deductible, 80% of charges not covered by Medicare due to Medicare day maximum being exhausted.
  - (B) *Outpatient Treatment*. After Plan payment of Medicare deductible, 80% of Medicare-approved charges not paid by Medicare.
- (12) Substance Use Disorder Services.
  - (A) *Inpatient Treatment*. After Plan payment of Medicare deductible, 80% of charges not covered by Medicare due to Medicare day maximum being exhausted.
  - (B) *Detoxification*. After Plan payment of Medicare deductible, 80% of charges not covered by Medicare due to Medicare day maximum being exhausted.
  - (C) *Outpatient Treatment*. After Plan payment of Medicare deductible, 80% of Medicare-approved charges not paid by Medicare.
- (13) Other Services. For durable medical equipment, vision benefits (diagnostic vision exams only) and hearing benefits (diagnostic hearing exams only),

Medicare deductible and up to 20% of Medicare-approved charges for which Medicare pays 80%.

**4.07 NIPSCO Medicare Supplement Option.** The terms and conditions of coverage under the NIPSCO Medicare Supplement Option are as follows:

- (a) Payment of Medicare Deductibles.
  - (1) Medicare Part A. The Plan pays the Medicare Part A deductible, except for lifetime reserve days.
  - (2) Medicare Part B. The Plan pays one hundred percent of the annual Medicare Part B deductible.
- (b) Annual Maximum. The benefit payable under the NIPSCO Medicare Supplement Option shall not exceed \$450,000 per Covered Person per Plan Year. Provided, however, when the benefit maximum is reached during a Plan Year due to expenses incurred for human organ and tissue transplants, an additional benefit not to exceed \$50,000 per Covered Person per Plan Year may be applied toward expenses incurred for human organ and tissue transplants.
- (c) Benefits. The Medicare Supplement Option provides the following benefits:
  - (1) Physician Services. For office visits (primary care and specialist visits) and surgical/hospital visits, Medicare deductible and up to 20% of Medicare-approved charges for which Medicare pays 80%.
  - (2) Preventive and Wellness Services. Medicare deductible and up to 20% of Medicare-approved charges for which Medicare pays 80% for the following services:
    - (A) Flu, pneumonia and hepatitis B shots;
    - (B) Routine gynecological exam (once every 24 months);
    - (C) Routine annual mammogram;
    - (D) Routine Pap smear test (once every 24 months);
    - (E) Routine flexible sigmoidoscopy (once every 48 months); and
    - (F) Routine prostate cancer screening (once every 12 months);Routine physical exams are not covered under this Option.
  - (3) Diagnostic Services. For x-rays, allergy tests and laboratory tests, Medicare deductible and up to 20% of Medicare-approved charges for which Medicare pays 80%.
  - (4) Outpatient Services. For surgery, Medicare deductible and up to 20% of Medicare-approved charges for which Medicare pays 80%.

- (5) Emergency Services. For emergency room services, Medicare deductible and up to 20% of Medicare-approved charges for which Medicare pays 80%.
- (6) Hospital Services.
  - (A) For semi-private room and board charges, Medicare Part A deductible and 25% of the Medicare-eligible charges not paid by Medicare from days 61-90 of confinement.
  - (B) For x-ray and laboratory services, payment of the Medicare Part A deductible.
- (7) Transplant Services. Up to 20% of Medicare-approved charges for which Medicare pays 80%. Meals are not covered.
- (8) Surgical Charges Above Those Covered by Medicare. 80% of Maximum Allowed Amount, after a \$50 Deductible per year, for surgical charges above those covered by Medicare, up to a maximum of \$10,000 per year.
- (9) Prescription Drug Coverage. There is a 100% co-pay requirement for all prescription drugs. A Covered Participant's medical identification card may be used to obtain discounts at participating pharmacies.
- (10) Mental Health Services.
  - (A) *Inpatient Treatment.* After Plan payment of Medicare deductible, 80% of charges not covered by Medicare due to Medicare day maximum being exhausted.
  - (B) *Outpatient Treatment.* After Plan payment of Medicare deductible, 80% of Medicare-approved charges not paid by Medicare.
- (11) Substance Use Disorder Services.
  - (A) *Inpatient Treatment.* After Plan payment of Medicare deductible, 80% of charges not covered by Medicare due to Medicare day maximum being exhausted.
  - (B) *Detoxification.* After Plan payment of Medicare deductible, 80% of charges not covered by Medicare due to Medicare day maximum being exhausted.
  - (C) *Outpatient Treatment.* After Plan payment of Medicare deductible, 80% of Medicare-approved charges not paid by Medicare.
- (12) Other Services. For durable medical equipment, vision benefits (diagnostic vision exams only) and hearing benefits (diagnostic hearing exams only), Medicare deductible and up to 20% of Medicare-approved charges for which Medicare pays 80%.

**4.08 Medigap Supplement Option.** The terms and conditions of coverage under the Medigap Supplement Option are as follows:

- (a) Medical Benefits. Medical benefits under the Medigap Supplement Option are offered through an Other Insured Arrangement Option.
- (b) Prescription Drug Coverage. Prescription drug coverage under the Medigap Supplement Option shall be provided in accordance with the provisions of Article IX, but shall be limited to an annual maximum of \$5,000 per Covered Person per Plan Year.

**4.09 Medigap Med-Only Supplement Option.** The terms and conditions of coverage under the Medigap Med-Only Supplement Option are as follows:

- (a) Medical Benefits. Medical benefits under the Medigap Supplement Option are offered through an Other Insured Arrangement Option.
- (b) Prescription Drug Coverage. No prescription drug coverage is provided under the Medigap Med-Only Supplement Option. A Post-65 Retiree who enrolls in Medicare Part and who elects Medigap coverage shall automatically be deemed to have elected the Medigap Med-Only Supplement Option. A Post-65 Retiree who elects, or is deemed to have elected, the Medigap Med-Only Supplement Option shall not be eligible to participate in the Medigap Supplement Option at a later date.

**4.10 BSG Med Supp Multi-Union Option.** The terms and conditions of coverage under the BSG Med Supp Multi-Union Option are as follows:

- (a) Lifetime Maximum. The total maximum benefit payable under the BSG Med Supp Multi-Union Option with respect to each Covered Person during such person's lifetime shall not exceed \$2,000,000.
- (b) Benefits. The BSG Med Supp Multi-Union Option provides the following benefits:
  - (1) Physician Services. For office visits (primary care and specialist) and surgical/hospital visits, up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare Part B deductible.
  - (2) Preventive and Wellness Services. Full coverage, for the following services:
    - (A) One routine fecal-occult blood test every year;
    - (B) One routine flexible sigmoidoscopy every four years;
    - (C) One routine colonoscopy every two years for a Covered Person at high-risk for cancer;
    - (D) Other routine colorectal cancer screening tests or procedures and changes to tests or procedures according to frequency limits set by Medicare;
    - (E) Routine prostate cancer screening, including one (PSA) test and one digital rectal exam, per calendar year;
    - (F) One routine gynecological exam every two years;



- (G) One routine gynecological exam per calendar year for a Covered Person at high risk for cancer, if covered by Medicare;
- (H) One routine mammogram per calendar year; and
- (I) One routine Pap smear test per calendar year (exam not covered every year unless covered by Medicare for Covered Person at high risk for cancer).

Routine physical exams are not covered under this Option.

- (3) Diagnostic Services. For x-rays, allergy tests and laboratory tests, up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare Part B deductible.
- (4) Outpatient Services. For surgery, up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare deductible.
- (5) Emergency Services. For emergency room services, up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare deductible.
- (6) Hospital Services. (i) for the first 60 days of the Medicare benefit period, 100% of the Medicare deductible; (ii) for day 61 through day 90 of the Medicare benefit period, 100% of the remaining Medicare-approved charges not paid by Medicare; (iii) 100% coverage for the lifetime reserve day coinsurance for the 60 lifetime reserve days; and (iv) 90% coverage of up to 365 additional Hospital days in a Covered Person's lifetime when Medicare benefits are exhausted. (The 365 additional Hospital days per Covered Person's lifetime are a combination of days in a general or mental Hospital, including inpatient treatment for substance use disorders. Benefits for such additional days will be paid at the rate negotiated between the exclusive provider organization and the Contracted Provider.)
- (7) Transplant Services. Up to 20% of Medicare-approved charges for which Medicare pays 80%.
- (8) Mental Health Services.
  - (A) *Inpatient Treatment.* For the first 60 days of confinement in a Hospital, 100% of the inpatient hospital deductible of Medicare. For day 61 through day 90 of inpatient hospital confinement, 100% of the Medicare coinsurance. For day 91 through 150 of inpatient hospital confinement, coinsurance per day. For inpatient hospital confinement after 150 days, 90% of covered services up to 365 additional hospital days in a Covered Person's lifetime when Medicare benefits are exhausted. (The 365 additional days per Covered Person's lifetime are a combination of days in a general or mental Hospital. Benefits for the additional 365 days that are covered once Medicare benefits are exhausted will be paid at the rate negotiated between the exclusive provider organization and the Contracted Provider.)

- (B) *Outpatient Treatment.* Fifty percent of Medicare-approved charges for which Medicare pays 50%.
- (9) Substance Use Disorder Services.
- (A) *Inpatient Treatment.* For the first 60 days of confinement in a Hospital, 100% of the inpatient hospital deductible of Medicare. For day 61 through day 90 of inpatient hospital confinement, 100% of the Medicare coinsurance. For day 91 through 150 of inpatient hospital confinement, coinsurance per day. For inpatient hospital confinement after 150 days, 90% of covered services up to 365 additional hospital days in a Covered Person's lifetime when Medicare benefits are exhausted. (The 365 additional days per Covered Person's lifetime are a combination of days in a general or mental Hospital. Benefits for the additional 365 days that are covered once Medicare benefits are exhausted will be paid at the rate negotiated between the exclusive provider organization and the Contracted Provider.).
  - (B) *Detoxification.* For the first 60 days of confinement in a Hospital, 100% of the inpatient hospital deductible of Medicare. For day 61 through day 90 of inpatient hospital confinement, 100% of the Medicare coinsurance. For day 91 through 150 of inpatient hospital confinement, coinsurance per day. For inpatient hospital confinement after 150 days, 90% of covered services up to 365 additional hospital days in a Covered Person's lifetime when Medicare benefits are exhausted. (The 365 additional days per Covered Person's lifetime are a combination of days in a general or mental Hospital. Benefits for the additional 365 days that are covered once Medicare benefits are exhausted will be paid at the rate negotiated between the exclusive provider organization and the Contracted Provider.).
  - (C) *Outpatient Treatment.* Fifty percent of Medicare-approved charges for which Medicare pays 50%.
- (10) Skilled Nursing Facility. For a skilled nursing facility, 100% of Medicare coinsurance for days 21 through 100. No benefits are provided for services rendered after 100 days of continuous confinement.
- (11) Other Services. For durable medical equipment, vision benefits (diagnostic vision exams only) and hearing benefits (diagnostic hearing exams only), up to 20% of Medicare-approved charges for which Medicare pays 80%, after Covered Person's payment of the Medicare deductible.
- (12) Certain Charges Excluded. Private duty nursing charges covered by Medicare are not covered under the Plan. In addition, except with respect to services obtained in connection with true medical emergencies, no benefits shall be provided unless services are obtained from a Contracted Provider.

**4.11 BSG Med Supp (Med Only) Option.** The terms and conditions of coverage under the BSG Med Supp (Med Only) Option are as follows:

- (a) Lifetime Maximum. The total maximum benefit payable under the BSG Med Supp (Med Only) Option and the BSG Med Supp Option, separately and collectively, with respect to each Covered Person during such person's lifetime shall not exceed \$2,000,000.
- (b) Benefits. The BSG Med Supp Option provides the following benefits:
  - (1) Physician Services. For office visits (primary care and specialist) and surgical/hospital visits, 100% of the Medicare deductible, plus 20% of Medicare-approved charges for which Medicare pays 80%.
  - (2) Preventive and Wellness Services. One hundred percent of the Medicare deductible, plus 20% of Medicare-approved charges for which Medicare pays 80% for the following services:
    - (A) One routine fecal-occult blood test every year;
    - (B) One routine flexible sigmoidoscopy every four years;
    - (C) One routine colonoscopy every two years for a Covered Person at high-risk for cancer;
    - (D) Other routine colorectal cancer screening tests or procedures and changes to tests or procedures according to frequency limits set by Medicare;
    - (E) Routine prostate cancer screening, including one (PSA) test and one digital rectal exam, per calendar year;
    - (F) One routine gynecological exam every two years;
    - (G) One routine gynecological exam per calendar year for a Covered Person at high risk for cancer, if covered by Medicare;
    - (H) One routine mammogram per calendar year; and
    - (I) One routine Pap smear test per calendar year (exam not covered every year unless covered by Medicare for Covered Person at high risk for cancer).

Routine physical exams are not covered under this Option.

- (3) Diagnostic Services. For x-rays, allergy tests and laboratory tests, 100% of the Medicare deductible, plus 20% of Medicare-approved charges for which Medicare pays 80%.
- (4) Outpatient Services. For surgery, 100% of the Medicare deductible, plus 20% of Medicare-approved charges for which Medicare pays 80%.
- (5) Emergency Services. For emergency room services, 100% of the Medicare deductible, plus 20% of Medicare-approved charges for which Medicare pays 80%.

- (6) Transplant Services. Up to 20% of Medicare-approved charges for which Medicare pays 80%.
- (7) Hospital Services. (i) for the first 60 days of the Medicare benefit period, 100% of the Medicare deductible; (ii) for day 61 through day 90 of the Medicare benefit period, 100% of the remaining Medicare-approved charges not paid by Medicare; (iii) 100% coverage for the lifetime reserve day coinsurance for the 60 lifetime reserve days; and (iv) 100% coverage of up to 365 additional Hospital days in a Covered Person's lifetime when Medicare benefits are exhausted. (The 365 additional Hospital days per Covered Person's lifetime are a combination of days in a general or mental Hospital, including inpatient treatment for substance use disorders. Benefits for such additional days will be paid at the rate negotiated between the exclusive provider organization and the Contracted Provider.)
- (8) Prescription Drugs. No prescription drug coverage is provided under the BSG Med Supp (Med Only) Option. A Post-65 Retiree who enrolls in Medicare Part D shall automatically be deemed to have elected the BSG Med Only Option. A Post-65 Retiree who elects, or is deemed to have elected, the BSG Med Supp (Med Only) Option shall not be eligible to participate in the BSG Med Supp Option at a later date.
- (9) Mental Health Services.
  - (A) *Inpatient Treatment.* For the first 60 days of the Medicare benefit period, 100% of the Medicare deductible. For day 61 through day 90 of the Medicare benefit period, 100% of Medicare-approved charges for which Medicare pays 80%. One hundred percent coverage for the lifetime reserve day coinsurance for the 60 lifetime reserve days. One hundred percent coverage of up to 365 additional Hospital days in a Covered Person's lifetime when Medicare benefits are exhausted. (The 365 additional Hospital days per Covered Person's lifetime are a combination of days in a general or mental Hospital, including inpatient treatment for substance use disorders. Benefits for such additional days will be paid at the rate negotiated between the exclusive provider organization and the Contracted Provider.)
  - (B) *Outpatient Treatment.*
    - (i) *Biologically based mental conditions.* With respect to biologically based mental conditions (treatment for rape-related mental or emotional disorders is covered to the same extent as biologically-based conditions), when covered by Medicare, 100% of the Medicare deductible, plus coverage of coinsurance not paid by Medicare for Medicare-approved charges (with no visit maximum). When visits are not covered by Medicare, 100% coverage of services (with no visit maximum) at rate negotiated between the exclusive provider organization and the Contracted Provider.
    - (ii) *Non-biologically based mental conditions.* (Includes drug addiction and alcoholism). When covered by Medicare, 100% of

the Medicare Part B deductible, plus coverage of coinsurance not paid by Medicare for Medicare-approved charges (with no visit maximum).

(10) Substance Abuse.

- (A) *Inpatient Treatment.* For the first 60 days of the Medicare benefit period, 100% of the inpatient hospital deductible of Medicare. For day 61 through day 90 of the Medicare benefit period, coverage of coinsurance not paid by Medicare for Medicare-approved charges. One hundred percent coverage for the lifetime reserve day coinsurance for the 60 lifetime reserve days. One hundred percent coverage of up to 365 additional Hospital days in a Covered Person's lifetime when Medicare benefits are exhausted. (The 365 additional Hospital days per Covered Person's lifetime are a combination of days in a general or mental Hospital, including inpatient treatment for substance use disorders. Benefits for such additional days will be paid at the rate negotiated between the exclusive provider organization and the Contracted Provider.)

For non-biologically based mental conditions (includes drug addiction and alcoholism) involving inpatient admission in a general Hospital or mental Hospital, (i) for the first 60 days of the Medicare benefit period, 100% of the Medicare deductible; (ii) for day 61 through day 90 of the Medicare benefit period, coverage of coinsurance not paid by Medicare for Medicare-approved charges; (iii) 100% coverage for the lifetime reserve day coinsurance for the 60 lifetime reserve days; and (iv) 100% coverage of up to 365 additional Hospital days in a Covered Person's lifetime when Medicare benefits are exhausted. (The 365 additional Hospital days per Covered Person's lifetime are a combination of days in a general or mental Hospital, including inpatient treatment for substance use disorders. Benefits for such additional days will be paid at the rate negotiated between the exclusive provider organization and the Contracted Provider.)

- (B) *Outpatient Treatment.* For non-biologically based mental conditions (includes drug addiction and alcoholism), when covered by Medicare, 100% of the Medicare Part B deductible, plus coverage of coinsurance not paid by Medicare for Medicare-approved charges. When not covered by Medicare, 100% coverage of up to 24 visits per calendar year at the rate negotiated between the exclusive provider organization and the Contracted Provider.

- (11) Skilled Nursing Facility. For a skilled nursing facility participating with Medicare, 100% of Medicare coinsurance for days 21 through 100, then \$10 daily for days 101 through 365. For a skilled nursing facility not participating with Medicare, \$8 daily. Coverage is limited to a combined maximum of 365 days per benefit period in a Medicare participating and non-participating skilled nursing facility.

- (12) Other Services. For durable medical equipment, vision benefits (diagnostic vision exams only) and hearing benefits (diagnostic hearing exams only), 100%

of the Medicare Part B deductible, plus coverage of coinsurance not paid by Medicare for Medicare-approved charges.

- (13) Certain Charges Excluded. Private duty nursing charges covered by Medicare are not covered under the Plan. In addition, except with respect to services obtained in connection with true medical emergencies, no benefits shall be provided unless services are obtained from a Contracted Provider.

**4.12 BSG Med Supp Option.** The terms and conditions of coverage under the BSG Med Supp Option are as follows:

- (a) Lifetime Maximum. The total maximum benefit payable under the BSG Med Supp (Med Only) Option and the BSG Med Supp Option, separately and collectively, with respect to each Covered Person during such person's lifetime shall not exceed \$2,000,000.
- (b) Benefits. The BSG Med Supp Option provides the following benefits:
- (1) Physician Services. For office visits (primary care and specialist) and surgical/hospital visits, 100% of the Medicare deductible, plus 20% of Medicare-approved charges for which Medicare pays 80%.
  - (2) Preventive and Wellness Services. One hundred percent of the Medicare deductible, plus 20% of Medicare-approved charges for which Medicare pays 80% for the following services:
    - (A) One routine fecal-occult blood test every year;
    - (B) One routine flexible sigmoidoscopy every four years;
    - (C) One routine colonoscopy every two years for a Covered Person at high-risk for cancer;
    - (D) Other routine colorectal cancer screening tests or procedures and changes to tests or procedures according to frequency limits set by Medicare;
    - (E) Routine prostate cancer screening, including one (PSA) test and one digital rectal exam, per calendar year;
    - (F) One routine gynecological exam every two years;
    - (G) One routine gynecological exam per calendar year for a Covered Person at high risk for cancer, if covered by Medicare;
    - (H) One routine mammogram per calendar year; and
    - (I) One routine Pap smear test per calendar year (exam not covered every year unless covered by Medicare for Covered Person at high risk for cancer).

Routine physical exams are not covered under this Option.

- (3) Diagnostic Services. For x-rays, allergy tests and laboratory tests, 100% of the Medicare deductible, plus 20% of Medicare-approved charges for which Medicare pays 80%.
- (4) Outpatient Services. For surgery, 100% of the Medicare deductible, plus 20% of Medicare-approved charges for which Medicare pays 80%.
- (5) Emergency Services. For emergency room services, 100% of the Medicare deductible, plus 20% of Medicare-approved charges for which Medicare pays 80%.
- (6) Transplant Services. Up to 20% of Medicare-approved charges for which Medicare pays 80%.
- (7) Hospital Services. (i) for the first 60 days of the Medicare benefit period, 100% of the Medicare deductible; (ii) for day 61 through day 90 of the Medicare benefit period, 100% of the remaining Medicare-approved charges not paid by Medicare; (iii) 100% coverage for the lifetime reserve day coinsurance for the 60 lifetime reserve days; and (iv) 100% coverage of up to 365 additional Hospital days in a Covered Person's lifetime when Medicare benefits are exhausted. (The 365 additional Hospital days per Covered Person's lifetime are a combination of days in a general or mental Hospital, including inpatient treatment for substance use disorders. Benefits for such additional days will be paid at the rate negotiated between the exclusive provider organization and the Contracted Provider.)
- (8) Prescription Drugs. The BSG Med Supp Option shall provide prescription drug coverage. No prescription drug coverage is provided under the BSG Med Supp (Med Only) Option. A Post-65 Retiree who enrolls in Medicare Part D shall automatically be deemed to have elected the BSG Med Only Option. A Post-65 Retiree who elects, or is deemed to have elected, the BSG Med Supp (Med Only) Option shall not be eligible to participate in the BSG Med Supp Option at a later date. Prescription drug coverage under the BSG Med Supp Option shall be provided in accordance with the provisions of Article IX.
- (9) Mental Health Services.
  - (A) *Inpatient Treatment.* For the first 60 days of the Medicare benefit period, 100% of the Medicare deductible. For day 61 through day 90 of the Medicare benefit period, 20% of Medicare-approved charges for which Medicare pays 80%. One hundred percent coverage for the lifetime reserve day coinsurance for the 60 lifetime reserve days. One hundred percent coverage of up to 365 additional Hospital days in a Covered Person's lifetime when Medicare benefits are exhausted. (The 365 additional Hospital days per Covered Person's lifetime are a combination of days in a general or mental Hospital, including inpatient treatment for substance use disorders. Benefits for such additional days will be paid at the rate negotiated between the exclusive provider organization and the Contracted Provider.)

(B) *Outpatient Treatment.*

- (i) *Biologically based mental conditions.* With respect to biologically based mental conditions (treatment for rape-related mental or emotional disorders is covered to the same extent as biologically-based conditions), when covered by Medicare, 100% of the Medicare deductible, plus coverage of coinsurance not paid by Medicare for Medicare-approved charges (with no visit maximum). When visits are not covered by Medicare, 100% coverage of services (with no visit maximum) at rate negotiated between the exclusive provider organization and the Contracted Provider.
- (ii) *Non-biologically based mental conditions.* (Includes drug addiction and alcoholism). When covered by Medicare, 100% of the Medicare Part B deductible, plus coverage of coinsurance not paid by Medicare for Medicare-approved charges (with no visit maximum).

(10) Substance Abuse.

- (A) *Inpatient Treatment.* For the first 60 days of the Medicare benefit period, 100% of the inpatient hospital deductible of Medicare. For day 61 through day 90 of the Medicare benefit period, coverage of coinsurance not paid by Medicare for Medicare-approved charges. One hundred percent coverage for the lifetime reserve day coinsurance for the 60 lifetime reserve days. One hundred percent coverage of up to 365 additional Hospital days in a Covered Person's lifetime when Medicare benefits are exhausted. (The 365 additional Hospital days per Covered Person's lifetime are a combination of days in a general or mental Hospital, including inpatient treatment for substance use disorders. Benefits for such additional days will be paid at the rate negotiated between the exclusive provider organization and the Contracted Provider.)

For non-biologically based mental conditions (includes drug addiction and alcoholism) involving inpatient admission in a general Hospital or mental Hospital, (i) for the first 60 days of the Medicare benefit period, 100% of the Medicare deductible; (ii) for day 61 through day 90 of the Medicare benefit period, coverage of coinsurance not paid by Medicare for Medicare-approved charges; (iii) 100% coverage for the lifetime reserve day coinsurance for the 60 lifetime reserve days; and (iv) 100% coverage of up to 365 additional Hospital days in a Covered Person's lifetime when Medicare benefits are exhausted. (The 365 additional Hospital days per Covered Person's lifetime are a combination of days in a general or mental Hospital, including inpatient treatment for substance use disorders. Benefits for such additional days will be paid at the rate negotiated between the exclusive provider organization and the Contracted Provider.)

- (B) *Outpatient Treatment.* For non-biologically based mental conditions (includes drug addiction and alcoholism), when covered by Medicare,



100% of the Medicare Part B deductible, plus coverage of coinsurance not paid by Medicare for Medicare-approved charges. When not covered by Medicare, 100% coverage of up to 24 visits per calendar year at the rate negotiated between the exclusive provider organization and the Contracted Provider.

- (11) Skilled Nursing Facility. For a skilled nursing facility participating with Medicare, 100% of Medicare coinsurance for days 21 through 100, then \$10 daily for days 101 through 365. For a skilled nursing facility not participating with Medicare, \$8 daily. Coverage is limited to a combined maximum of 365 days per benefit period in a Medicare participating and non-participating skilled nursing facility.
- (12) Other Services. For durable medical equipment, vision benefits (diagnostic vision exams only) and hearing benefits (diagnostic hearing exams only), 100% of the Medicare Part B deductible, plus coverage of coinsurance not paid by Medicare for Medicare-approved charges.
- (13) Certain Charges Excluded. Private duty nursing charges covered by Medicare are not covered under the Plan. In addition, except with respect to services obtained in connection with true medical emergencies, no benefits shall be provided unless services are obtained from a Contracted Provider.

#### **4.13 Special Provisions Applicable to Post-65 Retirees Who Are Former Represented Employees.**

- (a) Eligibility. Notwithstanding any other provision in Article IV, Post-65 Retirees who retired from employment with an Employer as Represented Employees, and their Dependents, shall be eligible for coverage under this Article IV only to the extent provided by the respective collective bargaining agreements applicable to such Post-65 Retirees as former Represented Employees.
- (b) Contributions. Notwithstanding any other provision in Article IV, Post-65 Retirees who retired from employment with an Employer as Represented Employees shall be required to contribute to coverage under this Article IV as provided by the respective collective bargaining agreements applicable to such Post-65 Retirees as former Represented Employees.

### **ARTICLE V HMO OPTION**

The Plan may make an HMO Option available. The terms and conditions applicable to such Option shall be contained in the certificate of coverage, the group insurance policy, and other applicable governing documents, which are incorporated herein by reference.

### **ARTICLE VI OTHER INSURED ARRANGEMENT OPTION**

The Plan may make an Other Insured Arrangement Option available. The terms and conditions applicable to such Option shall be contained in applicable certificates of coverage, any applicable group insurance policy, and other applicable governing documents, which are incorporated herein by reference.

## ARTICLE VII PARTICIPANT PAYMENTS AND LIMITS

- 7.01 Deductible.** The Deductible is the amount of Covered Expenses that must be incurred by an individual or Family in a Plan Year before the Plan will pay benefits.
- 7.02 Co-Insurance.** After Covered Expenses incurred in a calendar year equal the Deductible amount, the Plan will pay the Covered Percentage of Covered Expenses incurred in that calendar year. The Covered Participant shall be responsible for any applicable Co-Insurance. Applicable Covered Percentages and Co-Insurance are set forth in Article IV.
- 7.03 Co-Payments.** A Co-Payment applies to certain Covered Expenses. Applicable Co-Payments are set forth in the Plan.
- 7.04 Out-of-Pocket Expense Limitation.** The out-of-pocket expenses of a Covered Person for Co-Insurance during any Plan Year shall be limited to the amount set forth in Articles IV and IX. Once the applicable Out-of-Pocket Expense Limitation has been reached, 100% of any remaining Covered Expenses for such person or family shall be paid during the balance of that Plan Year. Any out-of-pocket expenses applied to the In-Network Out-of-Pocket Expense Limitation shall also apply to the Out-of-Network Out-of-Pocket Expense Limitation, and any out-of-pocket expenses applied to the Out-of-Network Out-of-Pocket Expense Limitation shall also apply to the In-Network Out-of-Pocket Expense Limitation.
- 7.05 Maximum Benefits.** Lifetime and annual maximum limits on benefits payable under the Plan are set forth in Article IV. In computing any such maximum limits, benefits paid to or on behalf of any Covered Person under a Predecessor Medicare Supplement Option shall be applied against the maximum limits set forth in Article IV. Without limiting the generality of the foregoing, and by way of example only, benefits paid to or on behalf of a Covered Person under the Medical Assistance Plan Option of the Consolidated Flex Medical Plan, as in effect prior to September 1, 2010, or under any predecessor plan with respect to the Medical Assistance Plan, shall be counted against the maximum limit set forth in Sections 4.04 and 4.05 with respect to the MAP Option and the MAP-Med Only Option. Likewise, benefits paid to or on behalf of a Covered Person under the BSG Medical Supplement Plan Option of the Consolidated Flex Medical Plan, as in effect prior to September 1, 2010, or under any predecessor plan with respect to the BSG Medical Supplement Plan, shall be counted against the maximum limit set forth in Sections 4.11 and 4.12 with respect to the BSG Med Supp Option and the BSG Med Supp (Med Only) Option.

## ARTICLE VIII CONTRIBUTIONS TO THE PLAN

- 8.01 Employer Contributions.** Except as provided in Article IV and subsection 15.02(e), each Employer will contribute to the cost of the Plan. The amount of the Employer contribution shall be determined by the Company or Plan Administrator on an annual basis or as otherwise required by a collective bargaining agreement.
- 8.02 Covered Person Contributions.** As a condition of participation, a Covered Person shall contribute to the cost of coverage in such amount as may be determined from time to time by the Company. The Covered Person contribution shall be the cost of the Plan less any Employer contribution described in Section 8.01.

**ARTICLE IX  
 PRESCRIPTION DRUG COVERAGE**

- 9.01 General.** The Plan provides prescription drug coverage in accordance with the provisions in this Article. A prescription drug card shall be issued to each Covered Person which shall provide coverage as set forth in the remainder of this Section.
- 9.02 Medicare Part D.** A Covered Person may not be covered by the prescription drug provisions of the MAP Option, the Medigap Supplement Option, the BSG Med Supp Option or any other Post-65 Retiree Coverage Option and a Medicare Part D plan at the same time. If such Covered Person enrolls in a Medicare Part D plan, he will no longer be eligible to participate in a Post-65 Retiree Coverage Option that provides prescription drug coverage. If the Covered Person later loses or drops his or her Medicare Part D coverage, he will not be able to resume participation in a Post-65 Retiree Coverage Option that provides prescription drug coverage.
- 9.03 Co-Payments, Co-Insurance and Deductibles.** The amount of prescription drug Co-Payment depends on the category of drug the Covered Participant purchases. The Out-of-Pocket Expense Limitation on prescription drugs for the MAP Option and the BSG Med Supp Option is \$750 per person per calendar year. There is no Out-of-Pocket Expense Limitation for the Medigap Supplement Option. There is a \$25 Deductible per calendar quarter per Covered Person for the BSG Med Supp Option with respect to Brand drugs only.
- (a) *Retail Pharmacy.* For a 30-day supply, a Covered Participant shall pay 20 percent of the cost of the drug, subject to a minimum and maximum cost, as set forth in the table below.

MAP Option			
30-Day Supply	Co-Payment	Minimum	Maximum
<b>Generic</b>	20% of the drug cost	\$5	\$15
<b>Formulary</b>	20% of the drug cost	\$15	\$45
<b>Non-formulary</b>	20% of the drug cost	\$30	\$90

BSG Med Supp Option			
30-Day Supply	Co-Payment	Minimum	Maximum
<b>Generic</b>	0% of the drug cost	NA	NA
<b>Brand</b>	20% of the drug cost	NA	NA

Medigap Supplement Option			
30-Day Supply	Co-Payment	Minimum	Maximum
<b>Generic</b>	20% of the drug cost	\$5	\$15
<b>Formulary</b>	20% of the drug cost	\$15	\$45
<b>Non-formulary</b>	20% of the drug cost	\$30	\$90

- (b) *Mail Order.* The Co-Payment for a prescription drug ordered through the mail-order service shall be based on the coverage class of the drug.

MAP Option and Medigap Supplement Option			
90-Day Supply	Co-Payment	Minimum	Maximum
<b>Generic</b>	\$10	NA	NA
<b>Formulary</b>	\$30	NA	NA
<b>Non-formulary</b>	\$60	NA	NA

BSG Med Supp Option			
90-Day Supply	Co-Payment	Minimum	Maximum
<b>Generic</b>	\$2	NA	NA
<b>Brand</b>	\$15	NA	NA

- (c) *Ninety-Day Supply at Retail Program.* Covered Participants in the MAP Option and the Medigap Supplement Option may purchase a 90-day supply (or an 84-91 day supply, in the case of the Medigap Supplement Option) of prescription drugs from a participating retail pharmacy under the Ninety-Day Supply at Retail Program. The Co-Payment for such 90-day supply shall be as set forth in the table below.

MAP Option			
90-Day Supply	Co-Payment	Minimum	Maximum
<b>Generic</b>	100% of the drug cost	\$10	\$30
<b>Formulary</b>	20% of the drug cost	\$30	\$90
<b>Non-formulary</b>	100% of the drug cost	\$60	\$180

Medigap Supplement Option			
90-Day Supply	Co-Payment	Minimum	Maximum
<b>Generic</b>	20% of the drug cost	\$10	\$30
<b>Formulary</b>	20% of the drug cost	\$30	\$90
<b>Non-formulary</b>	20% of the drug cost	\$60	\$180

**9.04 Definitions.** For purposes of this Section, the following definitions shall apply:

- (a) “Generic” means drugs no longer covered by the original patent.
- (b) “Formulary” means a list of approved drugs covered under the prescription drug plan.
- (c) “Non-formulary” means drugs not chosen for the Formulary, which do not qualify as Generic.
- (d) “Brand” means a drug that has been patented and is only available through one manufacturer.

**9.05 Items Covered.** Items covered under this Section include, without limitation, the following Federal legend drugs and supplies, but excluding any item described in Section 9.06 below:

- (a) Insulin;

- (b) Disposable insulin needles/syringes;
- (c) AZT (Retrovir);
- (d) Chemotherapeutics;
- (e) Immunosuppressants;
- (f) Immune serums;
- (g) Diabetic diagnostics;
- (h) Contraceptives, except for implants and IUDs;
- (i) With respect to the BSG Med Supp Option only, drugs used in the treatment of erectile dysfunction or impotence;
- (j) Injectables, other than insulin;
- (k) Vitamins (only if prescribed);
- (l) Compound medications of which at least one ingredient is a Federal legend drug; and
- (m) Any other drugs that under the applicable state law may only be dispensed upon the written prescription of a Physician or other lawful prescriber.

**9.06 Items Not Covered.** Items not covered under this Section include, without limitation, the following, in addition to other items that the Plan Administrator determines from time to time are not eligible for coverage:

- (a) Drugs or medicines that are lawfully obtainable without the prescription of a Physician, whether or not such drugs are actually obtained by prescription;
- (b) Prescription drugs dispensed through a retail pharmacy that is not a member of the network of participating retail pharmacies established by the Plan's pharmacy benefit manager;
- (c) Drugs prescribed for cosmetic reasons;
- (d) Drugs used for the treatment of infertility or relating to conception;
- (e) Hair treatments;
- (f) Anti-wrinkle treatment;
- (g) Blood glucose testing machines;
- (h) Vaccines, serums (except for immune serums) and allergens;
- (i) Nutritional dietary supplements;
- (j) Certain smoking cessation products;
- (k) Over-the-counter medications; and

(l) Any item that is not legally procured, including without limitation any Federal legend drug that may not legally be imported from another county.

9.07 **Preauthorization.** The Plan may require authorization before it will cover certain drugs. Such authorization shall be requested and granted pursuant to procedures as the Plan may establish.

#### **ARTICLE X EMPLOYEE ASSISTANCE PROGRAM COVERAGE**

10.01 **Benefits.** Covered Persons may choose to receive Employee Assistance Program benefits for which they are eligible as set forth in the applicable Summary Plan Description.

10.02 **Claim for Benefits.** Any Covered Participant or beneficiary, or his or her duly authorized representative, may file a claim in accordance with the procedures set forth in the applicable Summary Plan Description for the benefits offered hereunder to which the claimant believes he is entitled, but that have been previously denied by the Plan Administrator.

#### **ARTICLE XI SUBROGATION**

11.01 **Subrogation.** If an Other Party is liable or legally responsible to pay expenses, compensation and/or damages in relation to a Sickness or an Injury incurred by any Covered Person, and benefits are payable under the Plan in relation to such Sickness or Injury, the Plan shall be subrogated to all rights of recovery of such Covered Person. The Covered Person or his or her legal representative shall transfer to the Plan any rights he may have to take legal action arising from the Sickness or Injury so that the Plan may recover any sums paid on behalf of the Covered Person. If the Covered Person fails to take legal action against an Other Party, and the Plan elects to take such legal action against such Other Party, in addition to the right to recover Plan benefits paid, the Plan shall be entitled to all expenses, including reasonable attorney's fees, incurred for such recovery. If the Plan recovers an amount greater than Plan benefits paid, the excess, reduced by the expenses of recovery, including reasonable attorney's fees, shall be paid to the Covered Person. The Plan shall have the right, with prior notice to, but without the consent of, the Covered Person, to compromise the amount of its claim if, in the opinion of the Plan Administrator, it is appropriate to do so.

11.02 **Right of Recovery.** The Plan may recover from a Covered Person or his or her legal representative the amount of any benefits paid under the Plan from any payment the Covered Person receives or is entitled to receive from an Other Party. The Plan shall not be responsible for any attorney's fees associated with any payment received by a Covered Person, unless the Plan expressly assumes such obligation prior to the Covered Person's recovery. Accordingly, unless the Plan expressly agrees otherwise, its recovery shall not be offset by any attorney's fees incurred by a Covered Person.

11.03 **Application to Funds Recovered.** For the avoidance of doubt, the Plan's right of subrogation described in Section 11.01 and its right of recovery described in Section 11.02 apply to any funds recovered from an Other Party by or on behalf a Retiree, a Retiree's covered Dependent, the estate of any Covered Person or any incapacitated person.

11.04 **Cooperation Required.** The Covered Person or his or her legal representative shall cooperate fully with the Plan in asserting its subrogation and recovery rights. The Covered Person or his or her legal representative shall, upon request from the Plan, provide all information and sign and

return all documents or agreements deemed by the Plan Administrator to be necessary for the Plan to exercise its rights under this Article. No Covered Person shall take any action to prejudice the Plan's subrogation rights. Each Covered Person shall provide notice to the Plan within a reasonable time prior to the date that he or she expects to receive a payment from an Other Party. As a condition of participating in the Plan, each Covered Person acknowledges that the Plan has a right to intervene in any lawsuit involving an Other Party, and such Covered Person consents to the unfettered exercise of that right. Failure or refusal to execute any of the aforementioned documents or agreements or to furnish information, to comply with the obligations under such agreements or to cooperate fully with the Plan in asserting its subrogation and recovery rights does not preclude the Plan from exercising its right to subrogation or obtaining full reimbursement, and in such case, the Plan may cease paying benefits and reduce future benefits payable until full reimbursement is received.

**11.05 First Lien Created.** The Plan shall have a first lien and priority right upon any recovery, whether by settlement, judgment, mediation, arbitration or any other means, that the Covered Person receives or is entitled to receive from any Other Party. Such lien and priority right shall extend to the first proceeds of any such recovery in the possession of the Covered Person, his or her legal representative or any third party, who shall hold the same in trust for the benefit of the Plan. Such lien shall not exceed the lesser of:

- (a) The amount of benefits paid by the Plan for the Sickness or Injury, plus the amount of all future benefits that may become payable under the Plan that result from the Sickness or Injury. The Plan shall have the right to offset or recover such future benefits from the amount received from the Other Party; or
- (b) The amount recovered from the Other Party.

The Plan's first lien rights will not be reduced (1) due to the Covered Person's own negligence; (2) due to the Covered Person not being made whole; or (3) due to any attorney's fees and costs incurred by the Covered Person. Without limiting the generality of the foregoing, neither the "common fund" or "make whole" doctrines shall be applicable with regard to the Plan, and as a condition of participating in the Plan, each Covered Person agrees that he or she will not retain counsel, unless such counsel agrees to not assert either of these doctrines during the representation.

**11.06 Constructive Trust.** A Covered Person and his or her legal representative shall place any and all funds recovered from an Other Party in a separate reserve account under the control of the Covered Person and/or his or her legal representative. As a condition of participating in the Plan, a Covered Person and his or her legal representative shall agree that any funds received from an Other Party rightfully and in good conscience belong to the Plan in accordance with this Article, and that such funds shall be held in a constructive trust until distributed in accordance with this Article.

**11.07 Personal Liability Created.** If a Covered Person or his or her legal representative makes any recovery from any Other Party and fails to reimburse the Plan for any benefits paid as a result of the Sickness or Injury, then (1) the Covered Person or his or her legal representative shall be personally liable to the Plan for the amount of the benefits paid under the Plan; and (2) the Plan may reduce future benefits payable by the amount of payment that the Covered Person or his or her legal representative has received from the Other Party. If the Plan institutes legal action against a Covered Person who fails to reimburse the Plan as required by this Section, in addition to liability to the Plan for the amount of benefits paid under the Plan, such Covered Person shall

be liable to the Plan for the amount of the Plan's costs of collection, including reasonable attorney's fees.

## ARTICLE XII NONDUPLICATION OF BENEFITS

**12.01 General.** Nonduplication of Benefits rules set forth the order of payment of Covered Expenses when two or more plans, including Medicare, are liable for payment. This Article shall not apply to benefits obtained by a Covered Person from an individual medical insurance policy under which such Covered Person is entitled to benefits as a named person.

**12.02 Definitions.** For purposes of this Article, the following definitions shall apply:

- (a) "Allowable Expense" shall mean the amount of expenses, at least a portion of which is paid under at least one of any multiple plans covering the person for whom the claim is made.
- (b) "Plan" or "Benefit Plan" means this Plan or any one of the following plans:
  - (1) Group or blanket benefit plans, including health maintenance organizations;
  - (2) Blue Cross and Blue Shield group plans;
  - (3) Group practice and other group prepayment plans;
  - (4) Federal government plans or programs, including Medicare;
  - (5) Other plans required or provided by law; and
  - (6) "No fault vehicle insurance," by whatever name it is called, when inclusion is not prohibited by law.

"Plan" or "Benefit Plan" shall not encompass Medicaid or any other plan, program, policy or arrangement that, by its terms, does not allow coordination, integration or carve out of benefits.

- (c) "Order of Benefits Determination" shall mean the method for ascertaining the order in which the Plan renders payment hereunder.

**12.03 Application of the Rules.** The Plan that is obligated to pay its benefits first shall be known as the "Primary" Plan. The Plan that, by its terms, is obligated to pay additional benefits for Allowable Expenses not paid by the Primary Plan is known as the "Secondary" Plan. Where another Plan contains a provision providing for coordination, integration or carve out of benefits, the following Order of Benefits Determination shall establish the responsibility for payment hereunder:

- (a) The Plan covering the patient as an employee shall be deemed to be the Primary Plan and is obligated to pay before the Plan covering the patient as a Dependent.
- (b) The Plan covering the patient as a Dependent of a person with a birthday earlier in the year shall be deemed to be the Primary Plan and is obligated to pay before the Plan covering the patient as a Dependent of a person with a birthday later in the year. In the



event of divorce or legal separation, the following order shall establish responsibility for payment.

- (1) If a court decree has determined financial responsibility for a Child's health care expenses, the Plan of the parent having that responsibility is Primary. If the parent with financial responsibility has no coverage for the Child's health care expenses, but that parent's Spouse does, such Spouse's Plan is Primary.
- (2) The Plan of the parent with custody of the Child pays before the Plan of the other parent or the Plan of any stepparent.
- (3) The Plan of the stepparent married to the parent with custody of the Child pays first.
- (4) The Plan of the parent without custody of the child pays before the non-custodial stepparent.

If this Order of Benefits Determination is not recognized by the other Plan, the order will be determined at the option of the Claims Administrator on a case by case basis.

- (c) Where the order of payment cannot be determined in accordance with (a) and (b) above, the Primary Plan shall be deemed to be the Plan that has covered the patient for the longer period of time.

**12.04 Plan As Primary Payor.** If this Plan is Primary, it will provide payment in accordance with its terms.

**12.05 Plan As Secondary Payor.** If this Plan is Secondary, it will provide payment in accordance with its terms, considering as a Covered Expense the amount that would have been a Covered Expense in the absence of the Primary Plan, less the amount payable from the Primary Plan.

**12.06 When Other Plan Has No Nonduplication of Benefits Rules.** This Plan shall be considered to be Secondary when the other Plan does not contain a coordination, integration or carve-out of benefits provision, or if the other Plan provides that it will be Secondary payor in all instances.

**12.07 Vehicle Coverage Limitation.** When medical benefits are available under vehicle insurance, this Plan shall always be considered as Secondary regardless of the individual's election under PIP (personal injury protection) coverage with the vehicle insurance carrier.

**12.08 If Medicare Is Involved.**

- (a) General. Notwithstanding anything in the Plan to the contrary, the provisions of this Section apply if Medicare is involved. Medicare shall be deemed to be "involved" if any Covered Person is eligible for benefits from Medicare, regardless of whether such Person has enrolled for coverage under Medicare. A Medicare-eligible Covered Person who fails to enroll for Medicare coverage shall be deemed to be enrolled under all parts of Medicare except Medicare Part D.
- (b) Definitions. The following terms have the meanings set forth herein for purposes of this Section:
  - (1) "Benefits" means any service or supply for which an MA Organization incurs a liability under an MA plan.

- (2) “Current Employment Status” has the meaning given such term in 42 C.F.R. § 411.104, or in any successor regulation or provision implementing the Medicare Secondary Payer Rule, 42 U.S.C. § 1395y(b)(1).
  - (3) “MA” means Medicare Advantage.
  - (4) “MA Plan Enrollee” means an MA eligible individual who has enrolled in an MA Plan.
  - (5) “MA Organization” means a public or private entity organized and licensed by a State as a risk bearing entity (with the exception of provider sponsored organizations receiving waivers) that is certified by the Centers for Medicare and Medicaid Services (“CMS”) as meeting the requirements for participation in the MA program.
  - (6) “MA Plan” means health benefits coverage offered under a policy or contract by an MA Organization.
  - (7) “MA Provider” means any provider authorized to provide medical services or supplies under the MA program.
  - (8) “MA Provider Network” means the MA Providers with which an MA Organization contracts or makes arrangements to furnish covered health care services to MA Plan Enrollees.
  - (9) “Medicare” means Title XVIII (Health Insurance for the Aged) of the United States Social Security Act, as amended.
  - (10) “Order of Benefits Determination” means the order in which Medicare benefits are paid, in relation to the benefits of this Plan.
  - (11) “Person” means a person who is eligible for benefits as a Covered Person under this Plan and who is or could be covered by Medicare Parts A and B, whether or not actually enrolled.
- (c) Order of Benefits Determination. When Medicare is involved, the Order of Benefits Determination shall be as follows:
- (1) For Post-65 Retirees who are Covered Persons, and for their Dependents who are Covered Persons and eligible for Medicare, this Plan will be Secondary payor and Medicare will be Primary payor.
  - (2) For a Pre-65 Retiree Plan Participant’s Dependent who is a Covered Person, this Plan will be Secondary payor and Medicare will be Primary payor.
  - (3) For Covered Persons eligible for Medicare, either entirely or in part, by reason other than age, the following provisions shall apply:
    - (A) For persons eligible for Medicare by reason of disability, this Plan will be Secondary payor and Medicare will be Primary payor;
    - (B) Subject to subparagraph (C) below, for a Covered Person eligible for Medicare by reason of end-stage renal disease, benefits of this Plan shall

be Primary during the initial thirty-month period that begins on the date such Covered Person first becomes eligible for Medicare due to end-stage renal disease. Once the thirty-month period has expired, Medicare shall be Primary.

- (C) For a Covered Person eligible for Medicare by reason of end-stage renal disease and for whom Medicare was already Primary at the time such Covered Person became eligible for Medicare due to end-stage renal disease, benefits of this Plan shall continue to be Secondary and Medicare shall be Primary. Provided, however, that Medicare must have been Primary at the time the Covered Person became eligible for Medicare due to end-stage renal disease because all of the following are true: (i) the Covered Person was already entitled to Medicare on the basis of age or disability; (ii) the Covered Person did not have coverage under the Plan by virtue of his or her own Current Employment Status or the Current Employment Status of another Covered Person; and (iii) the Plan was Secondary because it had justifiably taken into account the age-based or disability based Medicare entitlement of the Covered Person.
- (4) For Covered Persons who are MA Plan Enrollees, this Plan shall be either a Primary or Secondary payor in accordance with subparagraphs (1), (2) or (3) above.
- (d) Payment Provisions. If this Plan is Secondary to Medicare, this Plan will provide payment in accordance with its terms, considering as a Covered Expense the amount that would have been a Covered Expense in the absence of Medicare, less (1) the amount payable from Medicare; and (2) the amount denied by Medicare for which a Covered Person is not legally responsible. An amount shall be deemed “payable” from or “denied” by Medicare without regard for whether the person is enrolled under Medicare. If an MA Plan Enrollee who is a Covered Person receives services or supplies for which no Benefits are payable because such services or supplies are from a provider that is not an MA Provider, or are provided outside of an MA Provider Network, this Plan, if a Secondary payor, shall provide benefits in the same amount as if the Covered Person had received Benefits.
- (e) Coordination of Medicare Part D. If a Covered Person has prescription drug coverage under the Plan and Medicare Part D simultaneously, such coverage shall coordinate as provided by law.

### ARTICLE XIII ADMINISTRATION OF PLAN

- 13.01 Committee to Administer the Plan.** The Plan shall be administered by the Committee. The Committee shall be the “Named Fiduciary” and the “Plan Administrator” within the meaning of ERISA. The Committee may delegate its fiduciary responsibilities under the Plan to the extent permitted by ERISA.
- 13.02 The Committee.** The powers of the Committee are set forth below and in the charter of the Committee, as such charter may be modified from time to time.

**13.03 Powers of the Plan Administrator.** The Plan Administrator shall have the duties and powers necessary to administer the Plan properly, including, but not limited to, the following:

- (a) To maintain all Plan records;
- (b) To file all required government reports and other documents;
- (c) To provide required disclosures to Covered Persons;
- (d) To direct the Claims Administrator to process claims;
- (e) To interpret the Plan, construe Plan terms and decide questions and disputes, which interpretations, constructions and decisions shall be conclusive for all purposes of the Plan;
- (f) To make factual determinations;
- (g) To determine eligibility for and the amount of benefits payable under the Plan;
- (h) To determine the status and rights of all Covered Persons;
- (i) To make regulations and prescribe procedures;
- (j) To authorize the Claims Administrator to make benefit payments to any person entitled to benefits under the Plan;
- (k) To obtain from the Company, Covered Persons and others, such information as is necessary for the proper administration of the Plan;
- (l) To determine and establish the level of cash reserves, if any, as may be necessary, appropriate or desirable to administer the Plan properly and accomplish its objectives;
- (m) To retain and pay the reasonable expenses of such legal, consulting, medical, accounting, clerical and other assistance as it deems necessary or desirable to assist it in the administration of the Plan. The Plan Administrator shall be entitled to rely upon any information from any source assumed in good faith to be correct; and
- (n) To exercise any other authority necessary, appropriate or helpful to manage and administer the Plan.

**13.04 Interpretative Authority.** The Plan Administrator has the full and final discretionary authority to decide all questions or controversies of whatever character arising in any manner between any parties or persons in connection with the Plan or the interpretation thereof, including, without limitation, the construction of the language of the Plan and the Summary Plan Description thereunder. Any writing, decision, determination of benefit eligibility or any other determination or instrument created by the Plan Administrator in connection with the operation of the Plan shall be binding upon all persons dealing with the Plan or claiming any benefits thereunder, except to the extent that the Plan Administrator may subsequently determine, in its sole discretion, that its original decision was in error, or to the extent such decision may be determined to be arbitrary or capricious by a court or other entity having jurisdiction over such matters. Benefits under the Plan shall be paid only if the Plan Administrator decides in its discretion that the applicant is entitled to them.

- 13.05 Appointment of the Claims Administrator.** The Plan Administrator shall appoint a Claims Administrator to provide administrative services to the Plan Administrator in connection with the operation of the Plan and to perform such other functions, including processing and payment of claims, as may be delegated to it. The person, persons or entity serving as Claims Administrator shall serve at the pleasure of the Plan Administrator.

#### **ARTICLE XIV CLAIMS FOR BENEFITS**

**14.01 Consideration of Initial Claim.**

- (a) Filing Initial Claim. The Claims Administrator shall process benefit claims pursuant to the procedures set forth below. Initial claims shall be filed within eighteen months from the date a charge is incurred. The Plan Administrator, a member of the Company's Human Resource Department or such other designee of the Plan Administrator may decide benefit claims requiring a determination of whether an individual meets the requirements for eligibility under the terms of the Plan, which determination may result in a denial, reduction, or termination of, or failure to provide payment for, a benefit. Solely with respect to claims involving a determination of an individual's eligibility under the Plan, the term "Claims Administrator" as used in this Article shall refer also to the Plan Administrator, a member of the Company's Human Resource Department or such other designee of the Plan Administrator.
- (b) Urgent Care Claims. In the case of an Urgent Care Claim, the Claims Administrator shall provide notice to the claimant of its decision regarding his or her claim within a reasonable period of time appropriate to the medical circumstances, but not later than 72 hours after receipt of the claim by the Plan, unless the claimant fails to provide sufficient information to permit a determination whether, or to what extent, benefits are covered or payable under the Plan. If the claimant does not provide sufficient information for the Claims Administrator to make such determination, then within 24 hours after the Claims Administrator's receipt of the claim, the claimant shall be notified of the specific information needed to complete the claim. Notice regarding missing information may be provided orally, unless a claimant or his or her authorized representative specifically request written notification. Once the claimant is notified, he shall have a reasonable amount of time, but not less than 48 hours, to provide the missing information. The Claims Administrator shall notify the claimant of its decision regarding the claim within 48 hours of the earlier of (i) the Claims Administrator's receipt of the specified information, or (ii) the end of the period afforded the claimant to provide the specified additional information.

An "Urgent Care Claim" is any claim that must be processed on an expedited basis because a delay in processing could seriously jeopardize the life or health of the patient or the ability of the patient to regain maximum function, or in the opinion of the patient's doctor, a delay would subject the patient to severe pain that cannot be adequately managed without the care or treatment that is the subject of the claim.

- (c) Pre-Service Claims. In the case of a Pre-Service Claim, the Claims Administrator shall provide notice to the claimant of its decision regarding his or her claim within a reasonable period of time appropriate to the medical circumstances, but not later than 15 days after receipt of the claim by the Plan. This 15-day period may be extended for up to 15 days due to matters beyond the control of the Plan if, prior to the expiration of the

initial 15-day period, the Claims Administrator notifies the claimant of the circumstances requiring the extension and the date by which the Claims Administrator expects to render a decision. If the claimant does not provide sufficient information for the Claims Administrator to make a determination, within five days after receipt of the claim he shall be notified of the specific information necessary to complete the claim. Notice regarding missing information may be provided orally, unless a claimant or his or her authorized representative specifically request written notification. Once the claimant is notified, he shall have a reasonable amount of time, but not less than 45 days from receipt of the notice, to provide the missing information.

A “Pre-Service Claim” is any claim where the Plan requires approval of the benefit in advance of obtaining the medical care, in whole or in part.

- (d) Post-Service Claims. In the case of a Post-Service Claim, the Claims Administrator shall provide notice of an adverse determination to the claimant within a reasonable period of time, but not later than 30 days after receipt of the claim by the Plan. This 30-day period may be extended for up to 15 days for matters beyond the control of the Plan if, prior to the expiration of the initial 30-day period, the Claims Administrator notifies the claimant of the circumstances requiring the extension and the date by which the Claims Administrator expects to render a decision. If the claimant does not provide sufficient information for the Claims Administrator to make a determination, the claimant shall receive notice of the specific information necessary to complete the claim. Once the claimant is notified he shall have a reasonable amount of time, but not less than 45 days from receipt of the notice, to provide the missing information.

A “Post-Service Claim” is any claim that is not an Urgent Care Claim, a Pre-Service Claim or a Concurrent Care Claim.

- (e) Concurrent Care Claims. In the case of an ongoing course of treatment, the claimant shall receive notice of any reduction or early termination of treatment in advance so that the claimant may appeal the reduction or termination and obtain a determination on review before the treatment is reduced or terminated. If the claimant submits an Urgent Care Claim to extend any ongoing course of treatment beyond the period of time or number of treatments initially prescribed, the Claims Administrator shall notify the claimant of the determination to extend the treatment within 24 hours after receipt of the claim, provided the claimant submits the claim at least 24 hours prior to the expiration of the prescribed treatment. If the request to extend any ongoing course of treatment is not an Urgent Care Claim, the Claims Administrator will treat the claim as either a Pre-Service Claim or a Post-Service Claim (as applicable) and will consider the claim according to the timeframes applicable to Pre-Service Claims or Post-Service Claims, whichever applies. The Claims Administrator shall be solely responsible for handling all Concurrent Care Claims.

A “Concurrent Care Claim” is any claim involving a decision to reduce or terminate an ongoing course of treatment or a decision regarding a request by a claimant to extend a course of treatment beyond what has been approved.

**14.02 If the Claims Administrator Denies the Initial Claim.** If the Claims Administrator denies all or any portion of a claim, it shall provide notice of the denial stating (1) the specific reason for the denial; (2) the specific Plan provisions on which the denial is based; (3) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and (4) a description of the Plan’s

review procedures (as set forth below) and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse determination on all appeals.

If the Claims Administrator relied upon an internal rule, guideline, protocol, or other similar criterion in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion shall be provided to the claimant free of charge, or the claimant shall be informed that such rule, guideline, protocol, or other criterion shall be provided free of charge to the claimant upon request. If the Claims Administrator relied upon medical necessity or experimental treatment or similar exclusion or limit in making the adverse determination, either an explanation of the scientific or clinical judgment for the determination (applying the terms of the Plan to the medical circumstances) shall be provided free of charge to the claimant, or the claimant shall be informed that such explanation shall be provided free of charge to the claimant upon request.

If the Claims Administrator denies a claimant's Urgent Care Claim in whole or in part, the Claims Administrator shall provide a description of the expedited review process for Urgent Care Claims (as set forth below). The Claims Administrator shall provide notice to the claimant orally, followed by written or electronic notice within three days of the oral notification.

#### **14.03 Appeal to the Claims Administrator.**

- (a) General. If the Claims Administrator denies all or any portion of a claim on appeal, a claimant or his or her duly authorized representative may request a review of such denial by the Claims Administrator by sending a written request for review to the Claims Administrator within 180 days of receipt of the Claims Administrator's notice of claim denial.

A claimant may submit written comments, documents, records, and other information relating to his or her claim for benefits. Upon request, a claimant shall receive, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to his or her claim.

A claimant's written request should state why he thinks the claim should not have been denied. The claimant's request shall include any denial letter he received and any additional documents, information or comments he thinks may have a bearing on the claim.

Upon receipt of a request for review, the Claims Administrator shall conduct a review that takes into account all comments, documents, records, and other information submitted by a claimant or his or her authorized representative relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The review shall not afford any deference to the Claims Administrator's adverse benefit determination, and shall be conducted by an individual who is neither the individual who made the adverse benefit determination that is subject of the appeal, nor the subordinate of such individual.

If the denial was based in whole or in part on a medical judgment, the Claims Administrator shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. This health care professional consultant shall be neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual.

The Claims Administrator shall provide to the claimant upon request the identities of any medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination.

- (b) Expedited Review for Urgent Care Claims. In the case of an Urgent Care Claim, a claimant may submit a request for an expedited appeal either in writing or orally. All necessary information for the review, including the Claims Administrator's determination on review, shall be transmitted between the Plan and the claimant by telephone, facsimile, or another similarly expeditious method. The Claims Administrator shall notify the claimant of its determination on review as soon as possible, taking into account the medical exigencies, but not later than 72 hours after receipt of the claimant's request for review of an adverse benefit determination.
- (c) Pre-Service Claims. In the case of a Pre-Service Claim, the Claims Administrator shall notify the claimant of its determination on review within a reasonable period of time appropriate to the medical circumstances, but not later than 15 days after receipt of a claimant's request for review.
- (d) Post-Service Claims. In the case of a Post-Service Claim, the Claims Administrator shall provide the claimant with notice of its determination on review within a reasonable period of time, but not later than 30 days after receipt of the claimant's request for review.

**14.04 If the Claims Administrator Denies a Claim on Appeal.** If the Claims Administrator denies all or any portion of a claim on appeal, it shall notify the claimant of the following, in a manner calculated to be understood by the claimant: (1) the specific reason or reasons for the denial; (2) reference to the specific Plan provisions on which the denial is based; (3) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to his or her claim; (4) a statement describing any voluntary appeal procedures offered by the Plan and a claimant's right to obtain information about such procedures; and (5) a statement indicating that a claimant has a right to file a lawsuit upon completion of the claims procedure process.

If the Claims Administrator relied upon an internal rule, guideline, protocol, or other similar criterion in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion shall be provided to the claimant free of charge, or the claimant shall be informed that such rule, guideline, protocol, or other criterion shall be provided free of charge to the claimant upon request. If the Claims Administrator relied upon medical necessity or experimental treatment or similar exclusion or limit in making the adverse determination, either an explanation of the scientific or clinical judgment for the determination (applying the terms of the Plan to the claimant's medical circumstances) shall be provided to the claimant free of charge, or the claimant shall be informed that such explanation shall be provided free of charge to the claimant upon request.

In addition, the notice shall include the following statement: "A claimant and his or her plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact the local U.S. Department of Labor office."



**14.05 Appeal to the Claims Administrator of Pre- and Post-Service Claim Denials.**

- (a) General. If the Claims Administrator denies all or any portion of a Pre-Service Claim or a Post-Service Claim on appeal, a claimant or his or her duly authorized representative may request a review of such denial by the Claims Administrator by sending a written request for review to the Claims Administrator within 180 days of receipt of the Claims Administrator's notice of claim denial.

Requests for review should be sent to the Claims Administrator at the address furnished by the Plan Administrator from time to time.

A claimant may submit written comments, documents, records, and other information relating to his or her claim for benefits. Upon request, a claimant shall receive, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to his or her claim.

A claimant's written request should state why he thinks the claim should not have been denied. The claimant's request shall include any denial letter he received and any additional documents, information or comments he thinks may have a bearing on the claim.

Upon receipt of a request for review, the Claims Administrator shall conduct a review that takes into account all comments, documents, records, and other information submitted by a claimant or his or her authorized representative relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The review shall not afford any deference to the Claims Administrator's adverse benefit determination on appeal, and shall be conducted by an individual who is neither the individual who made the adverse benefit determination that is subject of the appeal, nor the subordinate of such individual.

If the denial was based in whole or in part on a medical judgment, the Claims Administrator shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. This health care professional consultant shall be neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual. The Claims Administrator shall provide to the claimant the identities of any medical or vocational experts whose advice was obtained on behalf of the Plan in connection with a claimant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination.

- (b) Pre-Service Claims. In the case of a Pre-Service Claim, the Claims Administrator shall notify the claimant of its determination on review within a reasonable period of time appropriate to the medical circumstances, but not later than 15 days after receipt of a claimant's request for review.
- (c) Post-Service Claims. In the case of a Post-Service Claim, the Claims Administrator shall provide the claimant with notice of its determination on review within a reasonable period of time, but not later than 30 days after receipt of the claimant's request for review.

**14.06 If the Claims Administrator Denies a Claim on Appeal.** If the Claims Administrator denies all or any portion of a claim on appeal, it shall notify the claimant of the following, in a manner

calculated to be understood by the claimant: (1) the specific reason or reasons for the denial; (2) reference to the specific Plan provisions on which the denial is based; (3) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to his or her claim; (4) a statement describing any voluntary appeal procedures offered by the Plan and a claimant's right to obtain information about such procedures; and (5) a statement indicating that a claimant has a right to file a lawsuit upon completion of the claims procedure process.

If the Claims Administrator relied upon an internal rule, guideline, protocol, or other similar criterion in making the adverse determination, either the specific rule, guideline, protocol, or other similar criterion shall be provided to the claimant free of charge, or the claimant shall be informed that such rule, guideline, protocol, or other criterion shall be provided free of charge to the claimant upon request. If the Claims Administrator relied upon medical necessity or experimental treatment or similar exclusion or limit in making the adverse determination, either an explanation of the scientific or clinical judgment for the determination (applying the terms of the Plan to the claimant's medical circumstances) shall be provided to the claimant free of charge, or the claimant shall be informed that such explanation shall be provided free of charge to the claimant upon request.

In addition, the notice shall include the following statement: "A claimant and his or her plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact the local U.S. Department of Labor office."

**14.07 Limitations Upon Civil Actions.** No civil action regarding a claim for benefits under the Plan may be commenced unless the claims procedure process described in this Article XXI has been exhausted. In addition, in no event may any civil action regarding a claim for benefits be commenced later than three years after the date such claim was incurred. A claim for benefits is incurred when the services giving rise to the claim were rendered.

**14.08 Construction of Article.** This Article shall be construed in a manner consistent with Department of Labor Regulations governing claims procedures applicable to group health plans.

## **ARTICLE XV TERMINATION OF PARTICIPATION AND CONTINUATION COVERAGE**

**15.01 Cessation of Participation.** Except as otherwise provided in this Article:

- (a) A Post-65 Retiree shall cease to participate in the Plan on the earliest of the following dates:
  - (1) The date as of which the Plan is terminated;
  - (2) The date of the death of the Post-65 Retiree;
  - (3) The last day of the month in which a Post-65 Retiree is no longer eligible for coverage under Article III, including without limitation as a result of the Post-65 Retiree's former employer no longer being a Related Employer, unless the Plan Administrator determines, in its discretion, that such event shall not cause a loss of coverage;
  - (4) The Separation Date, with respect to any Post-65 Retiree who retired from employment with a Columbia Divested Company;

- (5) The last day of the last month for which any required Covered Person Contribution was made, in the case of cessation of required Covered Person Contributions; or
  - (6) The date Post-65 Retiree coverage ceases pursuant to any Plan amendment.
- (b) A Dependent of a Retiree shall cease to participate in the Plan on the earliest of the following dates:
- (1) The date as of which the Plan is terminated;
  - (2) The last day of the month in which the Post-65 Retiree's coverage under the Plan, or the Pre-65 Retiree Plan Participant's coverage under the Consolidated Flex Plan ends, except that if coverage ends due to the death of a Retiree within 30 days preceding, or at any time on or after, May 1, 2010, and if COBRA or COBRA-like continuation coverage is elected pursuant to Section 15.02 by or on behalf of such Dependent who is a Qualified Beneficiary and such coverage is not terminated prior to the maximum continuation coverage period specified in Section 15.02 being exhausted, then coverage under the Plan may be continued for such Dependent until the earlier of (i) the date of the death of the Retiree's Spouse or Same-Sex Domestic Partner; (ii) the last day of the month in which the Retiree's Spouse or Same-Sex Domestic Partner remarries or enters into a domestic partnership or civil union with another person; (iii) the last day of the last month for which any required Covered Person Contributions for such coverage are made, in the case of cessation of required Covered Person Contributions; (iv) with respect to a Dependent Child, the last day of the month in which such Dependent would no longer be considered a Dependent under the Plan, had the Retiree survived; (v) the Separation Date, in the case of a Retiree who retired from employment with a Columbia Divested Company; and (vi) the date the Employer from whom the Retiree retired from employment ceases to be a Related Employer, unless the Plan Administrator determines, in its discretion, that such event shall not cause a loss of coverage. If such Dependent's COBRA or COBRA-like continuation coverage pursuant to Section 15.02 has terminated for any reason before the maximum COBRA continuation coverage period has been exhausted, no further coverage is available under the Plan;
  - (3) The last day of the last month for which any required Covered Person Contributions for Dependent coverage were made, in the case of cessation of required Covered Person Contributions; or
  - (4) The last day of the month in which a Dependent no longer qualifies as a Dependent.

**15.02 COBRA.** The Plan offers continuation of coverage to the extent required by COBRA.

- (a) Continuation of Coverage. If Plan coverage ends because of a Qualifying Event, a Qualified Beneficiary may elect to continue the Coverage Option in force immediately prior to the Qualifying Event, subject to the provisions below.
- (b) Election Period. A Qualified Beneficiary may elect COBRA Continuation Coverage only during the election period. The election period begins on the date of the Qualifying Event and ends on the later of (1) 60 days after the date coverage would have stopped due

to the Qualifying Event; or (2) 60 days after the date the Qualified Beneficiary is sent notice of the right to continue coverage under COBRA.

A Covered Employee or Spouse's election of COBRA Continuation Coverage shall be considered an election on behalf of all other Qualified Beneficiaries who would also lose coverage because of the same Qualifying Event.

If COBRA Continuation Coverage is elected within the election period, coverage shall be reinstated retroactively to the date of the Qualifying Event. If a Qualified Beneficiary waives COBRA Continuation Coverage during the election period, the Qualified Beneficiary may revoke that waiver at any time before the end of the election period and elect COBRA Continuation Coverage retroactive to the date of the Qualifying Event.

- (c) Coverage Period. COBRA Continuation Coverage shall begin as of the date of the Qualifying Event and shall continue until the earliest of the following dates:
- (1) 36 months from the date coverage would have ended due to a Qualifying Event.
  - (2) The date on which the Company ceases to provide any Group Health Plan to any Employee.
  - (3) If the Qualified Beneficiary fails to make a required Covered Person Contribution, the end of the period for which the last Contribution was made.
  - (4) The date the Qualified Beneficiary first becomes covered under any other Group Health Plan that does not contain any exclusion or limitation with respect to any pre-existing condition, and such pre-existing condition limitation is permissible pursuant to HIPAA.
  - (5) In the case of a Qualifying Event described in subsection 2.81(d), the date of death of the Retiree or, for a Qualified Beneficiary described in subsection 2.80(b) who is the surviving Spouse or Dependent Child of the Retiree, the earlier of the date of such Qualified Beneficiary's death or 36 months after the date of the death of the Retiree.
  - (6) The Separation Date, in the case of a person (A) who is or was a dependent of a former employee of the Company, a Related Employer, a CPG Related Employer, or a Columbia Divested Company, if the former employee's last employment with any of such parties prior to termination of employment was with a CPG Related Employer or a Columbia Divested Company; and (B) whose coverage under the Plan ended prior to the Separation Date because of a Qualifying Event.
- (d) Notification Requirements. A Qualified Beneficiary shall notify the Plan Administrator within 60 days of the Qualifying Events set forth in subsection 2.81(b) or (c). If such notice is not given, the Qualified Beneficiary shall not be eligible for COBRA Continuation Coverage.
- (e) Required Contributions. Except as provided in subsection 15.02(f), the Company will not make any contribution toward the cost of COBRA Continuation Coverage. A Qualified Beneficiary electing COBRA Continuation Coverage shall be responsible for a Covered Person Contribution in the amount of 102% of what is calculated to be the total

cost of the Coverage Option being continued. Premiums for the period of COBRA Continuation Coverage prior to the date of the election will be due 45 days after the COBRA Continuation Coverage is elected. Thereafter, monthly premiums shall be due the first day of the calendar month. There shall be a grace period of 30 days for the payment of regularly scheduled monthly premiums.

- (f) Subsidized COBRA. The Company may subsidize all or a portion of the cost of COBRA Continuation Coverage. If the Company so elects, the period of such subsidized coverage shall count towards the COBRA Continuation Coverage period required under this Section.
- (g) COBRA-Like Continuation Coverage for Same-Sex Domestic Partners. The Plan will make COBRA-like continuation coverage available to a Same-Sex Domestic Partner who is a Covered Person (and to a Same-Sex Domestic Partner's Child who is a Covered Person) under circumstances, and subject to the same, terms, conditions and limitations, that would entitle the lawful Spouse or Child of a Covered Participant to elect COBRA continuation coverage. A Same-Sex Domestic Partner and a Child of a Same-Sex Domestic Partner shall have the same notice and other obligations with respect to such continuation coverage as a lawful Spouse or Child of a Covered Participant has with respect to COBRA continuation coverage. For purposes of this COBRA-like continuation coverage, a termination of a same-sex domestic partner relationship will be treated as a divorce.

## ARTICLE XVI PROVISIONS CONCERNING PROTECTED HEALTH INFORMATION

- 16.01 General.** The Department of Health and Human Services has issued Standards for Privacy of Individually Identifiable Health Information (the "Privacy Standards"), effective April 14, 2003, that govern the manner in which the Plan must handle Protected Health Information. "Protected Health Information" means individually identifiable health information related to a Covered Employee or Dependent.
- 16.02 Permitted Uses and Disclosure.** The Plan may use and disclose Protected Health Information to carry out payment and health care operations without consent or authorization. If the Plan must use and disclose Protected Health Information for purposes other than payment or health care operations, patient authorization for such use or disclosure shall be required, unless such use or disclosure is expressly permitted by the Policies and Procedures Regarding Protected Health Information related to the Plan or the Privacy Standards.
- 16.03 Disclosures to Company.** The Plan may disclose Protected Health Information to the Company to the extent that such disclosure is permissible under law, but prior to any such disclosure the Company shall certify that (1) the Plan documents have been amended as required by the Privacy Standards; and (2) the Company has agreed to certain conditions set forth in the Privacy Standards regarding the use and disclosure of that Protected Health Information.

The Company, in its capacity as sponsor of the Plan, agrees to:

- (a) not use or further disclose Protected Health Information received from the Plan other than as permitted or required by the Plan documents or as required by law;

- (b) ensure that any agents to whom it provides Protected Health Information received from the Plan agree to the same restrictions and conditions that apply to the Company with respect to such information;
- (c) not use or disclose Protected Health Information received from the Plan for employment-related actions and decisions;
- (d) not use or disclose Protected Health Information received from the Plan in connection with any other benefit or employee benefit plan of the Company (except to the extent that such other benefit, or benefit plan, program, or arrangement is part of an organized health care arrangement of which the Plan is a part);
- (e) report to the Privacy Official, acting on behalf of the Plan, any use or disclosure of Protected Health Information received from the Plan that is inconsistent with the uses or disclosures authorized by this Section and of which the Company becomes aware;
- (f) make available Protected Health Information in accordance with 45 C.F.R. § 164.524 (pertaining to an individual's access to his or her own Protected Health Information) and in accordance with the Policies and Procedures Regarding Protected Health Information related to the Plan;
- (g) make available Protected Health Information for amendment and incorporate any amendments to Protected Health Information in accordance with 45 C.F.R. § 164.526 and in accordance with the Policies and Procedures Regarding Protected Health Information related to the Plan;
- (h) make available the information required to provide an accounting of disclosures in accordance with 45 C.F.R. § 164.528 and in accordance with the Policies and Procedures Regarding Protected Health Information related to the Plan;
- (i) make its internal practices, books, and records relating to the use and disclosure of Protected Health Information received from the Plan available to the Secretary of Health and Human Services ("HHS") or to any other officer or employee of HHS to whom the authority involved has been delegated, for purposes of determining compliance by the Plan with 45 C.F.R. Subchapter C, Subpart E; and
- (j) if feasible, return or destroy all Protected Health Information received from the Plan that the Company still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, the Company shall limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.

The foregoing restrictions do not apply to disclosures of enrollment information or summary health information by or on behalf of the Plan to the Company or any other Employer, acting in their respective capacities as an employer.

**16.04 Adequate Separation.** There shall be adequate separation between the Plan and the Company to help ensure that only persons involved in Plan administration have access to Protected Health Information. Only the following employees, classes of employees or other persons under the control of the Company or its affiliates may have access to Protected Health Information created under the Plan:

Privacy Official  
Security Official  
Members of the Benefits Department  
HRIS-Benefits Analyst  
Members of the Legal Department  
Members of the Internal Audit Department  
Members of the Committee

Any other employee of the Company or its affiliates who performs plan administration functions for the Plan and who is designated in writing by the Privacy Official or a member of the Committee as being entitled to access to Protected Health Information.

Access to and use by such individuals shall be restricted to the plan administration functions that the Company and its affiliates perform for the Plan. The Plan or the Company (or an affiliate) has retained one or more third party administrators and others that receive Protected Health Information in the ordinary course of business performed on behalf of the Plan. Such persons or entities, known in the Privacy Standards as “Business Associates,” shall enter into agreements with the Plan governing their obligations under the Privacy Standards.

- 16.05 Unauthorized Use or Disclosure.** The improper use or disclosure of Protected Health Information by an employee of Company (or an affiliate) shall be governed by the Policies and Procedures Regarding Protected Health Information related to the Plan. The terms of the applicable Business Associate Agreement shall address non-compliance with the Privacy Standards by a Business Associate.
- 16.06 Special Amendatory Authority.** The Privacy Official appointed by the Plan Administrator pursuant to the Privacy Standards shall be authorized to make and execute any amendment to this Article that such Privacy Official deems necessary or appropriate.

## ARTICLE XVII PROVISIONS CONCERNING THE SECURITY OF ELECTRONIC PROTECTED HEALTH INFORMATION

- 17.01 General.** The Department of Health and Human Services has issued Regulations, effective April 20, 2005, that govern the manner in which a group health plan, such as the Plan, must handle Electronic Protected Health Information. “Electronic Protected Health Information” refers to Protected Health Information that is (i) maintained in Electronic Media (as defined in 45 C.F.R. Section 160.103), or (ii) transmitted by Electronic Media.
- 17.02 Duty of the Plan Sponsor.** The Company shall reasonably and appropriately safeguard Electronic Protected Health Information created, received, maintained or transmitted to or by the Company on behalf of the Plan. To this end, the Company shall: (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Electronic Protected Health Information that the Company creates, receives, maintains or transmits on behalf of the Plan; (ii) ensure that the adequate separation required by Section 16.04 above is supported by reasonable and appropriate security measures; (iii) ensure that any agent, including a subcontractor, to whom or which the Company provides Electronic Protected Health Information agrees to implement reasonable and appropriate security measures to protect such Electronic Protected Health Information; and (iv) report to the

Plan any security incident involving Electronic Protected Health Information of which the Company becomes aware.

### **ARTICLE XVIII GENERAL EXCLUSIONS**

- 18.01 General.** Notwithstanding any other Plan provision, and without limiting the generality of any other provision of the Plan, the Plan shall not provide coverage for any of the following:
- (a) except as expressly provided otherwise in the Plan, any service, supply or item for which Medicare does not make any payment;
  - (b) any charge that a Covered Person is not legally required to pay;
  - (c) any charge that would not have been made if the Plan had not existed; and
  - (d) any charge incurred prior to the effective date of coverage, or after the termination date of coverage.

### **ARTICLE XIX MISCELLANEOUS PROVISIONS**

- 19.01 Assignment of Benefits.** A Covered Person may assign benefits otherwise payable to the Covered Person or to the persons or institutions providing care covered under the Plan. No such assignment, however, shall be binding on the Plan unless the Claims Administrator is notified in writing of such assignment prior to payment hereunder. Otherwise, except as required by law, no benefit payable at any time under the Plan shall be assignable or transferable, or subject to any lien, in whole or in part, either directly or by operation of law, or otherwise, including, but not by way of limitation, execution, levy, garnishment, attachment, pledge, bankruptcy, or, in any other manner, and no benefit payable under the Plan shall be liable for, or subject to, any obligation or liability of any Covered Person. If any Covered Person entitled to a benefit under the Plan attempts to alienate, sell, transfer, assign, pledge or otherwise impede a benefit or any part, or if by reason of his or her bankruptcy or other event happening at any time, a benefit devolves upon anyone else or would not be enjoyed by him or her, then the Plan Administrator in its discretion, which will be exercised uniformly by treating individuals in similar circumstances alike, may terminate his or her interest in any such benefit and hold or apply it to or for his or her benefit or the benefit of his or her Dependents, in a manner the Plan Administrator may deem proper.
- 19.02 Information To Be Furnished.** Covered Persons shall provide such information and evidence, and shall sign such documents, as may reasonably be requested from time to time for the purpose of administration of the Plan.
- 19.03 Limitation of Rights.** Neither the establishment of the Plan nor any amendment thereof, nor the payment of any benefits, will be construed as giving to any Covered Person any legal or equitable right against the Company or any Employer, except as provided herein.
- 19.04 Plan Not Contract.** The Plan shall not be deemed to constitute a contract between the Company or any Employer and any Covered Participant or to be a consideration for, or an inducement or condition of, the employment of any Employee. Nothing in the Plan shall be deemed to give any Employee the right to be retained in the service of the Company or of any Employer or to interfere with the right of the Company or of any Employer to discharge any Employee at any



time; provided, however, that the foregoing shall not be deemed to modify the provisions of any collective bargaining agreement that may be made by the Company with the bargaining representative of any Employee.

- 19.05 Fiduciary Operation.** Each Plan Fiduciary shall discharge his or her duties with respect to the Plan solely in the interest of the participants and beneficiaries (as those terms are defined in ERISA) and (1) for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Plan; (2) with care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and (3) in accordance with the documents and instruments governing the Plan, except as otherwise required by law.
- 19.06 No Guaranty.** No person shall have any right or interest in the Plan other than as specifically provided herein. Except to the extent required by law, neither the Company nor any Employer shall be liable for the payment of any benefit provided for herein; all benefits hereunder shall be payable only from the Plan, and only to the extent that the Plan has been allocated sufficient assets.
- 19.07 Misrepresentation.** Any material misrepresentation on the part of any Covered Person in making application for coverage, or any application for reclassification thereof, shall render the coverage null and void.
- 19.08 Inadvertent Error.** Inadvertent error by the Plan Administrator in the keeping of records or the transmission of any Enrollment Form shall not deprive any Covered Participant or Dependent of benefits otherwise due, if such inadvertent error is corrected by the Plan Administrator within 90 days after it was made.
- 19.09 No Liability for Acts of Any Provider.** Nothing contained herein shall confer upon a Covered Person any claim, right or cause of action, either at law or at equity, against the Plan for the acts of any Hospital in which he receives care, or for the acts of any Physician from whom he receives service under this Plan.
- 19.10 Covered Persons Responsibilities.** Each Covered Person is responsible for providing the Plan Administrator with his or her current address. Any notices required or permitted to be given shall be deemed given if directed to such address and mailed by regular United States mail. Neither the Plan Administrator nor the Claims Administrator shall have any obligation or duty to locate a Covered Person. If a Covered Person becomes entitled to a payment under the Plan and it cannot be made because (1) the current address is incorrect; (2) the Covered Person does not respond to the notice sent to the current address; (3) there are conflicting claims to such payment; or (4) any other reason, the amount of such payment, if and when made, shall be that determined under the terms of the Plan, without interest. Each Covered Participant shall also notify the Plan in writing when any person is no longer eligible for coverage as his or her Dependent hereunder.
- 19.11 Right of Recovery.** Whenever the Plan, for whatever reason, has overpaid the amount of benefits that should have been provided, the Plan shall have the right to offset the overpaid amount against future benefits that are payable or to recover such payments, to the extent of such excess, from among one or more of the following as the Plan shall determine: any persons to, or for, or with respect to whom, such payments were made, and/or any insurance company or other organization. Without limiting the generality of the foregoing, the Plan shall have the right to recover any amounts it pays in respect of a person who is not an eligible Participant or Dependent.

- 19.12 Governing Law and Venue.** The Plan shall be governed by and construed according to ERISA, the Code, and the laws of the State of Indiana, to the extent Indiana law does not conflict with the Code and ERISA, and to the extent Indiana law is not preempted by ERISA. In order to benefit Participants under this Plan by establishing a uniform application of law with respect to the administration of the Plan, the provisions of this Section 19.12 shall apply. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Plan shall be brought in any court of the State of Indiana or in the United States District Court for the Northern District of Indiana. The Company, each Employer, each Participant, and any related parties irrevocably and unconditionally consent to the exclusive jurisdiction of such courts in any such litigation related to this Plan and any transactions contemplated hereby. Such parties irrevocably and unconditionally waive any objection that venue is improper or that such litigation has been brought in an inconvenient forum.
- 19.13 Severability.** In the event any portion of this Plan is declared by a court of competent jurisdiction to be void, said portion shall be deemed severed from the remainder of this Plan, and the balance of the Plan shall remain in full force and effect.
- 19.14 Participant Litigation.** In any action or proceeding involving the Plan, Covered Persons or any other person having or claiming to have an interest in the Plan shall not be necessary parties to such action or proceeding and shall not be entitled to any notice or process thereof, except as required by applicable law. Any final judgment which is not appealed or appealable that may be entered in any such action or proceeding shall be binding and conclusive upon the parties hereto and upon all persons having or claiming to have any interest in the Plan. To the extent permitted by law, if a legal action is begun against the Company or other organization or institution providing benefits under the Plan by or on behalf of any person, and such action results adversely to such person or, if a legal action arises because of conflicting benefit claims, the cost to the Company or other organization or institution of defending the action will be charged to the sums, if any, which were involved in the action or were payable to the Covered Person or other person concerned. To the extent permitted by applicable law, an election to become a Covered Person under the Plan shall constitute a release of the Company and its agents from any and all liability and obligation not involving willful misconduct or gross neglect.
- 19.15 Counterparts.** This Plan document may be executed in any number of identical counterparts, each of which shall be deemed a complete original in itself and may be introduced in evidence or used for any other purpose without the production of any other counterparts.
- 19.16 Notice.** Any notice given under this Plan shall be sufficient, if given to the Plan Administrator when addressed to it at its office; if given to the Claims Administrator, when addressed to it at its home office; or if given to a Covered Participant, when addressed to the Covered Participant at his or her address as it appears on the records of the Claims Administrator.
- 19.17 Extension of Plan to Related Employers.**
- (a) With the approval of the Plan Administrator, any Related Employer may adopt the Plan and qualify its Employees and Retirees to become Covered Participants hereunder by taking such action to adopt the Plan and making such contributions to the cost of coverage as the Plan Administrator may require.
  - (b) The Plan will terminate with respect to any Employer that has adopted the Plan pursuant to this Section if the Employer ceases to be a Related Employer, revokes its adoption of the Plan by appropriate corporate action, permanently discontinues any required

contributions for its Employees, is judicially declared bankrupt, makes a general assignment for the benefit of creditors, or is dissolved.

- (c) The Committee shall have the sole right to amend or terminate the Plan and shall act as the agent for each Related Employer that adopts the Plan for all purposes of administration thereof.

## **ARTICLE XX FUNDING, AMENDMENT AND TERMINATION OF THE PLAN**

- 20.01 Plan Self-Insured.** Except with respect to those benefits offered under an HMO Option or an Other Insured Arrangement, the Plan is a self-insured plan. All contributions made to the Plan are used to pay claims and related expenses thereunder.
- 20.02 Participants' and Dependents' Rights Unsecured.** The right of a Covered Person or any other person to receive a distribution hereunder, shall be an unsecured claim against the general assets of the Company and no Covered Person or any other person shall have any rights in any amount allocated for his or her benefit under the terms of the Plan, or any other specific assets of the Company. All amounts allocated pursuant to the terms of the Plan shall constitute general assets of the Company and may be disposed of by the Committee at such time and for such purpose as it may deem appropriate. Benefits payable pursuant to the terms of the Plan shall be paid solely as required out of the general assets of the Company or from any other funding vehicle as may be established by the Company.
- 20.03 Amendment.** The Committee reserves the right at any time and from time to time to change or amend, in whole or in part, any or all of the provisions of the Plan. Unless expressly provided, no amendment shall affect, or be construed to affect, any existing delegations to amend the Plan. Any such amendment may have retroactive or prospective effect. However, no change or amendment shall be made that enables any part of Plan assets to be used for, or diverted to, purposes other than the exclusive benefit of those entitled to benefits hereunder and the payment of reasonable expense of administration. To the extent that any applicable collective bargaining agreement imposes a more restrictive requirement regarding Plan eligibility or benefits than is set forth herein, such requirement, as applied solely to those Represented Retirees subject to the collective bargaining agreement, is incorporated herein by this reference. Notwithstanding anything contained herein to the contrary, any change or amendment (other than a Plan administration change, the addition or deletion of network providers, drug formulary changes or similar changes) affecting coverage for any NIPSCO Represented Retiree or Dependent shall only be made effective as of January 1 of any year, and notification of such change or amendment shall be made to affected NIPSCO Represented Retirees during the Annual Enrollment Period.
- 20.04 Termination.** The Company is not and shall not be under any obligation or liability whatsoever to continue its contributions to, or to maintain, the Plan for any given length of time. In their sole and absolute discretion, the Company may discontinue contributions to the Plan and the Committee may terminate the Plan, in whole or in part, at any time, in each case without liability for such discontinuance or termination.
- 20.05 Collective Bargaining Agreement.** Notwithstanding the foregoing provisions of this Article, the right to amend or terminate the Plan shall be subject to the express terms of any applicable collective bargaining agreement.

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**IN WITNESS WHEREOF**, the Committee has caused this amended and restated Plan to be executed on its behalf, by one of its members duly authorized, this 27<sup>th</sup> day of JUNE, 2015, to be effective as of the Separation Date.

**NISOURCE BENEFITS COMMITTEE**

By:  \_\_\_\_\_

One of the Members of the Committee

**SCHEDULE 1**  
**POST-65 RETIREE BENEFIT PROGRAM MATRIX**

## NiSource Plan Provisions

### Summary of Post-65 Medical Plan Provisions

This section highlights the key Post-65 Medical plan provisions reflected as of July 1, 2015.

Eligibility for Participation	Immediate. Groups excluded from coverage are noted in table below.
Eligibility for Benefits	Age 55 and 10 years of service.
Continuation to Spouses of Deceased Retirees	Coverage continues until death of spouse or until spouse remarries.
Available Coverage <sup>1</sup>	Medicare Supplement NIPSCO Union Medicare Supplement MAP MAP (Medical Only) BSG Med Supp BSG Med Supp (Medical Only) BSG Med Supp Multiunion Medigap Supplement Keystone Blue West PA—Central
Medical Plan Options	See table below.
Cost Sharing	See table below.

<sup>1</sup> For detail on specific plan benefit provisions, see applicable NiSource plan documents.

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Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NiSource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
101	All Nonunion Exempt FT retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt FT retired on or after 02/01/2004 and hired before 01/01/2013	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	\$450 annually for retiree only	N/A
101A	Bay State Nonunion FT retired on or before 01/01/2002	BSG Med Supp BSG Med Supp MultiUnion	100% of premium	N/A	N/A	N/A
101B	Bay State Nonunion FT retired after 01/01/2002 and age 45 or older as of 01/01/1992 and hired before 09/01/1990 and elected retiree medical coverage and waived special saving plans match	BSG Med Supp BSG Med Supp MultiUnion	100% of premium	N/A	N/A	N/A
101C	Bay State Nonunion FT retired between 01/01/2002 and 02/01/2004	Medicare Supplement	100% of premium	N/A	N/A	N/A
101D	CEG Nonunion FT retired before 01/01/1993	MAP MAP—Med Only	50% of premium	\$104.90 <sup>1</sup> monthly for retiree only	N/A	N/A
101E	CEG Nonunion FT retired after 01/01/1993 and before 02/01/2004 and hired before 01/01/1993	MAP MAP—Med Only Keystone Blue West PA—Central	50% of premium (0% of premium for Keystone Blue)	\$104.90 <sup>1</sup> monthly for retiree only	N/A	N/A
101F	CEG Nonunion FT retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/1993	MAP MAP—Med Only	50% of premium	\$104.90 <sup>1</sup> monthly for retiree only	N/A	N/A
101G	Columbia Nonunion FT—2002 ERWVSP Age 50–52 (Salary continuation)	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A
101H	Columbia Nonunion FT—2002 ERWVSP Group Age 53–55, retired on or after 02/01/2004	Medicare Supplement MAP MAP—Med Only	50% of premium	\$104.90 <sup>1</sup> monthly for retiree only	N/A	N/A

<sup>1</sup> Adjusted annually by CMS to equal 25% of the estimated Part B program cost.

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NiSource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
101I	Kokomo Nonunion FT retired before 01/01/2002	Medicare Supplement	100% of premium	N/A	N/A	N/A
101J	Kokomo Nonunion FT retired between 01/01/2002 and 02/01/2004	Medicare Supplement	100% of premium	N/A	N/A	N/A
101K	NiSource Nonunion FT retired on or before 02/01/1997	Medicare Supplement	100% of premium	N/A	N/A	N/A
101L	NiSource Nonunion FT retired after 02/01/1997 and before 02/01/2004	Medicare Supplement	100% of premium	N/A	N/A	N/A
101M	NIFL FT retired before 01/01/2002	Medigap Supplement	100% of premium	N/A	N/A	N/A
101N	NIFL FT retired after 01/01/2002 and prior to 02/01/2004; retirement eligible as of 12/31/2001	Medigap Supplement	100% of premium	N/A	N/A	N/A
101O	NIFL FT retired after 01/01/2002 and retired prior to 02/01/2004 and not retirement eligible as of 01/01/2002	Medicare Supplement	100% of premium	N/A	N/A	N/A
102	All Nonunion Exempt PT retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt PT retired on or after 02/01/2004 and hired before 01/01/2013	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	\$450 annually for retiree only	N/A
102D	Columbia Nonunion PT—2002 ERWVSP Age 50–52	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A
104	All Nonunion Exempt FT retired on or after 02/01/2006 and hired before 01/01/2010	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	\$450 annually for retiree only	N/A

<sup>1</sup> Adjusted annually by CMS to equal 25% of the estimated Part B program cost.



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Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NiSource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
105	All Nonunion Exempt PT retired on or after 02/01/2006 and hired before 01/01/2010	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	\$450 annually for retiree only	N/A
132	Special 4 <sup>th</sup> Quarter FT VSP retired before 02/01/2004	Medicare Supplement	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A
221	NIPSCO Union FT retired prior to 01/01/2005	NIPSCO Union Medicare Supplement	100% of premium	N/A	N/A	N/A
221Y05	NIPSCO Union FT hired before 06/01/2004 and retired on or after 01/01/2005 and before 01/01/2015	NIPSCO Union Medicare Supplement	77% of premium	N/A	N/A	\$40 per month for retiree only
221Y14	NIPSCO Union FT retired before 01/01/2015 and hired on or after 06/01/2004 and before 06/01/2009	NIPSCO Union Medicare Supplement	70% of premium	N/A	N/A	\$40 per month for retiree only
221Y15	NIPSCO Union FT hired before 06/01/2004 and retiring on or after 01/01/2015	NIPSCO Union Medicare Supplement	Retirements before 01/01/2017 get choice between: (a) Defined Dollar \$60 x service retiree <sup>1</sup> \$40 x service spouse <sup>2</sup>  (b) 77% of premium	N/A	\$475 annually for retiree only (if elect Defined Dollar)	\$40 per month for retiree only

<sup>1</sup> Defined Dollar increases to \$65 x service effective 01/01/2017.

<sup>2</sup> Defined Dollar increases to \$45 x service effective 01/01/2017.

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Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NiSource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
225Y15	NIPSCO Union FT retiring after 01/01/2015, and hired on or after 06/01/2004 and before 06/01/2009	NIPSCO Union Medicare Supplement	Retirement before 01/01/2017 get choice between: (a) Defined Dollar \$60 x service retiree <sup>1</sup> \$40 x service spouse <sup>2</sup>	N/A	\$475 annually for retiree only (if elect DD)	\$40 per month for retiree only
			(b) 70% of premium			
226	NIPSCO Union FT hired on or after 06/01/2009 and retiring on or after 6/1/2019	NIPSCO Union Medicare Supplement	Retirements on or after 01/01/2017 get Defined Dollar as described above.	N/A	\$475 annually for retiree only	\$40 per month for retiree only
321	NIFL Union FT retired on or after 01/01/2006 but before 01/01/2012	Medicare Supplement MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	\$450 annually for retiree only	N/A
321Y12	NIFL Union FT retired on or after 01/01/2012 and before 01/01/2015	NIPSCO Union Medicare Supplement	Defined Dollar \$60 x service retiree <sup>1</sup> \$40 x service spouse <sup>2</sup>	N/A	\$475 annually for retiree only	\$40 per month for retiree only
321Y15	NIFL Union FT retired on or after 01/01/2015	NIPSCO Union Medicare Supplement	Defined Dollar \$60 x service retiree <sup>1</sup> \$40 x service spouse <sup>2</sup>	N/A	\$475 annually for retiree only	\$40 per month for retiree only
621	CEG Union FT retired after 01/01/2004 but hired before 01/01/2013	Medicare Supplement MAP—Med Only Keystone Blue West PA—Central	Defined Dollar \$60 x service retiree \$40 x service spouse (100% of premium for Keystone Blue)	N/A	\$450 annually for retiree only	N/A

<sup>1</sup> Defined Dollar increases to \$65 x service effective 01/01/2017.

<sup>2</sup> Defined Dollar increases to \$45 x service effective 01/01/2017.

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Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
621A	CEG Union FT retired before 01/01/1993	MAP MAP—Med Only Keystone Blue West PA—Central	50% of premium (100% of premium for Keystone Blue)	\$104.90 <sup>1</sup> monthly for retiree only	N/A	N/A
621B	CEG Union FT retired after 01/01/1993 and before 02/01/2004 and hired before 01/01/1993	MAP MAP—Med Only Keystone Blue West PA—Central	50% of premium (100% of premium for Keystone Blue)	\$104.90 <sup>1</sup> monthly for retiree only	N/A	N/A
621C	CEG Union FT retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/1993	MAP MAP—Med Only	50% of premium	\$104.90 <sup>1</sup> monthly for retiree only	N/A	N/A
621D	CEG Union FT—2002 ERWVSP Group Age 50–52 (Salary Continuation)	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A
621E	CEG Union FT—2002 ERWVSP Group Age 53–55, retired on or after 02/01/2004	MAP MAP—Med Only	50% of premium	\$104.90 <sup>1</sup> monthly for retiree only	N/A	N/A
622	CEG Union PT retired after 02/01/2004 and hired before 01/01/2013	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	\$450 annually for retiree only	N/A
622C	CEG Union PT retired after 01/01/1993 and before 02/01/2004 and hired on or after 01/01/2003	MAP MAP—Med Only	50% of premium	\$104.90 <sup>1</sup> monthly for retiree only	N/A	N/A
721Y05	Kokomo Union FT Outside (majority) retired after 01/01/2005 but before 01/01/2012	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A
721Y12	Kokomo Union FT retired on or after 01/01/2012 and before 01/01/2015	NIPSCO Union Medicare Supplement	Defined Dollar \$60 x service retiree <sup>2</sup> \$40 x service spouse <sup>3</sup>	N/A	\$475 annually for retiree only	\$40 per month for retiree only

<sup>1</sup> Adjusted annually by CMS to equal 25% of the estimated Part B program cost.  
<sup>2</sup> Defined Dollar increases to \$65 x service effective 01/01/2017.  
<sup>3</sup> Defined Dollar increases to \$45 x service effective 01/01/2017.

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Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NiSource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
721Y15	Kokomo Union FT retired on or after 01/01/2015	NIPSCO Union Medicare Supplement	Defined Dollar \$60 x service retiree <sup>1</sup> \$40 x service spouse <sup>2</sup>	N/A	\$475 annually for retiree only	\$40 per month for retiree only
821	Bay State Union Brockton Physical FT hired before 01/01/2013 and does not meet requirements of 821A	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A
821A	Bay State Union Brockton Physical FT hired before 03/01/1991 and age 45 on 09/01/1991	BSG Med Supp BSG Med Supp (Med Only)	100% of premium	N/A	N/A	N/A
822	Bay State Union Brockton C/T FT and hired before 06/01/2013 and retired before 05/01/2013 and does not meet requirements of 822A	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A
822A	Bay State Union Brockton C/T FT hired before 10/01/1990 and age 45 by 01/01/1992	BSG Med Supp BSG Med Supp (Med Only)	100% of premium	N/A	N/A	N/A
822Y13	Bay State Union Brockton C/T FT hired before 06/01/2013 and retired on or after 05/01/2013	BSG Med Supp (Med Only)	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A
823	Bay State Union Granite FT retired after 01/01/2004	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A
823A	Bay State Union Granite FT hired before 05/01/1991 and age 45 by 05/01/1991 and retired before 01/01/2004	BSG Med Supp MultiUnion	100% of premium	N/A	N/A	N/A

<sup>1</sup> Adjusted annually by CMS to equal 25% of the estimated Part B program cost.

<sup>2</sup> Defined Dollar increases to \$65 x service effective 01/01/2017.

**Aon Hewitt**  
 Retirement and Investment

*Proprietary and Confidential*

<b>Retiree Benefit Program (RBP)</b>	<b>Group</b>	<b>Medicare Medical Options</b>	<b>Company Subsidy</b>	<b>Medicare Part B Reimbursement</b>	<b>NiSource Part B Reimbursement</b>	<b>NIPSCO Medicare Part D Reimbursement</b>
824	Bay State Union Lawrence FT retired after 01/01/2004 and retired before 01/01/2013 and does not meet requirements of 824A	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A
824A	Bay State Union Lawrence FT hired before 01/01/1994 and age 45 by 01/01/1994 and retired before 01/01/2013	BSG Med Supp BSG Med Supp (Med Only)	100% of premium	N/A	N/A	N/A
824Y13	Bay State Union Lawrence FT hired before 01/01/2013 and retired on or after 01/01/2013	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$60 x service retiree \$40 x service spouse	N/A	N/A	N/A
825	Bay State Union Northhampton FT hired after 06/18/1999 but before 01/01/2011	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A
825A	Bay State Union Northhampton FT hired before 06/18/1999 and at least age 45 on 01/01/1993	BSG Med Supp BSG Med Supp (Med Only)	100% of premium	N/A	N/A	N/A
825B	Bay State Union Northhampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retired before 01/01/2013	BSG Med Supp BSG Med Supp (Med Only)	Up to \$225 per month	N/A	N/A	N/A
825B13	Bay State Union Northhampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retiring on or after 01/01/2013	BSG Med Supp (Med Only)	Up to \$225 per month	N/A	N/A	N/A
826	Bay State Union Portland FT retired after 01/01/2004 and does not meet requirements of 826A	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A
826A	Bay State Union Portland FT hired before 04/01/1991 and age 45 by 04/01/1991	BSG Med Supp MultiUnion	100% of premium	N/A	N/A	N/A
827	Bay State Union Portsmouth FT hired after 06/04/1999	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A

**Aon Hewitt**  
 Retirement and Investment

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Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NiSource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
827A	Bay State Union Portsmouth FT hired before 06/04/1999 and age 45 on 01/01/1993	BSG Med Supp MultiUnion	100% of premium	N/A	N/A	N/A
827B	Bay State Union Portsmouth FT hired before 06/04/1999 and not age 45 on 01/01/1993	BSG Med Supp MultiUnion	Up to \$225 per month	N/A	N/A	N/A
828	Bay State Union Springfield Physical FT hired after 05/14/1999 and retired before 05/15/2013	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A
828A	Bay State Union Springfield Physical FT hired before 05/14/1999 and at least age 45 on 01/01/1993	BSG Med Supp BSG Med Supp (Med Only)	100% of premium	N/A	N/A	N/A
828B	Bay State Union Springfield Physical FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired before 05/15/2013	BSG Med Supp BSG Med Supp (Med Only)	Up to \$225 per month	N/A	N/A	N/A
828B13	Bay State Union Springfield Physical FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired between 05/15/2013 and 12/31/2013	BSG Med Supp BSG Med Supp (Med Only)	Up to \$225 per month	N/A	N/A	N/A
828B14	Bay State Union Springfield Physical FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired on or after 01/01/2014	BSG Med Supp (Med Only)	Up to \$225 per month	N/A	N/A	N/A
828Y13	Bay State Union Springfield Physical FT hired after 05/14/1999 and retired on or after 05/15/2013	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A

**Aon Hewitt**  
 Retirement and Investment

*Proprietary and Confidential*

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NiSource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
829	Bay State Union Springfield C/T FT retired after 01/01/2004 and retired on or before 01/01/2008 and does not meet the requirements of 829A	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A
829A	Bay State Union Springfield C/T FT hired before 10/01/1990 and age 45 by 01/01/1992	BSG Med Supp BSG Med Supp (Med Only)	100% of premium	N/A	N/A	N/A
829Y08	Bay State Union Springfield C/T FT retired after 01/01/2008 and retired before 01/01/2011 and does not meet the requirements of 829A	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$60 x service retiree <sup>1</sup> \$40 x service spouse <sup>2</sup>	N/A	N/A	N/A
829Y11	Bay State Union Springfield C/T FT hired before 01/01/2011 and retired after 01/01/2011 and does not meet the requirements of 829A	BSG Med Supp (Med Only)	Defined Dollar \$60 x service retiree <sup>1</sup> \$40 x service spouse <sup>2</sup>	N/A	N/A	N/A

<sup>1</sup> Defined Dollar increases to \$65 x service effective 01/01/2019.

<sup>2</sup> Defined Dollar increases to \$45 x service effective 01/01/2019.

Active Programs That Will Not Receive Retiree Benefits

Active Benefit Program	Group
106	All Nonunion Exempt FT hired after 01/01/2010
107	All Nonunion Exempt PT hired after 01/01/2010
108	All Nonunion Non-Exempt FT hired on or after 01/01/2013
109	All Nonunion Non-Exempt PT hired on or after 01/01/2013
222	NIPSCO Union PT
223	NIPSCO Union TMP
224	NIPSCO Union TWF
623	CEG Union FT hired on or after 01/01/2013
624	CEG Union PT hired on or after 01/01/2013
830	Bay State Union Springfield C/T PT hired before 01/01/2011
831	Bay State Union Brockton Physical FT hired on or after 01/01/2013
832	Bay State Union Brockton C/T FT hired on or after 06/01/2013 and retired after 05/01/2013
834	Bay State Union Brockton Physical PT hired before 01/01/2013
835	Bay State Union Northhampton FT hired on or after 01/01/2011
838	Bay State Union Springfield Physical FT hired on or after 01/01/2014
839	Bay State Union Springfield C/T FT hired on or after 01/01/2011
844	Bay State Union Brockton Physical PT hired on or after 01/01/2013
854	Bay State Union Lawrence FT hired on or after 01/01/2013



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

44. Provide a complete description of the financial reporting and ratemaking treatment of Columbia's pension costs.

**Response:**

For financial reporting and rate –making purposes, Columbia's pension costs are recorded on the accrual basis of accounting each month based on the provisions of SFAS No. 106 and SFAS No. 158. Under the provisions of SFAS No. 158, the actuarial gains/losses and the prior service costs/credits are recognized as a component of other comprehensive income (OCI); amounts recognized in OCI are adjusted as these costs are recognized as a component of pension costs. In Case 2007-00008, Columbia received regulatory accounting treatment that allows the OCI activity to be captured as a regulatory asset.

The following are the entries utilized when recording pension costs:

1. Pension costs per actuarial studies are expensed each month. The offsetting account is a prepayment if Columbia is in a prepaid position, otherwise the

offset is a liability account, and an offset to the regulatory asset/liability for the OCI activity

Debit 926  
Credit 128-9900 or 228-0031  
Credit 182-3509 or 254-3509

2. The Retirement Income Plan trust is funded through NiSource Corporate Services. The following entry is recorded when the trust is funded:

Debit 128-9900 or 228-0031  
Credit 234-9912  
Debit 234-9912  
Credit 131 (Cash or its equivalent)

3. All costs associated with construction projects are capitalized and recovered over the life of the asset. This includes, among other costs, labor and related benefits. As employees' labor time is charged to capital accounts, overheads are used to charge additional dollars to the capital accounts for pension costs:

Debit 107 (or any other capital account)  
Credit 926

4. When Columbia bills an affiliate company for labor, overheads are also added on to the bill for pension costs. The entry is the same as in #3 above with the debit going to a 146 Accounts Receivable account.
5. In a similar fashion, labor billed by an affiliate includes pension costs in overheads. The entry would be as follows:

Debit 926 or 107 (or any other capital account)  
Credit 234 – Accounts Payable

In accordance with the pension accounting standards, when pension settlements occur in an interim period during a year in which it is probable that the cumulative settlements for the year are expected to exceed the service cost and interest components of the net periodic pension cost for the pension plan for the

year, Columbia assesses, on at a least quarterly basis, whether it is probable that the criteria for settlement accounting will be met. If it is probable, a settlement charge will be recognized for the portion of the liability settled. In addition, a full re-measurement of the plan's pension obligation and plan assets will be completed.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

45. For each of the following Statements of Financial Accounting Standards ("SFAS"), provide the information listed concerning implementation by Columbia.

a. SFAS No. 106. "Employers' Accounting for Postretirement Benefits Other Than Pensions:"

- (1) The date that Columbia adopted the SFAS;
- (2) The effect on the financial statements; and
- (3) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide a detailed description of the impact.

b. SFAS No. 112, "Employers' Accounting for Postretirement Benefits:"

- (1) The date that Columbia adopted the SFAS.
- (2) The effect on the financial statements: and

(3) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide a detailed description of the impact.

c. SFAS No. 143, "Accounting for Asset Retirement Obligations:"

(1) The date that Columbia adopted the SFAS;

(2) The effect on the financial statements; and

(3) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide a detailed description of the impact.

d. A schedule comparing the depreciation rates utilized by Columbia prior to and after the adoption of SFAS No. 143. The schedule should identify the assets corresponding to the affected depreciation rates.

e. SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans:"

(1) The date that Columbia adopted the SFAS;

(2) The effect on the financial statements; and

(3) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide a detailed description of the impact.

**Response:**

- a. **(1).** Columbia adopted SFAS No. 106 on January 1, 1991.
- a. **(2).** At adoption, the liability was recorded with an offsetting debit to a regulatory asset account. From adoption of the accounting standard until the 1994 stipulation was approved in Case No. 94-179, Columbia continued to defer into the regulatory asset the portion of the SFAS No. 106 expense in excess of cash payments. Additionally, a portion of the Columbia of Ohio housekeeping transition obligation was deferred into the regulatory asset account. Per the stipulation agreement, the 1993 incremental costs were not part of the amortization, so those dollars were reversed out of the regulatory asset and charged to expense. The net effect on the balance sheet at the point the new rates went into effect is as follows:

Debit Regulatory Asset (acct 182)	\$9,689,192
Credit OPEB Liabilities	\$9,689,192

The rate treatment for SFAS No. 106 costs per the 1994 stipulation included \$538,288 per year amortization for 18 years.

- a. **(3).** Neither the base or forecasted period include any impact of the implementation.
- b. **(1).** Columbia adopted SFAS No. 112 on January 1, 1994.
- b. **(2).** At adoption, the entry to recognize the liability was made as follows:

Debit Regulatory Asset (acct 182)	\$697,000	
Credit SFAS No. 112 ST liability		\$ 50,000
Credit SFAS No. 112 LT liability		\$647,000

Additionally, at a later date, the portion of the Columbia of Ohio SFAS No. 112 liability related to the General Office housekeeping function was allocated to Columbia of Kentucky as follows:

Debit Regulatory Asset (acct 182)	\$57,646	
Credit Payable to Columbia of Ohio		\$57,646

The rate treatment for SFAS No. 112 costs per the 1994 stipulation included \$34,353 per year amortization for 19 years.

- b. (3). Neither the base nor the forecasted period include any impact of implementation.
- c. (1). NiSource (parent company of Columbia) adopted the provisions of SFAS No. 143 on January 1, 2003. NiSource's adoption included Columbia. The adoption was for GAAP (Generally Accepted Accounting Principles) books only.
- c. (2). There were no accounting entries made for regulatory reporting purposes when Columbia adopted SFAS 143.
- c. (3) Columbia's implementation of SFAS 143 has no impact on Columbia Gas of Kentucky's base or forecasted test period.
- d. There was no change to the depreciation rates utilized by Columbia.
- e. (1) Columbia adopted SFAS No. 158 for the fiscal year ended December 31, 2006.
- e. (2) The adoption of SFAS No. 158 resulted in a reduction to Columbia's shareholder equity of \$3,728,089. Below are the journal entries that were recorded to recognize the unfunded liability pursuant to the requirements of SFAS No. 158

Pension:

Debit 219 – AOCI <sup>1</sup>	\$1,335,331	
		Credit 186 – Deferred Pension Charges
		\$513,878
		Credit 253 <sup>2</sup> – Accrued Pension
		\$821,453

OPEB:

Debit 219 – AOCI <sup>1</sup>	\$2,392,758
Debit 186 – Deferred OPEB Charges	\$ 667,820
Credit 242/253 <sup>2</sup> – Accrued OPEB	\$3,060,578

- 1.) Columbia now records this portion to Account 182 based on approval to record to a regulatory asset in Case No. 2007-00008.
  - 2.) Due to clarification of FERC guidance subsequent to SFAS No. 158 implementation, accrued pension and OPEB is now recorded to Account 228.
- e. (3)** Base period and forecasted test period do not include any impact of SFAS No. 158 implementation.



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

46. As the historical data becomes available, provide detailed monthly income statements for each forecasted month of the base period including the month in which the Commission hears this case.

**Response:**

Please refer to Attachment A of the response.

Columbia Gas of Kentucky, Inc.  
Case No. 2016-00162  
Monthly Income Statement  
For the Months of March and April 2016

Line No.	Description	March 31, 2016	April 30, 2016
		\$	\$
1	<u>Operating Income</u>		
2	Total Operating Revenues	9,896,498	7,958,102
3	<u>Operating Income Deductions</u>		
4	Purchased Gas Cost	2,743,460	2,843,354
5	Other Power Supply		(39)
6	Liquefied Petroleum Gas Production Expenses	-	-
7	Distribution Expenses	1,228,164	1,226,733
8	Customer Accounts Expenses	390,641	340,885
9	Customer Service & Informational Expenses	105,329	83,716
10	Sales Expenses	4,777	6,681
11	Administrative & General Expenses	1,530,377	1,451,255
12	Total O&M Expenses	6,002,747	5,952,585
13	Depreciation Expenses	643,437	646,882
14	Amortization & Depletion of Utility Plant	102,276	102,311
15	Taxes Other Than Income Taxes	305,545	393,202
16	Income Taxes - Federal	690,471	(185,322)
17	Income Taxes - State	35,722	(2,411)
18	Deferred Taxes Income Taxes	1,227,179	1,026,943
19	Provision for Deferred Income Taxes	(1,026,703)	(678,528)
20	Total Operating Expenses	7,980,674	7,255,662
21	Operating Income (Loss)	1,915,824	702,440
22	<u>Other Income &amp; Deductions</u>		
23	Non-utility Revenue	50,705	28,570
24	Non-utility Unaffiliated	444	423
25	Earnings of Subsidiaries	7,520	3,635
26	Interest and Dividend Income	4,189	2,095
27	AFUDC	22,984	26,703
28	Gas Cost Recovery Initiatives	352,878	309,657
29	Total Other Income	438,721	371,084
30	Miscellaneous Amortization	(1,231)	(1,451)
31	Other Inc Exp Donations	21,112	6,026
32	Other Inc Deductions	16,663	19,083
33	Total Other Income Deductions	36,544	23,658
34	Non-utility Income Taxes - Federal	129,842	113,107
35	Non-utility Income Taxes - State	23,679	20,627
36	Total Non-utility Income Taxes	153,521	133,734
37	<u>Interest Expense</u>		
38	Long-Term Interest Expense	436,713	422,670
39	Short-Term Interest Expense	788	825
40	AFUDC	(11,774)	(13,678)
41	Total Interest Expense	425,727	409,817
42	Total Other Income (Deductions)	(177,072)	(196,126)
43	<b>Net Income (Loss)</b>	1,738,752	506,314

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

47. Provide the amount of excess deferred federal income taxes resulting from the reductions in the corporate tax rate in 1979 and 1986, as of the end of the test year. Show the amounts associated with the 1979 reduction separately from the amounts associated with the 1986 reduction.

**Response:**

The excess deferred taxes reflected on Columbia's books are the result of multiple tax rate changes. The current excess reflects a tax rate of 34% for federal income tax purposes and the balance of the excess at December 31, 2015 is \$1,356,589. Note that Columbia is also required to book a regulatory liability in accordance with SFAS No. 109 on the deferred ITC. Such requirements at December 31, 2015 are \$211,813. Thus, the total regulatory liability reflected in Account 254 on Columbia's books and records as of the end of the test year is \$1,568,402.

For pre-1980 years, the turnaround under the Average Rate Assumption Methodology is the average rate the deferred taxes were established (somewhere between 34-48%) versus the 34% the deferred liability is reversing at in the current year.

Columbia does not track refunds of excess tax reserves by the year the rate changed.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

48. Provide the following tax data for the most recent calendar year:
- a. Income taxes:
    - (1) Federal operating income taxes deferred — accelerated tax depreciation.
    - (2) Federal operating income taxes deferred — other (explain).
    - (3) Federal income taxes — operating.
    - (4) Income credits resulting from prior deferrals of federal income taxes.
    - (5) Investment tax credit net.
      - (i) Investment credit realized.
      - (ii) Investment credit amortized — Pre-Revenue Act of 1971.
      - (iii) Investment credit amortized — Revenue Act of 1971.

(6) The information in Item 48(a)(1-4) for state income taxes.

(7) A reconciliation of book to federal taxable income as shown in Schedule 48a(1) and a calculation of the book federal income tax expense for the base period using book taxable income as the starting point.

(8) A reconciliation of book to state taxable income as shown in Schedule 48a(2) and a calculation of the book state income tax expense for the base period using book taxable income as the starting point.

(9) A copy of federal and state income tax returns for the most recent tax year, including supporting schedules.

(10) A schedule of franchise fees paid to cities, towns or municipalities during the test year, including the basis of these fees.

b. An analysis of Kentucky Other Operating Taxes as shown in Schedule 48b.

**Response:**

48. a(1) through (3) and (6), please see Attachment A for the schedule of income taxes.

48. a(4) There were no credits made to federal Income taxes for reduction in tax rates.

48. a(5) Please see Attachment B.

48. a(7) Please see Schedule 1 attached.

48. a(8) Please see Schedule 2 attached.

48. a(9) Please see Attachments C, D, E and F.

48. a(10) Please see below:

FRANCHISE FEES PAID

<u>Jurisdiction</u>	<u>Taxable Revenues</u>	<u>Tax Rate</u>	<u>Franchise Fees Paid</u>
Ashland	8,434,403	3.00%	253,032
Greenup	487,114	2.00%	9,742
Irvine	738,587	2.00%	14,772
Lexington-Fayette	80,955,737	4.16%	3,367,759
Ravenna	216,182	2.00%	4,324
Winchester	5,424,561	3.00%	162,737
Versailles	3,578,412	2.00%	71,568
	<u>99,834,996</u>		<u>3,883,933</u>

<u>Jurisdiction</u>	<u>Basis</u>	<u>Right of Way Fees Paid</u>
Lexington	(a)	134,250

(a) Negotiated annual fixed amount.

48. b. Please see analysis below:

Columbia Gas of Kentucky, Inc. Case No. 2016-00126 48b. Analysis of Other Operating Taxes For 12 months ending 12/31/15 "000 Omitted"						
Line No.	Item (a)	Charged Expense (b)	Charged to Construction (c)	Charged to Other Accounts (d)	Amounts Accrued [1] (e)	Amount Paid (f)
1	Kentucky Retail	-				
	(a) Franchise fees	-	-	-	-	-
	(b) Ad valorem	3,156	-	3,274 [2]	(2,905)	1,620
	(c) Payroll (employers portion)	593	305	47 [3]	-	945
	(d) Other taxes	8	89	- [3]	-	78
2	Total Retail (L1(a) through L1(e))	3,757	394	3,321	(2,905)	2,643
3	Other jurisdictions	-	-	-	-	-
	Total per books (L2 and L3)	3,757	394	3,321	(2,905)	2,643

NOTES>

- [1] 2015 property tax liability for year ending 12/13/14 for the 2012 tax year. To be paid in 2015-2016  
2016 property tax liability for year ending 12/31/15 to be expensed in
- [2] 2016.
- [3] Charged to various balance sheet accounts.



**COLUMBIA GAS OF KENTUCKY, INC.**  
 Case No. 2016-00162

08-Jun-16

**JDC AMORTIZATION-2015**

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
ACCOUNT 255 BAL 1/1/15	0	0	0	0	0	0	0	0	3,820	4,424	16,514	31,819	25,001
MONTHS REMAINING	0	0	0	0	0	0	0	0	6	6	18	30	30
MONTHLY AMORTIZATION	0	0	0	0	0	0	0	0	637	737	917	1,061	833
YEARLY AMORTIZATION	0	0	0	0	0	0	0	0	3,820	4,424	11,004	12,732	9,996
ACCOUNT 255 BAL 12/31/15	0	0	0	0	0	0	0	0	0	0	5,510	19,087	15,005

	1984	1985	1986	1987	TOTAL	
ACCOUNT 255 BAL 1/1/15	75,541	101,961	13,796	5,309	278,185	
MONTHS REMAINING	78	114	126	138		Yr1978
MONTHLY AMORTIZATION	968	894	109	38	6,194	0
YEARLY AMORTIZATION	11,616	11,016	1,308	456	66,372	0
ACCOUNT 255 BAL 12/31/15	63,925	90,945	12,488	4,853	211,813	0

RATE	0.0332	0.0317	0.0343	0.0308	0.0345	0.0307	0.0303	0.0292	0.0284	0.0290	0.0291	0.0292	0.0303
NUMBER OF YEARS	30.00	32.00	29.00	32.00	29.00	33.00	33.00	34.00	35.00	34.00	34.00	34.00	33.00
NUMBER OF MONTHS	360	384	348	384	348	396	396	408	420	408	408	408	396
NUMBER OF MONTHS AMORT.	360	384	348	384	348	396	396	408	414	402	390	378	366
MONTHS REMAINING	0	0	0	0	0	0	0	0	6	6	18	30	30

RATE	0.0272	0.0258	0.0258	0.0258
NUMBER OF YEARS	37.00	39.00	39.00	39.00
NUMBER OF MONTHS	444	468	468	468
NUMBER OF MONTHS AMORT.	366	354	342	330
MONTHS REMAINING	78	114	126	138

**COLUMBIA GAS OF KENTUCKY, INC.**

**FEDERAL**

	(1) ACCEL. TAX DEPR DEFERRED	(2) OTHER DEFERRED	(3) OPERATING INCOME
	<u>                    </u>	<u>                    </u>	<u>                    </u>
409	-		(2,229,951)
410	10,498,764	12,984,077	-
411	<u>(3,507,182)</u>	<u>(11,513,109)</u>	<u>-</u>
	6,991,582	1,470,968	(2,229,951)

**STATE**

	ACCEL. TAX DEPR DEFERRED	OTHER DEFERRED	OPERATING INCOME
	<u>                    </u>	<u>                    </u>	<u>                    </u>
409	-		243,984
410	1,971,830	1,638,765	-
411	<u>(1,227,262)</u>	<u>(1,617,575)</u>	<u>-</u>
	744,568	21,190	243,984

Total	7,736,150	1,492,158	(1,985,967)
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Diagnostic Report

Tax Year : 2014  
Taxpayer: Columbia Gas of Kentucky, Inc.  
ID No : 55-0139565

Return No: 0001FE

Severe Diagnostics

-----  
\*\* No Severe Diagnostics Detected \*\*

Informational Diagnostics: Total 1

-----  
Federal (1)

1. Form 1125-A

Ending inventory is different from the amount of ending inventory on the  
balance sheet.

\*\* No Electronic Filing Alerts Detected \*\*

Electronic Filing Rejects

-----  
\*\* No Electronic Filing Rejects Detected \*\*

\*\* No Electronic Filing XML Validation Errors Detected \*\*

\* indicates Diagnostic has been suppressed.

Override Summary Report

Tax Year : 2014  
 Taxpayer: Columbia Gas of Kentucky, Inc.  
 ID No : 55-0139565

Return No: 0001FE

Screen Name	Override Data	Automatic/Computed Data
720ES, Estimate		79,424
720ES, Estimate	116,900	
720SL, Extension	119,400	
CS Grid Corp	COLUMBIA GAS OF KENTUCKY, IN	Columbia Gas of Kentucky, In
CS Grid Corp	200 CIVIC CENTER DRIVE	290 W. Nationwide Blvd.
CS Grid Corp	COLUMBUS, OH	Columbus
Common State Grid C Corp	PUBLIC UTILITY - NATURAL GAS	DIST OF NATURAL GAS
Federal AttachmentDetails	X	
GRID - General Information(Hi	BRUCE SEDLOCK	
GRID - General Information(Hi	VICE PRESIDENT	
GRID General Information	NISOURCE GAS DISTR GRP INC	NISOURCE INC
GRID General Information	46-3083381	35-2108964
General Information	NiSource Gas Distribution Gr	
General Information(NOT USED)	200 CIVIC CENTER DRIVE	290 W. Nationwide Blvd.
General Information(NOT USED)	COLUMBUS, OH,	Columbus
General Information(NOT USED)	10 11 1905	10/11/1905

2014

1120

U.S. Corporation Income Tax Return

For calendar year 2014 or tax year beginning ending

Information about Form 1120 and its separate instructions is at www.irs.gov/form1120.

Form Department of the Treasury Internal Revenue Service

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

<b>TYPE OR PRINT</b>	Name <b>Columbia Gas of Kentucky, Inc.</b>	B Employer identification number <b>55-0139565</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>290 W. Nationwide Blvd.</b>	C Date incorporated <b>10/11/1905</b>
	City or town, state, or province, country and ZIP or foreign postal code <b>Columbus, OH 43215</b>	D Total assets (see instructions) \$ <b>353,135,656.</b>

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

<b>Income</b>	1a	Gross receipts or sales	1a	167,204,963.
	b	Returns and allowances	1b	
	c	Balance. Subtract line 1b from line 1a	1c	167,204,963.
	2	Cost of goods sold (attach Form 1125-A)	2	96,989,827.
	3	Gross profit. Subtract line 2 from line 1c	3	70,215,136.
	4	Dividends (Schedule C, line 19)	4	
	5	Interest See Statement 1	5	161,522.
	6	Gross rents	6	213,853.
	7	Gross royalties	7	
	8	Capital gain net income (attach Schedule D (Form 1120))	8	
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9	-976,370.
10	Other income (see instructions - attach statement) See Statement 1	10	1,734,007.	
11	<b>Total income.</b> Add lines 3 through 10	11	<b>71,348,148.</b>	
<b>Deductions (See instructions for limitations on deductions.)</b>	12	Compensation of officers (see instructions - attach Form 1125-E)	12	
	13	Salaries and wages (less employment credits)	13	1,265,656.
	14	Repairs and maintenance See Statement 1	14	7,428,787.
	15	Bad debts	15	1,431,316.
	16	Rents See Statement 2	16	41,271.
	17	Taxes and licenses See Statement 2	17	3,736,558.
	18	Interest See Statement 2	18	5,336,647.
	19	Charitable contributions See Statement 3	19	178,508.
	20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	18,460,745.
	21	Depletion	21	
	22	Advertising See Statement 4	22	95,327.
	23	Pension, profit-sharing, etc., plans	23	
	24	Employee benefit programs See Statement 4	24	1,902,961.
	25	Domestic production activities deduction (attach Form 8903)	25	
	26	Other deductions (attach statement) See Statement 4	26	31,504,065.
	27	<b>Total deductions.</b> Add lines 12 through 26	27	<b>71,381,841.</b>
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	28	-33,693.
<b>29a</b>	29a	Net operating loss deduction (see instructions)	29a	
	b	Special deductions (Schedule C, line 20)	29b	
	c	Add lines 29a and 29b	29c	
<b>Tax, Refundable Credits, and Payments</b>	30	<b>Taxable income.</b> Subtract line 29c from line 28 (see instructions)	30	-33,693.
	31	Total tax (Schedule J, Part I, line 11)	31	NONE
	32	Total payments and refundable credits (Schedule J, Part II, line 21)	32	1,018.
	33	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	33	
	34	<b>Amount owed.</b> If line 32 is smaller than the total of lines 31 and 33, enter amount owed	34	
	35	<b>Overpayment.</b> If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	35	
	36	Enter amount from line 35 you want: <b>Credited to 2015 estimated tax</b> <input checked="" type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	36	

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.

Sign Here

Signature of officer	Date	Title	May the IRS discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
----------------------	------	-------	---

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed <input type="checkbox"/> PTIN
Firm's name	Firm's EIN		Phone no.
Firm's address			

For Paperwork Reduction Act Notice, see separate instructions. Form 1120 (2014)

Columbia Gas of Kentucky, Inc.

Form 1120 (2014)

<b>Schedule C Dividends and Special Deductions</b> (see instructions)	<b>(a)</b> Dividends received	<b>(b)</b> %	<b>(c)</b> Special deductions <b>(a) x (b)</b>
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) . . . . .		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) . . . . .		80	
3 Dividends on debt-financed stock of domestic and foreign corporations . . . . .		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities . . . . .		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities . . . . .		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs . . . . .		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs . . . . .		80	
8 Dividends from wholly owned foreign subsidiaries . . . . .		100	
9 <b>Total.</b> Add lines 1 through 8. See instructions for limitation . . . . .			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 . . . . .		100	
11 Dividends from affiliated group members . . . . .		100	
12 Dividends from certain FSCs . . . . .		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12 . . . . .			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471). . . . .			
15 Foreign dividend gross-up . . . . .			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 . . . . .			
17 Other dividends . . . . .			
18 Deduction for dividends paid on certain preferred stock of public utilities . . . . .			
19 <b>Total dividends.</b> Add lines 1 through 17. Enter here and on page 1, line 4 . . . . .			
20 <b>Total special deductions.</b> Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b . . . . .			

Columbia Gas of Kentucky, Inc.

Form 1120 (2014)

Schedule J Tax Computation and Payment (see instructions)

Part I-Tax Computation

Table with 11 rows for tax computation. Line 11 Total tax is NONE.

Part II-Payments and Refundable Credits

Table with 11 rows for payments and credits. Line 20 Total credits is 1,018. Line 21 Total payments and credits is 1,018.

Schedule K Other Information (see instructions)

Table with 4 rows for other information. Includes accounting method (Accrual), business activity (DIST OF NATURAL GAS), and ownership questions.

Columbia Gas of Kentucky, Inc.

Form 1120 (2014)

Page 4

Schedule K Other Information continued (see instructions)

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.
(i) Name of Corporation (ii) Employer Identification Number (if any) (iii) Country of Incorporation (iv) Percentage Owned in Voting Stock
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.
(i) Name of Entity (ii) Employer Identification Number (if any) (iii) Country of Organization (iv) Maximum Percentage Owned in Profit, Loss, or Capital
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.
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?
For rules of attribution, see section 318. If "Yes," enter:
(i) Percentage owned and (ii) 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
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 \$ NONE
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
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 on line 29a.) \$
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?
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 \$
14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?
If "Yes," complete and attach Schedule UTP.
15a Did the corporation make any payments in 2014 that would require it to file Form(s) 1099?
b If "Yes," did or will the corporation file required Forms 1099?
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?
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?
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?

Form 1120 (2014)



Columbia Gas of Kentucky, Inc.

Form 1120 (2014)

Page 5

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash	Stmt 5	1,331,211.		1,813,914.
2a Trade notes and accounts receivable	6,455,500.	Stmt 5	4,613,662.	
b Less allowance for bad debts	(312,481.)	6,143,019.	(546,489.)	4,067,173.
3 Inventories	Stmt 5	42,353,603.		51,065,680.
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach statement)	Stmt 5	51,438,654.		38,210,613.
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach statement)	Stmt 5	469,635.		499,003.
10a Buildings and other depreciable assets	331,460,987.		357,671,777.	
b Less accumulated depreciation	(131,994,042.)	199,466,945.	(134,054,508.)	223,617,269.
11a Depletable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)		1,503,721.		1,522,950.
13a Intangible assets (amortizable only)	3,091,113.		4,827,619.	
b Less accumulated amortization	(1,432,297.)	1,658,816.	(1,546,899.)	3,280,720.
14 Other assets (attach statement)	Stmt 6	29,038,351.		29,058,334.
15 Total assets		333,403,955.		353,135,656.
<b>Liabilities and Shareholders' Equity</b>				
16 Accounts payable	Stmt 6	13,718,812.		17,118,375.
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach statement)	Stmt 6	50,065,044.		44,327,138.
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more	Stmt 6	93,335,000.		98,335,000.
21 Other liabilities (attach statement)	Stmt 7	75,899,235.		82,854,530.
22 Capital stock: a Preferred stock				
b Common stock	Stmt 7	23,806,200.	23,806,200.	23,806,200.
23 Additional paid-in capital	Stmt 7	5,674,697.		5,717,473.
24 Retained earnings - Appropriated (attach statement)				
25 Retained earnings - Unappropriated		70,904,967.		80,976,940.
26 Adjustments to shareholders' equity (attach statement)				
27 Less cost of treasury stock		( )		( )
28 Total liabilities and shareholders' equity		333,403,955.		353,135,656.

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

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

1 Balance at beginning of year	70,904,967.	5 Distributions: a Cash	2,000,000.
2 Net income (loss) per books	12,071,972.	b Stock	
3 Other increases (itemize):		c Property	
See Statement 8	1.	6 Other decreases (itemize):	
4 Add lines 1, 2, and 3	82,976,940.	7 Add lines 5 and 6	2,000,000.
		8 Balance at end of year (line 4 less line 7)	80,976,940.

JSA

Form 1120 (2014)



Form **4626**

**Alternative Minimum Tax - Corporations**

Department of the Treasury  
 Internal Revenue Service

▶ **Attach to the corporation's tax return.**

▶ **Information about Form 4626 and its separate instructions is at [www.irs.gov/form4626](http://www.irs.gov/form4626).**

**2014**

Name **Columbia Gas of Kentucky, Inc.** Employer identification number **55-0139565**

**Note:** See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).

<b>1</b>	Taxable income or (loss) before net operating loss deduction	<b>1</b>	<b>-33,693.</b>
<b>2</b>	<b>Adjustments and preferences:</b>		
<b>a</b>	Depreciation of post-1986 property	<b>2a</b>	<b>-772,439.</b>
<b>b</b>	Amortization of certified pollution control facilities	<b>2b</b>	
<b>c</b>	Amortization of mining exploration and development costs	<b>2c</b>	
<b>d</b>	Amortization of circulation expenditures (personal holding companies only)	<b>2d</b>	
<b>e</b>	Adjusted gain or loss	<b>2e</b>	<b>-404,639.</b>
<b>f</b>	Long-term contracts	<b>2f</b>	
<b>g</b>	Merchant marine capital construction funds	<b>2g</b>	
<b>h</b>	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	<b>2h</b>	
<b>i</b>	Tax shelter farm activities (personal service corporations only)	<b>2i</b>	
<b>j</b>	Passive activities (closely held corporations and personal service corporations only)	<b>2j</b>	
<b>k</b>	Loss limitations	<b>2k</b>	
<b>l</b>	Depletion	<b>2l</b>	
<b>m</b>	Tax-exempt interest income from specified private activity bonds	<b>2m</b>	
<b>n</b>	Intangible drilling costs	<b>2n</b>	
<b>o</b>	Other adjustments and preferences	<b>2o</b>	<b>NONE</b>
<b>3</b>	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o	<b>3</b>	<b>-1,210,771.</b>
<b>4</b>	<b>Adjusted current earnings (ACE) adjustment:</b>		
<b>a</b>	ACE from line 10 of the ACE worksheet in the instructions	<b>4a</b>	<b>-14,196,183.</b>
<b>b</b>	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	<b>4b</b>	<b>-12,985,412.</b>
<b>c</b>	Multiply line 4b by 75% (.75). Enter the result as a positive amount	<b>4c</b>	<b>9,739,059.</b>
<b>d</b>	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). <b>Note:</b> You <b>must</b> enter an amount on line 4d (even if line 4b is positive)	<b>4d</b>	<b>7,872,038.</b>
<b>e</b>	ACE adjustment		
	• If line 4b is zero or more, enter the amount from line 4c	<b>4e</b>	<b>-7,872,038.</b>
	• If line 4b is less than zero, enter the <b>smaller</b> of line 4c or line 4d as a negative amount		
<b>5</b>	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT	<b>5</b>	<b>-9,082,809.</b>
<b>6</b>	Alternative tax net operating loss deduction (see instructions)	<b>6</b>	
<b>7</b>	<b>Alternative minimum taxable income.</b> Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions	<b>7</b>	<b>-9,082,809.</b>
<b>8</b>	<b>Exemption phase-out</b> (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):		
<b>a</b>	Subtract \$150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	<b>8a</b>	<b>NONE</b>
<b>b</b>	Multiply line 8a by 25% (.25)	<b>8b</b>	<b>NONE</b>
<b>c</b>	Exemption. Subtract line 8b from \$40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	<b>8c</b>	<b>40,000.</b>
<b>9</b>	Subtract line 8c from line 7. If zero or less, enter -0-	<b>9</b>	<b>NONE</b>
<b>10</b>	Multiply line 9 by 20% (.20)	<b>10</b>	<b>NONE</b>
<b>11</b>	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)	<b>11</b>	
<b>12</b>	Tentative minimum tax. Subtract line 11 from line 10	<b>12</b>	<b>NONE</b>
<b>13</b>	Regular tax liability before applying all credits except the foreign tax credit	<b>13</b>	
<b>14</b>	<b>Alternative minimum tax.</b> Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return	<b>14</b>	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4626** (2014)

**Adjusted Current Earnings (ACE) Worksheet**

Keep for Your Records

▶ See ACE Worksheet Instructions.

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626 . . . . .	1	-1,210,771.
2	ACE depreciation adjustment:		
a	AMT depreciation . . . . .	2a	19,233,184.
b	ACE depreciation:		
(1)	Post-1993 property . . . . .	2b(1)	17,985,190.
(2)	Post-1989, pre-1994 property . . . . .	2b(2)	718,773.
(3)	Pre-1990 MACRS property . . . . .	2b(3)	636,196.
(4)	Pre-1990 original ACRS property . . . . .	2b(4)	391,529.
(5)	Property described in sections 168(f)(1) through (4) . . . . .	2b(5)	
(6)	Other property . . . . .	2b(6)	101,926.
(7)	Total ACE depreciation. Add lines 2b(1) through 2b(6) . . . . .	2b(7)	19,833,614.
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a . . . . .	2c	-600,430.
3	Inclusion in ACE of items included in earnings and profits (E&P):		
a	Tax-exempt interest income . . . . .	3a	
b	Death benefits from life insurance contracts . . . . .	3b	
c	All other distributions from life insurance contracts (including surrenders) . . . . .	3c	
d	Inside buildup of undistributed income in life insurance contracts . . . . .	3d	
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list) . . . . .	3e	
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e . . . . .	3f	
4	Disallowance of items not deductible from E&P:		
a	Certain dividends received . . . . .	4a	
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247 . . . . .	4b	
c	Dividends paid to an ESOP that are deductible under section 404(k) . . . . .	4c	
d	Nonpatronage dividends that are paid and deductible under section 1382(c) . . . . .	4d	
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list) . . . . .	4e	
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e . . . . .	4f	
5	Other adjustments based on rules for figuring E&P:		
a	Intangible drilling costs . . . . .	5a	
b	Circulation expenditures . . . . .	5b	
c	Organizational expenditures . . . . .	5c	
d	LIFO inventory adjustments . . . . .	5d	-12,329,471.
e	Installment sales . . . . .	5e	
f	Total other E&P adjustments. Combine lines 5a through 5e . . . . .	5f	-12,329,471.
6	Disallowance of loss on exchange of debt pools . . . . .	6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts . . . . .	7	
8	Depletion . . . . .	8	
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property . . . . .	9	-55,511.
10	<b>Adjusted current earnings.</b> Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626 . . . . .	10	-14,196,183.

Form **4136**

**Credit for Federal Tax Paid on Fuels**

Department of the Treasury  
Internal Revenue Service (99)

► Information about Form 4136 and its separate instructions is at [www.irs.gov/form4136](http://www.irs.gov/form4136).

**2014**  
Attachment  
Sequence No. **23**

Name (as shown on your income tax return)

Taxpayer identification number

Columbia Gas of Kentucky, Inc.

55-0139565

**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 and 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 and 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	}	\$	362
b	Use on a farm for farming purposes	.183			
c	Other nontaxable use (see <b>Caution</b> above line 1)	.183			
d	Exported	.184			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		\$	354
b	Other nontaxable use (see <b>Caution</b> above line 1)	.193			324
c	Exported	.194			412
d	LUST tax on aviation fuels used in foreign trade	.001			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 \$ .243	4190	\$	360
b	Use on a farm for farming purposes	.243	}		
c	Use in trains	.243			
d	Use in certain intercity and local buses (see <b>Caution</b> above line 1)	.17			350
e	Exported	.244			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	}	\$	346
b	Use on a farm for farming purposes	.243			
c	Use in certain intercity and local buses (see <b>Caution</b> above line 1)	.17			347
d	Exported	.244			414
e	Nontaxable use taxed at \$.044	.043			377
f	Nontaxable use taxed at \$.219	.218			369

For Paperwork Reduction Act Notice, see the separate instructions.

Form **4136** (2014)

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

	(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
<b>a</b>	Kerosene used in commercial aviation (other than foreign trade) taxed at \$.244	\$.200		\$	417
<b>b</b>	Kerosene used in commercial aviation (other than foreign trade) taxed at \$.219	.175			355
<b>c</b>	Nontaxable use (other than use by state or local government) taxed at \$.244	.243			346
<b>d</b>	Nontaxable use (other than use by state or local government) taxed at \$.219	.218			369
<b>e</b>	LUST tax on aviation fuels used in foreign trade	.001			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
<b>a</b>	Use by a state or local government	\$.243	\$	360
<b>b</b>	Use in certain intercity and local buses	.17		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
<b>a</b>	Use by a state or local government	\$.243	\$	346
<b>b</b>	Sales from a blocked pump	.243		
<b>c</b>	Use in certain intercity and local buses	.17		

**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
<b>a</b>	Use in commercial aviation (other than foreign trade) taxed at \$.219	\$.175		\$	355
<b>b</b>	Use in commercial aviation (other than foreign trade) taxed at \$.244	.200			417
<b>c</b>	Nonexempt use in noncommercial aviation	.025			418
<b>d</b>	Other nontaxable uses taxed at \$.244	.243			346
<b>e</b>	Other nontaxable uses taxed at \$.219	.218			369
<b>f</b>	LUST tax on aviation fuels used in foreign trade	.001			433

**9 Reserved**

Registration No. ►

	(b) Rate	(c) Gallons of alcohol	(d) Amount of credit	(e) CRN
<b>a Reserved</b>				
<b>b Reserved</b>				

**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 process, 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, the Statement of Biodiesel Reseller, both of which have been edited as discussed in the Instructions for Form 4136. 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
<b>a Biodiesel (other than agri-biodiesel) mixtures</b>	\$ 1.00		\$	388
<b>b Agri-biodiesel mixtures</b>	\$ 1.00			390
<b>c Renewable diesel mixtures</b>	\$ 1.00			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 gallon equivalents (GGE)	(d) Amount of credit	(e) CRN
<b>a Liquefied petroleum gas (LPG)</b>		\$.183		\$	419
<b>b "P Series" fuels</b>		.183			420
<b>c Compressed natural gas (CNG) (GGE = 126.67 cu. ft.)</b>		.183			421
<b>d Liquefied hydrogen</b>		.183			422
<b>e Fischer-Tropsch process liquid fuel from coal (including peat)</b>		.243			423
<b>f Liquid fuel derived from biomass</b>		.243			424
<b>g Liquefied natural gas (LNG)</b>		.243			425
<b>h Liquefied gas derived from biomass</b>		.183			435

**12 Alternative Fuel Credit**

Registration No. ►

	(b) Rate	(c) Gallons or gasoline gallon equivalents (GGE)	(d) Amount of credit	(e) CRN
<b>a Liquefied petroleum gas (LPG)</b>	\$.50		\$	426
<b>b "P Series" fuels</b>	.50			427
<b>c Compressed natural gas (CNG) (GGE = 121 cu. ft.)</b>	.50			428
<b>d Liquefied hydrogen</b>	.50			429
<b>e Fischer-Tropsch process liquid fuel from coal (including peat)</b>	.50			430
<b>f Liquid fuel derived from biomass</b>	.50			431
<b>g Liquefied natural gas (LNG)</b>	.50			432
<b>h Liquefied gas derived from biomass</b>	.50			436
<b>i Compressed gas derived from biomass (GGE = 121 cu. ft.)</b>	.50			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		\$	360
b Kerosene sold for the exclusive use of a state or local government	.243			346
c Kerosene for use in aviation sold for the exclusive use of a state or local government taxed at \$.219	.218			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		\$	309
b Exported		.198			306

**15 Diesel-Water Fuel Emulsion Blending**

Registration No. ►

	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
Blender credit	\$ .046		\$	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		\$	415
b Exported dyed kerosene	.001			416

**17 Total income tax credit claimed.** Add lines 1 through 16, column (d). Enter here and on Form 1040, line 72; Form 1120, Schedule J, line 19b; Form 1120S, line 23c; Form 1041, line 24g; or the proper line of other returns. ►

<b>17</b>	\$	1,018.	
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**SCHEDULE B  
 (Form 1120)**  
 (Rev. December 2014)  
 Department of the Treasury  
 Internal Revenue Service

**Additional Information for Schedule M-3 Filers**

▶ **Attach to Form 1120.**  
 ▶ **See instructions on page 2.**

OMB No. 1545-0123

Name <b>Columbia Gas of Kentucky, Inc.</b>	Employer identification number (EIN) <b>55-0139565</b>
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		Yes	No
<b>1</b> Does any amount reported on Schedule M-3 (Form 1120), Part II, lines 9 or 10, column (d), reflect allocations to this corporation from a partnership of income, gain, loss, deduction, or credit that are disproportionate to this corporation's capital contribution to the partnership or its ratio for sharing other items of the partnership? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>2</b> At any time during the tax year, did the corporation sell, exchange, or transfer any interest in an intangible asset to a related person as defined in section 267(b)? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>3</b> At any time during the tax year, did the corporation acquire any interest in an intangible asset from a related person as defined in section 267(b)? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>4a</b> During the tax year, did the corporation enter into a cost-sharing arrangement with any related foreign party on whose behalf the corporation did not file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>b</b> At any time during the tax year, was the corporation a participant in a cost-sharing arrangement with any related foreign party on whose behalf the corporation did not file Form 5471? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>5</b> At any time during the tax year, did the corporation make any change in accounting principle for financial accounting purposes? See instructions for the definition of change in accounting principle . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>6</b> At any time during the tax year, did the corporation make any change in a method of accounting for U.S. income tax purposes? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>7</b> At any time during the tax year, did the corporation own any voluntary employees' beneficiary association (VEBA) trusts that were used to hold funds designated for employee benefits? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>8</b> At any time during the tax year, did the corporation use an allocation method for indirect costs capitalized to self-constructed assets that varied from its financial method of accounting? . . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>9</b> At any time during the tax year, did the corporation treat for tax purposes indirect costs, as defined in Regulations sections 1.263A-1(e)(3)(ii)(F), (G), and (H), as mixed-service costs, as defined in Regulations section 1.263A-1(e)(4)(ii)(C)? . . . . .	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>10</b> Did the corporation, under section 118 or 362(c) and the related regulations, take a return filing position characterizing any amount as a contribution to the capital of the corporation during the tax year by any non-shareholders? Amounts so characterized may include, without limitation, incentives, inducements, money, and property. . . . .	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For Paperwork Reduction Act Notice, see the Instructions for Form 1120. Schedule B (Form 1120) (Rev. 12-2014)

Name of corporation (common parent, if consolidated return) <b>Columbia Gas of Kentucky, Inc.</b>			Employer identification number <b>55-0139565</b>	
Check applicable box(es): (1) <input type="checkbox"/> Consolidated group	(2) <input type="checkbox"/> Parent corp	(3) <input type="checkbox"/> Consolidated eliminations	(4) <input checked="" 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 . . . . .				
2 Gross foreign dividends not previously taxed				
3 Subpart F, QEF, and similar income inclusions				
4 Section 78 gross-up . . . . .				
5 Gross foreign distributions previously taxed .				
6 Income (loss) from equity method U.S. corporations . . . . .	26,319.		-26,319.	
7 U.S. dividends not eliminated in tax consolidation . . . . .				
8 Minority interest for includible corporations .				
9 Income (loss) from U.S. partnerships . . . .				
10 Income (loss) from foreign partnerships . . .				
11 Income (loss) from other pass-through entities				
12 Items relating to reportable transactions . .				
13 Interest income (see instructions) . . . . .	475,497.		-313,975.	161,522.
14 Total accrual to cash adjustment . . . . .				
15 Hedging transactions . . . . .				
16 Mark-to-market income (loss) . . . . .				
17 Cost of goods sold (see instructions) . . . .	( 97,805,642. )	815,815.		( 96,989,827. )
18 Sale versus lease (for sellers and/or lessors)				
19 Section 481(a) adjustments . . . . .				
20 Unearned/deferred revenue . . . . .				
21 Income recognition from long-term contracts				
22 Original issue discount and other imputed interest .				
23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities . . . . .	-134.	134.		
b Gross capital gains from Schedule D, excluding amounts from pass-through entities				
c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses . . . . .				
d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses . . . . .				
e Abandonment losses . . . . .		-976,370.		-976,370.
f Worthless stock losses (attach statement) . .				
g Other gain/loss on disposition of assets other than inventory . . . . .				
24 Capital loss limitation and carryforward used				
25 Other income (loss) items with differences (attach statement) . . . . .	167,794,346.	-564,138.		167,230,208.
26 <b>Total income (loss) items.</b> Combine lines 1 through 25 . . . . .	70,490,386.	-724,559.	-340,294.	69,425,533.
27 <b>Total expense/deduction items</b> (from Part III, line 38) . . . . .	-29,134,337.	-18,512,020.	7,471,208.	-40,175,149.
28 Other items with no differences . . . . .	-29,284,077.	Stmt 13		-29,284,077.
29a Mixed groups, see instructions. All others, combine lines 26 through 28 . . . . .	12,071,972.	-19,236,579.	7,130,914.	-33,693.
b PC insurance subgroup reconciliation totals				
c Life insurance subgroup reconciliation totals				
30 <b>Reconciliation totals.</b> Combine lines 29a through 29c . . . . .	12,071,972.	-19,236,579.	7,130,914.	-33,693.

**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)		Employer identification number
<b>Columbia Gas of Kentucky, Inc.</b>		<b>55-0139565</b>
Check applicable box(es): (1) <input type="checkbox"/> Consolidated group	(2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations	(4) <input checked="" 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 . . . . .	-75,950.		75,950.	
2 U.S. deferred income tax expense . . . . .	6,555,630.		-6,555,630.	
3 State and local current income tax expense . . . . .	642,356.	-199,424.		442,932.
4 State and local deferred income tax expense . . . . .	871,414.		-871,414.	
5 Foreign current income tax expense (other than foreign withholding taxes) . . . . .				
6 Foreign deferred income tax expense . . . . .				
7 Foreign withholding taxes . . . . .				
8 Interest expense (see instructions) . . . . .	5,361,083.	-24,436.		5,336,647.
9 Stock option expense . . . . .				
10 Other equity-based compensation . . . . .		23,390.		23,390.
11 Meals and entertainment . . . . .	142,108.		-71,054.	71,054.
12 Fines and penalties . . . . .	129.		-129.	
13 Judgments, damages, awards, and similar costs . . . . .				
14 Parachute payments . . . . .				
15 Compensation with section 162(m) limitation . . . . .				
16 Pension and profit-sharing . . . . .	1,165,841.	737,120.		1,902,961.
17 Other post-retirement benefits . . . . .				
18 Deferred compensation . . . . .				
19 Charitable contribution of cash and tangible property . . . . .	178,508.			178,508.
20 Charitable contribution of intangible property . . . . .				
21 Charitable contribution limitation/carryforward . . . . .				
22 Domestic production activities deduction . . . . .				
23 Current year acquisition or reorganization investment banking fees . . . . .				
24 Current year acquisition or reorganization legal and accounting fees . . . . .				
25 Current year acquisition/reorganization other costs . . . . .				
26 Amortization/impairment of goodwill . . . . .				
27 Amortization of acquisition, reorganization, and start-up costs . . . . .				
28 Other amortization or impairment write-offs . . . . .	506,834.	-506,834.		
29 Reserved . . . . .				
30 Depletion . . . . .				
31 Depreciation . . . . .	7,091,680.	11,369,065.		18,460,745.
32 Bad debt expense . . . . .	1,567,725.	-136,409.		1,431,316.
33 Corporate owned life insurance premiums . . . . .				
34 Purchase versus lease (for purchasers and/or lessees) . . . . .				
35 Research and development costs . . . . .				
36 Section 118 exclusion (attach statement) . . . . .				
37 Other expense/deduction items with differences (attach statement) . . . . .	5,126,979.	7,249,548.	-48,931.	12,327,596.
38 <b>Total expense/deduction items.</b> Combine lines 1 through 37. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive . . . . .	29,134,337.	18,512,020.	-7,471,208.	40,175,149.

**Cost of Goods Sold**

Department of the Treasury  
Internal Revenue Service

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, 1065, or 1065-B.**  
▶ **Information about Form 1125-A and its instructions is at [www.irs.gov/form1125a](http://www.irs.gov/form1125a).**

Name <b>Columbia Gas of Kentucky, Inc.</b>		Employer identification number <b>55-0139565</b>
<b>1</b>	Inventory at beginning of year . . . . .	<b>1</b> <b>49,816,358.</b>
<b>2</b>	Purchases . . . . .	<b>2</b> <b>106,168,803.</b>
<b>3</b>	Cost of labor . . . . .	<b>3</b>
<b>4</b>	Additional section 263A costs (attach schedule) . . . . .	<b>4</b>
<b>5</b>	Other costs (attach schedule) . . . . .	<b>5</b>
<b>6</b>	<b>Total.</b> Add lines 1 through 5 . . . . .	<b>6</b> <b>155,985,161.</b>
<b>7</b>	Inventory at end of year . . . . .	<b>7</b> <b>58,995,334.</b>
<b>8</b>	<b>Cost of goods sold.</b> 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) . . . . .	<b>8</b> <b>96,989,827.</b>

**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

Section references are to the Internal Revenue Code unless otherwise noted.

**General Instructions**

**Purpose of Form**

Use Form 1125-A to calculate and deduct cost of goods sold for certain entities.

**Who Must File**

Filers of Form 1120, 1120-C, 1120-F, 1120S, 1065, or 1065-B, must complete and attach Form 1125-A if the applicable entity reports a deduction for cost of goods sold.

**Inventories**

Generally, inventories are required at the beginning and end of each tax year if the production, purchase, or sale of merchandise is an income-producing factor. See Regulations section 1.471-1. If inventories are required, you generally must use an accrual method of accounting for sales and purchases of inventory items.

**Exception for certain taxpayers.** If you are a qualifying taxpayer or a qualifying small business taxpayer (defined below), you can adopt or change your accounting method to account for inventoriable items in the same manner as materials and supplies that are not incidental.

Under this accounting method, inventory costs for raw materials purchased for use in producing finished goods and merchandise purchased for resale are deductible in the year the finished goods or merchandise are sold (but not before the year you paid for the raw materials or merchandise, if you are also using the cash method).

If you account for inventoriable items in the same manner as materials and supplies that are not incidental, you can currently deduct expenditures for direct labor and all indirect costs that would otherwise be included in inventory costs. See the instructions for lines 2 and 7.

For additional guidance on this method of accounting, see Pub. 538, Accounting Periods and Methods. For guidance on adopting or changing to this method of accounting, see Form 3115, Application for Change in Accounting Method, and its instructions.

**Qualifying taxpayer.** A qualifying taxpayer is a taxpayer that, (a) for each prior tax year ending after December 16, 1998, has average annual gross receipts of \$1 million or less for the 3 prior tax years and (b) its business is not a tax shelter (as defined in section 448(d)(3)). See Rev. Proc. 2001-10, 2001-2 I.R.B. 272.

**Qualifying small business taxpayer.** A qualifying small business taxpayer is a taxpayer that, (a) for each prior tax year

ending on or after December 31, 2000, has average annual gross receipts of \$10 million or less for the 3 prior tax years, (b) whose principal business activity is not an ineligible activity, and (c) whose business is not a tax shelter (as defined in section 448(d)(3)). See Rev. Proc. 2002-28, 2002-18, I.R.B. 815.

**Uniform capitalization rules.** The uniform capitalization rules of section 263A generally require you to capitalize, or include in inventory, certain costs incurred in connection with the following.

- The production of real property and tangible personal property held in inventory or held for sale in the ordinary course of business.
- Real property or personal property (tangible and intangible) acquired for resale.
- The production of real property and tangible personal property by a corporation for use in its trade or business or in an activity engaged in for profit.

See the discussion on section 263A uniform capitalization rules in the instructions for your tax return before completing Form 1125-A. Also see Regulations sections 1.263A-1 through 1.263A-3. See Regulations section 1.263A-4 for rules for property produced in a farming business.

Form **4562**

**Depreciation and Amortization**  
(Including Information on Listed Property)

▶ Attach to your tax return.

▶ Information about Form 4562 and its separate instructions is at [www.irs.gov/form4562](http://www.irs.gov/form4562).

**2014**

Attachment Sequence No. **179**

Department of the Treasury  
Internal Revenue Service (99)

Name(s) shown on return

**Columbia Gas of Kentucky, Inc.**

Identifying number

**55-0139565**

Business or activity to which this form relates

**General Depreciation and Amortization**

**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	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
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	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2013 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2015. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not 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	12,336,491.
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	273,881.

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2014	17	5,231,916.
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		

**Section B - Assets Placed in Service During 2014 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		1,162,816.	3.000	S/L	S/L	193,807.
b 5-year property		650.	5.000	HY	200 DB	130.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property		11,254,871.	20.000	HY	150 DB	422,058.
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property		205,443.	39 yrs.	MM	S/L	2,462.

**Section C - Assets Placed in Service During 2014 Tax Year Using the Alternative Depreciation System**

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

**Part IV Summary (See instructions.)**

21	Listed property. Enter amount from line 28	21	
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	18,460,745.
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	177,163.

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, certain computers, 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? Yes No 24b If "Yes," is the evidence written? Yes No
(a) Type of property (list vehicles first) (b) Date placed in service (c) Business/investment use percentage (d) Cost or other basis (e) Basis for depreciation (business/investment use only) (f) Recovery period (g) Method/Convention (h) Depreciation deduction (i) Elected section 179 cost
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) 25
26 Property used more than 50% in a qualified business use: %
27 Property used 50% or less in a qualified business use: % S/L -
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29

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 (do not 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? Yes No
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 are not 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? Yes No
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," do not complete Section B for the covered vehicles.

Part VI Amortization

42 Amortization of costs that begins during your 2014 tax year (see instructions):
(a) Description of costs (b) Date amortization begins (c) Amortizable amount (d) Code section (e) Amortization period or percentage (f) Amortization for this year
43 Amortization of costs that began before your 2014 tax year 43
44 Total. Add amounts in column (f). See the instructions for where to report. 44

Form **4797**

# Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

# 2014

Attachment Sequence No. **27**

▶ **Attach to your tax return.**

▶ **Information about Form 4797 and its separate instructions is at [www.irs.gov/form4797](http://www.irs.gov/form4797).**

Department of the Treasury  
Internal Revenue Service

Name(s) shown on return <b>Columbia Gas of Kentucky, Inc.</b>	Identifying number <b>55-0139565</b>
--	---

**1** Enter the gross proceeds from sales or exchanges reported to you for 2014 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) . . . . . **1**

**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)

<b>3</b> Gain, if any, from Form 4684, line 39 . . . . .	<b>3</b>
<b>4</b> Section 1231 gain from installment sales from Form 6252, line 26 or 37 . . . . .	<b>4</b>
<b>5</b> Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . . . . .	<b>5</b>
<b>6</b> Gain, if any, from line 32, from other than casualty or theft . . . . .	<b>6</b>
<b>7</b> Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: . . . . . <b>Partnerships (except electing large partnerships) and S corporations.</b> Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. <b>Individuals, partners, S corporation shareholders, and all others.</b> 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 did not 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.	<b>7</b>
<b>8</b> Nonrecaptured net section 1231 losses from prior years (see instructions) . . . . .	<b>8</b>
<b>9</b> 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) . . . . .	<b>9</b>

**Part II Ordinary Gains and Losses** (see instructions)

<b>10</b> Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):						
Stmt	15					-976,370.

<b>11</b> Loss, if any, from line 7 . . . . .	<b>11</b> (                    )
<b>12</b> Gain, if any, from line 7 or amount from line 8, if applicable . . . . .	<b>12</b>
<b>13</b> Gain, if any, from line 31 . . . . .	<b>13</b>
<b>14</b> Net gain or (loss) from Form 4684, lines 31 and 38a . . . . .	<b>14</b>
<b>15</b> Ordinary gain from installment sales from Form 6252, line 25 or 36 . . . . .	<b>15</b>
<b>16</b> Ordinary gain or (loss) from like-kind exchanges from Form 8824 . . . . .	<b>16</b>
<b>17</b> Combine lines 10 through 16 . . . . .	<b>17</b> -976,370.
<b>18</b> 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: <b>a</b> 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 part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions . . . . .	<b>18a</b>
<b>b</b> Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 . . . . .	<b>18b</b>

**For Paperwork Reduction Act Notice, see separate instructions.** Form **4797** (2014)

**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.)	20	
21	Cost or other basis plus expense of sale . . . . .	21	
22	Depreciation (or depletion) allowed or allowable . . . . .	22	
23	Adjusted basis. Subtract line 22 from line 21 . . . . .	23	
24	Total gain. Subtract line 23 from line 20 . . . . .	24	
<b>25 If section 1245 property:</b>			
a	Depreciation allowed or allowable from line 22 . . . . .	25a	
b	Enter the <b>smaller</b> of line 24 or 25a . . . . .	25b	
<b>26 If section 1250 property:</b> 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	
b	Applicable percentage multiplied by the <b>smaller</b> of line 24 or line 26a (see instructions) . . . . .	26b	
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	
d	Additional depreciation after 1969 and before 1976 . . . . .	26d	
e	Enter the <b>smaller</b> of line 26c or 26d . . . . .	26e	
f	Section 291 amount (corporations only) . . . . .	26f	
g	Add lines 26b, 26e, and 26f . . . . .	26g	
<b>27 If section 1252 property:</b> Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).			
a	Soil, water, and land clearing expenses . . . . .	27a	
b	Line 27a multiplied by applicable percentage (see instructions) . . . . .	27b	
c	Enter the <b>smaller</b> of line 24 or 27b . . . . .	27c	
<b>28 If section 1254 property:</b>			
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions) . . . . .	28a	
b	Enter the <b>smaller</b> of line 24 or 28a . . . . .	28b	
<b>29 If section 1255 property:</b>			
a	Applicable percentage of payments excluded from income under section 126 (see instructions) . . . . .	29a	
b	Enter the <b>smaller</b> of line 24 or 29a (see instructions) . . . . .	29b	

**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	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 . . . . .	31	
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	

**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	
34	Recomputed depreciation (see instructions) . . . . .	34	
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report . . . . .	35	



Form **8916-A**

**Supplemental Attachment to Schedule M-3**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.  
▶ Information about Form 8916-A and its instructions is at [www.irs.gov/form1120](http://www.irs.gov/form1120).

**2014**

Name of common parent <b>Columbia Gas of Kentucky, Inc.</b>	Employer identification number <b>55-0139565</b>
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
<b>1</b> Amounts attributable to cost flow assumptions . . . . .		-356,332.		-356,332.
<b>2</b> Amounts attributable to:				
<b>a</b> Stock option expense . . . . .				
<b>b</b> Other equity based compensation . . . . .				
<b>c</b> Meals and entertainment . . . . .				
<b>d</b> Parachute payments . . . . .				
<b>e</b> Compensation with section 162(m) limitation . . . . .				
<b>f</b> Pension and profit sharing . . . . .				
<b>g</b> Other post-retirement benefits . . . . .				
<b>h</b> Deferred compensation . . . . .				
<b>i</b> Reserved . . . . .				
<b>j</b> Amortization . . . . .				
<b>k</b> Depletion . . . . .				
<b>l</b> Depreciation . . . . .				
<b>m</b> Corporate owned life insurance premiums . . . . .				
<b>n</b> Other section 263A costs . . . . .		-95,553.		-95,553.
<b>3</b> Inventory shrinkage accruals . . . . .				
<b>4</b> Excess inventory and obsolescence reserves . . . . .				
<b>5</b> Lower of cost or market write-downs . . . . .				
<b>6</b> Other items with differences (attach statement) . . . . .	97,805,642.	Stmt 16 -363,930.		97,441,712.
<b>7</b> Other items with no differences				
<b>8 Total cost of goods sold.</b> Add lines 1 through 7 in columns a, b, c, and d. Enter totals on the applicable Schedule M-3. See instructions . . . . .	97,805,642.	-815,815.		96,989,827.

For Paperwork Reduction Act Notice, see instructions.

Form **8916-A** (2014)

Columbia Gas of Kentucky, Inc.

Form 8916-A (2014)

**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				
2	Interest income from hybrid securities				
3	Sale/lease interest income				
4a	Intercompany interest income - From outside tax affiliated group				
4b	Intercompany interest income - From tax affiliated group	160,101.			160,101.
5	Other interest income Stmt 17	315,396.		-313,975.	1,421.
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.	475,497.		-313,975.	161,522.

**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				
2	Lease/purchase interest expense				
3a	Intercompany interest expense - Paid to outside tax affiliated group				
3b	Intercompany interest expense - Paid to tax affiliated group	5,510,994.			5,510,994.
4	Other interest expense Stmt 18	-149,911.	-24,436.		-174,347.
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.	5,361,083.	-24,436.		5,336,647.

Form 8916-A (2014)

Form 1120, Page 1 Detail

Line 5 - Interest income

Interco Interest Income From Tax Affiliated Group	160,101.
Other Interest Income	1,421.
	-----
Total	161,522.
	=====

Line 10 - Other income

Contribution In Aid Of Construction	228,947.
Customer Advances Received	-203,702.
Misc Non-Operating Income	1,708,762.
	-----
Total	1,734,007.
	=====

Line 14 - Repairs

Repairs and Maintenance	7,428,787.
	-----
Total	7,428,787.
	=====

Form 1120, Page 1 Detail

Line 16 - Rents

Rent Expense	11,732.
Utility Rent Expense	29,539.
	-----
Total	41,271.
	=====

Line 17 - Taxes and licenses

License/Franchise Taxes	1,155.
Other Taxes	1,543.
Payroll Taxes	548,776.
Real Estate/Personal Property Taxes	2,741,951.
Sales/Use Tax	201.
State Taxes Based On Income	442,932.
	-----
Total	3,736,558.
	=====

Line 18 - Interest deduction

Interco Interest Expense To Tax Affiliated Group	5,510,994.
Interest Expense	2,816.
Other Interest Expense	-177,163.
	-----
Total	5,336,647.
	=====

Form 1120, Page 1 Detail

=====

Line 19 - Current year contributions

-----

Current Year Contributions	178,508.
	-----
Total	178,508.
	=====

Form 1120, Page 1 Detail

Line 22 - Advertising

Advertising	95,327.
	-----
Total	95,327.
	=====

Line 24 - Employee benefit programs

Employee Benefit Programs	1,902,961.
	-----
Total	1,902,961.
	=====

Line 26 - Other deductions

Business Meals & Entertainment	71,054.
CS Contract Billings	10,054,143.
Customer Accounts Expense	6,063,595.
Expense Accrued On Regulatory Asset	157,606.
Expense Accrued On Regulatory Liability	116,890.
Gas Distribution Operating Exp	9,749,996.
Injuries And Damages	810,015.
Miscellaneous General Expenses	123,402.
Office Supplies & Exp Net Of Admin Exp Trnf	371,250.
Outside Services Employed	767,856.
Property Cost Of Removal	42,840.
Property Insurance	136,470.
Sales Expense	57,199.
Sections 263A: Mixed Service Costs	2,981,749.
	-----
Total	31,504,065.
	=====

Form 1120, Page 5 Detail

Sch L, Line 1 - Cash	Beginning	Ending
Cash	1,331,211.	1,813,914.
Total	1,331,211.	1,813,914.

Sch L, Line 2 - Trade notes and accounts receivable		
Trade Notes And Accounts Receivable	6,455,500.	4,613,662.
Total	6,455,500.	4,613,662.

Sch L, Line 3 - Inventories		
Inventories	42,353,603.	51,065,680.
Total	42,353,603.	51,065,680.

Sch L, Line 6 - Other current assets		
Accts Receivable - Associates	20,613,716.	6,658,864.
Customer Accts Receivable	24,450,891.	25,091,138.
Misc. Current Assets	2,697,142.	2,883,867.
Misc. Current Deferred Debits		836.
Prepayments	530,051.	590,328.
Regulatory Assets	1,263,026.	1,729,855.
Unrecovered Purchased Gas	1,619,655.	1,255,725.
Other Current Assets	264,173.	
Total	51,438,654.	38,210,613.

Sch L, Line 9 - Other investments		
Investment in Subsidiaries	469,635.	499,003.
Total	469,635.	499,003.

Form 1120, Page 5 Detail

Sch L, Line 14 - Other assets	Beginning	Ending
Accumulated Dfrd Income Taxes	10,468,896.	9,688,144.
Construction Work In Progress	6,107,492.	6,113,888.
Misc. Dfrd Debits	3,317,568.	3,118,466.
Prelim Gas Survey & Investigation	619,756.	719,720.
Regulatory Assets	8,446,039.	9,418,116.
Other Assets	78,600.	
<b>Total</b>	<b>29,038,351.</b>	<b>29,058,334.</b>

Sch L, Line 16 - Accounts payable		
Accounts Payable	13,718,812.	17,118,375.
<b>Total</b>	<b>13,718,812.</b>	<b>17,118,375.</b>

Sch L, Line 18 - Other current liabilities		
Accrued Federal Income Tax	620,518.	780,146.
Accrued State and Local Income Tax	-115,949.	124,325.
Accrued Interest	3,431.	2,151.
Accrued Rate Refunds	121,645.	7,162.
Accrued Taxes	3,094,862.	3,723,615.
Accrued Vacation	800,113.	820,007.
Accts Payable-Associates	4,345,525.	5,367,315.
Medical & Dental Liability Reserve	106,610.	150,848.
Customer Deposits	2,376,814.	2,597,046.
Exchange Gas	21,107,781.	10,837,517.
OPEB Liability-Cur	139,050.	125,605.
Other Accrued Liabilities	13,396,795.	16,707,791.
Regulatory Liabilities - Current	2,434,532.	1,225,932.
Tax Collections Payable	1,633,317.	1,857,678.
<b>Total</b>	<b>50,065,044.</b>	<b>44,327,138.</b>

Sch L, Line 20 - Mortgages, notes, bonds payable in 1 year or more		
Notes Payable	93,335,000.	98,335,000.
<b>Total</b>	<b>93,335,000.</b>	<b>98,335,000.</b>



Form 1120, Page 5 Detail

Sch L, Line 21 - Other liabilities	Beginning	Ending
Accum Dfrd Income Taxes	60,769,991.	67,796,014.
Accum Dfrd Investment Tax Credit	352,885.	278,185.
OPEB Liability-Deferred	3,173,999.	1,825,962.
Other Deferred Credits	8,221,400.	9,924,623.
Outstanding Loss Reserves	92,468.	104,416.
Regulatory Liability-Income Taxes	3,232,692.	2,927,661.
Regulatory Liabilities - Noncurrent		-2,331.
Other Liabilities	55,800.	
<b>Total</b>	<b>75,899,235.</b>	<b>82,854,530.</b>

Sch L, Line 22b - Common capital stock		
Capital Stock - Common	23,806,200.	23,806,200.
<b>Total</b>	<b>23,806,200.</b>	<b>23,806,200.</b>

Sch L, Line 23 - Additional paid-in capital		
Additional Paid-In Capital	5,674,697.	5,717,473.
<b>Total</b>	<b>5,674,697.</b>	<b>5,717,473.</b>

Form 1120, Page 5 Detail

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Sch M-2, Line 3 - Other increases

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Rounding

1.

Total

1.

=====

Form 4626 Detail

Line 20 - Contributions Adjustment

-----	
Regular Contributions	178,508.
AMT Contributions	178,508.
	-----
Contribution adjustment	NONE
	=====

Form 4626 Detail

Line 4d - ACE Adjustment

	2008	2009	2010	2011	2012	2013
ACE .....				NONE	7,761,978.	6,077,602.
AMTI .....				NONE	3,853,141.	-509,611.
ACE over AMTI .....					3,908,837.	6,587,213.
AMTI over ACE .....						
75% ACE preference .					2,931,628.	4,940,410.
75% ACE reduction ..						
Carryover created ..					2,931,628.	4,940,410.
Prior yr carryover (Reduction allowed)						2,931,628.
Carryover used (Reduction claimed)						
Carryover remaining					2,931,628.	7,872,038.

Form 4626 Detail

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Line 4d - ACE Adjustment

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2014

ACE .....	-14,196,183.
AMTI .....	-1,210,771.
ACE over AMTI .....	
AMTI over ACE .....	-12,985,412.
75% ACE preference .	
75% ACE reduction ..	-9,739,059.
Carryover created ..	
Prior yr carryover (Reduction allowed)	7,872,038.
Carryover used (Reduction claimed)	-7,872,038.
Carryover remaining	

Schedule M-3, Part II Detail

Line 25 - Other income (loss) items with differences

Description	Income (Loss) Per Income Stmt	Temporary Difference	Permanent Difference	Income (Loss) Per Tax Return
CUSTOMER ADVANCES RECEIVED		-203,702.		-203,702.
CONTRIBUTION IN AID OF CONSTRUCTION		228,947.		228,947.
INCOME ACCRUED ON REGULATORY ASSET	832,626.	-832,626.		
SALES	166,961,720.	243,243.		167,204,963.
	-----	-----	-----	-----
Total	167,794,346.	-564,138.		167,230,208.
	=====	=====	=====	=====

Schedule M-3, Part II Detail

Line 28 - Other items with no differences

-----	
RENT INCOME	213,853.
MISC NON-OPERATING INCOME	1,708,762.
A&G - RENT EXPENSE	-11,732.
A&G MAINTENANCE EXPENSE	-80.
CUSTOMER ACCOUNTS EXPENSE	-4,544,361.
CUSTOMER SERVICE AND INFORMATIONAL EXPEN	-1,519,234.
GAS DISTRIBUTION MAINTENANCE EXP	-2,924,942.
GAS DISTRIBUTION OPERATING EXP	-9,749,996.
GENERAL ADVERTISING EXPENSE	-95,327.
MISCELLANEOUS GENERAL EXPENSES	-123,402.
OFFICE SUPPLIES & EXPENSES	-371,250.
OUTSIDE SERVICES EMPLOYED	-10,821,999.
PAYROLL TAXES	-548,776.
REGULATORY COMMISSION EXPENSE	-438,394.
SALES EXPENSE	-57,199.
	-----
Total	-29,284,077.
	=====

Schedule M-3, Part III Detail

Line 37 - Other expense/deduction items with differences

Description	Expense Per Income Stmt	Temporary Difference	Permanent Difference	Deduction Per Tax Return
A&G - SALARIES	1,299,693.	-55,026.	-2,401.	1,242,266.
BUILDING LEASE WRITEDOWN/BUYOUTS	52,219.	-52,219.		
EXPENSE ACCRUED ON REGULATORY ASSET		-280,788.		-280,788.
EXPENSE ACCRUED ON REGULATORY LIABILITY		116,890.		116,890.
INJURIES & DAMAGES	812,440.	-2,425.		810,015.
OTHER TAXES	2,851,492.	-106,642.		2,744,850.
PROPERTY COST OF REMOVAL		42,840.		42,840.
PROPERTY INSURANCE	85,716.	50,754.		136,470.
RATE REFUND	-50,650.	50,650.		
RENTS	29,669.		-130.	29,539.
REPAIRS		4,503,765.		4,503,765.
SECTION 263A - MIXED SERVICE COSTS		2,981,749.		2,981,749.
LOBBYING EXPENSE	46,400.		-46,400.	
<b>Total</b>	<b>5,126,979.</b>	<b>7,249,548.</b>	<b>-48,931.</b>	<b>12,327,596.</b>



Form 4797, Page 1 Detail

=====  
Line 10 - Ordinary Gains and Losses  
=====

Property Description	Date Acq	Date Sold	Sales Price	Depreciation	Cost or Basis	Gain or Loss
Public Utility	VARIOUS	VARIOUS	45,614.	3,849,968.	4,871,952.	-976,370.
Part II 4797 Ordinary Gains and Losses						-976,370.

Form 8916-A, Part I Detail

Line 6 - Other items with differences

Description	Per Income Stmt	Temporary Difference	Permanent Difference	Per Tax Return
EXCHANGE GAS EXPENSE	-10,151,121.			-10,151,121.
NATURAL GAS PURCHASES	116,498,851.	-363,930.		116,134,921.
OTHER GAS SUPPLY EXPENSES	-8,542,088.			-8,542,088.
<b>Total</b>	<b>97,805,642.</b>	<b>-363,930.</b>		<b>97,441,712.</b>

Form 8916-A, Part II Detail

Part II Line 5 - Other Interest Income

Description	Per Income Stmt	Temporary Difference	Permanent Difference	Per Tax Return
Other Interest Income	315,396.		-313,975.	1,421.
Total	315,396.		-313,975.	1,421.

Form 8916-A, Part III Detail

Line 4 - Other Interest Expense

Description	Per Income Stmt	Temporary Difference	Permanent Difference	Per Tax Return
Other Interest Expense	-149,911.	-24,436.		-174,347.
Total	-149,911.	-24,436.		-174,347.

**Diagnostic Report**

**Tax Year :** 2014

**Return No:** 0001EA

**Taxpayer:** Columbia Gas of Kentucky - Kentucky Consol

**ID No :** 55-0139565

Severe Diagnostics  
-----

\*\* No Severe Diagnostics Detected \*\*

Informational Diagnostics  
-----

\*\* No Informational Diagnostics Detected \*\*

Electronic Filing Alerts  
-----

\*\* No Electronic Filing Alerts Detected \*\*

Electronic Filing Rejects  
-----

\*\* No Electronic Filing Rejects Detected \*\*

\*\* No Electronic Filing XML Validation Errors Detected \*\*

\* indicates Diagnostic has been suppressed.

**720**  
 41A720  
 Department of Revenue



▶ See instructions.

Taxable period beginning 01/01, 2014, and ending 12/31, 2014.

**KENTUCKY CORPORATION 2014**  
**INCOME TAX AND LLET RETURN**

<b>B Check applicable box(es):</b> <b>LLET</b> Receipts Method <input type="checkbox"/> Gross Receipts <input type="checkbox"/> Gross Profits <input type="checkbox"/> \$175 minimum  Nonfiling Status Code Enter Code <u>10</u>	<b>D Federal Identification Number</b> <u>55-0139565</u>  <b>Name of Corporation</b> <u>Columbia Gas of Kentucky, Inc.</u>  <b>Number and Street</b> <u>290 W. Nationwide Blvd.</u> <b>City State ZIP Code Telephone Number</b> <u>Columbus OH 43215 614-460-4641</u>	<b>Taxable Year Ending</b> <u>12 / 14</u> Mo. Yr.  Kentucky Secretary of State Organization Number  State and Date of Incorporation <u>KY 10/11/1905</u>
<b>C Income Tax Return</b> <input type="checkbox"/> Separate  <input checked="" type="checkbox"/> Mandatory NEXUS  Nonfiling Status Code Enter Code _____	<b>E Name of Common Parent</b> <u>Columbia Gas of Kentucky, Inc.</u> Kentucky Corporation/LLET Account Number  <b>F Check if applicable:</b> <input type="checkbox"/> Initial return <input type="checkbox"/> Final return (Complete Part IV) <input type="checkbox"/> Short-period return (Complete Part IV) <input type="checkbox"/> Change of name <input checked="" type="checkbox"/> Change of address <input type="checkbox"/> Change of accounting period  <b>G Check if applicable:</b> <input type="checkbox"/> Amended return <input type="checkbox"/> Amended return-RAR <b>Provide explanation of changes in Part V - Explanation of Amended Return Changes.</b>	Principal Business Activity in KY <u>DIST OF NATURAL GA</u> NAICS Code Number (Relating to Kentucky Activity) (See <a href="http://www.census.gov">www.census.gov</a> )  <u>221210</u>

PART I - LLET COMPUTATION			PART II - INCOME TAX COMPUTATION		
1.	Schedule LLET, Section D, line 1	1	1.	Income tax (see instructions)	1 459,717
2.	Tax credit recapture	2	2.	Tax credit recapture	2
3.	<b>Total</b> (add lines 1 and 2)	3	3.	Tax installment on LIFO recapture	3
4.	Nonrefundable LLET credit from Kentucky Schedule(s) K-1	4	4.	<b>Total</b> (add lines 1 through 3)	4 459,717
5.	Nonrefundable tax credits (attach Schedule TCS)	5	5.	Nonrefundable LLET credit from the Corporation LLET Credit Worksheet(s) (see instructions)	5
6.	<b>LLET liability</b> (greater of line 3 less lines 4 and 5 or \$175 minimum)	6	6.	Nonrefundable LLET credit (Part I, line 6 less \$175)	6
7.	Withholding tax (Form PTE-WH)	7	7.	Nonrefundable tax credits (attach Schedule TCS)	7
8.	Estimated tax payments	8	8.	<b>Net income tax liability</b> (line 4 less lines 5 through 7, but not less than zero)	8 459,717
9.	Certified rehabilitation tax credit	9	9.	Estimated tax payments <input checked="" type="checkbox"/> Check if Form 2220-K attached	9 212,000
10.	Film industry tax credit	10	10.	Extension payment	10 119,400
11.	Extension payment	11	11.	Prior year's tax credit	11 50,246
12.	Prior year's tax credit	12	12.	LLET overpayment from Part I, line 18	12
13.	Income tax overpayment from Part II, line 17	13	13.	Corporation income tax paid on original return	13
14.	LLET paid on original return	14	14.	Corporation income tax overpayment on original return	14
15.	LLET overpayment on original return	15	15.	<b>Income tax due</b> (lines 8 and 14 less lines 9 through 13)	15 78,071
16.	<b>LLET due</b> (lines 6 and 15 less lines 7 through 14)	16	16.	<b>Income tax overpayment</b> (lines 9 through 13 less lines 8 and 14)	16
17.	<b>LLET overpayment</b> (lines 7 through 14 less lines 6 and 15)	17	17.	Credited to 2014 LLET	17
18.	Credited to 2014 income tax	18	18.	Credited to 2014 interest	18
19.	Credited to 2014 interest	19	19.	Credited to 2014 penalty	19
20.	Credited to 2014 penalty	20	20.	Credited to 2015 LLET	20
21.	Credited to 2015 LLET	21	21.	<b>Amount to be refunded</b>	21
22.	<b>Amount to be refunded</b>	22			

TAX PAYMENT SUMMARY (Round to nearest dollar)		OFFICIAL USE ONLY		▶ Federal Form 1120, all pages and any supporting schedules must be attached.  Make check payable to: Kentucky State Treasurer  Mail return with payment to: Kentucky Dept. of Revenue Frankfort, Kentucky 40620
<b>LLET</b>	<b>INCOME</b>	<b>P</b>		
1. LLET due (Part I, Line 16) \$ _____	1. Income tax due (Part II, Line 15) \$ <u>78,071</u>	<b>W</b>		
2. Interest \$ _____	2. Interest \$ _____	<b>2</b>		
3. Penalty \$ _____	3. Penalty \$ _____	<b>0</b>		
4. Subtotal \$ _____	4. Subtotal \$ <u>78,071</u>	<b>4</b>		
<b>TOTAL PAYMENT</b> (Add Subtotals) ▶ \$ <u>78,071</u>		<b>V</b>		
		<b>A</b>		
		<b>L</b>		
		<b>#</b>		



**PART III - TAXABLE INCOME COMPUTATION**

1. Federal taxable income (Form 1120, line 28) . . . . .	1	172,507	14. Federal work opportunity credit . . . . .	14	
<b>ADDITIONS:</b>			15. Depreciation adjustment . . . . .	15	10,322,000
2. Interest income (state and local obligations) . . . . .	2		16. Other (attach Schedule O-720) . . . . .	16	1,182,980
3. State taxes based on net/gross income . . . . .	3	444,028	17. Revenue Agent Report (RAR) . . . . .	17	
4. Depreciation adjustment . . . . .	4	18,482,936	18. <b>Net income</b> (line 11 less lines 12 through 17) . . . . .	18	8,570,861
5. Deductions attributable to nontaxable income . . . . .	5		19. Current net operating loss adjustment (mandatory nexus only) . . . . .	19	
6. Related party expenses (attach Schedule RPC) . . . . .	6		20. <b>Kentucky net income</b> (add lines 18 and 19) . . . . .	20	8,570,861
7. Dividend paid deduction (REIT) . . . . .	7		21. <b>Taxable net income</b> (attach Schedule A if applicable) . . . . .	21	7,686,948
8. Domestic production activities deduction . . . . .	8		22. Net operating loss deduction (NOLD) . . . . .	22	
9. Other (attach Schedule O-720) . . . . .	9	976,370	23. <b>Taxable net income</b> after NOLD (line 21 less line 22) . . . . .	23	7,686,948
10. Revenue Agent Report (RAR) . . . . .	10		24. Kentucky domestic production activities deduction (KDPAD) . . . . .	24	
11. <b>Total</b> (add lines 1 through 10) . . . . .	11	20,075,841	25. <b>Taxable net income</b> after KDPAD (line 23 less line 24) . . . . .	25	7,686,948
<b>SUBTRACTIONS:</b>					
12. Interest income (U.S. obligations) . . . . .	12				
13. Dividend income . . . . .	13				

**PART IV - EXPLANATION OF FINAL RETURN AND/OR SHORT-PERIOD RETURN**

<input type="checkbox"/> Ceased operations in Kentucky	<input type="checkbox"/> Change in filing status
<input type="checkbox"/> Change of ownership	<input type="checkbox"/> Merger
<input type="checkbox"/> Successor to previous business	<input type="checkbox"/> Other _____

**PART V - EXPLANATION OF AMENDED RETURN CHANGES**

**OFFICER INFORMATION (Failure to Provide Requested Information May Result in a Penalty)**

Attach a schedule listing the name, home address and Social Security number of the vice president, secretary and treasurer.  
 Has the attached officer information changed from the last return filed?  Yes  No See Statement 1

President's Name HERBERT A MILLER, JR President's Home Address \_\_\_\_\_  
 President's Social Security Number \_\_\_\_\_ 290 W NATIONWIDE BLVD  
 Date Became President 09/01/2006 COLUMBUS, OH 43215

I, the undersigned, declare under the penalties of perjury, that I have examined this return, including all accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

_____ Signature of principal officer or chief accounting officer	_____ Date
_____ Name of person or firm preparing return	_____ SSN, PTIN or FEIN

**May the DOR discuss this return with the preparer?**  
 Yes  No

Email Address: \_\_\_\_\_  
 Telephone No.: \_\_\_\_\_



**SCHEDULE Q - KENTUCKY CORPORATION/LLET QUESTIONNAIRE**

**IMPORTANT:** Questions 4-15 must be completed by all corporations. If this is the corporation's initial return or if the corporation did not file a return under the same name and same federal I.D. number for the preceding year, questions 1, 2 and 3 must be answered. **Failure to do so may result in a request for a delinquent return.**

1. Indicate whether: (a)  new business; (b)  successor to previously existing business which was organized as: (1)  corporation; (2)  partnership; (3)  sole proprietorship; or (4)  other \_\_\_\_\_

If successor to previously existing business, give name, address and federal I.D. number of the previous business organization. \_\_\_\_\_

2. List the following **Kentucky** account numbers. Enter N/A for any number not applicable.  
Employer Withholding \_\_\_\_\_  
Sales and Use Tax Permit \_\_\_\_\_  
Consumer Use Tax \_\_\_\_\_  
Unemployment Insurance \_\_\_\_\_  
Coal Severance and/or Processing Tax \_\_\_\_\_

3. If a foreign corporation, enter the date qualified to do business in Kentucky. \_\_\_\_\_

4. The corporation's books are in care of: (name and address)  
See Statement 2

5. Are disregarded entities included in this return?  
 Yes  No. If yes, list name, address and federal I.D. number of each entity. \_\_\_\_\_

6. (a) Was the corporation a partner or member in a pass-through entity doing business in Kentucky?  Yes  No. If yes, list name and federal I.D. number of the pass-through entity(ies). \_\_\_\_\_

(b) Was the corporation doing business in Kentucky other than through its interest held in a pass-through entity doing business in Kentucky?  Yes  No

7. Are related party costs as defined in KRS 141.205(1)(l) included in this return?  Yes  No. If yes, attach Schedule RPC, Related Party Costs Disclosure Statement, and enter any related party cost additions on Part III, Line 6.

8. Did the corporation at any time during the taxable year do business in Kentucky and own 80 percent or more of the voting stock of another corporation doing business in Kentucky?  Yes  No. If yes, list name, address and federal I.D. number of each entity. \_\_\_\_\_

See Statement 2

9. Was 80 percent or more of the corporation's voting stock owned by any corporation doing business in Kentucky at any time of the year?  Yes  No. If yes, list name, address and federal I.D. number of each entity. \_\_\_\_\_

10. The federal tax return attached to this Kentucky tax return is:  a pro forma federal tax return  a copy of the federal tax return filed with the Internal Revenue Service

11. Is the entity filing this Kentucky tax return or any entity included in the tax return organized as a limited cooperative association as provided by KRS Chapter 272A?  Yes  No. If yes, and this is a nexus consolidated return, enter each limited cooperative association's name, address and federal I.D. number included in the return: \_\_\_\_\_

12. Is the entity filing this Kentucky tax return or any entity included in this tax return organized as a statutory trust or a series statutory trust as provided by KRS Chapter 386A?  Yes  No. If yes, is the entity filing this Kentucky tax return or any entity included in this tax return a series within a statutory trust?  Yes  No. If yes, for each series within a statutory trust, enter the name, address and federal I.D. number of the statutory trust registered with the Kentucky Secretary of State: \_\_\_\_\_

13. Was this return prepared on: (a)  cash basis, (b)  accrual basis, (c)  other \_\_\_\_\_

14. Did the corporation file a Kentucky tangible personal property tax return for January 1, 2015?  Yes  No. If yes, list name and federal I.D. number of entity(ies) filing return(s): See Statement 2

15. Is the corporation currently under audit by the Internal Revenue Service?  Yes  No

If yes, enter years under audit 2014

If the Internal Revenue Service has made final and unappealable adjustments to the corporation's taxable income which have not been reported to the department, check here  and file an amended return. See 2014 Kentucky Corporation Income Tax and LLET Return instructions for information regarding amended returns. Attach a copy of the final determination to each amended return.



**SCHEDULE O-720**

41A720-O (12-14)  
Commonwealth of Kentucky  
DEPARTMENT OF REVENUE



Taxable Year Ending

12 / 2014  
Mo. Yr.

**OTHER ADDITIONS AND SUBTRACTIONS  
TO/FROM FEDERAL TAXABLE INCOME**

- ▶ See instructions.
- ▶ Attach to Form 720.

Name of Corporation Columbia Gas of Kentucky, Inc.	Federal Identification Number 55-0139565	Kentucky Corporation/LLET Account Number 004668
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**PART I - ADDITIONS TO FEDERAL TAXABLE INCOME (FORM 720, PART III, LINE 9)**

1. Kentucky capital gain from Kentucky Schedule D, line 18 . . . . .	1	
2. Loss from Form 4797 found on federal Form 1120, line 9 . . . . .	2	976,370
3. Gain from Kentucky Form 4797, line 17 . . . . .	3	
4. Safe harbor lease adjustments. . . . .	4	
5. Federal allowable depletion from Form 1120, line 21 . . . . .	5	
6. Federal contribution deductions from Form 1120, line 19. . . . .	6	
7. Terminal Railroad Corporation adjustments. . . . .	7	
8. Federal allowable passive activity loss . . . . .	8	
9. Federal taxable loss of all exempt corporations. . . . .	9	
10. Adjustments for qualified construction allowance(s) for short-term lease(s). . . . .	10	
11. Enter additions to federal taxable income from Kentucky Schedule(s) K-1 . . . . .	11	
12. Internal Revenue Code amendments made after December 31, 2013 . . . . .	12	
13. Other additions (attach explanation). . . . .	13	
14. Total of lines 1 through 13 (enter on Form 720, Part III, line 9) . . . . .	14	976,370

**PART II - SUBTRACTIONS FROM FEDERAL TAXABLE INCOME (FORM 720, PART III, LINE 16)**

1. Capital gain from Form 1120, line 8 . . . . .	1	
2. Gain from Form 4797 found on federal Form 1120, line 9 . . . . .	2	
3. Loss from Kentucky Form 4797, line 17 . . . . .	3	1,182,980
4. Safe harbor lease adjustments . . . . .	4	
5. 50% of the gross royalty income derived from any disposal of coal with a retained economic interest defined by IRC Section 631(c) and all IRC Section 272 expenses if the corporation elects not to use percentage depletion . . . . .	5	
6. Kentucky special deduction from Schedule HH . . . . .	6	
7. Terminal Railroad Corporation adjustments . . . . .	7	
8. Kentucky allowable passive activity loss . . . . .	8	
9. Kentucky allowable depletion . . . . .	9	
10. Kentucky contribution deductions. . . . .	10	
11. Adjustments for qualified construction allowance(s) for short-term lease(s). . . . .	11	
12. Federal taxable income of all exempt corporations. . . . .	12	
13. Amounts received from Tobacco Master Settlement Agreement, Phase II Settlement . . . . .	13	
14. Amounts received from funds of the Commodity Credit Corporation for the Tobacco Loss Assistance Program . . . . .	14	
15. Amounts received as a result of a tobacco quota buydown program . . . . .	15	
16. State Phase II payments received by a producer of tobacco or a tobacco quota owner. . . . .	16	
17. Enter subtractions from federal taxable income from Kentucky Schedule(s) K-1 . . . . .	17	
18. Internal Revenue Code amendments made after December 31, 2013 . . . . .	18	
19. Other subtractions (attach explanation). . . . .	19	
20. Total of lines 1 through 19 (enter on Form 720, Part III, line 16) . . . . .	20	1,182,980

**SCHEDULE LLET**

41A720LLET (10-14)  
 Commonwealth of Kentucky  
 DEPARTMENT OF REVENUE



**LIMITED LIABILITY ENTITY TAX**  
**KRS 141.0401**

➤ See instructions.

Member of a Combined Group  
 \_\_\_\_\_ Reason Code

➤ Attach to Form 720, 720S, 725 or 765.

Name of Corporation or Limited Liability Pass-through Entity Columbia Gas of Kentucky, Inc.	Federal Identification Number 55-0139565	Kentucky Corporation/LLET Account Number 004668
--	---	--

Check this box and complete Schedule LLET-C, Limited Liability Entity Tax- Continuation Sheet, if the corporation or limited liability pass-through entity filing this tax return is a partner or member of a limited liability pass-through entity or general partnership (organized or formed as a general partnership after January 1, 2006) doing business in Kentucky. Enter the total amounts from Schedule LLET-C in Section A of this schedule.

**Section A - Computation of Gross Receipts and Gross Profits**

	Column A Kentucky	Column B Total
1. Gross receipts . . . . .	1	
2. Returns and allowances . . . . .	2	
3. Gross receipts after returns and allowances (line 1 less line 2 or amount from Schedule LLET-C) . . . . .	3	
4. Cost of goods sold (attach Schedule COGS). . . . .	4	
5. Gross profits (line 3 less line 4 or amount from Schedule LLET-C) . . . . .	5	

**Section B - Computation of Gross Receipts LLET**

1. If gross receipts from all sources (Column B, line 3) are \$3,000,000 or less, <b>STOP</b> and enter \$175 on Section D, line 1 . . . . .	1		
2. If gross receipts from all sources (Column B, line 3) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 3 x 0.00095) - [ $\frac{\$2,850 \times (\$6,000,000 - \text{Column A, line 3})}{\$3,000,000}$ ] but in no case shall the result be less than zero . . . . .	2		
3. If gross receipts from all sources (Column B, line 3) are \$6,000,000 or greater, enter the following: Column A, line 3 x 0.00095 . . . . .	3		
4. Enter the amount from line 2 or line 3 . . . . .	4		

**Section C - Computation of Gross Profits LLET**

1. If gross profits from all sources (Column B, line 5) are \$3,000,000 or less, <b>STOP</b> and enter \$175 on Section D, line 1 . . . . .	1		
2. If gross profits from all sources (Column B, line 5) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 5 x 0.0075) - [ $\frac{\$22,500 \times (\$6,000,000 - \text{Column A, line 5})}{\$3,000,000}$ ] but in no case shall the result be less than zero . . . . .	2		
3. If gross profits from all sources (Column B, line 5) are \$6,000,000 or greater, enter the following: Column A, line 5 x 0.0075 . . . . .	3		
4. Enter the amount from line 2 or line 3 . . . . .	4		

**Section D - Computation of LLET**

1. Enter the lesser of Section B, line 4 or Section C, line 4, or a minimum of \$175 on this line and on Form 720 or 720S, Part I, line 1; for Form 725 or 765, Part II, line 1 . . . . .	1	175	
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1062 **STOP** Mark the applicable Receipts Method box on Form 720, 720S, 725 or 765, page 1, Item B.

**SCHEDULE A**

41A720A (10-14)

Commonwealth of Kentucky  
 DEPARTMENT OF REVENUE



**APPORTIONMENT AND ALLOCATION**  
 (For corporations and pass-through entities taxable  
 both within and without Kentucky.)

Regulations 103 KAR 16:090, 103 KAR 16:270, 103 KAR 16:290

- ▶ See instructions.
- ▶ Attach to Form 720, 720S, 725, 765 or 765-GP.

Name of Corporation or Pass-through Entity <b>Columbia Gas of Kentucky, Inc.</b>	Federal Identification Number <b>55-0139565</b>	Kentucky Corporation/LLET Account Number <b>004668</b>
---	--	---

- Check this box and complete Schedule A-C, Apportionment and Allocation - Continuation Sheet: (i) if the corporation filing this tax return is a partner or member of a limited liability pass-through entity or general partnership (organized or formed as a general partnership after January 1, 2006) doing business in Kentucky; or (ii) if the pass-through entity filing this tax return is a partner or member of a pass-through entity doing business in Kentucky.
- Check this box and complete Schedule A-N, Apportionment Factor Schedule (For a Nexus Consolidated Tax Return), if the corporation is filing a mandatory nexus consolidated tax return as provided by KRS 141.200(11).

**If apportionment method other than statutory formula is used:**

- Check this box: (i) if the department has granted written approval to use an alternative allocation and apportionment method as provided by KRS 141.120(9)(a), and attach a copy of the approval letter to the tax return; or (ii) if the company has made an irrevocable five year election to use an allocation and apportionment method as provided by KRS 141.120(9)(b), and attach a copy of the election to the tax return.

SECTION I. COMPUTATION OF APPORTIONMENT FRACTION	SECTION II. APPORTIONMENT AND ALLOCATION OF INCOME
Convert lines 3, 4, 7, 10, 11 and 12 to a percentage carried to four decimal places.	
1. Kentucky sales . . . . . 1 <b>144,654,824</b>	1. Net income (from Form 720, Part III, line 20) . . . . . 1 <b>8,570,861</b>
2. Total sales . . . . . 2 <b>169,418,217</b>	2. Deduct nonbusiness income (if applicable):
3. Sales factor (line 1 divided by line 2) . . . . . 3 <b>85.3833 %</b>	(a) Interest . . . . . 2(a)
4. Double-weighted Sales factor (line 3 multiplied by 2) . . . . . 4 <b>170.7666%</b>	(b) Rents . . . . . 2(b)
5. Average value of Kentucky real/tangible property (Section III) . . . . . 5 <b>341,289,514</b>	(c) Royalties . . . . . 2(c)
6. Average value of total real/tangible property (Section IV) . . . . . 6 <b>387,911,482</b>	(d) Net gain or loss on sale or exchange of capital assets . . . . . 2(d)
7. Property factor (line 5 divided by line 6) . . . . . 7 <b>87.9813%</b>	(e) Total (lines (a) through (d)) . . . . . 2(e)
8. Kentucky payrolls . . . . . 8 <b>11,245,960</b>	(f) Less related expenses (attach schedule) . . . . . 2(f) ( )
9. Total payrolls . . . . . 9 <b>11,245,960</b>	3. Net nonbusiness income . . . . . 3
10. Payroll factor (line 8 divided by line 9) . . . . . 10 <b>100.0000%</b>	4. Business income (line 1 less line 3) . . . . . 4 <b>8,570,861</b>
11. Total (add lines 4, 7 and 10) . . . . . 11 <b>358.7479%</b>	5. Business income apportioned to Kentucky (line 4 multiplied by line 12, Section I) . . . . . 5 <b>7,686,948</b>
12. Apportionment fraction - line 11 divided by 4 or number of factors present (sales representing 2 factors) . . . . . 12 <b>89.6870%</b>	6. Add Kentucky nonbusiness income (if applicable):
	(a) Interest . . . . . 6(a)
	(b) Rents . . . . . 6(b)
	(c) Royalties . . . . . 6(c)
	(d) Net gain or loss on sale or exchange of capital assets . . . . . 6(d)
	(e) Total (lines (a) through (d)) . . . . . 6(e)
	(f) Less Kentucky related expenses (attach schedule) . . . . . 6(f) ( )
	7. Kentucky net nonbusiness income . . . . . 7
	8. Taxable net income (line 5 plus line 7) (enter here and on Form 720, Part III, line 21) . . . . . 8 <b>7,686,948</b>

SECTION III. KENTUCKY REAL/TANGIBLE PROPERTY			SECTION IV. TOTAL REAL/TANGIBLE PROPERTY		
PROPERTY	A. Beginning of Year	B. End of Year	PROPERTY	A. Beginning of Year	B. End of Year
1. Inventories . . . . . 1		<b>80,167</b>	1. Inventories . . . . . 1	<b>42,258,424</b>	<b>51,065,679</b>
2. Buildings . . . . . 2	<b>8,632,142</b>	<b>8,737,950</b>	2. Buildings . . . . . 2	<b>8,632,142</b>	<b>8,737,950</b>
3. Machinery and equipment . . . . . 3	<b>302,785,327</b>	<b>346,931,489</b>	3. Machinery and equipment . . . . . 3	<b>302,785,327</b>	<b>346,931,489</b>
4. Land . . . . . 4	<b>4,187,552</b>	<b>4,223,561</b>	4. Land . . . . . 4	<b>4,187,552</b>	<b>4,223,561</b>
5. Other tangible assets . . . . . 5	<b>1,187,721</b>	<b>5,152,783</b>	5. Other tangible assets . . . . . 5	<b>1,187,721</b>	<b>5,152,783</b>
6. Total (lines 1 through 5) . . . . . 6	<b>316,792,742</b>	<b>365,125,950</b>	6. Total (lines 1 through 5) . . . . . 6	<b>359,051,166</b>	<b>416,111,462</b>
7. Average value of real/tangible property owned in Kentucky, total of line 6, columns A and B divided by 2 . . . . . 7		<b>340,959,346</b>	7. Average value of real/tangible property owned everywhere, total of line 6, columns A and B divided by 2 . . . . . 7		<b>387,581,314</b>
8. Leased property (Eight times the annual rental rate less subrentals) . . . . . 8		<b>330,168</b>	8. Leased property (Eight times the annual rental rate less subrentals) . . . . . 8		<b>330,168</b>
9. Total (lines 7 and 8) (enter on line 5, Section I) . . . . . 9		<b>341,289,514</b>	9. Total (lines 7 and 8) (enter on line 6, Section I) . . . . . 9		<b>387,911,482</b>

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**SCHEDULE A-N**

41A720A-N (10-14)

Commonwealth of Kentucky  
DEPARTMENT OF REVENUE

**APPORTIONMENT FACTOR SCHEDULE**

**(For a Nexus Consolidated Tax Return)**

**Taxable Year Ending**

12 / 14  
Mo. Yr.

► See instructions.

► Attach to Form 720.

Name	Federal Identification Number	Kentucky Corporation/LLET Account Number	Kentucky Sales	Total Sales	Average Value of Kentucky Real/Tangible Property	Average Value of Total Real/Tangible Property	Kentucky Payrolls	Total Payrolls
Columbia Gas of Kentucky, Inc.	55-0139565		144,596,566	169,359,959	340,266,078	386,888,046	11,245,960	11,245,960
Central Kentucky Transmission Com	20-1712388		190,749	190,749	1,023,436	1,023,436		
<b>Total of Each Column</b>			144,787,315	169,550,708	341,289,514	387,911,482	11,245,960	11,245,960



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Columbia Gas of Kentucky - Kentucky Consol

**851-K**



41A720-S4 (10-14)

Commonwealth of Kentucky  
 DEPARTMENT OF REVENUE

4D2037 1.000  
**Taxable Year Ending**

12 / 14  
 Mo. Yr.

- ▶ See instructions.
- ▶ Attach to the mandatory nexus consolidated income tax return (Form 720) and extension request (Form 41A720SL).

**KENTUCKY AFFILIATIONS  
 AND PAYMENT SCHEDULE**

*List the parent corporation and all subsidiaries subject to Kentucky Corporation Income Tax/LLET.*

Corp. No.	Name of Parent Corporation	Federal Identification Number	Kentucky Corporation/LLET Account Number	Tax Payments		
				Limited Liability Entity Tax	Corporation Tax	
1	Columbia Gas of Kentucky, Inc.	55-0139565			78,071	
				Stock Ownership Information		
Corp. No.	Names of Subsidiary Corporations	Federal Identification Number	Kentucky Corporation/LLET Account Number	Percent of Value	Percent of Voting Power	Owned by Corporation No.
2	Central Kentucky Transmission Company	20-1712388		%	%	
3				%	%	
4				%	%	
5				%	%	
6				%	%	
7				%	%	
8				%	%	
9				%	%	
10				%	%	
11				%	%	
12				%	%	
13				%	%	
14				%	%	

**SCHEDULE CR**  
**Form 720**  
 41A720CR (10-14)  
 Commonwealth of Kentucky  
 DEPARTMENT OF REVENUE

**PRO FORMA FEDERAL**  
**CONSOLIDATED RETURN SCHEDULE**  
**(Attach All Applicable Schedules)**

**Taxable Year Ending**  
12 / 14  
 Mo. Yr.

Name of Corporation <u>Columbia Gas of Kentucky, Inc.</u>	Federal Identification Number <u>55-0139565</u>	Kentucky Corporation/LLET Account Number <u>004668</u>
--	--	---

		Consolidated Totals	Intercompany Eliminations	Parent	Name	
					Adjustment	Name
					FEIN	FEIN
					KY Corp./LLET Acct. No.	KY Corp./LLET Acct. No.
1. (a) Gross receipts or sales	1(a)	167,263,221.	-131,981.			
(b) Less returns and allowances	1(b)					
(c) Balance	1(c)	167,263,221.	-131,981.			
2. Cost of goods sold	2	96,989,827.				
3. Gross profit	3	70,273,394.	-131,981.			
4. Dividends	4					
5. Interest	5	161,522.	-510.			
6. Gross rents	6	213,853.				
7. Gross royalties	7					
8. Capital gain net income	8					
9. Net gain or (loss) from Form 4797	9	-976,370.				
10. Other income	10	1,734,007.				
11. <b>Total income</b>	11	71,406,406.	-132,491.			
12. Compensation of officers	12					
13. Salaries and wages	13	1,265,656.				
14. Repairs and maintenance	14	7,428,787.				
15. Bad debts	15	1,431,316.				
16. Rents	16	41,271.				
17. Taxes and licenses	17	3,745,242.				
18. Interest	18	5,336,143.	-510.			
19. Charitable contributions	19	19,168.		-159,340.		
20. Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return	20	18,482,936.				
21. Depletion	21					
22. Advertising	22	95,327.				
23. Pension, profit-sharing, etc., plans	23					
24. Employee benefit programs	24	1,902,961.				
25. Domestic production activities deduction	25					
26. Other deductions	26	31,485,092.	-131,981.			
27. <b>Total deductions</b>	27	71,233,899.	-132,491.	-159,340.		
28. Taxable income before NOL deduction and special deductions	28	172,507.	NONE	159,340.		

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**SCHEDULE CR-C**  
**Form 720**  
 41A720CR-C (10-14)  
 Commonwealth of Kentucky  
 DEPARTMENT OF REVENUE

**PRO FORMA FEDERAL CONSOLIDATED RETURN SCHEDULE**  
**Continuation Sheet**  
**(Attach All Applicable Schedules)**

Taxable Year Ending  
12 / 14  
 Mo. Yr.

Name of Corporation <u>Columbia Gas of Kentucky, Inc.</u>	Federal Identification Number <u>55-0139565</u>	Kentucky Corporation/LLET Account Number <u>004668</u>
--	--	---

	Name <u>Columbia Gas of Kentucky, Inc.</u> FEIN <u>55-0139565</u> KY Corp./LLET Acct. No.	Name <u>Central Kentucky</u> FEIN <u>20-1712388</u> KY Corp./LLET Acct. No.	Name _____ FEIN _____ KY Corp./LLET Acct. No.	Name _____ FEIN _____ KY Corp./LLET Acct. No.	Name _____ FEIN _____ KY Corp./LLET Acct. No.
1. (a) Gross receipts or sales	1(a) 167,204,963.	190,239.			
(b) Less returns and allowances	1(b)				
(c) Balance	1(c) 167,204,963.	190,239.			
2. Cost of goods sold	2 96,989,827.				
3. Gross profit	3 70,215,136.	190,239.			
4. Dividends	4				
5. Interest	5 161,522.	510.			
6. Gross rents	6 213,853.				
7. Gross royalties	7				
8. Capital gain net income	8				
9. Net gain or (loss) from Form 4797	9 -976,370.				
10. Other income	10 1,734,007.				
11. <b>Total income</b>	11 71,348,148.	190,749.			
12. Compensation of officers	12				
13. Salaries and wages	13 1,265,656.				
14. Repairs and maintenance	14 7,428,787.				
15. Bad debts	15 1,431,316.				
16. Rents	16 41,271.				
17. Taxes and licenses	17 3,736,558.	8,684.			
18. Interest	18 5,336,647.	6.			
19. Charitable contributions	19 178,508.				
20. Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return	20 18,460,745.	22,191.			
21. Depletion	21				
22. Advertising	22 95,327.				
23. Pension, profit-sharing, etc., plans	23				
24. Employee benefit programs	24 1,902,961.				
25. Domestic production activities deduction	25				
26. Other deductions	26 31,504,065.	113,008.			
27. <b>Total deductions</b>	27 71,381,841.	143,889.			
28. Taxable income before NOL deduction and special deductions	28 -33,693.	46,860.			



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**SCHEDULE KCR  
 Form 720**  
 41A720KCR (10-14)  
 Commonwealth of Kentucky  
 DEPARTMENT OF REVENUE

**KENTUCKY  
 CONSOLIDATED RETURN SCHEDULE  
 (Attach All Applicable Schedules)**

Name of Corporation		Federal Identification Number		Kentucky Corporation/LLET Account Number	
Columbia Gas of Kentucky, Inc.		55-0139565		004668	
	Consolidated Totals	Intercompany Eliminations	Parent	Name Central Kentucky FEIN 20-1712388 KY Corp./LLET Acct. No.	Name _____ _____ FEIN _____ KY Corp./LLET Acct. No.
1. Federal taxable income (Schedule CR, line 28)	13,167	NONE	-33,693	46,860	
<b>Additions</b>					
2. Interest income (state and local obligations)					
3. State taxes based on net/gross income	444,028		442,932	1,096	
4. Depreciation adjustment	18,482,936		18,460,745	22,191	
5. Deductions attributable to nontaxable income					
6. Related party expenses					
7. Dividend paid deduction (REIT)					
8. Domestic production activities deduction					
9. Other (attach schedule)	976,370		976,370		
10. Revenue Agent Report (RAR)					
11. Total (add lines 1 through 10)	19,916,501	NONE	19,846,354	70,147	
<b>Subtractions</b>					
12. Interest income (U.S. obligations)					
13. Dividend income					
14. Federal work opportunity credit					
15. Depreciation adjustment	10,322,000		10,278,276	43,724	
16. Other (attach schedule)	1,182,980		1,182,980		
17. Revenue Agent Report (RAR)					
18. Net income (line 11 less lines 12 through 17)	8,411,521	NONE	8,385,098	26,423	
19. Net nonbusiness income					
20. Kentucky net nonbusiness income					



**2220-K**

41A720-S6 (10-14)



**2014**

Commonwealth of Kentucky  
 DEPARTMENT OF REVENUE

**UNDERPAYMENT AND LATE PAYMENT  
 OF ESTIMATED INCOME TAX AND LLET**

▶ See instructions.

▶ Attach to Form 720, 720S, 725 or 765.

Name of Entity	Federal Identification Number	Kentucky Corporation/LLET Account Number
Columbia Gas of Kentucky, Inc.	55-0139565	004668

**PART I - EXCEPTION**

The exception shall apply if the entity's prior year combined tax liability was equal to or less than \$25,000 and estimated tax payments equal or exceed the prior year combined tax liability as provided by KRS 141.990. **If the exception does not apply, go to Part II.**

The estimated tax payments equal or exceed the prior year combined tax liability and the prior year combined tax liability was equal to or less than \$25,000. Check this box and complete lines 1 and 2 of this part.

1. Enter the combined tax liability from the 2013 tax return: Form 720, Part I, line 6 and Part II, line 8; Form 720S, Part II, line 6 and Part III, line 4; or Form 725 or 765, Part II, line 6 . . . . .	1	
2. Enter the total tax payments from the 2014 tax return: Form 720, the total of Part I, lines 7, 8, 9, 10 and 12 and Part II, lines 9 and 11; Form 720S, Part I, lines 7, 8, 9 and 11 and Part II, lines 5 and 7; or Form 725 or 765, Part II, lines 7, 8, 9 and 11 . . . . .	2	262,246

**PART II - FIGURING THE UNDERPAYMENT AND PENALTY**

1. Enter the LLET liability from the 2014 tax return: Form 720 or 720S, Part I, line 6; or Form 725 or 765, Part II, line 6. . . . .	1	
2. Enter the income tax liability from the 2014 tax return: Form 720, Part II, line 8; or Form 720S, Part II, line 4 . . . . .	2	
3. Enter the total of lines 1 and 2 . . . . .	3	
4. Enter 70% (0.70) of line 3 . . . . .	4	
5. Statutory exemption . . . . .	5	\$5,000
6. Enter the total tax payments from the 2014 tax return: Form 720, the total of Part I, lines 7, 8, 9, 10 and 12 and Part II, lines 9 and 11; Form 720S, Part I, lines 7, 8, 9 and 11 and Part II, lines 5 and 7; or Form 725 or 765, Part II, lines 7, 8, 9 and 11 . . . . .	6	
7. Line 4 less lines 5 and 6 . . . . .	7	
8. Penalty percentage is 10% . . . . .	8	x .1
9. Multiply line 7 by line 8 and enter the greater of this amount or \$25 . . . . .	9	
10. LLET penalty (multiply the amount on line 9 by a percentage, the numerator of which is the amount on line 1 and the denominator of which is the amount on line 3), and enter the amount on this line and on the LLET Payment Summary of the applicable form . . . . .	10	
11. Income tax penalty (multiply the amount on line 9 by a percentage, the numerator of which is the amount on line 2 and the denominator of which is the amount on line 3), and enter the amount on this line and on the Income Tax Payment Summary of the applicable form . . . . .	11	

**2220-K**

41A720-S6 (10-14)



Commonwealth of Kentucky  
 DEPARTMENT OF REVENUE

► See instructions.

**PART III - LATE PAYMENT INTEREST**

	(a)	(b)	(c)
1. Enter the LLET liability in column (a), income tax liability in column (b) and total liability in column (c) . . . . .	1		
2. Enter statutory exemption. . . . .	2		<b>\$5,000</b>
3. Line 1 less line 2. . . . .	3		
4. Divide line 3, column (a) and column (b) by line 3, column (c) and enter the respective percentages (rounded to the nearest whole percent) on line 4, columns (a) and (b) . . . .	4	%	%
5. Installment due dates . . . . .	5	06/16/2014	09/15/2014
6. Required estimated tax installments due . . .	6		12/15/2014
7. Estimated tax paid for each period. For column (a) only, enter the amount on line 7 and line 11. . . . .	7	262,246	
8. Enter amount, if any, from line 14 of preceding column . . . . .	8		262,246
9. Add lines 7 and 8 . . . . .	9		262,246
10. Add amounts, if any, from lines 12 and 13 of preceding column. . . . .	10		
11. Subtract line 10 from line 9. If zero or less, enter -0- . . . . .	11	262,246	262,246
12. If amount on line 11 is zero, subtract line 9 from line 10. Otherwise, enter -0-. . . . .	12		
13. Underpayment. If line 11 is less than or equal to line 6, subtract line 11 from line 6. .	13		
14. Overpayment. If line 6 is less than line 11, subtract line 6 from line 11 . . . . .	14	262,246	262,246
15. The date the underpayment on line 13 was paid or the 15th day of the 4th month after the close of the tax year, whichever is earlier . . . . .	15	04/15/2015	04/15/2015
16. Interest on the tax underpayment on line 13 (see worksheet on page 4) . . . . .	16		

**PART IV - TOTAL INTEREST**

1. Add the amounts in Part III, line 16 (all columns) and multiply this amount by the percentages in each column of Part III, line 4 and enter the amounts on Part IV, line 1, columns (a), (b) and (c), respectively. .	1		
--	---	--	--

Kentucky Form 720, Page 2 Combined Detail

Officer Information - Vice Presidents

Name	Address	SSN
DANNY G COTE	290 W NATIONWIDE BLVD COLUMBUS, OH 43215	

Officer Information - Secretary

Name	Address	SSN
ROBERT E SMITH	290 W NATIONWIDE BLVD COLUMBUS, OH 43215	

Officer Information - Treasurer

Name	Address	SSN
DAVID J VAJDA	290 W NATIONWIDE BLVD COLUMBUS, OH 43215	

Kentucky Form 720, Page 3 Detail

=====  
Question 4 - Corporation's books are in care of  
-----

JUNE M KONOLD  
200 CIVIC CENTER DRIVE  
COLUMBUS OH 43215

-----  
Question 8 - 80% Ownership of another corporation  
-----

Name	CENTRAL KENTUCKY TRANSMISSION
FEIN	20-1712388
Address	290 W NATIONWIDE BLVD COLUMBUS OH 43215

-----  
Question 14 - Entities file KY tangible personal property tax return  
-----

Name	FEIN	KY ID#
COLUMBIA GAS OF KENTUCKY, INC	55-0139565	004668
CENTRAL KENTUCKY TRANSMISSION COMPANY	20-1712388	341450

Kentucky Combined Apportionment Detail Summary

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	Combined	Columbia Gas of Kentucky - KY Eliminations 55-0139565	Adjustments	Columbia Gas of Kentucky - Kentucky Consol 55-0139565
	-----	-----	-----	-----
Sales Factor				
-----				
Kentucky sales	144,787,315	-132,491		144,654,824
Total sales	169,550,708	-132,491		169,418,217
-----				
Sales factor		200.0000		170.7666
-----				
Property Factor:				
-----				
Kentucky property	341,289,514			341,289,514
Total property	387,911,482			387,911,482
-----				
Property factor				87.9813
-----				
Payroll Factor:				
-----				
Kentucky payroll	11,245,960			11,245,960
Total payroll	11,245,960			11,245,960
-----				
Payroll factor				100.0000
-----				
Total percent		200.0000		358.7479
-----				
Apportionment Factor				89.6870
=====				

Kentucky Combined Apportionment Detail Summary

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=====
                Columbia Gas of      Central
                Kentucky, Inc.        Kentucky
                                Transmission
                55-0139565           20-1712388
                -----
Sales Factor
-----
Kentucky sales           144,596,566           190,749
Total sales             169,359,959           190,749
-----
Sales factor            170.7564           200.0000
-----

Property Factor:
-----
Kentucky property       340,266,078           1,023,436
Total property         386,888,046           1,023,436
-----
Property factor         87.9495           100.0000
-----

Payroll Factor:
-----
Kentucky payroll        11,245,960
Total payroll           11,245,960
-----
Payroll factor          100.0000
-----

Total percent           358.7059           300.0000
-----
Apportionment Factor    89.6765           100.0000
=====
  
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Kentucky Combined Apportionment Detail - Everywhere

=====

	Combined	Columbia Gas of Kentucky - KY Eliminations 55-0139565	Adjustments	Columbia Gas of Kentucky - Kentucky Consol 55-0139565
	-----	-----	-----	-----
Sales				
-----				
Total Sales	169,550,708	-132,491		169,418,217
	=====	=====	=====	=====
Beginning Property Factor:				
-----				
Inventories	42,258,424			42,258,424
Buildings	8,632,142			8,632,142
Machinery and Equipment	302,785,327			302,785,327
Land	4,187,552			4,187,552
Other Tangible Assets	1,187,721			1,187,721
	-----	-----	-----	-----
Total Beginning Property Values	359,051,166			359,051,166
	-----	-----	-----	-----
Ending Property Factor:				
-----				
Inventories	51,065,679			51,065,679
Buildings	8,737,950			8,737,950
Machinery and Equipment	346,931,489			346,931,489
Land	4,223,561			4,223,561
Other Tangible Assets	5,152,783			5,152,783
	-----	-----	-----	-----
Total Ending Property Values	416,111,462			416,111,462
	-----	-----	-----	-----
Average Value of Property	387,581,314			387,581,314
Leased Property X 8	330,168			330,168
	-----	-----	-----	-----
Total Property Values	387,911,482			387,911,482
	=====	=====	=====	=====
Payroll				
-----				
Total Payroll	11,245,960			11,245,960
	=====	=====	=====	=====

Kentucky Combined Apportionment Detail - Everywhere

=====

	Columbia Gas of Kentucky, Inc. 55-0139565 -----	Central Kentucky Transmission 20-1712388 -----
Sales		
-----		
Total Sales	169,359,959	190,749
	=====	=====
Beginning Property Factor:		
-----		
Inventories	42,258,424	
Buildings	8,632,142	
Machinery and Equipment	301,779,883	1,005,444
Land	4,169,560	17,992
Other Tangible Assets	1,187,721	
	-----	-----
Total Beginning Property Values	358,027,730	1,023,436
	-----	-----
Ending Property Factor:		
-----		
Inventories	51,065,679	
Buildings	8,737,950	
Machinery and Equipment	345,926,045	1,005,444
Land	4,205,569	17,992
Other Tangible Assets	5,152,783	
	-----	-----
Total Ending Property Values	415,088,026	1,023,436
	-----	-----
Average Value of Property	386,557,878	1,023,436
Leased Property X 8	330,168	
	-----	-----
Total Property Values	386,888,046	1,023,436
	=====	=====
Payroll		
-----		
Total Payroll	11,245,960	
	=====	=====



Kentucky Combined Apportionment Detail - Kentucky

=====

	Combined	Columbia Gas of Kentucky - KY Eliminations 55-0139565	Adjustments	Columbia Gas of Kentucky - Kentucky Consol 55-0139565
	-----	-----	-----	-----
Sales				
-----				
Total Sales	144,787,315	-132,491		144,654,824
	=====	=====	=====	=====
Beginning Property Factor:				
-----				
Inventories				
Buildings	8,632,142			8,632,142
Machinery and Equipment	302,785,327			302,785,327
Land	4,187,552			4,187,552
Other Tangible Assets	1,187,721			1,187,721
	-----	-----	-----	-----
Total Beginning Property Values	316,792,742			316,792,742
	-----	-----	-----	-----
Ending Property Factor:				
-----				
Inventories	80,167			80,167
Buildings	8,737,950			8,737,950
Machinery and Equipment	346,931,489			346,931,489
Land	4,223,561			4,223,561
Other Tangible Assets	5,152,783			5,152,783
	-----	-----	-----	-----
Total Ending Property Values	365,125,950			365,125,950
	-----	-----	-----	-----
Average Value of Property	340,959,346			340,959,346
Leased Property X 8	330,168			330,168
	-----	-----	-----	-----
Total Property Values	341,289,514			341,289,514
	=====	=====	=====	=====
Payroll				
-----				
Total Payroll	11,245,960			11,245,960
	=====	=====	=====	=====

Kentucky Combined Apportionment Detail - Kentucky

```

=====
Columbia Gas of      Central
Kentucky, Inc.      Kentucky
                    Transmission
                    55-0139565      20-1712388
                    -----
Sales
-----
Total Sales          144,596,566      190,749
                    =====
Beginning Property Factor:
-----
Inventories
Buildings            8,632,142
Machinery and Equipment 301,779,883      1,005,444
Land                 4,169,560          17,992
Other Tangible Assets 1,187,721
                    -----
Total Beginning Property Values 315,769,306      1,023,436
                    =====

Ending Property Factor:
-----
Inventories            80,167
Buildings              8,737,950
Machinery and Equipment 345,926,045      1,005,444
Land                   4,205,569          17,992
Other Tangible Assets  5,152,783
                    -----
Total Ending Property Values 364,102,514      1,023,436
                    -----
Average Value of Property 339,935,910      1,023,436
Leased Property X 8      330,168
                    -----
Total Property Values 340,266,078      1,023,436
                    =====

Payroll
-----
Total Payroll        11,245,960
                    =====

```

Form **1120**  
Department of the Treasury  
Internal Revenue Service

**U.S. Corporation Income Tax Return**  
For calendar year 2014 or tax year beginning 01/01/2014, ending 12/31/2014

**2014**

Information about Form 1120 and its separate instructions is at [www.irs.gov/form1120](http://www.irs.gov/form1120).

<b>A Check if:</b>		<b>TYPE OR PRINT</b>	Name			<b>B Employer identification number</b>			
<b>1a</b> Consolidated return (attach Form 851) <input checked="" type="checkbox"/>	Columbia Gas of Kentucky - Kentucky Consol			55-0139565					
<b>b</b> Life/nonlife consolidated return	Number, street, and room or suite no. If a P.O. box, see instructions.			<b>C</b> Date incorporated					
<b>2</b> Personal holding co. (attach Sch. PH)	290 W. Nationwide Blvd.			10/11/1905					
<b>3</b> Personal service corp. (see instructions)	City or town, state, or province, country and ZIP or foreign postal code			<b>D</b> Total assets (see instructions)					
<b>4</b> Schedule M-3 attached <input checked="" type="checkbox"/>	Columbus, OH 43215			\$ 353,779,878.					
<b>E Check if:</b>		<b>(1)</b> Initial return <input type="checkbox"/>		<b>(2)</b> Final return <input type="checkbox"/>		<b>(3)</b> Name change <input checked="" type="checkbox"/>		<b>(4)</b> Address change <input type="checkbox"/>	

<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>1a</b>	167,263,221.	<b>1c</b>	167,263,221.
	<b>b</b> Returns and allowances	<b>1b</b>		<b>2</b>	96,989,827.
	<b>c</b> Balance. Subtract line 1b from line 1a			<b>3</b>	70,273,394.
	<b>2</b> Cost of goods sold (attach Form 1125-A)			<b>4</b>	
	<b>3</b> Gross profit. Subtract line 2 from line 1c			<b>5</b>	161,522.
	<b>4</b> Dividends (Schedule C, line 19)			<b>6</b>	213,853.
	<b>5</b> Interest			<b>7</b>	
	<b>6</b> Gross rents			<b>8</b>	
	<b>7</b> Gross royalties			<b>9</b>	-976,370.
	<b>8</b> Capital gain net income (attach Schedule D (Form 1120))			<b>10</b>	1,734,007.
	<b>9</b> Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)			<b>11</b>	71,406,406.
<b>10</b> Other income (see instructions - attach statement)					
<b>11 Total income.</b> Add lines 3 through 10					
<b>Deductions (See instructions for limitations on deductions.)</b>	<b>12</b> Compensation of officers (see instructions - attach Form 1125-E)			<b>12</b>	
	<b>13</b> Salaries and wages (less employment credits)			<b>13</b>	1,265,656.
	<b>14</b> Repairs and maintenance			<b>14</b>	7,428,787.
	<b>15</b> Bad debts			<b>15</b>	1,431,316.
	<b>16</b> Rents			<b>16</b>	41,271.
	<b>17</b> Taxes and licenses			<b>17</b>	3,745,242.
	<b>18</b> Interest			<b>18</b>	5,336,143.
	<b>19</b> Charitable contributions			<b>19</b>	19,168.
	<b>20</b> Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			<b>20</b>	18,482,936.
	<b>21</b> Depletion			<b>21</b>	
	<b>22</b> Advertising			<b>22</b>	95,327.
	<b>23</b> Pension, profit-sharing, etc., plans			<b>23</b>	
	<b>24</b> Employee benefit programs			<b>24</b>	1,902,961.
	<b>25</b> Domestic production activities deduction (attach Form 8903)			<b>25</b>	
	<b>26</b> Other deductions (attach statement)			<b>26</b>	31,485,092.
	<b>27 Total deductions.</b> Add lines 12 through 26			<b>27</b>	71,233,899.
	<b>28</b> Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11			<b>28</b>	172,507.
<b>29a</b> Net operating loss deduction (see instructions)	<b>29a</b>				
<b>b</b> Special deductions (Schedule C, line 20)	<b>29b</b>				
<b>c</b> Add lines 29a and 29b	<b>29c</b>				
<b>Tax, Refundable Credits, and Payments</b>	<b>30 Taxable income.</b> Subtract line 29c from line 28 (see instructions)			<b>30</b>	172,507.
	<b>31</b> Total tax (Schedule J, Part I, line 11)			<b>31</b>	50,528.
	<b>32</b> Total payments and refundable credits (Schedule J, Part II, line 21)			<b>32</b>	1,018.
	<b>33</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached <input checked="" type="checkbox"/>			<b>33</b>	893.
	<b>34 Amount owed.</b> If line 32 is smaller than the total of lines 31 and 33, enter amount owed			<b>34</b>	50,403.
	<b>35 Overpayment.</b> If line 32 is larger than the total of lines 31 and 33, enter amount overpaid			<b>35</b>	
	<b>36</b> Enter amount from line 35 you want: <b>Credited to 2015 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input checked="" type="checkbox"/>			<b>36</b>	

**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	Date	Title	May the IRS discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed <input type="checkbox"/> if PTIN
Firm's name	Firm's EIN		Phone no.
Firm's address			

For Paperwork Reduction Act Notice, see separate instructions.

Form **1120** (2014)

<b>Schedule C Dividends and Special Deductions</b> (see instructions)	<b>(a)</b> Dividends received	<b>(b)</b> %	<b>(c)</b> Special deductions <b>(a) x (b)</b>
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) . . . . .		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) . . . . .		80	
3 Dividends on debt-financed stock of domestic and foreign corporations . . . .		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities . .		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities . . .		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs . .		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs . . .		80	
8 Dividends from wholly owned foreign subsidiaries . . . . .		100	
9 <b>Total.</b> Add lines 1 through 8. See instructions for limitation . . . . .			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 . . . . .		100	
11 Dividends from affiliated group members . . . . .		100	
12 Dividends from certain FSCs . . . . .		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12 .			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471) . . . .			
15 Foreign dividend gross-up . . . . .			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 . . . . .			
17 Other dividends . . . . .			
18 Deduction for dividends paid on certain preferred stock of public utilities . . . .			
19 <b>Total dividends.</b> Add lines 1 through 17. Enter here and on page 1, line 4 . . . ▶			
20 <b>Total special deductions.</b> Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b . . . . . ▶			

**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)), . . . ▶		
2	Income tax. Check if a qualified personal service corporation (see instructions), . . . ▶	2	50,528.
3	Alternative minimum tax (attach Form 4626) . . . . .	3	NONE
4	Add lines 2 and 3 . . . . .	4	50,528.
5a	Foreign tax credit (attach Form 1118) . . . . .	5a	
b	Credit from Form 8834 (see instructions) . . . . .	5b	
c	General business credit (attach Form 3800) . . . . .	5c	
d	Credit for prior year minimum tax (attach Form 8827) . . . . .	5d	
e	Bond credits from Form 8912, . . . . .	5e	
6	<b>Total credits.</b> Add lines 5a through 5e . . . . .	6	
7	Subtract line 6 from line 4 . . . . .	7	50,528.
8	Personal holding company tax (attach Schedule PH (Form 1120)), . . . . .	8	
9a	Recapture of investment credit (attach Form 4255) . . . . .	9a	
b	Recapture of low-income housing credit (attach Form 8611) . . . . .	9b	
c	Interest due under the look-back method - completed long-term contracts (attach Form 8697), . . . . .	9c	
d	Interest due under the look-back method - income forecast method (attach Form 8866) . . . . .	9d	
e	Alternative tax on qualifying shipping activities (attach Form 8902), . . . . .	9e	
f	Other (see instructions - attach statement), . . . . .	9f	
10	<b>Total.</b> Add lines 9a through 9f . . . . .	10	
11	<b>Total tax.</b> Add lines 7, 8, and 10. Enter here and on page 1, line 31 . . . . .	11	50,528.

**Part II-Payments and Refundable Credits**

12	2013 overpayment credited to 2014 . . . . .	12	
13	2014 estimated tax payments . . . . .	13	
14	2014 refund applied for on Form 4466 . . . . .	14	( )
15	Combine lines 12, 13, and 14 . . . . .	15	
16	Tax deposited with Form 7004 . . . . .	16	
17	Withholding (see instructions) . . . . .	17	
18	<b>Total payments.</b> Add lines 15, 16, and 17. . . . .	18	
19	Refundable credits from:		
a	Form 2439 . . . . .	19a	
b	Form 4136 . . . . .	19b	1,018.
c	Form 8827, line 8c . . . . .	19c	
d	Other (attach statement - see instructions). . . . .	19d	
20	<b>Total credits.</b> Add lines 19a through 19d . . . . .	20	1,018.
21	<b>Total payments and credits.</b> Add lines 18 and 20. Enter here and on page 1, line 32 . . . . .	21	1,018.

**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. ▶ <u>221210</u>		
b	Business activity ▶ <u>DIST OF NATURAL GAS</u>		
c	Product or service ▶ <u>NATURAL GAS</u>		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . . .	X	
	If "Yes," enter name and EIN of the parent corporation ▶ <u>NISOURCE INC</u> <u>35-2108964</u>		
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

Columbia Gas of Kentucky - Kentucky Consol

Form 1120 (2014)

Page 4

Schedule K Other Information continued (see instructions)

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.
(i) Name of Corporation (ii) Employer Identification Number (if any) (iii) Country of Incorporation (iv) Percentage Owned in Voting Stock
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.
(i) Name of Entity (ii) Employer Identification Number (if any) (iii) Country of Organization (iv) Maximum Percentage Owned in Profit, Loss, or Capital
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.
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?
For rules of attribution, see section 318. If "Yes," enter:
(i) Percentage owned and (ii) 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
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 \$ NONE
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
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 on line 29a.) \$
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?
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 \$
14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?
If "Yes," complete and attach Schedule UTP.
15a Did the corporation make any payments in 2014 that would require it to file Form(s) 1099?
b If "Yes," did or will the corporation file required Forms 1099?
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?
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?
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?

Form 1120 (2014)

Columbia Gas of Kentucky - Kentucky Consol

Form 1120 (2014)

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash		1,331,368.		1,814,103.
2a Trade notes and accounts receivable	6,496,145.		4,721,020.	
b Less allowance for bad debts	(312,481.)	6,183,664.	(546,489.)	4,174,531.
3 Inventories		42,353,603.		51,065,680.
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach statement)		51,459,108.		38,229,519.
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments (attach statement)		469,635.		499,003.
10a Buildings and other depreciable assets	332,466,431.		358,677,221.	
b Less accumulated depreciation	(132,523,148.)	199,943,283.	(134,605,232.)	224,071,989.
11a Depletable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)		1,521,713.		1,540,942.
13a Intangible assets (amortizable only)	3,091,113.		4,827,619.	
b Less accumulated amortization	(1,432,297.)	1,658,816.	(1,546,899.)	3,280,720.
14 Other assets (attach statement)		29,102,852.		29,103,391.
15 Total assets		334,024,042.		353,779,878.
<b>Liabilities and Shareholders' Equity</b>				
16 Accounts payable		13,724,888.		17,124,451.
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach statement)		50,071,349.		44,323,638.
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more		93,335,000.		98,335,000.
21 Other liabilities (attach statement)		76,037,306.		82,997,173.
22 Capital stock: a Preferred stock				
b Common stock	23,806,201.	23,806,201.	23,806,201.	23,806,201.
23 Additional paid-in capital		5,849,870.		5,895,695.
24 Retained earnings - Appropriated (attach statement)				
25 Retained earnings - Unappropriated		71,199,428.		81,297,720.
26 Adjustments to shareholders' equity (attach statement)				
27 Less cost of treasury stock		( )		( )
28 Total liabilities and shareholders' equity		334,024,042.		353,779,878.

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

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

1 Balance at beginning of year	71,199,428.	5 Distributions: a Cash	2,000,000.
2 Net income (loss) per books	12,098,291.	b Stock	
3 Other increases (itemize): _____		c Property	
	1.	6 Other decreases (itemize): _____	
4 Add lines 1, 2, and 3	83,297,720.	7 Add lines 5 and 6	2,000,000.
		8 Balance at end of year (line 4 less line 7)	81,297,720.

JSA

Form **1125-A**

(Rev. December 2012)

Department of the Treasury  
Internal Revenue Service

**Cost of Goods Sold**

▶ Attach to Form 1120, 1120-C, 1120-F, 1120S, 1065, or 1065-B.  
▶ Information about Form 1125-A and its instructions is at [www.irs.gov/form1125a](http://www.irs.gov/form1125a).

OMB No. 1545-2225

Name <u>Columbia Gas of Kentucky - Kentucky Consol</u>		Employer identification number <u>55-0139565</u>
1	Inventory at beginning of year	<u>49,816,358.</u>
2	Purchases	<u>106,168,803.</u>
3	Cost of labor	
4	Additional section 263A costs (attach schedule)	
5	Other costs (attach schedule)	
6	<b>Total.</b> Add lines 1 through 5	<u>155,985,161.</u>
7	Inventory at end of year	<u>58,995,334.</u>
8	<b>Cost of goods sold.</b> 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)	<u>96,989,827.</u>

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

Section references are to the Internal Revenue Code unless otherwise noted.

**General Instructions**

**Purpose of Form**

Use Form 1125-A to calculate and deduct cost of goods sold for certain entities.

**Who Must File**

Filers of Form 1120, 1120-C, 1120-F, 1120S, 1065, or 1065-B, must complete and attach Form 1125-A if the applicable entity reports a deduction for cost of goods sold.

**Inventories**

Generally, inventories are required at the beginning and end of each tax year if the production, purchase, or sale of merchandise is an income-producing factor. See Regulations section 1.471-1. If inventories are required, you generally must use an accrual method of accounting for sales and purchases of inventory items.

**Exception for certain taxpayers.** If you are a qualifying taxpayer or a qualifying small business taxpayer (defined below), you can adopt or change your accounting method to account for inventoriable items in the same manner as materials and supplies that are not incidental.

Under this accounting method, inventory costs for raw materials purchased for use in producing finished goods and merchandise purchased for resale are deductible in the year the finished goods or merchandise are sold (but not before the year you paid for the raw materials or merchandise, if you are also using the cash method).

If you account for inventoriable items in the same manner as materials and supplies that are not incidental, you can currently deduct expenditures for direct labor and all indirect costs that would otherwise be included in inventory costs. See the instructions for lines 2 and 7.

For additional guidance on this method of accounting, see Pub. 538, Accounting Periods and Methods. For guidance on adopting or changing to this method of accounting, see Form 3115, Application for Change in Accounting Method, and its instructions.

**Qualifying taxpayer.** A qualifying taxpayer is a taxpayer that, (a) for each prior tax year ending after December 16, 1998, has average annual gross receipts of \$1 million or less for the 3 prior tax years and (b) its business is not a tax shelter (as defined in section 448(d)(3)). See Rev. Proc. 2001-10, 2001-2 I.R.B. 272.

**Qualifying small business taxpayer.** A qualifying small business taxpayer is a taxpayer that, (a) for each prior tax year

ending on or after December 31, 2000, has average annual gross receipts of \$10 million or less for the 3 prior tax years, (b) whose principal business activity is not an ineligible activity, and (c) whose business is not a tax shelter (as defined in section 448(d)(3)). See Rev. Proc. 2002-28, 2002-18, I.R.B. 815.

**Uniform capitalization rules.** The uniform capitalization rules of section 263A generally require you to capitalize, or include in inventory, certain costs incurred in connection with the following.

- The production of real property and tangible personal property held in inventory or held for sale in the ordinary course of business.
- Real property or personal property (tangible and intangible) acquired for resale.
- The production of real property and tangible personal property by a corporation for use in its trade or business or in an activity engaged in for profit.

See the discussion on section 263A uniform capitalization rules in the instructions for your tax return before completing Form 1125-A. Also see Regulations sections 1.263A-1 through 1.263A-3. See Regulations section 1.263A-4 for rules for property produced in a farming business.



Form **4562**

**Depreciation and Amortization**  
(Including Information on Listed Property)

OMB No. 1545-0172

**2014**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to your tax return.

▶ Information about Form 4562 and its separate instructions is at [www.irs.gov/form4562](http://www.irs.gov/form4562).

Attachment  
Sequence No. **179**

Name(s) shown on return

Identifying number

Columbia Gas of Kentucky - Kentucky Consol

55-0139565

Business or activity to which this form relates

General Depreciation & Amortization

**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
2	Total cost of section 179 property placed in service (see instructions)		2
3	Threshold cost of section 179 property before reduction in limitation (see instructions)		3
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-		4
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
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7		8
9	Tentative deduction. Enter the smaller of line 5 or line 8		9
10	Carryover of disallowed deduction from line 13 of your 2013 Form 4562		10
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)		11
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11		12
13	Carryover of disallowed deduction to 2015. Add lines 9 and 10, less line 12	▶	13

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not 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	12,336,491.
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	273,881.

**Part III MACRS Depreciation (Do not include listed property.)** (See instructions.)

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2014	17	5,254,107.
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	▶	

**Section B - Assets Placed in Service During 2014 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		1,162,816.	3.000	HY	200 DB	193,807.
b 5-year property		650.	5.000	HY	200 DB	130.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property		11,254,871.	20.000	HY	150 DB	422,058.
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property		205,443.	39 yrs.	MM	S/L	2,462.
				MM	S/L	

**Section C - Assets Placed in Service During 2014 Tax Year Using the Alternative Depreciation System**

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

**Part IV Summary** (See instructions.)

21	Listed property. Enter amount from line 28	21	
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	18,482,936.
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	177,163.

**Part V Listed Property** (Include automobiles, certain other vehicles, certain aircraft, certain computers, 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.)**

<b>24a</b> Do you have evidence to support the business/investment use claimed?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<b>24b</b> If "Yes," is the evidence written?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
<b>25</b> 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) . . . . .							<b>25</b>	
<b>26</b> Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
<b>27</b> Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1, . . . . .							<b>28</b>	
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1 . . . . .								<b>29</b>

**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.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>30</b> Total business/investment miles driven during the year ( <b>do not</b> include commuting miles) . . . . .												
<b>31</b> Total commuting miles driven during the year . . . . .												
<b>32</b> Total other personal (noncommuting) miles driven . . . . .												
<b>33</b> Total miles driven during the year. Add lines 30 through 32 . . . . .												
<b>34</b> Was the vehicle available for personal use during off-duty hours? . . . . .												
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person? . . . . .												
<b>36</b> 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 are not more than 5% owners or related persons (see instructions).

	Yes	No
<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? . . . . .		
<b>38</b> 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 . . . . .		
<b>39</b> Do you treat all use of vehicles by employees as personal use? . . . . .		
<b>40</b> 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? . . . . .		
<b>41</b> 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," do not 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
<b>42</b> Amortization of costs that begins during your 2014 tax year (see instructions):					
<b>43</b> Amortization of costs that began before your 2014 tax year . . . . .					<b>43</b>
<b>44 Total.</b> Add amounts in column (f). See the instructions for where to report . . . . .					<b>44</b>

States Not Adopting Expanded Section 179 Expense KENTUCKY  
**Form 4562**  
**Depreciation and Amortization**  
 (Including Information on Listed Property)

OMB No. 1545-0172

**2014**

Attachment Sequence No. **179**

Department of the Treasury  
 Internal Revenue Service (99)

▶ Attach to your tax return.

▶ Information about Form 4562 and its separate instructions is at [www.irs.gov/form4562](http://www.irs.gov/form4562).

Name(s) shown on return

Identifying number

Columbia Gas of Kentucky - Kentucky Consol

55-0139565

Business or activity to which this form relates

General Depreciation & Amortization

**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	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
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	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2013 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2015. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not 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	XXXXXXXXXX
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	273,881.

**Part III MACRS Depreciation (Do not include listed property.)** (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2014	17	8,826,647.
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		

Section B - Assets Placed in Service During 2014 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		2,248,918.	3.000	HY	200 DB	374,827.
b 5-year property		1,300.	5.000	HY	200 DB	260.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property		22,504,610.	20.000	HY	150 DB	843,923.
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property		205,443.	39 yrs.	MM	S/L	2,462.

Section C - Assets Placed in Service During 2014 Tax Year Using the Alternative Depreciation System

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

**Part IV Summary** (See instructions.)

21	Listed property. Enter amount from line 28	21	
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	10,322,000.
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	177,163.

**Part V Listed Property** (Include automobiles, certain other vehicles, certain aircraft, certain computers, 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.)**

<b>24a</b> Do you have evidence to support the business/investment use claimed?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<b>24b</b> If "Yes," is the evidence written?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
<b>25</b> 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) . . . . .							<b>25</b>	
<b>26</b> Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
<b>27</b> Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1, . . . . .							<b>28</b>	
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1 . . . . .								<b>29</b>

**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.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>30</b> Total business/investment miles driven during the year ( <b>do not</b> include commuting miles) . . . . .												
<b>31</b> Total commuting miles driven during the year . . . . .												
<b>32</b> Total other personal (noncommuting) miles driven . . . . .												
<b>33</b> Total miles driven during the year. Add lines 30 through 32 . . . . .												
<b>34</b> Was the vehicle available for personal use during off-duty hours? . . . . .												
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person? . . . . .												
<b>36</b> 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 are not more than 5% owners or related persons (see instructions).

	Yes	No
<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? . . . . .		
<b>38</b> 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 . . . . .		
<b>39</b> Do you treat all use of vehicles by employees as personal use? . . . . .		
<b>40</b> 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? . . . . .		
<b>41</b> Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) . . . . .		
<b>Note:</b> If your answer to 37, 38, 39, 40, or 41 is "Yes," do not 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
<b>42</b> Amortization of costs that begins during your 2014 tax year (see instructions):					
<b>43</b> Amortization of costs that began before your 2014 tax year . . . . .					<b>43</b>
<b>44 Total.</b> Add amounts in column (f). See the instructions for where to report . . . . .					<b>44</b>

Form **4797**

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

OMB No. 1545-0184

**2014**

Attachment  
 Sequence No. **27**

Department of the Treasury  
 Internal Revenue Service

▶ **Attach to your tax return.**

▶ **Information about Form 4797 and its separate instructions is at [www.irs.gov/form4797](http://www.irs.gov/form4797).**

Name(s) shown on return <u>Columbia Gas of Kentucky - Kentucky Consol</u>	Identifying number <u>55-0139565</u>
--	---

1 Enter the gross proceeds from sales or exchanges reported to you for 2014 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) . . . . .	<u>1</u>
--	----------

**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)

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

**Partnerships (except electing large partnerships) and S corporations.** Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, 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 did not 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) . . . . .	<u>8</u>
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) . . . . .	<u>9</u>

**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):	
	<u>-976,370.</u>

11 Loss, if any, from line 7 . . . . .	<u>11</u> (                    )
12 Gain, if any, from line 7 or amount from line 8, if applicable . . . . .	<u>12</u>
13 Gain, if any, from line 31 . . . . .	<u>13</u>
14 Net gain or (loss) from Form 4684, lines 31 and 38a . . . . .	<u>14</u>
15 Ordinary gain from installment sales from Form 6252, line 25 or 36 . . . . .	<u>15</u>
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 . . . . .	<u>16</u>
17 Combine lines 10 through 16 . . . . .	<u>17</u> -976,370.

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 part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. 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 Form 1040, line 14

<b>18a</b>	
<b>18b</b>	

**For Paperwork Reduction Act Notice, see separate instructions.**

Form **4797** (2014)

**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.)	20			
21	Cost or other basis plus expense of sale . . . . .	21			
22	Depreciation (or depletion) allowed or allowable . . . . .	22			
23	Adjusted basis. Subtract line 22 from line 21 . . . . .	23			
24	Total gain. Subtract line 23 from line 20 . . . . .	24			
25	<b>If section 1245 property:</b>				
a	Depreciation allowed or allowable from line 22 . . . . .	25a			
b	Enter the smaller of line 24 or 25a . . . . .	25b			
26	<b>If section 1250 property:</b> 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			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions) . . . . .	26b			
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			
d	Additional depreciation after 1969 and before 1976 . . . . .	26d			
e	Enter the smaller of line 26c or 26d . . . . .	26e			
f	Section 291 amount (corporations only) . . . . .	26f			
g	Add lines 26b, 26e, and 26f . . . . .	26g			
27	<b>If section 1252 property:</b> Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a	Soil, water, and land clearing expenses . . . . .	27a			
b	Line 27a multiplied by applicable percentage (see instructions) . . . . .	27b			
c	Enter the smaller of line 24 or 27b . . . . .	27c			
28	<b>If section 1254 property:</b>				
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions) . . . . .	28a			
b	Enter the smaller of line 24 or 28a . . . . .	28b			
29	<b>If section 1255 property:</b>				
a	Applicable percentage of payments excluded from income under section 126 (see instructions) . . . . .	29a			
b	Enter the smaller of line 24 or 29a (see instructions) . . . . .	29b			

**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	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 . . . . .	31	
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	

**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	
34	Recomputed depreciation (see instructions) . . . . .	34	
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report . . . . .	35	

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

Form **4797**

OMB No. 1545-0184

**2014**

Department of the Treasury  
 Internal Revenue Service

▶ Attach to your tax return.

▶ Information about Form 4797 and its separate instructions is at [www.irs.gov/form4797](http://www.irs.gov/form4797).

Attachment  
 Sequence No. **27**

Name(s) shown on return **Columbia Gas of Kentucky - Kentucky Consol** Identifying number **55-0139565**

1 Enter the gross proceeds from sales or exchanges reported to you for 2014 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) **1**

**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)

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

**Partnerships (except electing large partnerships) and S corporations.** Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, 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 did not 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**  
 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**

**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):  
 -1,182,980.

11 Loss, if any, from line 7 **11** ( )  
 12 Gain, if any, from line 7 or amount from line 8, if applicable **12**  
 13 Gain, if any, from line 31 **13**  
 14 Net gain or (loss) from Form 4684, lines 31 and 38a **14**  
 15 Ordinary gain from installment sales from Form 6252, line 25 or 36 **15**  
 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 **16**  
 17 Combine lines 10 through 16 **17** -1,182,980.

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 part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. 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 Form 1040, line 14 **18b**

For Paperwork Reduction Act Notice, see separate instructions.

Form **4797** (2014)

**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
20	Gross sales price (Note: See line 1 before completing.)	20	
21	Cost or other basis plus expense of sale . . . . .	21	
22	Depreciation (or depletion) allowed or allowable . . . . .	22	
23	Adjusted basis. Subtract line 22 from line 21 . . . . .	23	
24	Total gain. Subtract line 23 from line 20 . . . . .	24	
25	<b>If section 1245 property:</b>		
a	Depreciation allowed or allowable from line 22 . . . . .	25a	
b	Enter the <b>smaller</b> of line 24 or 25a . . . . .	25b	
26	<b>If section 1250 property:</b> 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	
b	Applicable percentage multiplied by the <b>smaller</b> of line 24 or line 26a (see instructions) . . . . .	26b	
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	
d	Additional depreciation after 1969 and before 1976 . . . . .	26d	
e	Enter the <b>smaller</b> of line 26c or 26d . . . . .	26e	
f	Section 291 amount (corporations only) . . . . .	26f	
g	Add lines 26b, 26e, and 26f . . . . .	26g	
27	<b>If section 1252 property:</b> Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).		
a	Soil, water, and land clearing expenses . . . . .	27a	
b	Line 27a multiplied by applicable percentage (see instructions) . . . . .	27b	
c	Enter the <b>smaller</b> of line 24 or 27b . . . . .	27c	
28	<b>If section 1254 property:</b>		
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions) . . . . .	28a	
b	Enter the <b>smaller</b> of line 24 or 28a . . . . .	28b	
29	<b>If section 1255 property:</b>		
a	Applicable percentage of payments excluded from income under section 126 (see instructions) . . . . .	29a	
b	Enter the <b>smaller</b> of line 24 or 29a (see instructions) . . . . .	29b	

**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
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 . . . . .	31
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

**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	
34	Recomputed depreciation (see instructions) . . . . .	34	
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report . . . . .	35	



Columbia Gas of Kentucky - Kentucky Consol

Combined	Columbia Gas of Kentucky - KY Eliminations	Adjustments	Columbia Gas of Kentucky - Kentucky Consol
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**Consolidated Schedules - Form 4562**

**Consolidated 4562 Summary**

**Part I - Section 179 Expense**

- 2 Sec 179 property placed in Service in current year
- 6 Nonlisted property
- 7 Listed property
- 8 Total elected cost
- 9 Tentative deduction
- 10 Carryover from 2013
- 12 Sec 179 expense deduction
- 13 Carryover to 2015

**Part II - Other Depreciation**

- |                                   |             |             |
|-----------------------------------|-------------|-------------|
| 14 Special depreciation allowance | 12,336,491. | 12,336,491. |
| 15 Property subject to 168(f)(1)  |             |             |
| 16 ACRS and other depreciation    | 273,881.    | 273,881.    |

**Part III - MACRS**

- |                                    |            |            |
|------------------------------------|------------|------------|
| 17 MACRS deduction - prior years   | 5,254,107. | 5,254,107. |
| 19 General Depreciation System     |            |            |
| a. 3-year property                 | 193,807.   | 193,807.   |
| b. 5-year property                 | 130.       | 130.       |
| c. 7-year property                 |            |            |
| d. 10-year property                |            |            |
| e. 15-year property                |            |            |
| f. 20-year property                | 422,058.   | 422,058.   |
| g. 25-year property                |            |            |
| h. 27.5-year residential real      |            |            |
| i. 39-year nonresidential real     | 2,462.     | 2,462.     |
| 20 Alternative Depreciation System |            |            |
| a. Class life                      |            |            |
| b. 12-year                         |            |            |
| c. 40-year                         |            |            |

**Part IV - Summary**

- |                                |                    |                    |
|--------------------------------|--------------------|--------------------|
| 21 Listed Property             |                    |                    |
| <b>22 Total depreciation</b>   | <b>18,482,936.</b> | <b>18,482,936.</b> |
| 42 Amortization - current year |                    |                    |
| 43 Amortization - prior year   |                    |                    |
| <b>44 Total Amortization</b>   |                    |                    |

Columbia Gas of Kentucky - Kentucky Consol

Columbia Gas of  
Kentucky, Inc.  
Central  
Kentucky  
Transmission  
Company

**Consolidated Schedules - Form 4562**

**Consolidated 4562 Summary** 55-0139565 20-1712388

**Part I - Section 179 Expense**

- 2 Sec 179 property placed in Service in current year
- 6 Nonlisted property
- 7 Listed property
- 8 Total elected cost
- 9 Tentative deduction
- 10 Carryover from 2013
- 12 Sec 179 expense deduction
- 13 Carryover to 2015

**Part II - Other Depreciation**

- 14 Special depreciation allowance 12,336,491.
- 15 Property subject to 168(f)(1)
- 16 ACRS and other depreciation 273,881.

**Part III - MACRS**

- 17 MACRS deduction - prior years 5,231,916. 22,191.
- 19 General Depreciation System
  - a. 3-year property 193,807.
  - b. 5-year property 130.
  - c. 7-year property
  - d. 10-year property
  - e. 15-year property
  - f. 20-year property 422,058.
  - g. 25-year property
  - h. 27.5-year residential real
  - i. 39-year nonresidential real 2,462.
- 20 Alternative Depreciation System
  - a. Class life
  - b. 12-year
  - c. 40-year

**Part IV - Summary**

- 21 Listed Property
- 22 Total depreciation** 18,460,745. 22,191.
- 42 Amortization - current year
- 43 Amortization - prior year
- 44 Total Amortization**

**Diagnostic Report**

**Tax Year :** 2014  
**Taxpayer:** Columbia Gas of Kentucky, Inc.  
**ID No :** 55-0139565

**Return No:** 0001FE

Severe Diagnostics  
-----

\*\* No Severe Diagnostics Detected \*\*

Informational Diagnostics: Total 3  
-----

States (3)

General (2)

1.Common State

Federal attachments are not provided for states that require a complete federal return. Please check the filing requirements for the following state returns:

NH,NY,PA,

2.Common State

The following state(s) may require that you submit tax payments using Electronic Funds Transfer (EFT). Please consult the state's EFT guidelines before submitting any payments by check:

IL,PA,TX,

New York (1)

3.General Information

The file number has not been entered.

\*\* No Electronic Filing Alerts Detected \*\*

\*\* No Electronic Filing Rejects Detected \*\*

\*\* No Electronic Filing XML Validation Errors Detected \*\*

\* indicates Diagnostic has been suppressed.

2014 **CT-3** New York State Department of Taxation and Finance  
**General Business Corporation Franchise Tax Return**  
Tax Law - Article 9-A

See Form CT-3/4-I before completing return.

All filers must enter tax period:

Final return <input checked="" type="checkbox"/> Amended return <input type="checkbox"/>		beginning <b>01-01-14</b> ending <b>12-31-14</b>	
Employer identification number (EIN) <b>55-0139565</b>	File number <b>AA6</b>	Business telephone number <b>614-460-4641</b>	If you have any subsidiaries incorporated outside NYS, mark an X in the box <input type="checkbox"/> If you claim an overpayment, mark an X in the box <input checked="" type="checkbox"/>
Legal name of corporation <b>Columbia Gas of Kentucky, Inc.</b>		Trade name/DBA	
Mailing name (if different from legal name above) c/o		State or country of incorporation <b>KY</b>	Date received (for Tax Department use only)
Number and street or PO box <b>290 W. Nationwide Blvd.</b>		Date of incorporation <b>10-11-05</b>	
City <b>Columbus</b>	State ZIP code <b>OH 43215</b>	Foreign corporations: date began business in NYS	
NAICS business code number (from NYS Pub 910) <b>221210</b>	If address/phone above is new, mark an X in the box <input checked="" type="checkbox"/>	If you need to update your address or phone information for corporation tax, or other tax types, you can do so online. See <i>Business information</i> in Form CT-1.	
NYS principal business activity <b>DIST OF NATURAL GAS</b>		Audit (for Tax Department use only)	

**Metropolitan transportation business tax (MTA surcharge)**

During the tax year did you do business, employ capital, own or lease property, or maintain an office in the Metropolitan Commuter Transportation District (MCTD)? If Yes, you must file Form CT-3M/4M. The **MCTD includes** the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester. (mark an X in the appropriate box) Yes  No

<b>A.</b> Pay amount shown on line 93. Make payable to: <b>New York State Corporation Tax</b>	Payment enclosed
← Attach your payment here. Detach all check stubs. (See instructions for details.)	<b>A</b>

**B. Federal return filed (you must mark an X in one): Attach a complete copy of your federal return.**

Form 1120 . . . . . <input checked="" type="checkbox"/>	Form 1120-H . . . . . <input type="checkbox"/>	Form 1120-REIT or Form 1120-RIC . . . . . <input type="checkbox"/>
Consolidated basis . . . . . <input type="checkbox"/>	Form 1120S . . . . . <input type="checkbox"/>	Other: _____ <input type="checkbox"/>

**C.** If you included a qualified subchapter S subsidiary (QSSS) in this return, mark an X in the box and attach Form CT-60-QSSS. . . . .

**D.** Have you underreported your tax due on past returns? To correct this without penalty, visit our Web site (see instructions).

**E.** Do you have an interest in, or have you rented, real property located in New York State? (mark an X in one box) . . . . . Yes  No

If Yes, enter the county \_\_\_\_\_ and the value of such property or rent • \_\_\_\_\_

**F.** Has there been a transfer or acquisition of controlling interest in the entity during the last 3 years? (mark one box) . . . . . Yes  No

**G.** If you marked the *Consolidated basis* box in line B above, complete the following:

- Number of corporations included in the federal consolidated group . . . . .
- Total consolidated federal taxable income (FTI) before the net operating loss deduction (NOLD) . . . . .
- If substantially all of the voting stock of this corporation is owned or controlled, directly or indirectly, by another corporation, give the name and EIN of that corporation below.

• Legal name of corporation _____	• EIN _____
-----------------------------------	-------------

**H.** Do you have an interest in any partnerships? (mark an X in the appropriate box) . . . . . Yes  No   
If Yes, enter the name(s) and EIN(s) on Form CT-60-QSSS and attach it to your return.

**I.** Did you include a disregarded entity in this return? (mark an X in the appropriate box) . . . . . Yes  No   
If Yes, enter the name(s) and EIN(s) on Form CT-60-QSSS and attach it to your return.



**Computation of entire net income (ENI) base**

1	FTI before net operating loss (NOL) and special deductions (see instructions)	1	130,333.
2	Interest on federal, state, municipal, and other obligations not included on line 1 (see instructions)	2	
3	Interest paid to a corporate stockholder owning more than 50% of issued and outstanding stock (see instr.)	3	
4a	Interest deductions directly attributable to subsidiary capital (see instructions)	4a	
4b	Noninterest deductions directly attributable to subsidiary capital (see instructions)	4b	
5a	Interest deductions indirectly attributable to subsidiary capital (see instructions)	5a	
5b	Noninterest deductions indirectly attributable to subsidiary capital (see instructions)	5b	
6	New York State and other state and local taxes deducted on your federal return (see instructions)	6	442,932.
7	Federal depreciation from Form CT-399, if applicable (see instructions)	7	15,094,387.
8	Other additions (see instructions)	8	
9	Add lines 1 through 8	9	15,667,652.
10	Income from subsidiary capital (from Form CT-3-ATT, line 26; see instr.)	10	
11	Fifty percent of dividends from nonsubsidiary corporations (see instr.)	11	
12	Foreign dividends gross-up not included on lines 10 and 11 (see instr.)	12	
13	New York NOLD (attach federal and New York State computations; see instr.)	13	
14	Allowable New York State depreciation from Form CT-399, if applicable (see instr.)	14	7,017,577.
15	Other subtractions (see instructions)	15	
16	Total subtractions (add lines 10 through 15)	16	7,017,577.
17	ENI (subtract line 16 from line 9; show loss with a minus (-) sign; enter here and on line 42)	17	8,650,075.
18	Investment income before allocation (from Form CT-3-ATT, line 22, but not more than line 17 above; see instr.)	18	
19	Business income before allocation (subtract line 18 from line 17)	19	8,650,075.
20	Allocated investment income (multiply line 18 by <input type="text" value=""/> % from Form CT-3-ATT, line 5)	20	
21	Allocated business income (multiply line 19 by from <input type="text" value="0.1378"/> % line 119, 121, or 141; see instr.)	21	11,920.
22	Total allocated income (add lines 20 and 21)	22	11,920.
23	Optional depreciation adjustments (attach Form CT-324; enter here and on line 69; see instructions)	23	
24	ENI base (line 22 plus or minus line 23; see instructions)	24	11,920.
25	ENI base tax (see instructions; multiply line 24 by the appropriate rate from the Tax rates schedule in Form CT-3/4-I; enter here and on line 72)	25	846.

Stmt 1

**Computation of capital base (enter whole dollars for lines 26 through 31; see instructions)**

		A Beginning of year	B End of year	C Average value
26	Total assets from federal return	333,403,955.00	353,135,656.00	343,269,806.00
27	Real property and marketable securities included on line 26	12,801,702.00	12,946,693.00	12,874,198.00
28	Subtract line 27 from line 26	320,602,253.00	340,188,963.00	330,395,608.00
29	Real property and marketable securities at fair market value	8,521,393.00	8,464,459.00	8,492,926.00
30	Adjusted total assets (add lines 28 and 29)	329,123,646.00	348,653,422.00	338,888,534.00
31	Total liabilities	233,018,092.00	242,635,043.00	237,826,568.00
32	Total capital (subtract line 31, column C, from line 30, column C)			101,061,966.
33	Subsidiary capital (from Form CT-3-ATT, line 28; if none, enter 0)			484,319.
34	Business and investment capital (subtract line 33 from line 32)			100,577,647.
35	Investment capital (from Form CT-3-ATT, line 7, column E; if none, enter 0)			
36	Business capital (subtract line 35 from line 34)			100,577,647.
37	Allocated investment capital (multiply line 35 by <input type="text" value=""/> % from Form CT-3-ATT, line 5)			
38	Allocated business capital (multiply line 36 by <input type="text" value="0.1378"/> % from line 119, 121, or 141)			138,596.
39	Capital base (add lines 37 and 38)			138,596.
40	Capital base tax			208.
41	Issuer's allocation percentage		0.1371%	Stmt 2

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4D3512 1.000

**Computation of minimum taxable income (MTI) base** (see instructions)

42	ENI from line 17.	42	8,650,075.
<b>Adjustments</b> (see instructions for lines 43 through 50)			
43	Depreciation of tangible property placed in service after 1986.	43	-772,439.
44	Amortization of mining exploration and development costs paid or incurred after 1986.	44	
45	Amortization of circulation expenditures paid or incurred after 1986 (personal holding companies only).	45	
46	Basis adjustments in determining gain or loss from sale or exchange of property.	46	-404,639.
47	Long term contracts entered into after February 28, 1986.	47	
48	Installment sales of certain property.	48	
49	Merchant marine capital construction funds.	49	
50	Passive activity loss (closely held and personal service corporations only).	50	
51	Add lines 42 through 50.	51	7,472,997.
<b>Tax preference items</b>			
52	Depletion (see instructions).	52	
53			
54	Intangible drilling costs (see instructions).	54	
55	Add lines 51 through 54.	55	7,472,997.
56	New York NOLD from line 13 (see instructions).	56	
57	Add lines 55 and 56.	57	7,472,997.
58	Alternative net operating loss deduction (ANOLD) (see instructions).	58	
59	MTI (subtract line 58 from line 57).	59	7,472,997.
60	Investment income before apportioned NOLD (add line 18 and Form CT-3-ATT, line 21).	60	
61	Investment income not included in ENI but included in MTI (see instructions).	61	
62	Investment income before apportioned ANOLD (add lines 60 and 61).	62	
63	Apportioned New York ANOLD (see instructions).	63	
64	Alternative investment income before allocation (subtract line 63 from line 62; see instructions).	64	
65	Alternative business income before allocation (subtract line 64 from line 59).	65	7,472,997.
66	Allocated alternative business income (multiply line 65 by <input type="text" value="0.1378"/> % from line 119, 121, or 161).	66	10,298.
67	Allocated alternative investment income (multiply line 64 by <input type="text" value=""/> % from Form CT-3-ATT, line 5).	67	
68	Allocated MTI (add lines 66 and 67).	68	10,298.
69	Optional depreciation adjustments from line 23.	69	
70	MTI base (line 68 plus or minus line 69).	70	10,298.
71	Tax on MTI base (multiply line 70 by appropriate rate; see instructions).	71	154.

(continued)

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4D3598 1.000

**Computation of tax**

72	Tax on ENI base from line 25	72	846.
73	Tax on capital base from line 40 (see instructions) New small business: First year <input type="checkbox"/> Second year <input type="checkbox"/>	73	208.
<b>You must enter an amount on line 74a below; if none, enter 0.</b>			
74a	New York receipts (see instructions)	74a	233,375.
74b	Fixed dollar minimum tax (see instructions)	74b	75.
75	Amount from line 71, 72, 73, or 74b, whichever is largest (see instructions for exception)	75	846.
76	Subsidiary capital base from Form CT-3-ATT, line 31	76	
77	Subsidiary capital base tax from Form CT-3-ATT, line 32	77	
78	Tax due before credits (add lines 75 and 77)	78	846.
79	Tax credits (see instructions)	79	
80	Balance (subtract line 79 from line 78; if line 79 is more than line 78, enter 0)	80	846.
81	Amount from line 71 or 74b, whichever is larger	81	154.
82	Tax due (see instructions)	82	846.
<b>First installment of estimated tax for next period:</b>			
83a	If you filed a request for extension, enter amount from Form CT-5, line 2	83a	
83b	If you did not file Form CT-5 and line 82 is over \$1,000, see instructions	83b	
84	Add line 82 and line 83a or 83b	84	846.
85	Total prepayments from line 106	85	7,145.
86	Balance (subtract line 85 from line 84; if line 85 is more than line 84, enter 0)	86	
87	Estimated tax penalty (see instructions; mark an X in the box if Form CT-222 is attached) <input type="checkbox"/>	87	
88	Interest on late payment (see instructions)	88	
89	Late filing and late payment penalties (see instructions)	89	
90	Balance (add lines 86 through 89)	90	
<b>Voluntary gifts/contributions (see instructions):</b>			
91a	Return a Gift to Wildlife	91a	
91b	Breast Cancer Research and Education Fund	91b	
91c	Prostate and Testicular Cancer Research and Education Fund	91c	
91d	9/11 Memorial	91d	
91e	Volunteer Firefighting & EMS Recruitment Fund	91e	
91f	Veterans Remembrance	91f	
92	Total (add lines 84, 87, 88, 89, and 91a through 91f)	92	846.
93	Balance due (If line 85 is less than line 92, subtract line 85 from line 92 and enter here. This is the amount due; enter the payment amount on line A on page 1)	93	
94	Overpayment (If line 85 is more than line 92, subtract line 92 from line 85. This is your overpayment; enter here and see instructions)	94	6,299.
95	Amount of overpayment to be credited to next period (see instructions)	95	6,299.
96	Balance of overpayment (subtract line 95 from line 94; see instructions)	96	
97	Amount of overpayment to be credited to Form CT-3M/4M (see instructions)	97	
98	Refund of overpayment (subtract line 97 from line 96; see instructions)	98	
99a	Refund of unused tax credits (see instructions and attach appropriate forms)	99a	
99b	Tax credits to be credited as an overpayment to next year's return (see instructions and attach appropriate forms)	99b	

(continued)

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**Summary of credits claimed on line 79 against current year's franchise tax** (see instructions for lines 79, 99a, 99b, 100a, and 100b)

Have you been convicted of an offense, or are you an owner of an entity convicted of an offense, defined in New York State Penal Law Article 200 or 496, or section 195.20? (see Form CT-1, mark an **X** in one box) . . . . . Yes  No

Form CT-38, line 28 . . . . .	Form CT-259 . . . . .	Form CT-633 . . . . .
Form CT-40 . . . . .	Form CT-261 . . . . .	Form CT-634 . . . . .
Form CT-41 . . . . .	Form CT-501 . . . . .	Form CT-635 . . . . .
Form CT-43 . . . . .	Form CT-502 . . . . .	Form CT-636 . . . . .
Form CT-44 . . . . .	Form CT-601 . . . . .	Form CT-637 . . . . .
Form CT-46 . . . . .	Form CT-601.1 . . . . .	Form CT-638 . . . . .
Form CT-47 . . . . .	Form CT-602 . . . . .	Form CT-639 . . . . .
Form CT-236 . . . . .	Form CT-603 . . . . .	Form CT-640 . . . . .
Form CT-238 . . . . .	Form CT-604 . . . . .	Form CT-641 . . . . .
Form CT-239 . . . . .	Form CT-605 . . . . .	Form CT-641 Servicing mortgages credit . . . . .
Form CT-241 . . . . .	Form CT-606 . . . . .	Form DTF-621 . . . . .
Form CT-242 . . . . .	Form CT-607 . . . . .	Form DTF-622 . . . . .
Form CT-243 . . . . .	Form CT-611 . . . . .	Form DTF-624 . . . . .
Form CT-246 . . . . .	Form CT-611.1 . . . . .	Form DTF-630 . . . . .
Form CT-248 . . . . .	Form CT-612 . . . . .	Other credits . . . . .
Form CT-249 . . . . .	Form CT-613 . . . . .	
Form CT-250 . . . . .	Form CT-631 . . . . .	

If you claimed the QEZE tax reduction credit and you had a 100% zone allocation factor, mark an **X** in the box . . . . .

If you claimed the tax-free NY area tax elimination credit and you had a 100% area allocation factor, mark an **X** in the box . . . . .

If you claimed the tax-free NY area excise tax on telecommunications credit and you had a 100% area allocation factor, mark an **X** in the box . . . . .

<b>100a</b> Total tax credits claimed above (enter here and on line 79; attach form or statement for each tax credit claimed) . . . . .	<b>100a</b>	
<b>100b</b> Total tax credits above that are refund eligible (see instructions) . . . . .	<b>100b</b>	

**Composition of prepayments on line 85** (see instructions)

	Date paid	Amount
<b>101</b> Mandatory first installment . . . . .	<b>101</b>	
<b>102a</b> Second installment from Form CT-400 . . . . .	<b>102a</b>	
<b>102b</b> Third installment from Form CT-400 . . . . .	<b>102b</b>	
<b>102c</b> Fourth installment from Form CT-400 . . . . .	<b>102c</b>	
<b>103</b> Payment with extension request from Form CT-5, line 5 . . . . .	<b>103</b>	
<b>104</b> Overpayment credited from prior years (see instr.) <small>Period</small>	<b>104</b>	7,145.
<b>105</b> Overpayment credited from Form CT-3M/4M. <small>Period</small>	<b>105</b>	
<b>106</b> Total prepayments (add lines 101 through 105; enter here and on line 85) . . . . .	<b>106</b>	7,145.

**107** If you are a member of an affiliated federal group, enter primary corporation name and EIN:  
Name:  EIN:

If you are more than 50% owned by another corporation, enter parent corporation name and EIN:  
Name:  EIN:





**Interest paid to shareholders** (see instructions)

<b>108</b> Did this corporation make any payments treated as interest in the computation of ENI to shareholders owning directly or indirectly, individually or in the aggregate, more than 50% of the corporation's issued and outstanding capital stock? (mark an X in the appropriate box) If Yes, complete the following and line 109 (attach additional sheets if necessary)		<b>108</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Shareholder's name	SSN or EIN			
Interest paid to shareholder	Total indebtedness to shareholder described above	Total interest paid		
<b>109</b> Is there written evidence of the indebtedness? (mark an X in the appropriate box). . . . .		<b>109</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>110</b> Interest deducted in computing FTI on line 1 of this form. . . . .		<b>110</b>	5,336,647.	
<b>111</b> If the Internal Revenue Service (IRS) has completed an audit of any of your returns within the last five years, list years. . . . .		<b>111</b>	2008-2013	

**Schedule A, Part 1 - Computation of business allocation percentage for aviation corporations** (see instructions)

		A New York State		B Everywhere	
<b>112a</b>	Revenue aircraft arrivals and departures (see instr.)	<b>112a</b>			
<b>112b</b>	Adjustment per Tax Law, Article 9-A, section 210.3(a)(7)(A)	<b>112b</b>	.60		
<b>112c</b>	Adjusted NYS revenue aircraft arrivals and departures (multiply line 112a, column A, by line 112b)	<b>112c</b>			
<b>113</b>	New York State percentage (divide line 112c by line 112a, column B)	<b>113</b>			%
<b>114a</b>	Revenue tons handled (see instructions)	<b>114a</b>			
<b>114b</b>	Adjustment per Tax Law section 210.3(a)(7)(A)	<b>114b</b>	.60		
<b>114c</b>	Adjusted NYS revenue tons handled (multiply line 114a, column A, by line 114b)	<b>114c</b>			
<b>115</b>	New York State percentage (divide line 114c by line 114a, column B)	<b>115</b>			%
<b>116a</b>	Originating revenue (see instructions)	<b>116a</b>			
<b>116b</b>	Adjustment per Tax Law section 210.3(a)(7)(A)	<b>116b</b>	.60		
<b>116c</b>	Adjusted NYS originating revenue (multiply line 116a, column A, by line 116b)	<b>116c</b>			
<b>117</b>	New York State percentage (divide line 116c by line 116a, column B)	<b>117</b>			%
<b>118</b>	Total (add lines 113, 115, and 117)	<b>118</b>			%
<b>119</b>	New York business allocation percentage (divide line 118 by three; use to compute lines 21, 38, and 66, and Form CT-38, line 6)	<b>119</b>			%

**Schedule A, Part 2 - Computation of business allocation percentage for trucking and railroad corporations** (see instr.)

		A New York State		B Everywhere	
<b>120</b>	Revenue miles	<b>120</b>			
<b>121</b>	New York State business allocation percentage (divide line 120, column A, by line 120, column B; use to compute lines 21, 38, and 66, and Form CT-38, line 6)	<b>121</b>			%

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**Schedule A, Part 3 - Computation of business allocation percentage** (see instructions)

Number of New York State employees, . . . . . •

Wages paid to New York State employees (see line 138 instructions), . . . . . •

Are you principally engaged in the activity of an air freight forwarder acting as principal or like indirect air carrier,  
or are you a qualified foreign air carrier? (mark an X in the appropriate box) . . . . . Yes •  No •

If No, complete **only** lines 129 through 136 and enter on line 141 the receipts factor computed on line 136. The receipts factor is the business allocation percentage.

Average value of property (see instructions)		A New York State	B Everywhere
122	Real estate owned . . . . .	122	
123	Real estate rented . . . . .	123	
124	Inventories owned . . . . .	124	
125	Tangible personal property owned . . . . .	125	
126	Tangible personal property rented . . . . .	126	
127	Total (add lines 122 through 126) . . . . .	127	
128	New York State property factor (divide line 127, column A, by line 127, column B) . . . . .	128	%

**Receipts in the regular course of business from:**

129	Sales of tangible personal property allocated to New York State (see instructions) . . . . .	129	233,375.	
130	All sales of tangible personal property (see instr.) . . . . .	130		167,204,963.
131	Services performed (see instructions) . . . . .	131		
132	Rentals of property (see instructions) . . . . .	132		213,853.
133	Royalties (see instructions) . . . . .	133		
134	Other business receipts (see instructions) . . . . .	134		1,895,529.
135	Total (add lines 129 through 134) . . . . .	135	233,375.	169,314,345.
136	New York State receipts factor (divide line 135, column A, by line 135, column B; see instructions), . . . . .	136		0.1378%
137	New York State additional receipts factor (see instructions) . . . . .	137		%

**Payroll**

138	Wages and other compensation of employees, except general executive officers (see instr.) . . . . .	138		
139	New York State payroll factor (divide line 138, column A, by line 138, column B) . . . . .	139		%
140	Total New York State factors (add lines 128, 136, 137, and 139) . . . . .	140		%
141	New York State business allocation percentage (see instructions) . . . . .	141		0.1378%

**Schedule A, Part 4 - Computation of alternative business allocation percentage for MTI base** (see instructions)

If you are **not** an air freight forwarder acting as principal or like indirect air carrier, or a qualified foreign air carrier, complete **only** lines 149 through 156 and enter on line 161 the receipts factor computed on line 156. The receipts factor is the alternative business allocation percentage.

Average value of property (see instructions)		A - New York State	B - Everywhere
142	Real estate owned . . . . .	142	
143	Real estate rented . . . . .	143	
144	Inventories owned . . . . .	144	
145	Tangible personal property owned . . . . .	145	
146	Tangible personal property rented . . . . .	146	
147	Total (add lines 142 through 146) . . . . .	147	
148	New York State property factor (divide line 147, column A, by line 147, column B) . . . . .	148	%



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**Receipts in the regular course of business from:**

149 Sales of tangible personal property allocated to New York State (see instructions)	149	233,375.	
150 All sales of tangible personal property	150		167,204,963.
151 Services performed (see instructions)	151		
152 Rentals of property	152		213,853.
153 Royalties	153		
154 Other business receipts	154		1,895,529.
155 Total (add lines 149 through 154)	155	233,375.	169,314,345.
156 New York State receipts factor (divide line 155, column A, by line 155, column B; see instructions)	156		0.1378%
157 New York State additional receipts factor (see instructions)	157		%

**Payroll**

158 Wages and other compensation of employees, except general executive officers	158		
159 New York State payroll factor (divide line 158, column A, by line 158, column B)	159		%
160 Total New York State factors (add lines 148, 156, 157, and 159)	160		%
161 Alternative business allocation percentage (see instructions)	161		0.1378%

162 Are you claiming small business taxpayer status for lower ENI tax rates? (see Small business taxpayer definition in the line 25 instructions of Form CT-3/4-I; mark an X in the appropriate box)	162	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
163 If you marked Yes on line 162, enter total capital contributions (see worksheet in instructions)	163		
164 Are you claiming qualified New York manufacturer status which includes eligible qualified New York manufactures and qualified emerging technology companies (QETCs), for a lower capital base tax rate and limitation? (see instructions; mark an X in the appropriate box)	164	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
165 Are you claiming qualified New York manufacturer or eligible qualified New York Manufacturer status for a lower ENI tax rate? (see instructions; mark an X in the appropriate box)	165	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
166 Are you claiming eligible qualified New York manufacturer status for a lower MTI rate or fixed dollar minimum? (see instructions; mark an X in the appropriate box)	166	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
167 Are you a qualified entity of a New York State innovation hot spot that operates solely within such New York State innovation hot spot and have elected to be subject only to the fixed dollar minimum tax base? (mark an X in the appropriate box)	167	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
168 Are you claiming QETC status for a lower ENI rate? (see instructions; mark an X in the appropriate box)	168	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
169 Are you claiming qualified New York manufacturer or QETC status for a lower MTI rate or fixed dollar minimum? (see instructions; mark an X in the appropriate box)	169	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
170 Are you a residual interest holder in a real estate mortgage investment conduit (REMIC)? (mark an X in the appropriate box)	170	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

**Amended return information** - If filing an amended return, mark an X in the box for any items that apply and attach documentation.

Final federal determination.  If marked, enter date of determination: \_\_\_\_\_

Net operating loss (NOL) carryback  Capital loss carryback.

Federal return filed . . . . . Form 1139  Form 1120X

**Net operating loss (NOL) information**

New York State NOL carryover total available for use this tax year from all prior tax years	
Federal NOL carryover total available for use this tax year from all prior tax years	
New York State NOL carryforward total for future tax years	
Federal NOL carryforward total for future tax years	

**Corporations organized outside New York State:** Complete the following for capital stock issued and outstanding.

Number of par shares	Value	Number of no-par shares	Value
952,248.	\$ 23,806,206.		\$



<b>Third - party designee</b> <i>(see instructions)</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Designee's name <i>(print)</i>	Designee's phone number		
	Designee's e-mail address			PIN	
<b>Certification:</b> I certify that this return and any attachments are to the best of my knowledge and belief true, correct, and complete.					
<b>Authorized Person</b>	Printed name of authorized person <b>CHARLES MANNIX</b>		Signature of authorized person		
	E-mail address of authorized person <b>camannix@nisource.com</b>		Telephone number <b>614-460-6278</b>	Official title <b>VICE PRESIDENT</b>	
<b>Paid preparer use only</b> <i>(see instr.)</i>	Firm's name <i>(or yours if self-employed)</i>		Firm's EIN	Preparer's PTIN or SSN	
	Signature of individual preparing this return		Address		
	E-mail address of individual preparing this return		Preparer's NYTPRIN	Date	

See instructions for where to file.

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2014 **CT-3-ATT**

New York State Department of Taxation and Finance

**Schedules B, C, and D -  
 Attachment to Form CT-3  
 General Business Corporation Franchise Tax Return**

Legal name of corporation Columbia Gas of Kentucky, Inc.	Employer identification number (EIN) 55-0139565
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Attach to Form CT-3, *General Business Corporation Franchise Tax Return*.

**Schedule B, Part 1 - Computation of investment capital and investment allocation percentage**  
*(See instructions; attach separate sheets if necessary, displaying this information formatted as below.)*

**Section 1 - Corporate and governmental debt instruments**

Description of investment *(identify each debt instrument and its date of maturity here; for each debt instrument complete columns C through G on the corresponding lines below)*

Item	A - Debt instrument <i>(see instructions)</i>				B - Maturity date
A					
B					
Item	C Average value <i>(see instructions)</i>	D - Liabilities directly or indirectly attributable to investment capital <i>(see instructions)</i>	E Net average value <i>(column C - column D; see instructions)</i>	F Issuer's allocation % <i>(see instructions)</i>	G Value allocated to New York State <i>(column E x column F)</i>
A					
B					
Amounts from attached list					
Totals of Section 1					
<b>1</b>					

**Section 2 - Corporate stock, stock rights, stock warrants, and stock options**

Description of investment *(identify each investment and enter number of shares here; for each investment complete columns C through G on the corresponding lines below)*

Item	A - Investment <i>(see instructions)</i>				B - Number of shares
A					
B					
Item	C Average value <i>(see instructions)</i>	D - Liabilities directly or indirectly attributable to investment capital <i>(see instructions)</i>	E Net average value <i>(column C - column D; see instructions)</i>	F Issuer's allocation % <i>(see instructions)</i>	G Value allocated to New York State <i>(column E x column F)</i>
A					
B					
Amounts from attached list					
Totals of Section 2					
<b>2</b>					
Totals of Section 1 <i>(from line 1)</i>					
<b>3</b>					
Totals <i>(add lines 2 and 3 in columns C, D, E, and G)</i>					
<b>4</b>					
Investment allocation percentage without the addition of cash <i>(divide line 4, column G, by line 4, column E).</i>					
<b>5</b>	Use to compute Form CT-3, lines 20, 37, and 67; and Form CT-38, line 7				<b>5</b> %
Cash <i>(see instr.)</i>					
<b>6</b>					
Investment capital <i>(add lines 4 and 6 in columns C, D, and E). Enter column E total on Form CT-3, line 35</i>					
<b>7</b>					

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**Schedule B, Part 2 - Computation of investment income before allocation** (see instructions)

8	Interest income from investment capital in Part 1, Section 1 (see instructions)	•	8	
9	Interest income from bank accounts (if line 5 is zero, enter 0 here; see instructions)	•	9	
10	All other interest income from investment capital (see instructions)	•	10	
11	Dividend income from investment capital (see instructions)	•	11	
12	Net capital gain or loss from investment capital (see instructions)	•	12	
13	Investment income other than interest, dividends, capital gains, or capital losses (see instructions)	•	13	
14	Total investment income (add lines 8 through 13)	•	14	
15	Interest deductions directly attributable to investment capital (see instr.)	•	15	
16	Noninterest deductions directly attributable to investment capital (see instr.)	•	16	
17	Interest deductions indirectly attributable to investment capital (see instr.)	•	17	
18	Noninterest deductions indirectly attributable to investment capital (see instr.)	•	18	
19	Total deductions (add lines 15 through 18)	•	19	
20	Balance (subtract line 19 from line 14)	•	20	
21	Apportioned New York net operating loss deduction (NOLD) (see instructions)	•	21	
22	Investment income before allocation (subtract line 21 from line 20; enter here and on Form CT-3, line 18)	•	22	

**Schedule C, Part 1 - Income from subsidiary capital** (see instructions)

23	Interest from subsidiary capital (see instructions; attach list)	•	23	
24	Dividends from subsidiary capital (see instructions; attach list)	•	24	
25	Capital gains from subsidiary capital (see instructions; attach list)	•	25	
26	Total (add lines 23 through 25; enter here and on Form CT-3, line 10)	•	26	

**Schedule C, Part 2 - Computation and allocation of subsidiary capital base and tax** (see instructions)

Include all corporations, except a DISC, in which you own more than 50% of the voting stock. Attach separate sheets if necessary, displaying this information formatted as below.

A - Description of subsidiary capital (list the name of each corporation and the EIN here; for each corporation complete columns B through G on the corresponding lines below)

Item	Name					EIN
A						
B						
C						
A Item	B % of voting stock owned	C Average value (see instructions)	D Liabilities directly or indirectly attributable to subsidiary capital (see instructions)	E Net average value (column C - column D; see instructions)	F Issuer's allocation % (see instr.)	G Value allocated to New York State (column E x column F)
A						
B						
C						
Amounts from attached list . . .		484,319.		484,319.		
27	Totals (add amounts in columns C and D)	•	27	484,319.		
28	Total net average value of subsidiary capital (add amounts in column E; enter here and on Form CT-3, line 33)	•	28	484,319.		
29	Subsidiary capital base before deduction (add amounts in column G)	•	29			
30	Value of subsidiary capital included in column G of subsidiaries taxable under Tax Law Article 32; Article 33; or Article 9, section 186 (see instructions)	•	30			
31	Subsidiary capital base (subtract line 30 from line 29; enter here and on Form CT-3, line 76)	•	31			
32	Subsidiary capital base tax (multiply line 31 by .0009; enter here, on Form CT-3, line 77, and on Form CT-38, line 25)	•	32			

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**Qualified public utilities:** use Schedule D, Part 1 to compute the adjustment for entire net income (ENI).  
**Transferees:** use lines 40, 41, and 43 only to compute the adjustment for ENI.

**Schedule D, Part 1 - Adjustments for qualified public utilities and transferees** (see instructions)

<b>Other additions</b>		
33	Federal depreciation deduction for transition property (see instructions) . . . . .	33
34	Federal loss on the sale of transition property (see instructions) . . . . .	34
35	New York gain on the sale of transition property (see instructions) . . . . .	35
36	Add lines 33, 34, and 35 (enter here and include on Form CT-225, Schedule A) . . . . .	36
<b>Other subtractions</b>		
37	New York depreciation deduction for transition property (see instructions) . . . . .	37
38	New York loss on the sale of transition property (see instructions) . . . . .	38
39	Federal gain on the sale of transition property (see instructions) . . . . .	39
40	Transition property basis adjustment carryover to gain transactions (see instructions) . . . . .	40
41	Transition property basis adjustment carryover to loss transactions (see instructions) . . . . .	41
42	New York regulatory asset deduction (see instructions) . . . . .	42
43	Add lines 37 through 42 (enter here and include on Form CT-225, Schedule B) . . . . .	43

**Qualified power producers or qualified pipeline corporations:** use Schedule D, Part 2 if you claim a depreciation deduction on transition property for federal income tax purposes.

**Schedule D, Part 2 - Adjustments for qualified power producers and qualified pipeline corporations** (see instr.)

<b>Other additions</b>		
44	Federal depreciation deduction for transition property (see instructions; enter here and include on Form CT-225, Schedule A) . . . . .	44
<b>Other subtractions</b>		
45	New York depreciation deduction for transition property (see instructions; enter here and include on Form CT-225, Schedule B) . . . . .	45



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2014

New York State Department of Taxation and Finance

# Depreciation Adjustment Schedule

# CT-399

Tax Law - Articles 9-A, 32, and 33

Legal name of corporation Columbia Gas of Kentucky, Inc.	Employer identification number 55-0139565
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**Part 1 — Computation of New York State depreciation modifications when computing entire net income (ENI)**

List only depreciable property that requires or is entitled to a depreciation modification when computing ENI (see Form CT-399-I, Instructions for Form CT-399).

**Section A — ACRS/MACRS property** (attach separate sheets if necessary, displaying this information formatted as below; see instructions)

**A** — Description of property (identify each item of property here; for each item of property complete columns B through I on the corresponding lines below)

Item	Property								
A Item	B Date placed in service (mm-dd-yy)	C Cost or other basis (see instructions)	D Accumulated federal ACRS/MACRS depreciation (see instructions)	E Federal ACRS/MACRS depreciation deduction (see instructions)	F Method of figuring NYS depreciation (see instructions)	G Life or rate (see instr)	H Accumulated NYS depreciation (see instructions)	I Allowable NYS depreciation (see instructions)	
A									
B									
C									
D									
E									
F									
G									
H									
I									
J									
K									
L									
M									
N									
O									
P									
Q									
Amounts from attached list, if any . . .									
<b>1</b> Totals of Section A	<b>1</b>								

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<b>Section B - 30%/50%/100% federal special depreciation property</b> (attach separate sheets if necessary, displaying this information formatted as below; see instructions)								
A - Description of property (identify each item of property here; for each item of property complete columns B through I on the corresponding lines below)								
Item	Property							
A								
B								
C								
D								
E								
F								
G								
H								
I								
J								
K								
L								
M								
A Item	B Date placed in service (mm-dd-yy)	C Cost or other basis (see instructions)	D Accumulated federal depreciation (see instructions)	E Federal depreciation deduction (see instructions)	F Method of figuring NYS depreciation (see instructions)	G Life or rate (see instr.)	H Accumulated NYS depreciation (see instructions)	I Allowable NYS depreciation (see instructions)
A								
B								
C								
D								
E								
F								
G								
H								
I								
J								
K								
L								
M								
Amounts from attached list, if any . . .								
<b>2</b> Totals of Section B . . . . .	<b>2</b>	109,128,470.	60,550,026.	15,094,387.			24,433,465.	6,815,877.
<b>3</b> Add lines 1 and 2 in columns C, D, E, H, and I (see instr.) . . . . .	<b>3</b>	109,128,470.	60,550,026.	15,094,387.			24,433,465.	6,815,877.

If you **have not disposed** of any ACRS/MACRS property placed in service in tax years beginning before 1994, and you **have not disposed** of qualified property for which you claimed a 30%/50%/100% federal special depreciation deduction (in a tax year beginning after December 31, 2002, for property placed in service on or after June 1, 2003), enter the total of column E as an addback to federal taxable income (FTI) and the total of column I as a deduction from FTI on the appropriate lines of your corporation franchise tax return (see line 3 instructions).

If you have disposed of any property listed on this form in a prior year, complete Parts 2 and 3.

If you file Form CT-3, CT-3-A, or CT-4, use Part 4 to determine your depreciation adjustment used to compute your minimum taxable income base.



**Part 2 - Disposition adjustments** (attach separate sheets if necessary, displaying this information formatted as below; see instructions)

- For each item of property listed below, determine the difference between the total federal depreciation deduction, including a 30%/50%/100% federal special depreciation deduction, and the total New York State depreciation used in the computation of federal and New York State taxable income in prior and current years.
- If the federal depreciation deduction is larger than the New York State depreciation deduction, subtract column D from column C and enter the result in column E.
- If the New York State depreciation deduction is larger than the federal depreciation deduction, subtract column C from column D and enter the result in column F.

**A** - Description of property (identify each item of property here; for each item of property complete columns B through F on the corresponding lines below)

Item	Property
A	
B	
C	See disposition statement
D	
E	
F	
G	
H	

A Item	B Date placed in service (mm-dd-yy)	C Total federal depreciation deduction taken (see instructions)	D Total New York State depreciation taken (see instructions)	E Adjustment (if C is larger than D, column C - column D; see instructions)	F Adjustment (if D is larger than C, column D - column C; see instructions)
A					
B					
C					
D					
E					
F					
G					
H					

Amounts from attached list, if any . . . . .					
<b>4</b> Total excess federal depreciation deductions over New York State depreciation deductions (add column E amounts) . . . . .	<b>4</b>			201,700.	
<b>5</b> Total excess New York State depreciation deductions over federal depreciation deductions (add column F amounts) . . . . .	<b>5</b>				

<b>Part 3 - Summary of adjustments to ENI</b>		<b>A</b> Federal	<b>B</b> New York State
<b>6</b> Enter amount from line 3, column E . . . . .	<b>6</b>	15,094,387.	
<b>7</b> Enter amount from line 3, column I . . . . .	<b>7</b>		6,815,877.
<b>8</b> Enter amount from line 4 . . . . .	<b>8</b>		201,700.
<b>9</b> Enter amount from line 5 . . . . .	<b>9</b>		
<b>10</b> Add amounts in column A and column B . . . . .	<b>10</b>	15,094,387.	7,017,577.

**If you file Form:**                      **Enter the amount from line 10, column A, on:**                      **Enter the amount from line 10, column B, on:**

CT-3 or CT-3-A . . . . . line 7 . . . . . line 14  
CT-4 . . . . . line 5 . . . . . line 8  
CT-32 . . . . . line 28 . . . . . line 39  
CT-32-A . . . . . line 30 . . . . . line 39  
CT-33 . . . . . line 70 . . . . . line 78  
CT-33-A . . . . . line 73 . . . . . line 82



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**Part 4 - Minimum taxable income base depreciation adjustments - Article 9-A only**

Complete this part **only** if you completed Section A. List below only the properties entered in Section A that were placed in service after 1986. **Do not** include qualified property for which a 30%/50%/100% federal special depreciation deduction was claimed in Section B. Attach separate sheets if necessary, displaying this information formatted as below.

**A** - Description of property (*identify each item of property here; for each item of property complete columns B through E on the corresponding lines below*)

Item	Property			
A				
B				
C				
D				
E				
F				
G				
H				
I				
J				
K				
L				
M				
N				
O				
<b>A</b> Item	<b>B</b> Date placed in service (mm-dd-yy)	<b>C</b> Cost or other basis (see instructions)	<b>D</b> Federal depreciation deduction (see instructions)	<b>E</b> Alternative depreciation system (see instructions)
A				
B				
C				
D				
E				
F				
G				
H				
I				
J				
K				
L				
M				
N				
O				
Amounts from attached list, if any. . . . .				
<b>11</b>	Total columns D and E. . . . .			<b>11</b>
<b>12</b>	If column D total is more than column E total, enter the excess. . . . .			<b>12</b>
<b>13</b>	If column E total is more than column D total, enter the excess. . . . .			<b>13</b>
<b>14</b>	Enter amount from federal Form 4626, line 2a, depreciation of post-1986 property (see instructions). . . . .			<b>14</b>
<b>15</b>	If there is an excess on line 12, subtract line 12 from line 14. . . . .			<b>15</b>
<b>16</b>	If there is an excess on line 13, add lines 13 and 14. . . . .			<b>16</b>
				-772,439.

Include the amount from line 15 or line 16 on Form CT-4, line 22; or Form CT-3 or CT-3-A, line 43.

**Attach this form and a copy of federal Form 4562 to your New York State corporation franchise tax return.**



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Columbia Gas of Kentucky, Inc.

New York CT-3, Page 2 Detail

Line 13 - NOL Carryover

-----		
Carryover generated in tax year 2008 .....	15,137,381.	
NOL utilized in 2009	13,106,619.	
NOL utilized in 2010	2,030,762.	
	-----	-----
Total NOL utilized	15,137,381.	
	-----	-----
NOL carried forward to 2015		NONE
		-----
Carryover generated in tax year 2011 .....	2,630,715.	
NOL utilized in 2012	2,630,715.	
	-----	-----
Total NOL utilized	2,630,715.	
	-----	-----
NOL carried forward to 2015		NONE
		-----
Total NOL carried forward to 2015		=====

Columbia Gas of Kentucky, Inc.

New York CT-3, Page 2 Detail

=====  
Line 41 - Issuer's Allocation Percentage computation  
-----

Capital base from CT-3, ln 39	138,596.
Subsidiary capital base, CT-3-ATT, Sch C, ln 29	
Total	----- 138,596. -----
Total capital from CT-3, ln 32	101,061,966. -----
Issuer's Allocation Percentage	0.1371 % =====







**Diagnostic Report**

**Tax Year :** 2014  
**Taxpayer:** Columbia Gas of Kentucky, Inc.  
**ID No :** 55-0139565

**Return No:** 0001FE

Severe Diagnostics  
-----

\*\* No Severe Diagnostics Detected \*\*

Informational Diagnostics: Total 4  
-----

States (4)

General (2)

1.Common State

Federal attachments are not provided for states that require a complete federal return. Please check the filing requirements for the following state returns:

NH,NY,PA,

2.Common State

The following state(s) may require that you submit tax payments using Electronic Funds Transfer (EFT). Please consult the state's EFT guidelines before submitting any payments by check:

IL,PA,TX,

Pennsylvania (2)

3.General Information

The State of Pennsylvania requires data to print in 12pt OCRA font (approximately 1/6" tall). If your data for Pennsylvania forms is printing in a smaller font, please contact support.

4.REV-857

The State of Pennsylvania instructions indicate to use our Form REV-857 only if corporation has not received the preprinted PA Corp. Tax Coupon Book.

\*\* No Electronic Filing Alerts Detected \*\*

\*\* No Electronic Filing Rejects Detected \*\*

\*\* No Electronic Filing XML Validation Errors Detected \*\*

\* indicates Diagnostic has been suppressed.

1010014199



DEPARTMENT USE ONLY

**RCT-101** (08-14) **PAGE 1 OF 6**  
**PA CORPORATE TAX REPORT 20**1 4

A A = 1120 B = 1120S C = 1120C D = 1120F E = 1120H F = 1065 G = 1040 H = Other

**STEP A**

Tax Year Beginning **XX** 01012014 Tax Year Ending **XX** 12312014

**STEP B**

Amended Report	<b>XX</b>	<b>N</b>	52-53 Week Filer	<b>XX</b>	<b>N</b>	First Report	<b>XX</b>	<b>N</b>
Federal Extension Granted	<b>XX</b>	<b>Y</b>	Address Change	<b>XX</b>	<b>Y</b>	KOZ/EIP/SDA Credit	<b>XX</b>	<b>N</b>
Regulated Inv. Co./ Sub Paragraph 18	<b>XX</b>	<b>N</b>	Change Fed Group	<b>XX</b>	<b>N</b>	File Period Change	<b>XX</b>	<b>N</b>

**STEP C**

Revenue ID	<b>XX</b>	1000497446	Parent Corporation EIN	352108964
Federal EIN	<b>XX</b>	550139565		
Business Activity Code	<b>XX</b>	221210		
Corporation Name	<b>XX</b>	COLUMBIA GAS OF KENTUCKY, INC.		
Address Line 1	<b>XX</b>	290 W. NATIONWIDE BLVD.		
Address Line 2	<b>XX</b>			
City	<b>XX</b>	COLUMBUS		
State	<b>XX</b>	OH		
ZIP	<b>XX</b>	43215		

USE WHOLE DOLLARS ONLY

**STEP D**

**A. Tax Liability  
from Tax Report**  
(can not be less than zero)

**B. Estimated  
Payments &  
Credits on Deposit**

**C. Restricted  
Credits**

**STEP E:  
Payment Due/Overpayment**  
Calculation: A minus B minus C  
See Instructions.

<b>CS/FF</b>	738	0	0	738
<b>LOANS</b>	0	0	0	0
<b>CNI</b>	29725	32189	0	-2464
<b>TOTAL</b>	30463	32189	0	-1726

**STEP F: Transfer/Refund Method (See instructions.)**

**E-File Opt Out (See instructions.)** N

**1726** **Transfer:** Amount to be credited to the next tax year after offsetting all unpaid liabilities

**Refund:** Amount to be refunded after offsetting all unpaid liabilities

**STEP G: Corporate Officer (Sign affirmation below)**

**NAME** CHARLES MANNIX  
**PHONE** 6144606278  
**EMAIL** CAMANNIX@NISOURCE.COM

**FORM** 1062  
**BARCODE** 0000

4Y4623 2.000

I affirm under penalties prescribed by law, this report, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct and complete report. If this report is an amended report, the taxpayer hereby consents to the extension of the assessment period for this tax year to one year from the date of filing of this amended report or three years from the filing of the original report, whichever period last expires, and agrees to retain all required records pertaining to that tax and tax period until the end of the extended assessment period, regardless of any statutory provision providing for a shorter period of retention. For purposes of this extension, an original report filed before the due date is deemed filed on the due date. I am authorized to execute this consent to the extension of the assessment period.

<b>Corporate Officer Signature</b>	<b>Date</b>
------------------------------------	-------------

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REVENUE ID 1000497446  
 TAX YEAR END 12312014 NAME COLUMBIA GAS OF KENTUCKY,  
 RCT-101 PAGE 2 OF 6 PA CORPORATE TAX REPORT 2014

SECTION A: CS/FF

OLDEST PERIOD FIRST	TAX PERIOD BEGINNING	TAX PERIOD ENDING	BOOK INCOME			
YEAR 1	01012010	12312010	10672472	Investment in LLC	XX	N
YEAR 2	01012011	12312011	10804539	Holding Company	XX	N
YEAR 3	01012012	12312012	8487129	Family Farm	XX	N
YEAR 4	01012013	12312013	10400875			
YEAR 5						
YEAR 6						
YEAR 7						
CUR YR	01012014	12312014	12045653			

USE WHOLE DOLLARS ONLY

2. TOTAL BOOK INCOME (sum of income for all tax periods up to, but not over 5 years total)	2	52410668
3. DIVISOR (in years and in part years rounded to three decimal places) See instructions.	3	5.000
4. Divide Line 2 by Line 3.	4	10482134
5. AVERAGE BOOK INCOME - Enter Line 4, or if Line 4 is less than zero enter "0".	5	10482134
6. Divide Line 5 by 0.095.	6	110338253
7. Shareholders' equity at the END of the current period	7	110500613
8. Shareholders' equity at the BEGINNING of the current period	8	100385864
9. If Line 7 is more than twice as great or less than half as much as Line 8, add Lines 7 and 8 and divide by 2. Otherwise enter Line 7.	9	110500613
10. NET WORTH - Enter Line 9, or if Line 9 is less than zero enter "0".	10	110500613
11. Multiply Line 10 by 0.75.	11	82875460
12. Add Lines 6 and 11.	12	193213713
13. Divide Line 12 by 2.	13	96606857
14. Valuation deduction	14	-160000
15. CAPITAL STOCK VALUE - Line 13 minus Line 14, but not less than zero. If 100% taxable, enter Line 15 on Line 17.	15	96446857
16. Proportion of taxable assets or apportionment proportion (from Schedule A-1, Line 5)	16	0.011414
17. TAXABLE VALUE - Multiply Line 15 by Line 16. If less than zero, enter "0".	17	1100844
18. CAPITAL STOCK/FOREIGN FRANCHISE TAX - Multiply Line 17 by 0.00067.	18	738

Total Beginning of Taxable Year Assets 333403955

Total End of Taxable Year Assets 353135656

4Y4664 2.000



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REVENUE ID 1000497446  
 TAX YEAR END 12312014 NAME COLUMBIA GAS OF KENTUCKY,  
 RCT-101 PAGE 3 OF 6 PA CORPORATE TAX REPORT 2014

**SECTION B: Bonus Depreciation**

1. Current year fed. deprec. of 168k prop.	1	15211435	Business Trust	XX	N
2. Current year adj. for disp. of 168k prop.	2	306181	Solicitation Only	XX	N
3. Other adjustments	3	0	Single-Member LLC	XX	N
(Attach schedule C-3 if claiming bonus depreciation.)			Multi-Member LLC	XX	N
			PA S Corporation	XX	N
			Taxable Built-in Gains	XX	N

USE WHOLE DOLLARS ONLY

**SECTION C: CORPORATE NET INCOME TAX**

1. Income or loss from federal return on a separate-company basis	1	130333
<b>2. DEDUCTIONS:</b>		
A. Corporate dividends received (from Schedule C-2, Line 6)	2A	0
B. Interest on U.S. securities (GROSS INT less EXPENSES)	2B	0
C. Curr yr. addtl. PA deprec. plus adjust. for sale (Attach Schedule C-3.)	2C	1538300
D. Other (Attach schedule.) See instructions.	2D	0
<b>TOTAL DEDUCTIONS - Sum of A through D</b>	<b>2</b>	<b>1538300</b>
<b>3. ADDITIONS:</b>		
A. Taxes imposed on or measured by net income (Attach schedule.)	3A	442932
B. Tax preference items (Attach copy of federal Form 4626.)	3B	0
C. Employment incentive payment credit adjustment (Attach Schedule W.)	3C	0
D. Current year bonus depreciation (Attach Schedule C-3.)	3D	12336491
E. Other (Attach schedule.) See instructions.	3E	0
<b>TOTAL ADDITIONS - Sum of A through E</b>	<b>3</b>	<b>12779423</b>
4. Income or loss with Pennsylvania adjustments (Line 1 minus Line 2 plus Line 3)	4	11371456
5. Total nonbusiness income or loss (Attach form REV-934.)	5	0
6. Income or loss to be apportioned (Line 4 minus Line 5)	6	11371456
7. Apportionment proportion (from Schedule C-1, Line 5)	7	0.026166
8. Income or loss apportioned to PA (Line 6 times Line 7)	8	297546
9. Nonbusiness income or loss allocated to PA	9	0
10. Taxable income or loss after apportionment (Line 8 plus Line 9)	10	297546
11. Total net operating loss deduction (from RCT-103)	11	0
12. PA taxable income or loss (Line 10 minus Line 11)	12	297546
13. Corporate net income tax (Line 12 times <u>9.99%</u> ; if Line 12 is less than zero, enter "0")	13	29725

4Y4665 2.000



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REVENUE ID 1000497446  
 TAX YEAR END 12312014 NAME COLUMBIA GAS OF KENTUCKY,  
**RCT-101 PAGE 4 OF 6 PA CORPORATE TAX REPORT 2014**

**IMPORTANT: For tax years beginning on or after Jan. 1, 2014, do not complete Section D: Loans Tax.**  
**SECTION D: LOANS TAX**

- 1. Foreign corporations only. Did this corporation have a fiscal officer resident in Pennsylvania? **XX**
- 2. Did this corporation have indebtedness outstanding to individual residents and/or partnerships resident in Pennsylvania? **XX**
- 3. Did this corporation have indebtedness outstanding held by a trustee, agent or guardian for a resident individual taxable in its own right or by an executor or administrator of an estate wherein the decedent was a resident of Pennsylvania? **XX**

List outstanding indebtedness. Attach a separate schedule if additional space is needed.

Interest Amount	Interest Rate	Taxable Value	Taxable Indebtedness	Loans Tax
			<b>XX</b>	
				<b>XX</b>

**SCHEDULE A-1: Apportionment Schedule For Capital Stock/Foreign Franchise Tax (Include Form RCT-102, RCT-105 or RCT-106.)**

<b>Three Factor</b>				<b>Single Factor</b>			
Property - PA	<b>1 A</b>	3124504	<b>1 C</b>	0.008076	Numerator	<b>4 A</b>	0
Property - Total	<b>1 B</b>	386888046			Denominator	<b>4 B</b>	0
Payroll - PA	<b>2 A</b>	0	<b>2 C</b>	0.000000			
Payroll - Total	<b>2 B</b>	11245960					
Sales - PA	<b>3 A</b>	4431495	<b>3 C</b>	0.026166	Apportionment	<b>5</b>	0.011414
Sales - Total	<b>3 B</b>	169359959			Proportion		

**SCHEDULE C-1: Apportionment Schedule For Corporate Net Income Tax (Include Form RCT-106.) \***

<b>Three Factor</b>				<b>Single Factor</b>			
Property - PA	<b>1 A</b>	0	<b>1 D</b>	00.000000	Numerator	<b>4 A</b>	0
Property - Total	<b>1 B</b>	0			Denominator	<b>4 B</b>	0
Payroll - PA	<b>2 A</b>	0	<b>2 D</b>	00.000000			
Payroll - Total	<b>2 B</b>	0					
Sales - PA	<b>3 A</b>	4431495	<b>3 D</b>	00.026166	Apportionment	<b>5</b>	0.026166
Sales - Total	<b>3 B</b>	169359959			Proportion		

\* Refer to the instructions in the CT-1 PA Corporation Tax Booklet (REV-1200) found at www.revenue.state.pa.us.



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REVENUE ID 1000497446  
TAX YEAR END 12312014 NAME COLUMBIA GAS OF KENTUCKY,  
RCT-101 PAGE 5 OF 6 PA CORPORATE TAX REPORT 2014

**SECTION E: CORPORATE STATUS CHANGES**

	Final Report	XX	N		
<b>PA Corporations:</b>					
Did you ever transact business anywhere?	XX	N	If yes, enter date all business activity ceased	XX	
Did you hold assets anywhere?	XX	N	If yes, enter date of final disposition of assets*	XX	
<b>Foreign Corporations:</b>					
Did you ever transact business in PA?	XX	N	If yes, enter date PA business activity ceased	XX	
Did you hold assets in PA?	XX	N	If yes, enter date of final disposition of PA assets*	XX	

\*Schedule of Disposition of Assets **must** be completed and filed with this report.

Has the corporation sold or transferred in bulk 51 percent or more of any class of assets? (See instructions.) XX N  
If yes, enter the following information. (Attach a separate schedule if additional space is needed.)

Purchaser Name	XX
Address Line 1	XX
Address Line 2	XX
City	XX
State	XX
ZIP	XX

**SECTION F: GENERAL INFORMATION QUESTIONNAIRE**

Describe corporate activity in PA STORAGE OF NATURAL GAS  
Describe corporate activity outside PA PUBLIC UTILITY - NATURAL GAS DISTRIBUTION  
Other states in which taxpayer has activity

State of Incorporation XX KY Incorporation Date XX 10111905

- |   |    |   |
|---|----|---|
| 1. Does any corporation, individual or other business entity hold all or a majority of the stock of this corporation?                                   | XX | Y |
| 2. Does this corporation own all or a majority of stock in other corporations? If yes, complete Schedule X.   | XX | Y |
| 3. Is this taxpayer a partnership that elects to file federal taxes as a corporation?   | XX | N |
| 4. Has the federal government changed taxable income as originally reported for any prior period for which reports of change have not been filed in PA? | XX | N |

If yes: First Period End Date: XX Last Period End Date: XX

Accounting Method - Federal Tax Return

A A = Accrual C = Cash O = Other

Other

Accounting Method - Financial Statements

A A = Accrual C = Cash O = Other

Other

4Y4663 2.000



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REVENUE ID 1000497446  
TAX YEAR END 12312014 NAME COLUMBIA GAS OF KENTUCKY,  
RCT-101 PAGE 6 OF 6 PA CORPORATE TAX REPORT 20 1 4

SCHEDULE OF REAL PROPERTY IN PA (Attach a separate schedule if additional space is needed.)

Did you own or rent proptry in PA during this filing period? If yes, the below section must be completed. N

O = Own  
R = Rent

Street Address

City

County

KOZ/KOEZ

XX  
XX  
XX  
XX

**CORPORATE OFFICERS**

SSN

Last Name

First Name

MI

(See instructions.)

Must provide all officers.

Position	SSN	Last Name	First Name	MI
President/Managing Partner	XX	MILLER	HERBERT	A
Vice President	XX	MULPAS	JOSEPH	
Secretary	XX	SMITH	ROBERT	
Treasurer/Tax Manager	XX	VAJDA	DAVID	J

**PREPARER'S INFORMATION**

Mail to Preparer	XX	N
Firm Federal EIN	XX	
Firm Name	XX	
Address Line 1	XX	
Address Line 2	XX	
City	XX	
State	XX	
ZIP	XX	

I affirm under penalties prescribed by law this report, including any accompanying schedules and statements, has been prepared by me and to the best of my knowledge and belief is a true, correct and complete report.

<b>Tax Preparer's Signature</b>	<b>Date</b>

**INDIVIDUAL PREPARER**  
**PHONE**  
**EMAIL**  
**PTIN/SSN**

4Y4666 2.000



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Columbia Gas of Kentucky, Inc.

RCT-101, Page 1, Step D, Tax Summary, Payments and Credits Detail

=====

	Cap. Stock Fran.	Loans Tax	Corp. Net Inc.
	-----	-----	-----
Applied from REV-855			
Tentative payments			32,189.
Payments with extension			
Keystone Opp Zone			
Credits:			
Neighborhood Assist.			
Employment Incentive			
Educational Imp.			
Coal Waste Removal			
Jobs Creation Tax			
Pennsylvania R & D			
	-----	-----	-----
Totals			32,189.
	=====	=====	=====



4Y4654 2.000

CORPORATION TAX PAYMENT VOUCHER

1000497446

3274014199

PAYMENT AMOUNT

Columbia Gas of Kentucky, In

614-460-6278

\$

NONE

290 W. Nationwide Blvd.

Columbus  
OH  
43215

DEPARTMENT USE ONLY

Make check or money order  
payable to the Pennsylvania  
Department of Revenue

REV-798 CT (05-14)



**SCHEDULE C-2 PA DIVIDEND DEDUCTION SCHEDULE**

TAX YEAR BEGINNING \_\_\_\_\_

TAX YEAR ENDING \_\_\_\_\_

CORPORATION NAME \_\_\_\_\_ REVENUE ID \_\_\_\_\_

1	Federal Schedule C, Line (20), Total Deductions . . . . .	1	
2	Federal Schedule C, Line (15), Foreign Dividend Gross-Up (Section 78) . . . . .	2	
3	Dividends from less-than-20-percent-owned foreign corporations listed on Lines (13) and (14) of federal Schedule C x 70 percent - 0.70 . . . . .	3	
4	Dividends from 20-percent-or-more-owned foreign corporations listed on Lines (13) and (14) of federal Schedule C x 80 percent - 0.80 . . . . .	4	
5	Dividends listed on Lines (13) and (14) of federal Schedule C from foreign corporations that meet the "80 percent voting and value test" of IRC § 1504(a)(2) and otherwise would qualify for 100 percent deduction under IRC § 243(a)(3) if they were a domestic corporation. <b>Do not list any amounts included in Item 4.</b> . . . . .	5	
6	<b>Total PA Dividend Deduction</b> - Add Lines 1, 2, 3, 4 and 5. Enter this amount at Section C, Line (2A) on RCT-101. . . . .	6	

**SCHEDULE X**

Taxpayers completing this schedule must provide beginning and ending consolidating schedules reflecting the activity of all members of the consolidated group, along with all consolidations and eliminations.

TAX YEAR BEGINNING 01/01/2014

TAX YEAR ENDING 12/31/2014

CORPORATION NAME Columbia Gas of Kentucky, Inc. REVENUE ID 1000497446

Name	File in PA	Revenue ID	EIN
CENTRAL KENTUCKY TRANSMISSION CO	N		20-1712388

Name, SSN, EIN and/or Revenue ID of any individual or business entity owning all or a majority of the stock of the taxpayer.

Name	SSN or EIN	Revenue ID
NiSource Gas Distribution Group Inc	46-3083381	









TAX YEAR BEGINNING 01/01/2014  
TAX YEAR ENDING 12/31/2014

CORPORATION NAME Columbia Gas of Kentuc REVENUE ID 1000497446

**SCHEDULE A-3  
ADJUSTMENTS TO NET INCOME PER BOOKS**

(See CT-1 booklet, REV-1200, at www.revenue.state.pa.us for requirements to complete this schedule)

**PART A**

<p>1. Net Income per Books from federal Schedule M-1 or federal Schedule M-3. <u>12,071,972.</u></p> <p><b>Additions</b></p> <p>2. Dividends from subsidiary corporations not included in Line 1 _____</p> <p>3. Losses from subsidiary corporations deducted in arriving at Line 1 _____</p> <p>4. Losses from limited liability companies deducted in arriving at Line 1* _____</p> <p>5. Distributions from limited liability companies not included in Line 1* _____</p> <p>6. Other (Itemize) _____ _____ _____</p> <p>7. Total Lines 1 to 6 <u>12,071,972.</u></p>		<p><b>Reductions</b></p> <p>8. Income from subsidiary corporations included in Line 1 <u>26,319.</u></p> <p>9. Income from limited liability companies included in Line 1* _____</p> <p>10. Distributions to materially participating member of limited liability companies** _____</p> <p>11. Other (Itemize) _____ _____ _____</p> <p>12. Total Lines 8 to 11 <u>26,319.</u></p> <p>13. Revised Net Income per Books (Line 7 minus Line 12) <u>12,045,653.</u></p>
--	--	--

\* Any taxpayer making these adjustments must provide a copy of federal Schedule K-1, if the investee LLC files federal Form 1065, or a reconciliation of beginning and ending net worth of the investee LLC, if the investee LLC is a disregarded entity.

\*\* This reduction may only be taken by LLCs and business trusts not taxed as corporations for federal income tax purposes. Taxpayers claiming this reduction must complete Part B below.

**PART B**

Name of Member \_\_\_\_\_ Current-Year Distribution \_\_\_\_\_  
 SSN or EIN of Member \_\_\_\_\_ Less Current-Year Distribution included in Prior-Year Reduction \_\_\_\_\_  
 How does member qualify as materially participating under IRC Section 469? Plus Current-Year Reduction distributed in subsequent year \_\_\_\_\_  
 \_\_\_\_\_ Current-Year Reduction \_\_\_\_\_

Name of Member \_\_\_\_\_ Current-Year Distribution \_\_\_\_\_  
 SSN or EIN of Member \_\_\_\_\_ Less Current-Year Distribution included in Prior-Year Reduction \_\_\_\_\_  
 How does member qualify as materially participating under IRC Section 469? Plus Current-Year Reduction distributed in subsequent year \_\_\_\_\_  
 \_\_\_\_\_ Current-Year Reduction \_\_\_\_\_

Name of Member \_\_\_\_\_ Current-Year Distribution \_\_\_\_\_  
 SSN or EIN of Member \_\_\_\_\_ Less Current-Year Distribution included in Prior-Year Reduction \_\_\_\_\_  
 How does member qualify as materially participating under IRC Section 469? Plus Current-Year Reduction distributed in subsequent year \_\_\_\_\_  
 \_\_\_\_\_ Current-Year Reduction \_\_\_\_\_

Total Reduction from Supplemental Schedule (Attach additional schedule(s) if necessary.) \_\_\_\_\_

Total Reduction for Distributions to Materially Participating Members (Carry to Part A, Line 10.) \_\_\_\_\_

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TAX YEAR BEGINNING 01/01/2014  
 TAX YEAR ENDING 12/31/2014

CORPORATION NAME Columbia Gas of Kentucky REVENUE ID 1000497446

Schedules 1 and 2 of this Insert Sheet must be completed by Pennsylvania corporations claiming the exemption for tangible and intangible assets for capital stock tax purposes and foreign corporations electing to use the single-factor, exempt-asset fraction for foreign franchise tax purposes.

Tables 1, 2 and 3 of this Insert Sheet must be completed by all corporations apportioning taxable income and by foreign and Pennsylvania corporations using the three-factor formula to calculate the taxable value of capital stock.

A. AVERAGE TOTAL ASSETS [Carry to RCT-101, Schedule A-1, Line (4b)] . . . . . \$ \_\_\_\_\_

B. Less: AVERAGE EXEMPT ASSETS -

Tangibles (From Schedule 1, below) . . . . . \$ \_\_\_\_\_

Intangibles (From Schedule 2, below) . . . . . \$ \_\_\_\_\_

Pollution Control Devices. . . . . \$ \_\_\_\_\_ \$ \_\_\_\_\_

(See instructions.)

C. AVERAGE ASSETS TAXABLE IN PA [Carry to RCT-101, Schedule A-1, Line (4a)] . . . . . \$ \_\_\_\_\_

D. PROPORTION OF TAXABLE ASSETS (Calculate to six decimal places.)

	<b>AVERAGE TAXABLE ASSETS</b>	=	
	<b>AVERAGE TOTAL ASSETS</b>	•	
			[Carry to RCT-101, Schedule A-1, Line (5)]

**EXEMPTION CLAIMED FOR TANGIBLE AND INTANGIBLE ASSETS (Use whole dollars only.)**

SCHEDULE 1 EXEMPT TANGIBLE ASSETS (Attach additional schedule if necessary.)	Net Book Value - Beginning		Net Book Value - Ending		E Amount of Exemption Claimed for Average Value of Tangible Assets Located Outside of PA (Col. B + D) ÷ 2
	A Inside PA	B Outside PA	C Inside PA	D Outside PA	
1. Buildings . . . . .					
2. Equipment and Fixtures . .					
3. Land . . . . .					
4. Leasehold Improvements .					
5. Motor Vehicles . . . . .					
6. Rolling Stock and all Other Movable Property . . . . .					
7. Other Tangible Property (Attach schedule.) . . . . .					
8. Inventories . . . . .					
<b>TOTALS</b>					

NOTE: If there was a substantial change during the year, attach a detailed explanation.

SCHEDULE 2 EXEMPT INTANGIBLE ASSETS (Attach additional schedule if necessary.)	A Number of Shares or %	B Date Acquired	C Date Sold	D Held (Full Year or No. of Days)	E Book Value	F Exemption Claimed
1. Stocks of PA Corporations . . . . .						
2. Stocks of Foreign Corporations . . . . . (More than 50 percent owned)						
3. Student Loan Assets . . . . .						
4. U. S. Securities . . . . .						
5. Exempt State and Local Securities .						
6. National Bank Shares . . . . .						
7. TOTALS (For Exemption Purposes)						

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**TABLES SUPPORTING DETERMINATION OF APPORTIONMENT PERCENTAGE** (Use whole dollars only.)

Apportionment for:

Capital Stock/Foreign Franchise and Corporate Net Income Taxes  Capital Stock/Foreign Franchise Tax Only  Corporate Net Income Tax Only

TAX YEAR BEGINNING 01/01/2014

TAX YEAR ENDING 12/31/2014

CORPORATION NAME Columbia Gas of Kentucky, REVENUE ID 1000497446

TABLE 1 - PROPERTY FACTOR	Description	Inside PA		Inside and Outside PA	
		Beginning of Period	End of Period	Beginning of Period	End of Period
Tangible Property Owned (original cost value)					
Inventory		2,603,034.	3,645,974.	42,258,424.	51,065,679.
Buildings and Depreciable Assets				311,599,746.	359,816,778.
Land				4,169,560.	4,205,569.
Other Real and Tangible Personal Property					
Partner's Share of Property Owned by Partnerships					
Less Construction in Progress (if included above)		( )	( )	( )	( )
Totals		2,603,034.	3,645,974.	358,027,730.	415,088,026.
Total Beginning and End of Period			6,249,008.		773,115,756.
Average Value (1/2 of Above)			3,124,504.		386,557,878.
Add: Corporate Tangible and/or Real Property Rented*					330,168.
Partnership Tangible and/or Real Property Rented*					
Total Average Value		(A)	3,124,504.	(B)	386,888,046.

\*Eight times net annual rental rate (Attach schedule.)

(C) Property Factor (Divide A by B; calculate to six decimal places.) 0 ● 0 0 8 0 7 6

Carry (A), (B) and (C) over to RCT-101, Schedule A-1, as applicable, Lines 1A, 1B and 1C.  
Carry (A), (B) and (D) over to RCT-101, Schedule C-1, Lines 1A, 1B and 1D.

\*(D) Property Factor Calculation (Multiply C by the appropriate property weight factor.)

TABLE 2 - PAYROLL FACTOR	Description	Inside PA	Inside and Outside PA
Wages, Salaries, Commissions and Other Compensation to Employees in:			
Cost of Goods Sold			
Compensation of Officers			
Salesmen's Salaries and Commissions			
Other Payroll			11,245,960.
Partner's Share of Payroll from Partnerships			
Total Payroll		(A)	(B) 11,245,960.

(C) Payroll Factor (Divide A by B; calculate to six decimal places.)

Carry (A), (B) and (C) over to RCT-101, Schedule A-1, as applicable, Lines 2A, 2B and 2C.  
Carry (A), (B) and (D) over to RCT-101, Schedule C-1, Lines 2A, 2B and 2D.

\*(D) Payroll Factor Calculation (Multiply C by the appropriate payroll weight factor.)

TABLE 3 - SALES FACTOR	Description	Inside PA	Inside and Outside PA
Sales (net of returns and allowances)		4,431,495.	167,204,963.
Interest, Rents, Royalties			375,375.
Gross Receipts from the Sale of Other Business Assets (except securities, unless you are a securities dealer)			45,614.
Other Sales (receipts only)			1,734,007.
Partner's Share of Sales from Partnerships			
Total Sales		(A) 4,431,495.	(B) 169,359,959.

(C) Sales Factor (Divide A by B; calculate to six decimal places.)

0 ● 0 2 6 1 6 6

Carry (A), (B) and (C) over to RCT-101, Schedule A-1, as applicable, Lines 3A, 3B and 3C.  
Carry (A), (B) and (D) over to RCT-101, Schedule C-1, Lines 3A, 3B and 3D.

\*(D) Sales Factor Calculation (Multiply C by the appropriate sales weight factor.)

Special apportionment to be completed only by railroad, truck, bus and airline companies; pipeline or natural gas companies; and water transportation companies. Refer to instructions.

(A) NUMERATOR (A) \_\_\_\_\_ = \_\_\_\_\_ ● \_\_\_\_\_ (C)

(B) DENOMINATOR (B)

Carry (A), (B) and (C) over to RCT-101, Schedules C-1 and/or A-1, as applicable, Lines 4A, 4B and 5.

\* Use figures from the RCT-106, Insert Sheet chart in the CT-1 PA Corporation Tax Booklet, REV-1200, found at www.revenue.state.pa.us.



**RCT-103 (06-14) NET OPERATING LOSS SCHEDULE (File with Form RCT-101.)**

Tax Year Beginning 01012014 Revenue ID 1000497446  
 Tax Year Ending 12312014  
 Corporation Name COLUMBIA GAS OF KENTUCKY, INC.

**Part A**

1. Taxable income from RCT-101, Section C, Line 10 297546  
 2. Total net operating loss carryforward to current period (Total, Column C below) 0  
 3. Line 1 multiplied by 0.25. (See Instructions below.) 74387  
  
 4. Net operating loss deduction allowed for current tax period 0

**Part B**

	(A) Tax Period Beginning	(B) Tax Period Ending	(C) Net Loss Carryforward to Current Period	(D) Amount Deducted (Current Period)	(E) Net Loss Carryforward to Next Period
1			0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
6			0	0	0
7			0	0	0
8			0	0	0
9			0	0	0
10			0	0	0
11			0	0	0
12			0	0	0
13			0	0	0
14			0	0	0
15			0	0	0
16			0	0	0
17			0	0	0
18	01012011	12312011	0	0	0
19	01012011		0	0	0
20			0	0	0
<b>TOTAL</b>				00	

Use percentage from the Net Operating Loss chart in the CT-1 PA Corporation Tax Booklet (REV-1200) found at [www.revenue.state.pa.us](http://www.revenue.state.pa.us).

If Line 3 is 4000000 or less, enter the lesser of Line 1 or Line 2 on Line 4, not to exceed 4000000.  
 (use applicable year allowance) (use applicable year allowance)

If Line 3 exceeds 4000000, enter the lesser of Line 2 or Line 3 or Line 4.  
 (use applicable year allowance)

4D4645 3.000



1030014199

1030014199

**DO NOT USE THIS COUPON IF YOUR PAYMENT EXCEEDS \$1,000**

**INSTRUCTIONS FOR REV-853  
 PA CORPORATION TAXES ANNUAL EXTENSION REQUEST COUPON**

- 1. Do not use this coupon** if electronically submitting an extension request with payment.
- 2. Enter account information** including file period begin, file period end, Revenue ID, corporation name, state of incorporation, EIN and complete mailing address.
- 3. Beginning tax year 2013**, taxpayers granted an extension to file the federal return will automatically be granted an extension to file the PA Corporate Tax Report, RCT-101. Corporate taxpayers granted a federal extension must indicate this on Page 1 of RCT-101 and include a copy of the federal extension request with the report. There is no need to file REV-853. However, if you do not request a federal extension you may file REV-853 to receive a Pennsylvania extension of up to 60 days. Payment must still be made by the original due date of the report.
- 4. Enter payments** required for capital stock/foreign franchise (CS/FF), loans and corporate net income (CNI) taxes. Also enter total payment. If no payment is being made for a tax, enter zero. **NOTE:** The electronic funds transfer requirement was reduced from \$10,000 to \$1,000. All payments of \$1,000 or more made after Dec. 31, 2013, must be made electronically. For information on electronic filing options, visit the e-Services Center at [www.revenue.state.pa.us](http://www.revenue.state.pa.us).
- 5. If less than \$1,000** mail the coupon and a check made payable to PA Department of Revenue.  
 PA DEPARTMENT OF REVENUE  
 PO BOX 280425  
 HARRISBURG PA 17128-0425
- 6. Signature, title, date, email address and telephone number** must be provided by a representative of the corporation.
- 7. Must use mmddyyyy format** in all date fields.

**PLEASE READ THE INSTRUCTIONS BEFORE COMPLETING THIS COUPON.**

**DETACH HERE BEFORE MAILING**

4S46Y2 1.000

**pennsylvania** REV-853 CT (11-13) PA CORPORATION TAXES  
 DEPARTMENT OF REVENUE  
 BUREAU OF CORPORATION TAXES **REV-853 ANNUAL EXTENSION REQUEST**

DEPT USE ONLY

FILE PERIOD BEGIN	FILE PERIOD END	REVENUE ID
01/01/2014	12/31/2014	1000497446
CORPORATION NAME		
Columbia Gas of Kentucky, Inc.		
STATE OF INCORPORATION		EIN
KY		55-0139565
ADDRESS		
STREET		
290 W. Nationwide Blvd.		
CITY	STATE	ZIP
Columbus	OH	43215

1. CS/FF TAX PAYMENT	<input type="text" value="0.00"/>
2. LOANS TAX PAYMENT	<input type="text" value="0.00"/>
3. CNI TAX PAYMENT	<input type="text" value="0.00"/>
4. TOTAL PAYMENT (Add Lines 1, 2 and 3.)	\$ <input type="text" value="0.00"/>

**Make check payable to "PA DEPT OF REVENUE."**

SIGNATURE	TITLE	DATE	EMAIL	TELEPHONE
	VICE PRESIDENT		CAMANNIX@NISOURCE.COM	6144606378

**INSTRUCTIONS FOR REV-854  
 PA CORPORATION TAXES EIN/TAX YEAR/ADDRESS CHANGE COUPON**

- 1. Enter account information** including Revenue ID, employer identification number (EIN), corporation name, current tax year begin, current tax year end and complete mailing address.
- 2. Enter changes** in account information on the right-hand side of the coupon including EIN, tax year begin, tax year end, and address. If the address has changed, enter the entire new address on the form. Do not use this coupon to change a corporation name. Call the Department of State, Corporation Bureau at 717-787-1057 (Option 4) and speak to a customer service representative for change of name information.
- 3. Signature, title, date, email address and telephone number** must be provided by a representative of the corporation.
- 4. Mail coupon to:**

PA DEPARTMENT OF REVENUE  
 PO BOX 280709  
 HARRISBURG, PA 17128-0709

**DETACH HERE BEFORE MAILING**

4D4625 1.000	REV-854 CT (05-12)	<b>PA CORPORATION TAXES          REV-854 EIN/TAX YEAR/ADDRESS CHANGE</b>	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">DEPT USE ONLY</div>																		
<p><b>pennsylvania</b>  <small>DEPARTMENT OF REVENUE          BUREAU OF CORPORATION TAXES</small></p>																					
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**DO NOT ENCLOSE OTHER COUPONS OR PAYMENTS.**

SIGNATURE	TITLE	DATE	EMAIL	TELEPHONE
	VICE PRESIDENT		DENNIS@NISOURCE.COM	614-464-4641

TAX YEAR BEGINNING 01/01/2014  
TAX YEAR ENDING 12/31/2014  
CORPORATION NAME Columbia Gas of Kent REVENUE ID 1000497446

**C-5 Schedule of Taxes**

1. PA Corporate Net Income Tax . . . . .	29,725.	
2. Philadelphia Business Privilege Tax - Net Income Portion . . . . .		
3. Income Taxes - Other States . . . . .	413,207.	
4. Local Income Taxes . . . . .		
5. Other Income Taxes . . . . .		
6. Total Income Taxes (Total Lines 1 to 5.) . . . . .		442,932.
7. PA Capital Stock/Foreign Franchise Tax . . . . .	738.	
8. Philadelphia Business Privilege Tax - Gross Rec. Portion. . . . .		
9. Payroll Taxes . . . . .	548,776.	
10. Real Estate Taxes . . . . .	2,741,951.	
11. Sales and Use Tax . . . . .	201.	
12. Business Privilege Tax - Other than Income . . . . .		
13. Occupancy Tax. . . . .		
14. Local Taxes - Not Based on Income. . . . .		
15. Other Taxes - Not Based on Income . . . . .	1,960.	
16. Total Taxes Not Imposed on or Measured by Income (Total Lines 7 to 15.) . . . . .		3,293,626.
17. Total Tax Expense Reported on Federal Income Tax Return (Total Lines 6 and 16.) . . . . .		3,736,558.

**Schedule OA - Other Additions**

Description	Amount
<b>Total</b>	

**Schedule OD - Other Deductions**

Description	Amount
Federal Wages Disallowed as a Result of Tax Credits Under IRC Sec 45B or IRC Sec 51	
<b>Total</b>	





## SCHEDULE AR

**EXPLANATION FOR FILING AMENDED** \_\_\_\_\_  
(ENTER THE TAX FORM NUMBER)

**Must be filed when amending any Pennsylvania tax report.**

**TAX YEAR BEGINNING** 01/01/2014

**TAX YEAR ENDING** 12/31/2014

**CORPORATION NAME** Columbia Gas of Ken **REVENUE ID** 1000497446

Please provide, in as much detail as possible, the reason(s) for filing the amended report. Attach a separate schedule if additional space is needed.

**NOTE:** For corporate net income tax liabilities not settled prior to Jan. 1, 2008, changes in federal taxable income must be reported on RCT-128C. An amended RCT-101 will not be accepted in these cases.

### SUMMARY OF TAX CHANGE

Type of Tax	Tax as Previously Filed or Adjusted	Tax as Amended	Change in Tax

While an amended PA corporate tax report may be filed to bring to the department's attention correction(s) to an original report or additional information, the department is not required to act on an amended report. To pursue appeal rights, a taxpayer must timely file a petition for reassessment or a petition for refund. The filing of an amended report does not replace the filing of a petition for reassessment or a petition for refund.

<b>Tax Preparer's Signature</b>	<b>Date</b>
---------------------------------	-------------

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

49. Provide the following information with regard to uncollectible accounts for the three most recent calendar years for gas operations:

- a. Reserve account balance at the beginning of the year;
- b. Charges to reserve account (accounts charged off);
- c. Credits to reserve account;
- d. Current year provision;
- e. Reserve account balance at the end of the year; and
- f. Percent of provision to total revenue

**Response:**

Please refer to Attachment A of this response.

COLUMBIA GAS OF KENTUCKY, INC.  
COMPARATIVE INFORMATION FOR UNCOLLECTIBLE ACCOUNTS  
01/31/2013 THROUGH 12/31/2015  
GAS OPERATIONS

Description	2015	2014	2013
Reserve account balance at the beginning of the year	\$546,488	\$312,481	\$263,716
Charges to reserve (accounts charged off)	(\$1,185,648)	(\$1,258,773)	(\$676,977)
Credits to reserve account	\$419,467	\$436,053	\$286,876
Current year provision	\$608,330	\$1,056,728	\$438,866
Reserve account balance at the end of the year	\$388,637	\$546,488	\$312,481
Total Company Revenue (Excludes Unbilled)	\$127,685,094	\$139,916,279	\$112,454,198
Percent of provision to total revenue	0.4764%	0.7553%	0.3903%



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

50. Provide Columbia's written policies on the compensation of outside attorneys, auditors, consultants, and all other professional service providers. Include a schedule of fees, per diems, and other compensation in effect during the base period. Include all agreements, contracts, memoranda of understanding, and any other documentation that explains the nature and type of reimbursement paid for professional services. Indicate if any changes have occurred since the test year of its last gas rate case, the effective date of these changes, and the reason for these changes.

**Response:**

Columbia's policies follow the supply chain policy of NiSource Corporate Services Company which is included as Attachment A to this response. Compensation paid to professional service providers is negotiated between Columbia and the provider. Professional services are rendered under both written agreements and based on invoices for services. This policy has been

updated since the last rate case as part of an on-going general review of policies and procedures. The effective date of the new policy is December 1, 2014.



**POLICY SUBJECT: Supply Chain**

**EFFECTIVE DATE: December 1, 2014**

**Purpose:**

The Supply Chain Policy provides necessary guidance and requirements for employees to perform each fundamental step required to purchase goods or services on behalf of the Company.

Related policies which are integral to and incorporated into the Supply Chain Policy include:

- Administration of the Ethics and Compliance Program Policy
- Business Expense Reimbursement and Reporting Policy
- Corporate Accountability Policy
- Corporate Credit Cards Policy
- Records Management Policy
- Requisition and Disbursement Approval Levels Policy
- Travel Policy
- Supplier Diversity Policy
- Direct Award

**Scope:**

This policy applies to NiSource and its affiliates (the "Company"). To the extent that any policy of any of the subsidiaries of the Company conflicts with this policy, the terms of this policy will take precedence over any subsidiary policy. This policy applies to all purchases from suppliers not eligible for reimbursement under the provisions of the **Business Expense Reimbursement and Reporting Policy**. Corporate Card purchases are governed by the **Business Expense Reimbursement and Reporting Policy**.

**Exclusions:**

This policy specifically excludes:

- Transactions for the purchase, sale, transport, or storage of natural gas, coal, electricity or other fuel-based commodity.
- Transactions for the purchase of (1) legal services, (2) insurance and insurance products, and (3) treasury services.
- Sales and marketing agreements where NiSource affiliates are performing services for others (including the Purchasing Documents for those services).
- Financial agreements and transactions.
- Real Estate transactions including Right-of-Way acquisitions and payments.

**General:**

Each employee must comply with the provisions herein when making purchases on behalf of the Company.

**A. Supplier Sourcing**

1. General Requirements

- a. With the exception of the Exclusions noted above and the exceptions noted below, the supply chain department ("Supply Chain") shall work collaboratively

with the Business Unit(s) to manage the selection process for all Suppliers for the provision of all goods and services, using methods defined in Section 1.d. below).

- b. To perform work for the Company, Suppliers must meet certain standards as set forth by various Business Units or departments. Supply Chain shall work with those departments to determine whether or not a Supplier is qualified. A Supplier that is not qualified may not perform work for the Company.
- c. Employees shall not engage Suppliers for the purpose of obtaining firm pricing or negotiating commercial/legal terms, except when selecting a Supplier via the Direct Award method outlined in Section A4 of this policy. *Exception: Employees may obtain item or service-related information directly from Suppliers for budgetary pricing purposes only. Should an employee elect to do so, it is the responsibility of the employee to inform the Supplier that the provision of such information in no way assures the Supplier of any business or assures that the Supplier will be considered in any purchasing selection process.*
- d. Suppliers may be selected by one of the following methods, outlined in Parts 2 – 4 of this Section:
  - i. Competitive Bid
  - ii. Preferred Supplier Designation
  - iii. Direct Award
- e. All Supplier Sourcing methods are subject to the Supplier Diversity Policy.
- f. Employees shall utilize Preferred Suppliers whenever possible.
- g. Supply Chain shall maintain and publish a list of Preferred Suppliers, as defined in A.3.

## 2. Competitive Bid

- a. General Requirements
  - i. Bids for goods or services which are estimated to cost over \$250,000 shall be obtained through a formal competitive bidding process administered by Supply Chain. Bid invitations may be sent to at least three qualified suppliers. Bids for goods and services which are estimated to cost less than \$250,000 may, at the Business Unit's discretion, be obtained through an informal bidding process administered by the Business Unit, or through a formal competitive bidding process administered by Supply Chain. In either case, the bid process should involve at least three suppliers of the materials and/or services being purchased.
  - ii. The list of Suppliers asked to compete shall be agreed upon by the Business Unit(s) and Supply Chain.
- b. If the nature of the goods or services is such that multiple factors will differentiate competitors, Supply Chain will facilitate a Request-for-Proposal (RFP) and shall manage the process.
  - i. The Business Owner must provide information as may be required by Supply Chain, including but not limited to:
    - Business objectives
    - Project/Work overview
    - Detailed scope of work & deliverables
    - Key milestone dates
    - Standards, qualifications, specifications, drawings, performance, and acceptance criteria
    - Project-specific information
    - Suggested Suppliers, where applicable
    - Internal contact information
    - Inspection and acceptance Criteria
    - Business risk

- i. An Evaluation Scorecard shall be developed by Supply Chain and the Business Unit prior to the issuance of an RFP.
      - ii. Upon receiving and evaluating RFP responses, Supply Chain may engage one or more Suppliers to negotiate more favorable terms and conditions and shall exercise the requisite judgment needed to reach a negotiated agreement with the Supplier. The Business Unit shall make the final determination of Supplier selection.
    - c. If the nature of the goods or services is such that price will be the sole differentiating factor, Supply Chain may request pricing only in the form of a Request-for-Quote (RFQ).
3. Preferred Supplier Designation
  - a. Either at the request of the Business Unit or of its own accord, Supply Chain may occasionally engage Business Unit Stakeholders in a particular Category to select qualified Suppliers at favorable terms to the Company as a whole.
  - b. Upon agreement between the Business Unit stakeholders and Supply Chain, Supply Chain may obtain a Purchasing Document with Preferred Suppliers, as defined herein, either through the Strategic Sourcing Process (preferred method) or through Non-Competitive Negotiation with one or more Suppliers.
  - c. In order to be designated as a Preferred Supplier, Supply Chain must successfully negotiate the commercial terms of the Purchasing Document and must have established rates for a set period of time.
    - i. Strategic Sourcing Process: Supply Chain shall maintain a strategic sourcing process through which these Suppliers may be selected to provide certain goods and/or services at specific commercial terms as a Preferred Supplier for a Preferred Supplier Agreement Term. Suppliers selected via this process may, upon agreement between Supply Chain and the Business Unit, be designated as Preferred Suppliers.
    - ii. Non-Competitive Negotiation: In unique circumstances where the Business Unit and Supply Chain agree that neither the Strategic Sourcing Process nor Competitive Bid is in the best interest of the Company, Supply Chain may negotiate directly with a particular Supplier to obtain terms favorable to the Company. Upon successful negotiation of a Purchasing Document which meets the requirements of the Company, Supply Chain may, at its discretion, designate the Supplier as a Preferred Supplier.
  - d. A Preferred Supplier Agreement term shall not be longer than three (3) years, unless otherwise reasonably agreed upon by the Business Unit and Supply Chain. Following the expiration of the Preferred Supplier Agreement term, Preferred Suppliers shall lose that designation, unless re-designated through one of the methods outlined herein. Preferred Suppliers also may lose this designation if they fail to perform at or above agreed-upon performance criteria.
  - e. The "Preferred Supplier Designation" sourcing method may be utilized only for goods and services specifically addressed in the Preferred Agreement currently in force. Other goods and services must be sourced using a different sourcing method.
4. Direct Award
  - a. Any Direct Award selections with an Aggregate Commitment of more than \$250,000 must be properly approved in writing by the Business Unit and Supply Chain on a Direct Award Request form.
  - b. Direct Awards are permissible when Aggregate Commitment with a Supplier is expected to be less than \$250,000, subject to the provisions set forth in the **Requisition and Disbursement Approval Levels Policy**.

Exceptions to the Supplier Sourcing Provisions:

- i. *The purchase of auditing services governed by the Audit Committee of the Board of Directors.*
- ii. *Authorized corporate card purchases (per the Business Expense and Reporting Policy) and other expenditures as outlined in the Corporate Credit Cards Policy.*
- iii. *Emergency Purchases.*

**B. Purchasing Documents**

1. General Requirements
  - a. Suppliers that engage in business with NiSource and its affiliates shall be required to execute a Purchasing Document.
  - b. For services which meet ALL of the following criteria, a Purchasing Document such as a Purchase Order or Service Authorization, is sufficient:
    - i. The Aggregate Commitment is less than \$250,000;
    - ii. No services will be performed on any natural gas or electric infrastructure asset;
    - iii. No services will be performed at any customer premises; and
  - c. Any services which do not meet ALL of the criteria set forth above require an appropriate Agreement.
  - d. The appropriate form of Purchasing Document and any required attachments shall be determined by the Company's Legal Department.
  - e. Terms and Conditions of the Purchasing Document shall be negotiated by Supply Chain.
  - f. Any Purchasing Document attachment which is not in an unaltered form previously approved by the legal department must be reviewed by the legal department and approved by internal Stakeholders as necessary, prior to execution.
2. All Purchasing Documents shall be negotiated and administered by Supply Chain in cooperation with the Business Unit, Legal Department, Risk Management, Audit, Tax, and other applicable departments.
3. Any new or revised versions of the Purchasing Documents must be approved by Legal, Risk Management, Audit and Tax.
4. Only authorized personnel, per the Corporate Accountability and Requisition & Disbursement Approval Levels Policies, shall sign Purchasing Documents on behalf of the Company. The Supplier should sign the Purchasing Documents prior to Company representative.
5. All Purchasing Documents must comply with the provisions of the Company's:
  - a. **Corporate Accountability Policy**
  - b. **Requisition and Disbursement Approval Levels Policy**
  - c. **Supplier Diversity Policy**
6. Suppliers must be under a fully-executed Purchasing Document and be in compliance with all terms and conditions of the Purchasing Document prior to the authorization to provide goods or services.
7. If a Business Unit desires to terminate a Purchasing Document for any reason, they should contact Supply Chain to facilitate the process with all appropriate departments and parties.

Exceptions to the Purchasing Document Provisions:

- i. *Authorized corporate card purchases and other expenditures as outlined in the Corporate Credit Cards Policy.*

- ii. *Travel expenditures (Hotel and Rental Car expenses shall be with established preferred supplier(s)).*
- iii. *Office supplies purchased from Preferred Suppliers.*
- iv. *Goods or services for which Supply Chain has explicitly arranged other mechanisms.*
- v. *Emergency Purchase(s).*

**C. Transactional Procurement**

1. Requisitions:

- a. *Prior to ordering or receiving goods or services from a Supplier, an approved Requisition is required.*
- b. *Prior to entering a Requisition for any services, an appropriate Purchasing Document must be in place, as required by the provisions of the Purchasing Document section of this policy.*
- c. *The value of the sum of all Requisitions for a particular Purchasing Document must not exceed the value specified in that Purchasing Document unless a Change Order per Section 4 herein has first been properly issued.*
- d. *The person specified in the Requisition as the "Requestor" must be the Benefitting Party. An employee *cannot* be the requestor for goods or services intended for the direct benefit of his or her immediate manager or supervisor. However, a person may perform the clerical process of entering a Requisition on someone else's behalf, provided that the Benefitting Party is specified in the Requisition as the "Requestor".*
- e. *Regardless of the amount of the expenditure, requisition approval must be given by someone at least one level above the Benefitting Party.*
- f. *Requisitions may only be approved by an employee at the level to whom approval authority is granted in the Requisition and Disbursement Approval Level Policy.*

*Note: For goods or services for which the Company does not have Preferred Suppliers, employees should consult the Supplier Sourcing provisions of this policy for guidance on supplier selection.*

2. Purchase Orders:

- a. *A Purchase Order shall be used when acquiring goods or services from Suppliers on behalf of the Company.*
- b. *A Requisition and/or (as is applicable per the system utilized) Purchase Order **must** be approved in the purchasing system by an authorized employee of the Company whose spend authority is at or above the limits set forth in **Requisition and Disbursement Approval Levels Policy**.*
- c. *Multiple Purchase Orders may not be combined for a single purchase.*
- d. *Supplier may only proceed to fulfill a Purchase order if Supply Chain issues a valid Purchase Order, which Supplier accepts.*
- e. *A Company employee or agent shall not issue instructions to a Supplier to proceed prior to Supply Chain issuance of a Purchase Order.*
- f. *Under limited circumstances, Supply Chain may, at its discretion, issue a Blanket Purchase Order to procure goods or services.*

3. Change Orders:

- a. *Should the scope of goods or services to be provided by the Supplier change such that either deliverables or pricing changes, the Business Owner must request a Change Order in the purchasing system.*
- b. *A Change Order must be submitted **prior** to the fulfillment of any incremental goods or services not on the original order.*
- c. *A Change Order may be issued only after the Aggregate Commitment (the sum of the original Purchase Order plus all Changes Orders) has been approved by an employee at the appropriate approval level in accordance with the*

**Requisition and Disbursement Approval Levels Policy.** The authorization is for the Aggregate Commitment amount—**not** the Change Order alone.

4. Receiving Goods and Services:
  - a. Upon delivery of goods or services, the employee receiving them will verify that all goods and/or services were delivered per the purchase order provisions, and will execute a receipt transaction into the appropriate system.
  - b. Employees shall receive actual quantities only. Any discrepancies are to be referred to Supply Chain for resolution and reconciliation.

Exceptions to the Transactional Procurement Provisions:

- i. *Goods and services purchased with appropriate authorization via Work Management System (WMS) are excluded*
- ii. *Authorized corporate credit card purchases and other reimbursable expenditures as defined in the Company's Expense Reimbursement Policy.*
- iii. *Travel expenditures.*
- iv. *For Emergency Purchases, Business Units may authorize purchases of goods and/or services and use email approval to direct Supply Chain to authorize suppliers to begin work and/or provide materials prior to the execution of the appropriate Purchasing Document.*

Definitions:

1. *Aggregate Commitment.* The sum of the stream of payments expected to be made by the Company over the term of the Purchasing Document.
2. *Agreement.* Any Purchasing Document intended to specify the general terms and conditions under which the Company and its supplier shall conduct business during a specified time period. Agreements include, but are not limited to: General Services Agreements, Independent Contractor Agreements, Confidentiality Agreements, Professional Services Agreements, Software Licensing Agreements, and Staffing Agreements.
3. *Benefitting Party.* The employee for whose area or department the ultimate use of an Item or Service is intended. The Benefitting Party is not the administrative support person who processes purchasing-related documents (such as a Purchase Requisition) in behalf of the Benefitting Party.
4. *Blanket Purchase Order.* Shall mean a Purchasing Document that authorizes one or more purchases from a supplier up to a certain dollar amount for a specified period of time.
5. *Business Owner.* The employee with functional ownership and fiscal accountability for goods or services procured from third parties in pursuit of business objectives.
6. *Business Unit.* Collectively, the employee(s) with functional responsibility for goods or services procured from third parties in pursuit of business objectives.
7. *Category.* Any set or grouping of goods and/or services whose characteristics, as determined by Supply Chain, are similar enough in nature to warrant consideration for collective sourcing in order to better assure efficiency and cost savings.
8. *Change Order.* A written modification to a Purchasing Document, Purchasing Document or Blanket Purchasing Authority Document by Procurement Operations that results in a change to the Purchasing Document amount or Purchasing Document requirements.
9. *Competitive Bid.* Any sourcing event for which two or more Suppliers are considered to provide goods or services. Competitive Bids may include, but are not limited to, requests-for-proposal, requests-for-bids, requests-for-quotes.
10. *Designated Signatory.* An individual listed in the Requisition and Disbursement Level Policy who has been designated as an employee authorized to enter into certain Purchasing Documents on behalf of the Company.



11. *Direct Award.* Selection of a particular supplier for the provision of goods or services which complies with neither the “Preferred Supplier” nor the “Competitive Bid” sourcing option, as defined herein.
12. *Emergency Purchase.* Any purchase which meets ALL of the following criteria below:
  - a. The purchase is in response to one of the following: The purchase would remedy an immediate safety or health concern, or the purchase would remedy a service outage.
  - b. The issue being addressed would not be adequately resolved by going through normal procedures to issue a Purchasing Document.
13. *Evaluation Scorecard.* The comprehensive and weighted set of criteria upon which the merits of a Supplier proposal is judged when awarding a Purchasing Document.
14. *May.* The procedure is optional.
15. *Preferred Agreement.* A current and valid Contract with a Preferred Supplier for the provision of specific Items or Services at specific commercial terms.
16. *Preferred Supplier.* A Supplier with which the Company has an active Purchasing Document for specific goods and/or services, and which Supply Chain has designated as being “Preferred”.
17. *Purchase Order.* A Purchasing Document in the form generated by the procurement system which is governed by terms and conditions previously approved by the Company’s Legal Department.
18. *Purchasing Document.* The Supply Chain-approved forms, including but not limited to, General Services Agreement (short form or long form), Professional Services Agreement (short form or long form), Materials and Equipment Agreement, Purchase Order, Statement of Work, Service Authorization, or any other agreement form used by Supply Chain to procure goods or services in the usual course of business. The term “Purchasing Document” may also include supplier’s form when the legal department and Supply Chain approve them for use.
19. *Requisition.* The document submitted by the Benefitting Party through the Procurement System to request procurement of goods or services.
20. *Shall, must, and will.* The procedure is mandatory.
21. *Stakeholder.* Any Business Unit whose area of functional or budgetary responsibility is impacted by a Purchasing Document in a unique or significant manner.
22. *Statement of Work/Service Authorization.* The portion of a Purchasing Document in the form of an exhibit to a particular Master Agreement intended to outline a specific scope of work and compensation between the Company and Supplier.
23. *Work Management System (WMS).* The single IT system utilized by a particular Business Unit to manage work, procurement, and invoicing in an integrated fashion.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

51. Provide a detailed analysis of expenses for professional services during the most recent 12-month period for which information is available at the time the application is filed, as shown in Schedule 51, and all work papers supporting the analysis. At a minimum, the work papers should show the payee, dollar amount, reference (i.e., voucher no., etc.), account charged, hourly rates and time charged to the company according to each invoice, and a description of the services provided.

**Response:**

Please refer to Attachments A and B of the response.

Columbia Gas of Kentucky, Inc.  
 Case No. 2016-00162  
 Professional Services Expenses  
 For the Twelve Months Ended April 30, 2016

Line No.	Item (a)	Rate Case (b)	Annual Audit (c)	Other (d)	Total (e)
1.	Legal	-	-	176,156	176,156
2.	Engineering	-	-	19,011	19,011
3.	Accounting	-	131,706	-	131,706
4.	Other	-	-	44,253	44,253
5.	Total	-	131,706	239,419	371,125

Columbia Gas of Kentucky, Inc.  
 Case No. 2016-00162  
 Professional Services Expenses Detail  
 For the Twelve Months Ended April 30, 2016

Co	Date	Acct	Voucher	Category	CE	Amount	Vendor	Vendor ID	Invoice	Description
CKY	5/1/2015	92300000	AP00030009	Internal Audit - Accounting	3003	823.00	DELOITTE & TOUCHE LLP	2000038449	8002377809	Auditing Services
CKY	5/1/2015	92300000	AP00030009	Internal Audit - Accounting	3003	1,165.00	DELOITTE & TOUCHE LLP	2000038449	8002379269	Auditing Services
CKY	6/9/2015	92300000	AP00036500	Internal Audit - Accounting	3003	217.00	DELOITTE & TOUCHE LLP	2000038449	8002404001	Auditing Services
CKY	6/29/2015	92300000	AP00039188	Internal Audit - Accounting	3003	480.00	DELOITTE & TOUCHE LLP	2000038449	8002422864	Auditing Services
CKY	7/29/2015	92300000	AP00043920	Internal Audit - Accounting	3003	1,165.00	DELOITTE & TOUCHE LLP	2000038449	8002437860	Auditing Services
CKY	9/28/2015	92300000	AP00053422	Internal Audit - Accounting	3003	1,143.00	DELOITTE & TOUCHE LLP	2000038449	8002472915	Auditing Services
CKY	2/2/2016	92300000	AP00075644	Internal Audit - Accounting	3003	1,143.00	DELOITTE & TOUCHE LLP	2000038449	8002538720	Auditing Services
CKY	4/4/2016	92300000	AP00085426	Internal Audit - Accounting	3003	1,004.00	DELOITTE & TOUCHE LLP	2000038449	8002575127	Auditing Services
CKY	4/28/2016	92300000	AP00088998	Internal Audit - Accounting	3003	1,063.89	DELOITTE & TOUCHE LLP	2000038449	8002619167	Auditing Services
CKY	5/31/2015	92300000	CLAUD03	Internal Audit - Accounting	3003	10,493.00	DELOITTE & TOUCHE LLP	Various	Various	Auditing Services
CKY	6/30/2015	92300000	CLAUD03	Internal Audit - Accounting	3003	10,493.00	DELOITTE & TOUCHE LLP	Various	Various	Auditing Services
CKY	1/31/2016	92300000	CLAUD03	Internal Audit - Accounting	3003	10,368.00	DELOITTE & TOUCHE LLP	Various	Various	Auditing Services
CKY	2/29/2016	92300000	CLAUD03	Internal Audit - Accounting	3003	10,368.00	DELOITTE & TOUCHE LLP	Various	Various	Auditing Services
CKY	3/31/2016	92300000	CLAUD03	Internal Audit - Accounting	3003	10,368.00	DELOITTE & TOUCHE LLP	Various	Various	Auditing Services
CKY	4/30/2016	92300000	CLAUD03	Internal Audit - Accounting	3003	10,368.00	DELOITTE & TOUCHE LLP	Various	Various	Auditing Services
CKY	7/31/2015	92300000	CLAUD38	Internal Audit - Accounting	3003	10,174.00	DELOITTE & TOUCHE LLP	Various	Various	Auditing Services
CKY	8/31/2015	92300000	CLAUD38	Internal Audit - Accounting	3003	10,174.00	DELOITTE & TOUCHE LLP	Various	Various	Auditing Services
CKY	9/30/2015	92300000	CLAUD38	Internal Audit - Accounting	3003	10,174.00	DELOITTE & TOUCHE LLP	Various	Various	Auditing Services
CKY	10/31/2015	92300000	CLAUD38	Internal Audit - Accounting	3003	10,174.00	DELOITTE & TOUCHE LLP	Various	Various	Auditing Services
CKY	11/30/2015	92300000	CLAUD38	Internal Audit - Accounting	3003	10,174.00	DELOITTE & TOUCHE LLP	Various	Various	Auditing Services
CKY	12/31/2015	92300000	CLAUD38	Internal Audit - Accounting	3003	10,174.00	DELOITTE & TOUCHE LLP	Various	Various	Auditing Services
CKY	8/5/2015	92300000	AP00045764	Other - Engineering	3000	276.12	AXIA CONSULTING INC	2000110325	NI2015061	Consulting
CKY	9/8/2015	92300000	AP00050852	Other - Engineering	3000	221.33	AXIA CONSULTING INC	2000110325	NI2015071	Consulting
CKY	12/2/2015	92300000	AP00064714	Other - Engineering	3000	65.23	AXIA CONSULTING INC	2000110325	NI201510K	Consulting
CKY	12/2/2015	92300000	AP00064714	Other - Engineering	3000	150.48	AXIA CONSULTING INC	2000110325	NI201510K	Consulting
CKY	12/17/2015	92300000	AP00067146	Other - Engineering	3000	52.66	AXIA CONSULTING INC	2000110325	NI201511K	Consulting
CKY	12/17/2015	92300000	AP00067146	Other - Engineering	3000	119.90	AXIA CONSULTING INC	2000110325	NI201511K	Consulting
CKY	1/5/2016	92300000	AP00070457	Other - Engineering	3000	102.14	AXIA CONSULTING INC	2000110325	NI201510L	Consulting
CKY	1/5/2016	92300000	AP00070457	Other - Engineering	3000	24.78	AXIA CONSULTING INC	2000110325	NI201510L	Consulting
CKY	1/11/2016	92300000	AP00071092	Other - Engineering	3000	127.51	AXIA CONSULTING INC	2000110325	NI201511L	Consulting
CKY	1/22/2016	92300000	AP00073064	Other - Engineering	3000	7.75	AXIA CONSULTING INC	2000110325	NI201512L	Consulting
CKY	1/25/2016	92300000	AP00073779	Other - Engineering	3000	46.83	AXIA CONSULTING INC	2000110325	NI201512K	Consulting
CKY	1/25/2016	92300000	AP00073779	Other - Engineering	3000	196.83	AXIA CONSULTING INC	2000110325	NI201512K	Consulting
CKY	5/30/2015	92300000	OPRCNV	Other - Engineering	3000	1,036.00	AXIA CONSULTING INC	2000110325	NI2015-03E	Consulting
CKY	5/30/2015	92300000	OPRCNV	Other - Engineering	3000	328.98	AXIA CONSULTING INC	2000110325	NI2015-04C	Consulting
CKY	5/30/2015	92300000	OPRCNV	Other - Engineering	3000	1,078.00	AXIA CONSULTING INC	2000110325	NI2015-04E	Consulting
CKY	6/29/2015	92300000	OPRCNV	Other - Engineering	3000	938.00	AXIA CONSULTING INC	2000110325	NI2015-05E	Consulting
CKY	6/29/2015	92300000	OPRCNV	Other - Engineering	3000	169.43	AXIA CONSULTING INC	2000110325	NI2015-05C	Consulting
CKY	6/29/2015	92300000	OPRCNV	Other - Engineering	3000	1,176.00	AXIA CONSULTING INC	2000110325	NI2015-06C	Consulting
CKY	4/26/2016	92300000	AP00088471	Other - Engineering	3000	2,580.60	AECOM	2000035549	37735604	Greenhouse Gas & Environ. Support
CKY	9/14/2015	92300000	AP00051622	Other - Engineering	3000	3,983.12	URS CORPORATION	2000079070	37583435	Planning & Management Consulting
CKY	10/5/2015	92300000	AP00055140	Other - Engineering	3000	341.66	URS CORPORATION	2000079070	37623296	Planning & Management Consulting
CKY	10/20/2015	92300000	AP00057186	Other - Engineering	3000	789.00	URS CORPORATION	2000079070	37614702	Planning & Management Consulting
CKY	1/27/2016	92300000	AP00074446	Other - Engineering	3000	581.50	URS CORPORATION	2000079070	37640405	Planning & Management Consulting
CKY	1/27/2016	92300000	AP00074446	Other - Engineering	3000	1,786.25	URS CORPORATION	2000079070	37654299	Planning & Management Consulting
CKY	2/11/2016	92300000	AP00076688	Other - Engineering	3000	1,288.00	URS CORPORATION	2000079070	37688192	Planning & Management Consulting
CKY	2/19/2016	92300000	AP00077472	Other - Engineering	3000	712.75	URS CORPORATION	2000079070	37704221	Planning & Management Consulting
CKY	4/4/2016	92300000	AP00085426	Other - Engineering	3000	830.00	URS CORPORATION	2000079070	37722089	Planning & Management Consulting
CKY	6/15/2015	92300000	AP00037264	Other - Other	3000	42.00	AEGIS INSURANCE SERVICES INC	2000110526	LC381	Consulting
CKY	6/15/2015	92400000	AP00037264	Other - Other	3000	210.00	AEGIS INSURANCE SERVICES INC	2000110526	LC381	Consulting
CKY	12/30/2015	92300000	AP00069525	Other - Other	3000	1,500.00	AUBURN UNIVERSITY AT MONTGOMERY	2000057713	1	Consulting
CKY	3/17/2016	92300000	AP00082262	Other - Other	3000	321.73	AUBURN UNIVERSITY AT MONTGOMERY	2000057713	2	Consulting
CKY	4/26/2016	92300000	AP00088474	Other - Other	3000	175.35	AUBURN UNIVERSITY AT MONTGOMERY	2000057713	3	Consulting

Columbia Gas of Kentucky, Inc.  
 Case No. 2016-00162  
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 For the Twelve Months Ended April 30, 2016

Co	Date	Acct	Voucher	Category	CE	Amount	Vendor	Vendor ID	Invoice	Description
CKY	5/29/2015	92300000	AP00033905	Other - Other	3000	12.00	CLARO GROUP LLC	2000014265	104221	Consulting
CKY	5/29/2015	92400000	AP00033905	Other - Other	3000	61.00	CLARO GROUP LLC	2000014265	104221	Consulting
CKY	5/13/2015	87400000	AP00031767	Other - Other	3000	158.00	EGS FINANCIAL CARE INC	2000046503	90000445	Consulting
CKY	5/30/2015	92300000	OPRCNV	Other - Other	3000	90.00	FAST SWITCH LTD	2000066545	691-2015-002B	Consulting
CKY	5/29/2015	87000000	AP00033903	Other - Other	3000	826.80	HMB INC	2000016284	18093	Consulting
CKY	9/17/2015	92300000	AP00051990	Other - Other	3000	584.10	HMB INC	2000016284	18342	Consulting
CKY	9/30/2015	92300000	AP00054088	Other - Other	3000	814.55	HMB INC	2000016284	18907	Consulting
CKY	9/30/2015	92300000	AP00054088	Other - Other	3000	234.69	HMB INC	2000016284	19360	Consulting
CKY	10/8/2015	92300000	AP00055951	Other - Other	3000	512.95	HMB INC	2000016284	19534	Consulting
CKY	11/18/2015	92300000	AP00062189	Other - Other	3000	212.50	HMB INC	2000016284	20043	Consulting
CKY	6/10/2015	92300000	AP00036556	Other - Other	3000	456.25	HOGAN ASSESSMENT SYSTEMS INC	2000102823	I0001044518	Consulting
CKY	12/4/2015	92300000	AP00065368	Other - Other	3000	7,050.00	HOGAN ASSESSMENT SYSTEMS INC	2000102823	10001062836	Consulting
CKY	3/17/2016	92300000	AP00082262	Other - Other	3000	365.00	HOGAN ASSESSMENT SYSTEMS INC	2000102823	I0001070998	Consulting
CKY	6/10/2015	92300000	AP00036559	Other - Other	3000	135.00	INDUSTRIAL PHYSICAL CAPABILITY SERVICES	2000104242	151460	Consulting
CKY	6/10/2015	92300000	AP00036559	Other - Other	3000	200.00	INDUSTRIAL PHYSICAL CAPABILITY SERVICES	2000104242	151654EXP	Consulting
CKY	10/28/2015	92300000	AP00058411	Other - Other	3000	135.00	INDUSTRIAL PHYSICAL CAPABILITY SERVICES	2000104242	153858	Consulting
CKY	1/26/2016	92300000	AP00074349	Other - Other	3000	687.00	INDUSTRIAL PHYSICAL CAPABILITY SERVICES	2000104242	160365	Consulting
CKY	2/18/2016	92300000	AP00077337	Other - Other	3000	1,392.00	INDUSTRIAL PHYSICAL CAPABILITY SERVICES	2000104242	160454	Consulting
CKY	3/2/2016	92300000	AP00080149	Other - Other	3000	420.00	INDUSTRIAL PHYSICAL CAPABILITY SERVICES	2000104242	160541	Consulting
CKY	3/2/2016	92300000	AP00080150	Other - Other	3000	285.00	INDUSTRIAL PHYSICAL CAPABILITY SERVICES	2000104242	160625	Consulting
CKY	2/19/2016	92300000	AP00077472	Other - Other	3000	5,475.63	MOSAIC COMPANY	2000068892	3368013116	Consulting
CKY	2/19/2016	92300000	AP00077472	Other - Other	3000	355.30	MOSAIC COMPANY	2000068892	3369013116	Consulting
CKY	2/19/2016	92300000	AP00077472	Other - Other	3000	510.23	MOSAIC COMPANY	2000068892	3377013116E	Consulting
CKY	2/19/2016	92300000	AP00077472	Other - Other	3000	33.32	MOSAIC COMPANY	2000068892	3378013116E	Consulting
CKY	3/15/2016	92300000	AP00081999	Other - Other	3000	1,294.13	MOSAIC COMPANY	2000068892	3652022916	Consulting
CKY	3/15/2016	92300000	AP00081999	Other - Other	3000	9,663.75	MOSAIC COMPANY	2000068892	3653022916	Consulting
CKY	3/15/2016	92300000	AP00081999	Other - Other	3000	1,134.44	MOSAIC COMPANY	2000068892	3654022916E	Consulting
CKY	3/15/2016	92300000	AP00081999	Other - Other	3000	178.10	MOSAIC COMPANY	2000068892	3655022916E	Consulting
CKY	5/30/2015	92300000	OPRCNV	Other - Other	3000	442.25	NAVIGATOR MGMT PARTNERS LLC	2000048636	NIS6107	Consulting
CKY	6/29/2015	92300000	OPRCNV	Other - Other	3000	1,102.00	NAVIGATOR MGMT PARTNERS LLC	2000048636	NIS6124	Consulting
CKY	6/29/2015	92300000	OPRCNV	Other - Other	3000	362.50	NAVIGATOR MGMT PARTNERS LLC	2000048636	NIS6113	Consulting
CKY	6/29/2015	92300000	OPRCNV	Other - Other	3000	710.50	NAVIGATOR MGMT PARTNERS LLC	2000048636	NIS6128	Consulting
CKY	1/4/2016	92300000	AP00070193	Other - Other	3000	529.87	NAVIGATOR MGMT PARTNERS LLC	2000048636	NIS6172	Consulting
CKY	8/14/2015	87400000	AP00046869	Other - Other	3000	688.00	PREMIER UTILITY SERVICES	2700013270	1261810158632200	Consulting
CKY	6/11/2015	92300000	AP00037005	Other - Other	3000	3.31	AXIA CONSULTING INC	2000110325	NI201504A	Financial Transformation Expenses
CKY	6/11/2015	92300000	AP00037005	Other - Other	3000	100.57	CENTRIC CONSULTING LLC	2000112595	30993	Financial Transformation Expenses
CKY	6/11/2015	92300000	AP00037005	Other - Other	3000	22.33	CENTRIC CONSULTING LLC	2000112595	31319	Financial Transformation Expenses
CKY	5/22/2015	92300000	AP00032830	Other - Other	3000	4.05	REVOLUTION TECHNOLOGIES LLC	2000058510	109149	Financial Transformation Expenses
CKY	6/23/2015	92300000	AP00038266	Other - Other	3000	6.48	REVOLUTION TECHNOLOGIES LLC	2000058510	110915	Financial Transformation Expenses
CKY	6/22/2015	92300000	AP00038041	Other - Other	3000	20.78	SARA SPENCER WHITNEY	2000062797	48319	Financial Transformation Expenses
CKY	5/31/2015	92300000	D3ACCENTUR	Other - Other	3000	(8,784.31)	Various	Various	Various	Financial Transformation Expenses
CKY	6/30/2015	92300000	D3ACCENTUR	Other - Other	3000	813.11	Various	Various	Various	Financial Transformation Expenses
CKY	7/31/2015	92300000	NFIT_ACCEN	Other - Other	3000	60.49	Various	Various	Various	Financial Transformation Expenses
CKY	8/31/2015	92300000	NFIT_ACCEN	Other - Other	3000	300.14	Various	Various	Various	Financial Transformation Expenses
CKY	6/30/2015	92300000	NFIT_AP_CO	Other - Other	3000	3.52	Various	Various	Various	Financial Transformation Expenses
CKY	9/30/2015	92300000	NFIT_AP_OM	Other - Other	3000	119.24	Various	Various	Various	Financial Transformation Expenses
CKY	6/30/2015	92300000	NFIT_JUN_A	Other - Other	3000	535.10	Various	Various	Various	Financial Transformation Expenses
CKY	10/31/2015	92300000	NFIT_JUN_C	Other - Other	3000	(2.67)	Various	Various	Various	Financial Transformation Expenses
CKY	6/30/2015	92300000	NFIT_ACCR	Other - Other	3000	3,012.86	Various	Various	Various	Financial Transformation Expenses
CKY	6/30/2015	92300000	NIFIT_APPRR	Other - Other	3000	(1,537.60)	Various	Various	Various	Financial Transformation Expenses
CKY	6/30/2015	92300000	NIFIT_MAY_	Other - Other	3000	283.52	Various	Various	Various	Financial Transformation Expenses
CKY	7/30/2015	92300000	OPRCNV	Other - Other	3000	1,933.76	Various	Various	Various	Information Technology
CKY	8/30/2015	92300000	OPRCNV	Other - Other	3000	3,949.48	Various	Various	Various	Information Technology
CKY	10/30/2015	92300000	OPRCNV	Other - Other	3000	598.74	Various	Various	Various	Information Technology
CKY	12/31/2015	92300000	OPRCNV	Other - Other	3000	(486.22)	Various	Various	Various	Information Technology
CKY	6/30/2015	92300000	F105600	Other - Other	3000	336.18	Various	Various	Various	Information Technology
CKY	7/31/2015	92300000	F106600	Other - Other	3000	1,186.38	Various	Various	Various	Information Technology
CKY	8/31/2015	92300000	F107600	Other - Other	3000	455.66	Various	Various	Various	Information Technology
CKY	11/30/2015	92300000	F110600	Other - Other	3000	94.47	Various	Various	Various	Information Technology
CKY	12/31/2015	92300000	F111600	Other - Other	3000	(825.19)	Various	Various	Various	Information Technology
CKY	2/29/2016	92300000	IBM02COR	Other - Other	3000	(243.66)	Various	Various	Various	Information Technology
CKY	5/30/2015	92300000	OPRCNV	Other - Other	3000	705.38	Various	Various	Various	Information Technology
CKY	6/29/2015	92300000	OPRCNV	Other - Other	3000	641.81	Various	Various	Various	Information Technology
CKY	6/29/2015	92300000	OPRCNV	Other - Other	3000	1,583.69	Various	Various	Various	Information Technology

Columbia Gas of Kentucky, Inc.  
 Case No. 2016-00162  
 Professional Services Expenses Detail  
 For the Twelve Months Ended April 30, 2016

Co	Date	Acct	Voucher	Category	CE	Amount	Vendor	Vendor ID	Invoice	Description
CKY	Apr-16		TeamConnect	Legal	3002	1,425.00	KINKEAD AND STILZ PLLC	2000016688	N/A	Legal
CKY	Jul-15		TeamConnect	Legal	3002	297.67	MCDONALD HOPKINS	2000046551	N/A	Legal
CKY	Jul-15		TeamConnect	Legal	3002	4,000.00	RICHARD S TAYLOR	2000018347	N/A	Legal
CKY	Feb-16		TeamConnect	Legal	3002	105.86	SCHIFF HARDIN LLP	2000018005	N/A	Legal
CKY	May-15		TeamConnect	Legal	3002	850.54	MCGUIREWOODS LLP	2000017049	N/A	Legal
CKY	May-15		TeamConnect	Legal	3002	4,000.00	RICHARD S TAYLOR	2000018347	N/A	Legal
CKY	May-15		TeamConnect	Legal	3002	7,000.00	KINKEAD AND STILZ PLLC	2000016688	N/A	Legal
CKY	Jan-16		TeamConnect	Legal	3002	3,125.40	SIDLEY AUSTIN LLP	2000020991	N/A	Legal
CKY	Jan-16		TeamConnect	Legal	3002	994.40	VAN NESS FELDMAN APC	2000041247	N/A	Legal
CKY	Sep-15		TeamConnect	Legal	3002	12.44	VAN NESS FELDMAN APC	2000041247	N/A	Legal
CKY	Jan-16		TeamConnect	Legal	3002	318.45	MORGAN LEWIS & BOCKIUS LLP	2000038987	N/A	Legal
CKY	Sep-15		TeamConnect	Legal	3002	2,526.77	SCHIFF HARDIN LLP	2000018005	N/A	Legal
CKY	Oct-15		TeamConnect	Legal	3002	510.28	MCGUIREWOODS LLP	2000017049	N/A	Legal
CKY	Aug-15		TeamConnect	Legal	3002	35.73	REED SMITH LLP	2000050641	N/A	Legal
CKY	Nov-15		TeamConnect	Legal	3002	612.90	KATTEN MUCHIN ROSENMANN LLP	2000113530	N/A	Legal
CKY	Jan-16		TeamConnect	Legal	3002	48.82	FOLEY & LARDNER LLP	2000035435	N/A	Legal
CKY	Jan-16		TeamConnect	Legal	3002	4,000.00	RICHARD S TAYLOR	2000018347	N/A	Legal
CKY	Nov-15		TeamConnect	Legal	3002	713.65	MORGAN LEWIS & BOCKIUS LLP	2000038987	N/A	Legal
CKY	Dec-15		TeamConnect	Legal	3002	4,000.00	RICHARD S TAYLOR	2000018347	N/A	Legal
CKY	Dec-15		TeamConnect	Legal	3002	9,093.33			N/A	Legal
CKY	Jul-15		TeamConnect	Legal	3002	525.71	KATTEN MUCHIN ROSENMANN LLP	2000113530	N/A	Legal
CKY	Apr-16		TeamConnect	Legal	3002	821.79	REED SMITH LLP	2000050641	N/A	Legal
CKY	Jul-15		TeamConnect	Legal	3002	(3,984.51)			N/A	Legal
CKY	Feb-16		TeamConnect	Legal	3002	501.22	MCGUIREWOODS LLP	2000017049	N/A	Legal
CKY	Feb-16		TeamConnect	Legal	3002	13.07	CORPORATION SERVICE COMPANY	2000002643	N/A	Legal
CKY	Jun-15		TeamConnect	Legal	3002	117.09	REED SMITH LLP	2000050641	N/A	Legal
CKY	Jun-15		TeamConnect	Legal	3002	27.24	BEATTY AND WOZNAK PC	2000013715	N/A	Legal
CKY	May-15		TeamConnect	Legal	3002	84.05	VAN NESS FELDMAN APC	2000041247	N/A	Legal
CKY	Nov-15		TeamConnect	Legal	3002	204.43	MCGUIREWOODS LLP	2000017049	N/A	Legal
CKY	Nov-15		TeamConnect	Legal	3002	25.00	KINKEAD AND STILZ PLLC	2000016688	N/A	Legal
CKY	Dec-15		TeamConnect	Legal	3002	0.75	CORPORATION SERVICE COMPANY	2000002643	N/A	Legal
CKY	Mar-16		TeamConnect	Legal	3002	1,054.22	LITTLER MENDELSON PC	2000113361	N/A	Legal
CKY	Jun-15		TeamConnect	Legal	3002	4,000.00	RICHARD S TAYLOR	2000018347	N/A	Legal
CKY	Jun-15		TeamConnect	Legal	3002	86.50	CORPORATION SERVICE COMPANY	2000002643	N/A	Legal
CKY	Sep-15		TeamConnect	Legal	3002	99.21	BAKER AND DANIELS	2000014791	N/A	Legal
CKY	Sep-15		TeamConnect	Legal	3002	25,104.53	LITTLER MENDELSON PC	2000113361	N/A	Legal
CKY	Sep-15		TeamConnect	Legal	3002	11.19	CORPORATION SERVICE COMPANY	2000002643	N/A	Legal
CKY	Aug-15		TeamConnect	Legal	3002	(0.00)			N/A	Legal
CKY	Dec-15		TeamConnect	Legal	3002	42.94	REED SMITH LLP	2000050641	N/A	Legal
CKY	Mar-16		TeamConnect	Legal	3002	329.96	MCGUIREWOODS LLP	2000017049	N/A	Legal
CKY	Feb-16		TeamConnect	Legal	3002	0.00			N/A	Legal
CKY	Mar-16		TeamConnect	Legal	3002	837.88	REED SMITH LLP	2000050641	N/A	Legal
CKY	Mar-16		TeamConnect	Legal	3002	1,783.54			N/A	Legal
CKY	Feb-16		TeamConnect	Legal	3002	4,000.00	RICHARD S TAYLOR	2000018347	N/A	Legal
CKY	Jun-15		TeamConnect	Legal	3002	1,393.61	MCGUIREWOODS LLP	2000017049	N/A	Legal
CKY	Sep-15		TeamConnect	Legal	3002	685.84	KATTEN MUCHIN ROSENMANN LLP	2000113530	N/A	Legal
CKY	Sep-15		TeamConnect	Legal	3002	905.58	MCGUIREWOODS LLP	2000017049	N/A	Legal
CKY	Jan-16		TeamConnect	Legal	3002	608.09	TROUTMAN SANDERS LLP	2000035299	N/A	Legal
CKY	Oct-15		TeamConnect	Legal	3002	1,074.09	SIDLEY AUSTIN LLP	2000020991	N/A	Legal
CKY	Aug-15		TeamConnect	Legal	3002	80.29	SCHIFF HARDIN LLP	2000018005	N/A	Legal
CKY	Aug-15		TeamConnect	Legal	3002	26.35	MCDONALD HOPKINS	2000046551	N/A	Legal
CKY	Aug-15		TeamConnect	Legal	3002	4,000.00	RICHARD S TAYLOR	2000018347	N/A	Legal
CKY	Dec-15		TeamConnect	Legal	3002	1,353.94	KATTEN MUCHIN ROSENMANN LLP	2000113530	N/A	Legal
CKY	Jul-15		TeamConnect	Legal	3002	62.52	REED SMITH LLP	2000050641	N/A	Legal
CKY	Jul-15		TeamConnect	Legal	3002	719.54	RUBADUE LLC	2000113258	N/A	Legal
CKY	Feb-16		TeamConnect	Legal	3002	244.72	TROUTMAN SANDERS LLP	2000035299	N/A	Legal
CKY	Jun-15		TeamConnect	Legal	3002	3,747.77			N/A	Legal
CKY	Oct-15		TeamConnect	Legal	3002	356.20	KATTEN MUCHIN ROSENMANN LLP	2000113530	N/A	Legal
CKY	Oct-15		TeamConnect	Legal	3002	689.98	TROUTMAN SANDERS LLP	2000035299	N/A	Legal
CKY	Oct-15		TeamConnect	Legal	3002	4,000.00	RICHARD S TAYLOR	2000018347	N/A	Legal
CKY	Aug-15		TeamConnect	Legal	3002	119.94	NIXON PEABODY LLP	2000017371	N/A	Legal
CKY	Sep-15		TeamConnect	Legal	3002	75.46	MARK IRVINGS	2000037215	N/A	Legal
CKY	Sep-15		TeamConnect	Legal	3002	4,000.00	RICHARD S TAYLOR	2000018347	N/A	Legal
CKY	Nov-15		TeamConnect	Legal	3002	1,037.95	REED SMITH LLP	2000050641	N/A	Legal
CKY	Nov-15		TeamConnect	Legal	3002	4,000.00	RICHARD S TAYLOR	2000018347	N/A	Legal
CKY	Dec-15		TeamConnect	Legal	3002	108.52	SCHIFF HARDIN LLP	2000018005	N/A	Legal

Columbia Gas of Kentucky, Inc.  
 Case No. 2016-00162  
 Professional Services Expenses Detail  
 For the Twelve Months Ended April 30, 2016

Co	Date	Acct	Voucher	Category	CE	Amount	Vendor	Vendor ID	Invoice	Description
CKY	Mar-16		TeamConnect	Legal	3002	14.55	CORPORATION SERVICE COMPANY	2000002643	N/A	Legal
CKY	Apr-16		TeamConnect	Legal	3002	94.24	SCHIFF HARDIN LLP	2000018005	N/A	Legal
CKY	Jul-15		TeamConnect	Legal	3002	2,147.94	MCGUIREWOODS LLP	2000017049	N/A	Legal
CKY	Apr-16		TeamConnect	Legal	3002	325.75	MCGUIREWOODS LLP	2000017049	N/A	Legal
CKY	Apr-16		TeamConnect	Legal	3002	19.54	MELICK PORTER & SHEA LLP	2000038479	N/A	Legal
CKY	Feb-16		TeamConnect	Legal	3002	885.63	REED SMITH LLP	2000050641	N/A	Legal
CKY	Feb-16		TeamConnect	Legal	3002	75.00	KINKEAD AND STILZ PLLC	2000016688	N/A	Legal
CKY	Feb-16		TeamConnect	Legal	3002	144.56	LITTLER MENDELSON PC	2000113361	N/A	Legal
CKY	Jun-15		TeamConnect	Legal	3002	565.28	TROUTMAN SANDERS LLP	2000035299	N/A	Legal
CKY	May-15		TeamConnect	Legal	3002	2,702.72	SCHIFF HARDIN LLP	2000018005	N/A	Legal
CKY	May-15		TeamConnect	Legal	3002	13,064.20	REED SMITH LLP	2000050641	N/A	Legal
CKY	Jan-16		TeamConnect	Legal	3002	13.56	SCHIFF HARDIN LLP	2000018005	N/A	Legal
CKY	Jan-16		TeamConnect	Legal	3002	219.45	LITTLER MENDELSON PC	2000113361	N/A	Legal
CKY	Sep-15		TeamConnect	Legal	3002	26.54	REED SMITH LLP	2000050641	N/A	Legal
CKY	Nov-15		TeamConnect	Legal	3002	41.21	SCHIFF HARDIN LLP	2000018005	N/A	Legal
CKY	Jan-16		TeamConnect	Legal	3002	22.81	CORPORATION SERVICE COMPANY	2000002643	N/A	Legal
CKY	Nov-15		TeamConnect	Legal	3002	3.79	CORPORATION SERVICE COMPANY	2000002643	N/A	Legal
CKY	Dec-15		TeamConnect	Legal	3002	352.57	LITTLER MENDELSON PC	2000113361	N/A	Legal
CKY	Dec-15		TeamConnect	Legal	3002	109.43	VAN NESS FELDMAN APC	2000041247	N/A	Legal
CKY	Dec-15		TeamConnect	Legal	3002	105.99	PORTER WRIGHT MORRIS & ARTHUR	2000017692	N/A	Legal
CKY	Dec-15		TeamConnect	Legal	3002	216.65	MORGAN LEWIS & BOCKIUS LLP	2000038987	N/A	Legal
CKY	Apr-16		TeamConnect	Legal	3002	(1,675.78)			N/A	Legal
CKY	Apr-16		TeamConnect	Legal	3002	33.12	CORPORATION SERVICE COMPANY	2000002643	N/A	Legal
CKY	Jul-15		TeamConnect	Legal	3002	58.17	SCHIFF HARDIN LLP	2000018005	N/A	Legal
CKY	Jul-15		TeamConnect	Legal	3002	140.19	VAN NESS FELDMAN APC	2000041247	N/A	Legal
CKY	Feb-16		TeamConnect	Legal	3002	245.62	MORGAN LEWIS & BOCKIUS LLP	2000038987	N/A	Legal
CKY	Jun-15		TeamConnect	Legal	3002	61.52	VAN NESS FELDMAN APC	2000041247	N/A	Legal
CKY	Jun-15		TeamConnect	Legal	3002	1,239.15	KATTEN MUCHIN ROSENMAN LLP	2000113530	N/A	Legal
CKY	Jun-15		TeamConnect	Legal	3002	328.19	SCHIFF HARDIN LLP	2000018005	N/A	Legal
CKY	Jan-16		TeamConnect	Legal	3002	2,464.00	REED SMITH LLP	2000050641	N/A	Legal
CKY	Oct-15		TeamConnect	Legal	3002	1,852.00	KINKEAD AND STILZ PLLC	2000016688	N/A	Legal
CKY	Oct-15		TeamConnect	Legal	3002	12,533.46	REED SMITH LLP	2000050641	N/A	Legal
CKY	Aug-15		TeamConnect	Legal	3002	25.11	MORGAN LEWIS & BOCKIUS LLP	2000038987	N/A	Legal
CKY	Oct-15		TeamConnect	Legal	3002	8.29	CORPORATION SERVICE COMPANY	2000002643	N/A	Legal
CKY	Nov-15		TeamConnect	Legal	3002	6,424.30	SIDLEY AUSTIN LLP	2000020991	N/A	Legal
CKY	Nov-15		TeamConnect	Legal	3002	15.31	TROUTMAN SANDERS LLP	2000035299	N/A	Legal
CKY	Nov-15		TeamConnect	Legal	3002	12.44	VAN NESS FELDMAN APC	2000041247	N/A	Legal
CKY	Nov-15		TeamConnect	Legal	3002	0.00			N/A	Legal
CKY	Jan-16		TeamConnect	Legal	3002	(9,050.21)			N/A	Legal
CKY	Apr-16		TeamConnect	Legal	3002	4,000.00	RICHARD S TAYLOR	2000018347	N/A	Legal
CKY	Mar-16		TeamConnect	Legal	3002	67.74	SCHIFF HARDIN LLP	2000018005	N/A	Legal
CKY	Apr-16		TeamConnect	Legal	3002	1,307.44	SIDLEY AUSTIN LLP	2000020991	N/A	Legal
CKY	Apr-16		TeamConnect	Legal	3002	58.14	LITTLER MENDELSON PC	2000113361	N/A	Legal
CKY	Apr-16		TeamConnect	Legal	3002	74.54	PORTER WRIGHT MORRIS & ARTHUR	2000017692	N/A	Legal
CKY	Jun-15		TeamConnect	Legal	3002	483.72	MCDONALD HOPKINS	2000046551	N/A	Legal
CKY	Jun-15		TeamConnect	Legal	3002	42.09	BAKER AND DANIELS	2000014791	N/A	Legal
CKY	Jun-15		TeamConnect	Legal	3002	3,013.65	LITTLER MENDELSON PC	2000113361	N/A	Legal
CKY	May-15		TeamConnect	Legal	3002	37.66	BEATTY AND WOZNAK PC	2000013715	N/A	Legal
CKY	May-15		TeamConnect	Legal	3002	(6,532.10)			N/A	Legal
CKY	Jan-16		TeamConnect	Legal	3002	772.70	MCGUIREWOODS LLP	2000017049	N/A	Legal
CKY	Oct-15		TeamConnect	Legal	3002	7,664.98	PORTER WRIGHT MORRIS & ARTHUR	2000017692	N/A	Legal
CKY	Aug-15		TeamConnect	Legal	3002	1,496.37	MCGUIREWOODS LLP	2000017049	N/A	Legal
CKY	Aug-15		TeamConnect	Legal	3002	683.24	KATTEN MUCHIN ROSENMAN LLP	2000113530	N/A	Legal
CKY	Sep-15		TeamConnect	Legal	3002	2,354.41			N/A	Legal
CKY	Oct-15		TeamConnect	Legal	3002	14.62	SCHIFF HARDIN LLP	2000018005	N/A	Legal
CKY	Oct-15		TeamConnect	Legal	3002	7,494.32			N/A	Legal
CKY	Dec-15		TeamConnect	Legal	3002	648.07	SIDLEY AUSTIN LLP	2000020991	N/A	Legal
CKY	Dec-15		TeamConnect	Legal	3002	792.90	MCGUIREWOODS LLP	2000017049	N/A	Legal
CKY	Mar-16		TeamConnect	Legal	3002	3,158.21	SIDLEY AUSTIN LLP	2000020991	N/A	Legal
CKY	Mar-16		TeamConnect	Legal	3002	4,000.00	RICHARD S TAYLOR	2000018347	N/A	Legal
CKY	Apr-16		TeamConnect	Legal	3002	9.24	MORGAN LEWIS & BOCKIUS LLP	2000038987	N/A	Legal

371,124.75

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

52. Provide the following information. If any amounts were allocated, show a calculation of the factor used to allocate each amount.

a. A detailed analysis of charges booked for advertising expenditures during the most recent 12-month period for which information is available at the time the application is filed. Include a complete breakdown of Account No. 913 – Advertising Expenses and any other advertising expenditures included in any other expense accounts, as shown in Schedule 52a. The analysis should specify the purpose of the expenditure and the expected benefit to be derived.

b. An analysis of Account No. 930 – Miscellaneous General Expenses for the most recent 12-month period for which information is available at the time the application is filed. Include a complete breakdown of this account as shown in Format 52b and provide detailed work papers supporting this analysis. At a minimum, the analysis should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure of



\$500 or more, provided that lesser items are grouped by classes as shown in Schedule 52b.

c. An analysis of Account No. 426 — Other Income Deductions for the most recent 12-month period for which information is available at the time the application is filed. Include a complete breakdown of this account as shown in Schedule 52c, and provide detailed work papers supporting this analysis. At a minimum, the analysis should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure of \$500 or more, provided that lesser items are grouped by classes as shown in Schedule 52c.

**Response:**

Please refer to Attachments A, B and C of this response.

Schedule 52a

Columbia Gas of Kentucky, Inc.  
 Case No. 2016-00162  
 Analysis of Advertising Expenses

Line No.	Item (a)	Sales or Promotional Advertising (b)	Institutional Advertising (c)	Conservation Advertising (d)	Rate Case (e)	Other (f)	Total (\$) (g)
1	Newspaper	-	-	-	-	-	-
2	Magazines and Other	4,336	-	-	-	10,500	14,836
3	Television	45,030	-	-	-	-	45,030
4	Radio	-	-	-	-	-	-
5	Direct Mail	17,864	-	-	-	-	17,864
6	Sales Aids	-	-	-	-	-	-
7	Total	<u>67,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,500</u>	<u>77,730</u>
8	Amount Assigned to Kentucky Jurisdictional	67,231	-	-	-	10,500	77,730

Columbia Gas of Kentucky, Inc.  
Case No. 2016-00162

(Workpaper for PSC DR Set 1, No. 052a) Advertising Analysis -- Total Other Expense Accounts -- Cost Element 3001  
Twelve Months Ended April 30, 2016

Summary of Items by Month for Other Expense Accounts (Advertising)

Line No.	Month / Year	Item / Media							Total (\$)
		Magazines & Other			Radio	Direct Mail		Sales Aid	
		Conservation (\$)	Other (\$)	Duplicate Entry	Conservation (\$)	Conservation (\$)	Other (\$)	Sales or Promotional Advertising (\$)	
1	May 2015	-	-	-	-	-	-	-	-
2	June 2015	-	1,802	-	-	-	-	-	1,802
3	July 2015	-	565	-	-	-	-	-	565
4	August 2015	-	637	-	-	-	-	-	637
5	September 2015	-	-	-	-	-	-	-	-
6	October 2015	-	-	-	-	-	-	-	-
7	November 2015	-	-	-	-	-	-	-	-
8	December 2015	-	6,702	-	-	-	-	-	6,702
9	January 2016	-	-	-	-	-	-	-	-
10	February 2016	-	-	-	-	-	-	-	-
11	March 2016	-	-	-	-	-	-	-	-
12	April 2016	-	794	-	-	-	-	-	794
13	Total	-	10,500	-	-	-	-	-	10,500

Columbia Gas of Kentucky, Inc.  
Case No. 2016-00162  
(Workpaper for PSC DR Set 1, No. 052a) Advertising Analysis -- Account 913  
Twelve Months Ended April 30, 2016

Summary of Items by Month for Account 913 (Advertising)

Line No.	Month / Year	Item / Media						Total (\$)
		Newspaper	Magazines & Other	Television	Radio	Direct Mail	Sales Aids	
		Sales or Promotional Advertising						
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
1	May 2015	-	239	-	-	169	-	407
2	June 2015	-	782	-	-	301	-	1,083
3	July 2015	-	-	-	-	154	-	154
4	August 2015	-	15	-	-	4,649	-	4,664
5	September 2015	-	1	-	-	-	-	1
6	October 2015	-	-	-	-	-	-	-
7	November 2015	-	5	-	-	668	-	673
8	December 2015	-	3,092	45,030	-	22	-	48,144
9	January 2016	-	-	-	-	-	-	-
10	February 2016	-	-	-	-	4,501	-	4,501
11	March 2016	-	-	-	-	2,411	-	2,411
12	April 2016	-	202	-	-	4,990	-	5,192
13	Total	-	4,336	45,030	-	17,864	-	67,231

Columbia Gas of Kentucky, Inc.

Case No. 2016-00162

(Workpaper for PSC DR Set 1, No. 052a) Advertising Analysis -- Total Other Expense Accounts -- Cost Element 3001

Period: Twelve Months Ended April 30, 2016

Ref. No.	Effective Date YYYY / MM	Journal ID	Acct.	CE	Activ.	Dept.	Vendor	Description	Line Item Media	Column Item Purpose	Amount \$
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	201506	AP00037506	92100000	3001	04901	0326100	BILL STRAUS PHOTOGRAPHY INC	Portraits for publicity and promotion use	Other	Sales & Promotional Advertising	148.00
2	201506	AP00038678	88000000	3001	05202	0326100	INSTANT SIGNS NO 1	Mimaki banners - NiVets	Other	Other	149.76
3	201506	AP00039190	88000000	3001	05202	0326100	DAPPLE ADVERTISING LLC	Custom American flag lapel pins	Other	Sales & Promotional Advertising	760.61
4	201506	RCL06NG1	90900000	3001	03337	0054400	N/A	Oracle Rightnow Email Reclass Q2	Other	Other	444.20
5	201506	AP00039794	92100000	3001	04901	0326100	INSTANT SIGNS NO 1	Mimaki banners - Giving 11% for 110 years	Other	Other	299.52
6	201507	AP00039815	92100000	3001	04901	0326100	INSTANT SIGNS NO 1	Mimaki banners - Giving 11% for 110 years	Other	Other	5.76
7	201507	AP00041853	88000000	3001	05202	0326100	INSTANT SIGNS NO 1	Mimaki banners - NiVets	Other	Other	2.88
8	201507	AP00042310	92100000	3001	05501	0326100	LEXINGTON HERALD-LEADER	Community Action Council	Other	Sales & Promotional Advertising	556.50
9	201508	RCL08KH1	90900000	3001	03337	0054400	N/A	Oracle Rightnow Email Reclass Q2 - Additional Items	Other	Other	636.95
10	201512	AP00067729	87400000	3001	02311	0326180	DAPPLE ADVERTISING LLC	811 Promotion Items - Custom construction hats, white imprints	Other	Safety & Public Awareness	341.33
11	201512	AP00067729	87400000	3001	02411	0326180	DAPPLE ADVERTISING LLC	811 Promotion Items - Custom construction hats, white imprints	Other	Safety & Public Awareness	206.30
12	201512	AP00067729	88700000	3001	02312	0326180	DAPPLE ADVERTISING LLC	811 Promotion Items - Custom construction hats, white imprints	Other	Safety & Public Awareness	67.51
13	201512	AP00067729	89200000	3001	02313	0326180	DAPPLE ADVERTISING LLC	811 Promotion Items - Custom construction hats, white imprints	Other	Safety & Public Awareness	67.51
14	201512	AP00067729	87400000	3001	02311	0326180	DAPPLE ADVERTISING LLC	811 Promotion Items - Custom bic click pens	Other	Safety & Public Awareness	333.06
15	201512	AP00067729	87400000	3001	02411	0326180	DAPPLE ADVERTISING LLC	811 Promotion Items - Custom bic click pens	Other	Safety & Public Awareness	201.29
16	201512	AP00067729	88700000	3001	02312	0326180	DAPPLE ADVERTISING LLC	811 Promotion Items - Custom bic click pens	Other	Safety & Public Awareness	65.88
17	201512	AP00067729	89200000	3001	02313	0326180	DAPPLE ADVERTISING LLC	811 Promotion Items - Custom bic click pens	Other	Safety & Public Awareness	65.88

Columbia Gas of Kentucky, Inc.

Case No. 2016-00162

(Workpaper for PSC DR Set 1, No. 052a) Advertising Analysis -- Total Other Expense Accounts -- Cost Element 3001

Period: Twelve Months Ended April 30, 2016

Ref. No.	Effective Date YYYY / MM	Journal ID	Acct.	CE	Activ.	Dept.	Vendor	Description	Line Item Media	Column Item Purpose	Amount \$	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
18	201512	AP00067729	87400000	3001	02311	0326180	DAPPLE ADVERTISING LLC	811 Promotion Items - Custom coleman 40 quart wheeled cooler	Other	Safety & Public Awareness	575.41	
19	201512	AP00067729	87400000	3001	02411	0326180	DAPPLE ADVERTISING LLC	811 Promotion Items - Custom coleman 40 quart wheeled cooler	Other	Safety & Public Awareness	347.77	
20	201512	AP00067729	88700000	3001	02312	0326180	DAPPLE ADVERTISING LLC	811 Promotion Items - Custom coleman 40 quart wheeled cooler	Other	Safety & Public Awareness	113.81	
21	201512	AP00067729	89200000	3001	02313	0326180	DAPPLE ADVERTISING LLC	811 Promotion Items - Custom coleman 40 quart wheeled cooler	Other	Safety & Public Awareness	113.81	
22	201512	AP00067984	87400000	3001	02311	0326180	DAPPLE ADVERTISING LLC	811 Promotion Items - Custom recycled jr. padfolio and sand	Other	Safety & Public Awareness	1,997.68	
23	201512	AP00067984	87400000	3001	02411	0326180	DAPPLE ADVERTISING LLC	811 Promotion Items - Custom recycled jr. padfolio and sand	Other	Safety & Public Awareness	1,207.39	
24	201512	AP00067984	88700000	3001	02312	0326180	DAPPLE ADVERTISING LLC	811 Promotion Items - Custom recycled jr. padfolio and sand	Other	Safety & Public Awareness	395.15	
25	201512	AP00067984	89200000	3001	02313	0326180	DAPPLE ADVERTISING LLC	811 Promotion Items - Custom recycled jr. padfolio and sand	Other	Safety & Public Awareness	395.15	
26	201512	EMAILRECL	92100000	3001	04901	0326100	N/A	Oracle Rightnow Email Reclclass Q4 - NGD Customer Experience	Other	Other	207.26	
27	201604	AP00088165	92100000	3001	04901	0326100	BILL STRAUS PHOTOGRAPHY INC	Portraits for publicity and promotion use	Other	Sales & Promotional Advertising	148.00	
28	201604	AP00088165	92100000	3001	04901	0326100	BILL STRAUS PHOTOGRAPHY INC	Portraits for publicity and promotion use	Other	Sales & Promotional Advertising	148.00	
29	201604	AP00088165	92100000	3001	04901	0326100	BILL STRAUS PHOTOGRAPHY INC	Portraits for publicity and promotion use	Other	Sales & Promotional Advertising	228.00	
30	201604	EMAILRECL	92100000	3001	04901	0326100	N/A	Oracle Rightnow Email Reclclass	Other	Other	249.85	
31	201604	EXPEN89470	93010000	3001		0326100	N/A	Expense Reporting System	Other	Other	19.96	
<b>32</b>	<b>Total Other Expense Accounts (CE 3001)</b>										<b>10,500.18</b>	
<b>Summary of Cost Element 3001 (Excluding Account 913)</b>												
33									Total:	Other		10,500.18
<b>34</b>									<b>Total:</b>			<b>10,500.18</b>

Columbia Gas of Kentucky, Inc.

Case No. 2016-00162

(Workpaper for PSC DR Set 1, No. 052a) Advertising Analysis -- Account 913

Period: Twelve Months Ended April 30, 2016

Line No.	Year / Month	Direct Mail (1)	Radio (2)	Television (3)	Magazines and Other				Total (8)
					Marketing (4)	Print Materials (5)	Sponsor Home Builders Lexington (6)	Promotional Items (7)	
		\$	\$	\$	\$	\$	\$	\$	\$
1	2015 May	168.72	-	-	15.93	222.60	-	-	407.25
2	2015 June	300.91	-	-	782.32	-	-	-	1,083.23
3	2015 July	153.52	-	-	-	-	-	-	153.52
4	2015 August	4,649.31	-	-	15.03	-	-	-	4,664.34
5	2015 September	-	-	-	1.13	-	-	-	1.13
6	2015 October	-	-	-	-	-	-	-	-
7	2015 November	667.94	-	-	5.17	-	-	-	673.11
8	2015 December	21.84	-	45,030.00	3,091.94	-	-	-	48,143.78
9	2016 January	-	-	-	-	-	-	-	-
10	2016 February	4,501.47	-	-	-	-	-	-	4,501.47
11	2016 March	2,411.14	-	-	-	-	-	-	2,411.14
12	2016 April	4,989.50	-	-	-	202.06	-	-	5,191.56
<b>13</b>	<b>Total</b>	<b>17,864.35</b>	<b>-</b>	<b>45,030.00</b>	<b>3,911.52</b>	<b>424.66</b>	<b>-</b>	<b>-</b>	<b>67,230.53</b>
<b>Summary of Account 913 by Item</b>									
14						Total:	Magazines & Other		4,336.18
15						Total:	Radio		0.00
16						Total:	Television		45,030.00
17						Total:	Direct Mail		17,864.35
<b>18</b>						<b>Total:</b>	<b>Account 913</b>		<b>67,230.53</b>

Schedule 52b

Columbia Gas of Kentucky, Inc.  
 Case No. 2016-00162  
 Analysis of Account No. 930 Miscellaneous General Expenses  
 For The Twelve Months Ended April 30, 2016

Line No.	Item (a)	Amount (\$) (b)
1	Industry Association Dues	40,286
2	Stockholder and Debt Service Expenses	
3	Institutional Advertising	
4	Conservation Advertising	
5	Rate Department Load Studies	
6	Director's Fees and Expenses	
7	Dues and Subscriptions	
8	Rent Allocation For NiSource Corporate Services	(153,084)
9	Miscellaneous	<u>87,428</u>
10	Total	(25,370)
11	Amount Assigned to Kentucky Jurisdictional	(25,370)



Columbia Gas of Kentucky, Inc.  
Case No. 2016-00162  
(Workpapers) Analysis of Account No. 930 Miscellaneous General Expenses  
Twelve Months Ended April 30, 2016

Summary of Items by Month

Line No.	Item	<u>May-15</u> (\$)	<u>Jun-15</u> (\$)	<u>Jul-15</u> (\$)	<u>Aug-15</u> (\$)	<u>Sep-15</u> (\$)	<u>Oct-15</u> (\$)	<u>Nov-15</u> (\$)	<u>Dec-15</u> (\$)	<u>Jan-16</u> (\$)	<u>Feb-16</u> (\$)	<u>Mar-16</u> (\$)	<u>Apr-16</u> (\$)	<u>Total</u> (\$)
1	Industry Association Dues	-	9,483	9,483	-	1,830	9,483	-	-	-	-	-	10,008	40,286
2	Stockholder and Debt Service Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Institutional Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Conservation Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Rate Department Load Studies	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Director's Fees and Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Dues and Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Rent Allocation For NiSource Corporate Services	(13,464)	(13,464)	(13,464)	(13,464)	(13,464)	(13,464)	(13,464)	(13,464)	(13,464)	(9,222)	(11,343)	(11,343)	(153,084)
9	Miscellaneous (Total)	<u>12,405</u>	<u>14,623</u>	<u>2,563</u>	<u>16,149</u>	<u>8,469</u>	<u>10,149</u>	<u>7,624</u>	<u>(17,599)</u>	<u>5,826</u>	<u>10,337</u>	<u>12,368</u>	<u>4,516</u>	<u>87,428</u>
10	Total	(1,059)	10,641	(1,419)	2,685	(3,165)	6,168	(5,840)	(31,063)	(7,638)	1,115	1,025	3,181	(25,370)
11	Amount Assigned to Kentucky Jurisdictional	(1,059)	10,641	(1,419)	2,685	(3,165)	6,168	(5,840)	(31,063)	(7,638)	1,115	1,025	3,181	(25,370)

Columbia Gas of Kentucky, Inc.  
Case No. 2016-00162  
(Workpapers) Analysis of Account No. 930 Miscellaneous General Expenses  
Twelve Months Ended April 30, 2016

Ref. No. (1)	Effective Date MM / DD / YY (2)	Voucher (3)	ACCT (4)	CE (5)	ACTIV (6)	Description (7)	Items (8)	Amount \$ (9)
1	4/4/2016	AP00085426	93020000	3501	05007	AGA 2016 1st Quarter Dues	Industry Association Dues	10,007.80
2	6/15/2015	AP00037264	93020000	3501	05007	AGA 2nd Quarter Dues	Industry Association Dues	9,482.65
3	7/31/2015	AP00044373	93020000	3501	05007	AGA 3rd Quarter Dues	Industry Association Dues	9,482.65
4	10/16/2015	AP00056835	93020000	3501	05007	AGA 4th Quarter Dues	Industry Association Dues	9,482.65
5	9/24/2015	AP00052776	93020000	3501	05007	SGA Membership Dues	Industry Association Dues	1,829.88
6	4/30/2016	EXPEN89470	93010000	3001		Advertising Services	Miscellaneous	19.96
7	5/31/2015	CBILL36170	93010000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	3,297.58
8	5/31/2015	CBILL36170	93020000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	8,574.78
9	6/30/2015	CBILL41400	93010000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	2,550.34
10	6/30/2015	CBILL41400	93020000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	8,329.28
11	7/31/2015	CBILL45932	93010000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	16.88
12	7/31/2015	CBILL45932	93020000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	2,545.76
13	8/31/2015	CBILL50559	93010000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	7,829.27
14	8/31/2015	CBILL50559	93020000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	8,217.18

Columbia Gas of Kentucky, Inc.  
Case No. 2016-00162  
(Workpapers) Analysis of Account No. 930 Miscellaneous General Expenses  
Twelve Months Ended April 30, 2016

Ref. No. (1)	Effective Date MM / DD / YY (2)	Voucher (3)	ACCT (4)	CE (5)	ACTIV (6)	Description (7)	Items (8)	Amount \$ (9)
15	9/30/2015	CBILL55200	93010000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	430.20
16	9/30/2015	CBILL55200	93020000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	7,973.27
17	10/31/2015	CBILL60501	93010000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	3,949.33
18	10/31/2015	CBILL60501	93020000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	6,058.14
19	11/30/2015	CBILL65209	93010000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	2,099.89
20	11/30/2015	CBILL65209	93020000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	5,488.79
21	12/31/2015	CBILL70866	93010000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	432.02
22	12/31/2015	CBILL70866	93020000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	(18,066.79)
23	1/31/2016	CBILL75957	93010000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	4,573.80
24	1/31/2016	CBILL75957	93020000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	881.30
25	2/29/2016	CBILL80564	93010000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	1,382.76
26	2/29/2016	CBILL80564	93020000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	4,203.84
27	3/31/2016	CBILL86112	93010000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	1,577.72
28	3/31/2016	CBILL86112	93020000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	9,543.54

Columbia Gas of Kentucky, Inc.  
Case No. 2016-00162  
(Workpapers) Analysis of Account No. 930 Miscellaneous General Expenses  
Twelve Months Ended April 30, 2016

Ref. No. (1)	Effective Date MM / DD / YY (2)	Voucher (3)	ACCT (4)	CE (5)	ACTIV (6)	Description (7)	Items (8)	Amount \$ (9)
29	4/30/2016	CBILL90997	93010000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	89.58
30	4/30/2016	CBILL90997	93020000	7001	99999	Allocation from NiSource Corporate Services	Miscellaneous	4,406.65
31	1/22/2016	AP00073063	93020000	2004	02791	Freight Charges for Welding	Miscellaneous	30.00
32	6/15/2015	AP00037261	93020000	2017		Hi-Vis vests and hire kit for new employees	Miscellaneous	3,358.34
33	9/28/2015	AP00053422	93020000	3601	05005	Mailing	Miscellaneous	29.34
34	9/30/2015	AP00054088	93020000	3601	05005	Mailing	Miscellaneous	36.00
35	10/13/2015	AP00056464	93020000	3601	05005	Mailing	Miscellaneous	42.84
36	10/19/2015	AP00057023	93020000	3601	05005	Mailing	Miscellaneous	28.61
37	10/28/2015	AP00058408	93020000	3601	05005	Mailing	Miscellaneous	35.35
38	10/29/2015	AP00058742	93020000	3601	05005	Mailing	Miscellaneous	35.09
39	11/9/2015	AP00061132	93020000	3601	05005	Mailing	Miscellaneous	35.05
40	12/10/2015	AP00066173	93020000	3601	05005	Mailing	Miscellaneous	35.30
41	2/15/2016	AP00076947	93020000	3601	05005	Mailing	Miscellaneous	74.55
42	5/31/2015	SLTSALEM32	93020000	3638		Miscellaneous	Miscellaneous	6.48

Columbia Gas of Kentucky, Inc.  
Case No. 2016-00162  
(Workpapers) Analysis of Account No. 930 Miscellaneous General Expenses  
Twelve Months Ended April 30, 2016

Ref. No. (1)	Effective Date MM / DD / YY (2)	Voucher (3)	ACCT (4)	CE (5)	ACTIV (6)	Description (7)	Items (8)	Amount \$ (9)
43	5/31/2015	SLTSALER32	93020000	3638		Miscellaneous	Miscellaneous	6.48
44	2/29/2016	MISCRCL	93020000	3638		Miscellaneous	Miscellaneous	2,338.21
45	5/29/2015	AP00033907	93020000	3015		NiSource Safety Posters	Miscellaneous	519.21
46	6/4/2015	AP00036362	93020000	3015		NiSource Safety Posters	Miscellaneous	384.81
47	8/12/2015	AP00046591	93020000	3015		NiSource Safety Posters	Miscellaneous	102.34
48	1/22/2016	AP00073063	93020000	2013	02791	Pipe for Training Center	Miscellaneous	340.65
49	3/1/2016	AP00079631	93020000	2017	01516	Punch Tool and DEP/Cham Tool f	Miscellaneous	340.85
50	2/17/2016	AP00077195	93020000	4016	05202	Richard D. Ford - Insurance Payment	Miscellaneous	271.75
51	2/17/2016	AP00077195	93020000	9600	05202	Richard D. Ford - Property Taxes	Miscellaneous	1,489.48
52	2/17/2016	AP00077195	93020000	3921	05202	Richard D. Ford - Security Light	Miscellaneous	66.24
53	2/17/2016	AP00077195	93020000	3925	05202	Richard D. Ford - Water Utility	Miscellaneous	510.61
54	3/9/2016	AP00081310	93020000	2017	01516	Safety items for KY Wave Hire	Miscellaneous	905.58
55	5/31/2015	ICTRNT	93020000	9220	05201	Rent Allocation for NiSource Corporate Services	Rent Allocation for NiSource Corporate Services	(13,464.00)
56	6/30/2015	ICTRNT	93020000	9220	05201	Rent Allocation for NiSource Corporate Services	Rent Allocation for NiSource Corporate Services	(13,464.00)

Columbia Gas of Kentucky, Inc.  
Case No. 2016-00162  
(Workpapers) Analysis of Account No. 930 Miscellaneous General Expenses  
Twelve Months Ended April 30, 2016

Ref. No. (1)	Effective Date MM / DD / YY (2)	Voucher (3)	ACCT (4)	CE (5)	ACTIV (6)	Description (7)	Items (8)	Amount \$ (9)
57	7/31/2015	ICTRNT	93020000	9220	05201	Rent Allocation for NiSource Corporate Services	Rent Allocation for NiSource Corporate Services	(13,464.00)
58	8/31/2015	ICTRNT	93020000	9220	05201	Rent Allocation for NiSource Corporate Services	Rent Allocation for NiSource Corporate Services	(13,464.00)
59	9/30/2015	ICTRNT	93020000	9220	05201	Rent Allocation for NiSource Corporate Services	Rent Allocation for NiSource Corporate Services	(13,464.00)
60	10/31/2015	ICTRNT	93020000	9220	05201	Rent Allocation for NiSource Corporate Services	Rent Allocation for NiSource Corporate Services	(13,464.00)
61	11/30/2015	ICTRNT	93020000	9220	05201	Rent Allocation for NiSource Corporate Services	Rent Allocation for NiSource Corporate Services	(13,464.00)
62	12/31/2015	ICTRNT	93020000	9220	05201	Rent Allocation for NiSource Corporate Services	Rent Allocation for NiSource Corporate Services	(13,464.00)
63	1/31/2016	ICTRNT	93020000	9220	05201	Rent Allocation for NiSource Corporate Services	Rent Allocation for NiSource Corporate Services	(13,464.00)
64	2/29/2016	ICTRNT	93020000	9220	05201	Rent Allocation for NiSource Corporate Services	Rent Allocation for NiSource Corporate Services	(9,222.00)
65	3/31/2016	ICTRNT	93020000	9220	05201	Rent Allocation for NiSource Corporate Services	Rent Allocation for NiSource Corporate Services	(11,343.00)
66	4/30/2016	ICTRNT	93020000	9220	05201	Rent Allocation for NiSource Corporate Services	Rent Allocation for NiSource Corporate Services	(11,343.00)
67	<b>Total Account 930</b>							<b>(25,370.14)</b>

Schedule 52c

Columbia Gas of Kentucky, Inc.  
Case No. 2016-00162

Analysis of Account No. 426 -- Other Income Deductions  
For The Twelve Months Ended April 30, 2016

Line No.	Item (a)	Amount (\$) (b)
1	Donations	172,699
2	Civic Activities	0
3	Political Activities	0
4	Other	<u>223,053</u>
5	Total	395,752

Columbia Gas of Kentucky, Inc.  
 Case No. 2016-00162  
 (Workpaper) Analysis of Account No. 426 -- Other Income Deductions  
 Twelve Months Ended April 30, 2016

Summary of Items by Month

Line No.	Item	May-15 (\$)	Jun-15 (\$)	Jul-15 (\$)	Aug-15 (\$)	Sep-15 (\$)	Oct-15 (\$)	Nov-15 (\$)	Dec-15 (\$)	Jan-16 (\$)	Feb-16 (\$)	Mar-16 (\$)	Apr-16 (\$)	Total (\$)
1	Donations	12,384	45,925	1,866	5,991	10,639	3,500	5,070	34,124	11,160	14,902	21,112	6,026	172,699
2	Civic Activities	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Political Activities	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Other	<u>18,364</u>	<u>21,158</u>	<u>18,333</u>	<u>18,065</u>	<u>21,112</u>	<u>17,143</u>	<u>14,877</u>	<u>24,064</u>	<u>17,158</u>	<u>17,033</u>	<u>16,663</u>	<u>19,083</u>	<u>223,053</u>
5	Total	30,748	67,083	20,199	24,056	31,751	20,643	19,947	58,188	28,318	31,935	37,775	25,109	395,752
6	Amount Assigned to Kentucky Jurisdictional	30,748	67,083	20,199	24,056	31,751	20,643	19,947	58,188	28,318	31,935	37,775	25,109	395,752



Columbia Gas of Kentucky, Inc.  
 Case No. 2016-00162  
 (Workpaper) Analysis of Account No. 426 -- Other Income Deductions  
 Twelve Months Ended April 30, 2016

Ref. No.	Effective Date	Voucher	Account	Cost Element	Activity	Vendor	Description / Purpose	Line Item	Amount \$
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>General Account 42610000, Cost Element 3500 (Reference Numbers 1 through 83)</b>									
1	5/4/2015	AP00030011	42610000	3500		MIDWAY COLLEGE INC	2015 Spotlight Awards Table Sp	Donation	1,500.00
2	5/4/2015	AP00030011	42610000	3500	04901	WINTER CARE ENERGY FUND	Wintercare-April 2015	Donation	1,884.00
3	5/5/2015	PAYACC	42610000	3500	04901	N/A	Reversal of April 2015 AP Accrual	Donation	(1,500.00)
4	5/12/2015	AP00031392	42610000	3500		CHILDRENS ADVOCACY CENTER	Sponsorship for Evening for th	Donation	3,000.00
5	5/13/2015	AP00031768	42610000	3500		SALVATION ARMY	LemonAID Presenting Sponsor	Donation	5,000.00
6	6/10/2015	AP00036559	42610000	3500		CENTRAL MUSIC ACADEMY INC	Moontower Music Festival 2015	Donation	2,500.00
7	6/10/2015	AP00036559	42610000	3500		PARIS BOURBON COUNTY YMCA	2015 Contribution	Donation	500.00
8	6/10/2015	AP00036559	42610000	3500		UNITED WAY OF EASTERN KENTUCKY	2015 Contribution	Donation	250.00
9	6/10/2015	AP00036559	42610000	3500		UNITED WAY OF FRANKLIN COUNTY	2015 Contribution	Donation	1,000.00
10	6/10/2015	AP00036559	42610000	3500		UNITED WAY OF MASON COUNTY	2015 Contribution	Donation	500.00
11	6/22/2015	AP00038044	42610000	3500		UNITED WAY OF NORTHEAST KENTUCKY	2015 Contribution	Donation	1,450.00
12	6/22/2015	AP00038044	42610000	3500		UNITED WAY OF THE BLUEGRASS	Corporate Gift 2015	Donation	10,000.00

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Ref. No.	Effective Date	Voucher	Account	Cost Element	Activity	Vendor	Description / Purpose	Line Item	Amount \$
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>General Account 42610000, Cost Element 3500 (Reference Numbers 1 through 83)</b>									
13	6/22/2015	AP00038044	42610000	3500	04901	BLUE GRASS COUNCIL	2015 Contribution	Donation	1,000.00
14	7/1/2015	AP00040364	42610000	3500		GIRL SCOUTS WILDERNESS ROAD	2015 Contribution	Donation	1,000.00
15	7/1/2015	AP00040364	42610000	3500		JUNIOR ACHIEVEMENT OF THE BLUEGRASS	2015 Contribution	Donation	1,000.00
16	9/1/2015	AP00049505	42610000	3500		KINGS DAUGHTER HLTH FOUNDATION	2015 Contribution	Donation	800.00
17	9/2/2015	AP00050068	42610000	3500		WINTER CARE ENERGY FUND	WinterCare May 2015	Donation	1,825.00
18	9/16/2015	AP00051875	42610000	3500		CASA OF LEXINGTON	CASA Superhero Run 2015	Donation	1,000.00
19	9/29/2015	AP00053760	42610000	3500		FRANKFORT FRANKLIN COUNTY BRANCH NAACP	2015 Annual Freedom Fund Banqu	Donation	850.00
20	9/29/2015	AP00053760	42610000	3500		KENTUCKY REFUGEE MINISTRIES INC	Cycling Ride Sponsorship 2015	Donation	1,000.00
21	9/30/2015	AP00054090	42610000	3500		LEADERSHIP KY FOUNDATION	2015 Contribution	Donation	500.00
22	11/3/2015	AP00060152	42610000	3500		ROOTS & HERITAGE FESTIVAL	2015 Contribution	Donation	1,000.00
23	12/1/2015	AP00064135	42610000	3500		WOODFORD HUMANE SOCIETY	Freedom Fest 2015	Donation	750.00
24	12/3/2015	AP00065131	42610000	3500		LEXINGTON BLUEGRASS AREA	Bronze Sponsorship	Donation	1,000.00

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Ref. No.	Effective Date	Voucher	Account	Cost Element	Activity	Vendor	Description / Purpose	Line Item	Amount \$
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>General Account 42610000, Cost Element 3500 (Reference Numbers 1 through 83)</b>									
25	12/3/2015	AP00065131	42610000	3500		LEXINGTON HISTORY MUSEUM INC	2015 Contribution	Donation	2,500.00
26	12/3/2015	AP00065131	42610000	3500		PRICHARD COMMITTEE FOR ACADEMIC	2015 Sponsorship	Donation	5,000.00
27	1/6/2016	AP00070798	42610000	3500		COMMUNITY ACTION COUNCIL FOR	2015 Platinum Sponsorship	Donation	10,000.00
28	1/6/2016	AP00070798	42610000	3500		FAYETTE COUNTY PUBLIC SCHOOLS	STEAM Academy Contribution	Donation	500.00
29	2/26/2016	AP00078503	42610000	3500		ALZHEIMERS ASSOCIATION	Sponsorship	Donation	2,500.00
30	3/1/2016	AP00079631	42610000	3500		WINTER CARE ENERGY FUND	Wintercare June 2015	Donation	1,955.00
31	3/2/2016	AP00080150	42610000	3500		FAYETTE COUNTY PUBLIC SCHOOLS	2015 Retirement Celebration	Donation	500.00
32	3/31/2016	AP00084517	42610000	3500		ALZHEIMERS ASSOCIATION	Sponsorship	Donation	(2,500.00)
33	4/25/2016	AP00088165	42610000	3500		WINTER CARE ENERGY FUND	WinterCare July 2015	Donation	1,911.00
34	9/8/2015	AP00050853	42610000	3500		ALZHEIMERS DISEASE AND RELATED DISORDERS	2015 Lexington and Ashland Wal	Donation	2,500.00
35	6/25/2015	AP00038678	42610000	3500		LEXINGTON PHILARMONIC SOCIETY INC	Bryan Station Ainadmar Outreac	Donation	1,500.00
36	9/15/2015	AP00051757	42610000	3500		WINTER CARE ENERGY FUND	WinterCare August 15	Donation	1,991.00

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>General Account 42610000, Cost Element 3500 (Reference Numbers 1 through 83)</b>									
37	9/15/2015	AP00051757	42610000	3500	05501	GIRLS ON THE RUN CENTRAL KY	Race Sponsorship	Donation	750.00
38	3/15/2016	AP00082001	42610000	3500		BLUEGRASS TOMORROW	2nd Annual Celebration of the	Donation	1,000.00
39	5/28/2015	AP00033585	42610000	3500		JUBILEE JOBS OF LEXINGTON	A Year of Dignity & Hope	Donation	1,000.00
40	6/8/2015	AP00036425	42610000	3500		URBAN LEAGUE OF	2015 Annual Empowerment Banque	Donation	1,250.00
41	6/8/2015	AP00036425	42610000	3500		AMERICAN DIABETES ASSOC	Kiss a Pig Event	Donation	500.00
42	6/8/2015	AP00036425	42610000	3500		BIG BROTHERS BIG SISTERS OF THE BLUEGRAS	Contribution 2015	Donation	5,000.00
43	6/8/2015	AP00036425	42610000	3500		LEXINGTON PUBLIC LIBRARY FOUNDATION	Book-Tacular Halloween Party	Donation	600.00
44	6/8/2015	AP00036425	42610000	3500		WINTER CARE ENERGY FUND	Wintercare September 2015	Donation	539.00
45	6/8/2015	AP00036425	42610000	3500	05501	ALPHA BETA LAMBDA CHAPTER	2016 Unity Breakfast	Donation	1,000.00
46	6/16/2015	AP00037506	42610000	3500		SALVATION ARMY	Kettle Campaign Sponsorship	Donation	2,500.00
47	6/16/2015	AP00037506	42610000	3500		AFRICAN AMERICAN FORUM INC	23rd Annual African American B	Donation	2,050.00
48	6/16/2015	AP00037506	42610000	3500		BLUE GRASS LODGE NO 4 INC	Shop with a Cop 2015	Donation	500.00

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>General Account 42610000, Cost Element 3500 (Reference Numbers 1 through 83)</b>									
49	6/16/2015	AP00037506	42610000	3500	04901	TIMS TROT FOR TOTS	Contribution 2015	Donation	520.00
50	6/16/2015	AP00037506	42610000	3500		URBAN LEAGUE OF	Gift of Empowerment	Donation	2,000.00
51	6/16/2015	AP00037506	42610000	3500		AMERICAN RED CROSS	2016 Red Cross "Disaster Blast	Donation	10,000.00
52	6/29/2015	AP00039190	42610000	3500		REACH	Contribution	Donation	1,100.00
53	7/15/2015	AP00042310	42610000	3500	04901	STUMBO FAMILY FOUNDATION INC	Contribution	Donation	1,000.00
54	7/17/2015	AP00042646	42610000	3500		MLK HOLIDAY PLANNING COMITTEE	Holiday Planning Committee	Donation	1,000.00
55	8/3/2015	AP00045309	42610000	3500		WINTER CARE ENERGY FUND	Wintercare Nov 2015	Donation	2,024.00
56	8/12/2015	AP00046590	42610000	3500	05501	BLUEGRASS CONSERVANCY	Contribution 2016	Donation	1,000.00
57	9/17/2015	AP00051992	42610000	3500		AMERICAN HEART ASSOCIATION	2016 Central Kentucky Heart Ba	Donation	5,000.00
58	10/6/2015	AP00055482	42610000	3500		COMMONWEALTH FUND FOR KET INC	KET Summer Celebration 2016	Donation	3,000.00
59	11/13/2015	AP00061665	42610000	3500		WINTER CARE ENERGY FUND	WInterCare Energy Fund	Donation	10,000.00
60	11/24/2015	AP00063064	42610000	3500		WINTER CARE ENERGY FUND	Wintercare Dec 2015	Donation	1,960.00

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Ref. No.	Effective Date	Voucher	Account	Cost Element	Activity	Vendor	Description / Purpose	Line Item	Amount \$
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>General Account 42610000, Cost Element 3500 (Reference Numbers 1 through 83)</b>									
61	11/24/2015	AP00063064	42610000	3500		WUKY	UK DanceBlue 2016 Sponsorship	Donation	2,500.00
62	12/4/2015	AP00065367	42610000	3500		CASA OF LEXINGTON	2016 Corporate Sponsorship	Donation	1,000.00
63	12/4/2015	AP00065367	42610000	3500		MONTGOMERY COUNTY COUNCIL FOR	Sponsorship	Donation	1,200.00
64	12/7/2015	AP00065671	42610000	3500		JENNY WILEY THEATRE	Sponsorship	Donation	1,000.00
65	12/17/2015	AP00067144	42610000	3500		SHRINERS HOSPITALS FOR CHILDREN	2016 contribution	Donation	2,500.00
66	12/17/2015	AP00067144	42610000	3500		CITIZENS FIRE ACADEMY ASSOCIATION	Annual Awards Banquet	Donation	1,000.00
67	12/17/2015	AP00067144	42610000	3500		WINTER CARE ENERGY FUND	Wintercare-Jan 2016	Donation	1,852.00
68	1/8/2016	AP00071040	42610000	3500	04901	PARAMOUNT ARTS CENTER INC	30th Spring Gala	Donation	750.00
69	1/8/2016	AP00071040	42610000	3500		BLUEGRASS TOMORROW	Membership	Donation	2,000.00
70	1/18/2016	AP00071878	42610000	3500	04901	COUNCIL OF STATE GOVERNMENTS	Donation	Donation	10,000.00
71	1/19/2016	AP00072057	42610000	3500		CENTER ON AGING FOUNDATION	Contribution	Donation	300.00
72	1/22/2016	AP00073066	42610000	3500		WINTER CARE ENERGY FUND	Wintercare FEB 2016	Donation	2,112.00

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Ref. No.	Effective Date	Voucher	Account	Cost Element	Activity	Vendor	Description / Purpose	Line Item	Amount \$
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>General Account 42610000, Cost Element 3500 (Reference Numbers 1 through 83)</b>									
73	2/2/2016	AP00075646	42610000	3500		DOWNTOWN LEXINGTON CORPORATION	Banner Sponsorship	Donation	1,500.00
74	2/17/2016	AP00077195	42610000	3500		GODS PANTRY FOOD BANK	Presenting Sponsor	Donation	5,000.00
75	2/22/2016	AP00077635	42610000	3500		UNIVERSITY OF KENTUCKY	K Fund Donation	Donation	3,450.00
76	3/4/2016	AP00080594	42610000	3500	04901	CHILDRENS ADVOCACY CENTER	Event Sponsorship on 8/27/16	Donation	5,000.00
77	3/9/2016	AP00081310	42610000	3500		CHILDRENS ADVOCACY CENTER	Two Tables for 8/27/16 Event	Donation	3,000.00
78	3/22/2016	AP00082759	42610000	3500		CITIZEN POLICE ACADEMY ALUMNI	Police Awards Banquet	Donation	550.00
79	3/22/2016	AP00082759	42610000	3500		PARIS BOURBON COUNTY YMCA	Annual Giving Campaign	Donation	500.00
80	3/25/2016	AP00083303	42610000	3500		WINTER CARE ENERGY FUND	Wintercare March 2016	Donation	1,926.00
81	4/7/2016	AP00086320	42610000	3500		BLUE GRASS COMMUNITY FOUNDATION INC	"100 Hands"	Donation	750.00
82	4/19/2016	AP00087545	42610000	3500		KINGS DAUGHTER HLTH FOUNDATION	2016 Rocky Adkins Cure for Can	Donation	850.00
83	4/19/2016	AP00087545	42610000	3500	04901	LEXARTS	2016 Fund for the Arts Campaig	Donation	2,500.00
<b>Total Account 42610000</b>									<b>172,699.00</b>

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Ref. No.	Effective Date	Voucher	Account	Cost Element	Activity	Description	Line Item	Amount \$
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>General Account 42630000 (Reference Number 84)</b>								
84	9/30/2015	CBILL55200	42630000	7001	99999	Penalties	Other	75.70
<b>General Account 426, AUX 5000 (Reference Numbers 85 through 146)</b>								
85	11/30/2015	MISCRCL	42654000	3638		Miscellaneous	Other	(205.01)
86	12/30/2015	MISCRCL	42654000	3638		Miscellaneous	Other	687.82
87	3/31/2016	MISCRCL	42654000	3638		Miscellaneous	Other	(175.00)
88	1/4/2016	EXPEN70145	42655000	2503		Office Supplies	Other	145.04
89	7/10/2015	AP00041828	42655000	3001		Sheehy and Associates	Other	410.00
90	9/8/2015	AP00050853	42655000	3001		Sheehy and Associates	Other	140.00
91	9/8/2015	AP00050853	42655000	3001		Sheehy and Associates	Other	170.00
92	12/24/2015	AP00068511	42655000	3001	05501	Sheehy and Associates	Other	150.00
93	7/31/2015	EXPEN44578	42655000	3100		Business Expenses	Other	209.56



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Ref. No.	Effective Date	Voucher	Account	Cost Element	Activity	Description	Line Item	Amount \$
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
94	8/25/2015	EXPEN48097	42655000	3100		Business Expenses	Other	353.81
95	9/22/2015	EXPEN52457	42655000	3100		Business Expenses	Other	353.81
96	9/22/2015	EXPEN52466	42655000	3100	05501	Business Expenses	Other	2,399.96
97	12/28/2015	EXPEN68700	42655000	3100	05501	Business Expenses	Other	(599.99)
98	5/4/2015	AP00030011	42655000	3101		Keeneland Association Inc.	Other	21,071.00
99	6/25/2015	AP00038678	42655000	3101		Lexington Legends	Other	3,605.00
100	8/10/2015	AP00046323	42655000	3101		Lexington Legends	Other	510.00
101	9/15/2015	AP00051757	42655000	3101		KSK Management Inc.	Other	717.67
102	10/28/2015	AP00058410	42655000	3101		Daves Bakery & Deli	Other	42.00
103	11/3/2015	AP00060152	42655000	3101		Commerce Lexington	Other	268.00
104	1/25/2016	EXPEN73666	42655000	3101		Meals	Other	180.20
105	5/6/2015	PAYACC	42655000	3101		Reversal of April 2015 AP Accrual	Other	(21,071.00)

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
106	5/18/2015	AP00032211	42655000	3102	05501	Keeneland Association Inc.	Other	240.00
107	9/15/2015	AP00051757	42655000	3102		M and M Inflatables	Other	340.00
108	12/22/2015	AP00067984	42655000	3102		Lexington Legends	Other	4,177.00
109	3/15/2016	AP00082001	42655000	3102		University of Kentucky	Other	2,255.00
110	2/29/2016	COR02KE1	42655000	3102	05007	Meals	Other	200.00
111	5/7/2015	EXPEN31177	42655000	3102		Meals	Other	1,290.52
112	7/31/2015	EXPEN44578	42655000	3102		Meals	Other	880.64
113	8/25/2015	EXPEN48097	42655000	3102		Meals	Other	368.52
114	9/2/2015	EXPEN50240	42655000	3102		Meals	Other	16.95
115	9/2/2015	EXPEN50242	42655000	3102		Meals	Other	50.30
116	12/28/2015	EXPEN68700	42655000	3102	05501	Meals	Other	260.98
117	11/20/2015	AP00062518	42655000	3502		Lexington Legends	Other	500.00

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
118	5/18/2015	AP00032211	42655000	3503		Whitehouse Riddle	Other	2,250.00
119	6/8/2015	AP00036425	42655000	3503		Whitehouse Riddle	Other	2,250.00
120	7/21/2015	AP00042763	42655000	3503	05501	Whitehouse Riddle	Other	2,250.00
121	8/12/2015	AP00046590	42655000	3503		Whitehouse Riddle	Other	2,250.00
122	9/15/2015	AP00051757	42655000	3503		Whitehouse Riddle	Other	2,250.00
123	10/12/2015	AP00056316	42655000	3503	05501	Whitehouse Riddle	Other	2,250.00
124	12/24/2015	AP00068511	42655000	3503		Whitehouse Riddle	Other	2,250.00
125	12/31/2015	AP00069774	42655000	3503	05501	Whitehouse Riddle	Other	2,250.00
126	1/20/2016	AP00072491	42655000	3503		Whitehouse Riddle	Other	2,250.00
127	2/18/2016	AP00077337	42655000	3503		Whitehouse Riddle	Other	2,250.00
128	4/25/2016	AP00088165	42655000	3503		Whitehouse Riddle	Other	4,500.00
129	9/2/2015	EXPEN50240	42655000	3638		Miscellaneous	Other	15.00

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
130	12/28/2015	ITCFIX	42655000	3638		Miscellaneous	Other	121.16
131	1/31/2016	ITCFIX	42655000	3638		Miscellaneous	Other	0.00
132	5/31/2015	REVEAP	42655000	3638		Shareholder's Portion of Energy Assistance Plan (EAP)	Other	14,583.00
133	6/30/2015	REVEAP	42655000	3638		Shareholder's Portion of Energy Assistance Plan (EAP)	Other	14,583.00
134	7/31/2015	REVEAP	42655000	3638		Shareholder's Portion of Energy Assistance Plan (EAP)	Other	14,583.00
135	8/31/2015	REVEAP	42655000	3638		Shareholder's Portion of Energy Assistance Plan (EAP)	Other	14,583.00
136	9/30/2015	REVEAP	42655000	3638		Shareholder's Portion of Energy Assistance Plan (EAP)	Other	14,583.00
137	10/31/2015	REVEAP	42655000	3638		Shareholder's Portion of Energy Assistance Plan (EAP)	Other	14,583.00
138	11/30/2015	REVEAP	42655000	3638		Shareholder's Portion of Energy Assistance Plan (EAP)	Other	14,583.00
139	12/31/2015	REVEAP	42655000	3638		Shareholder's Portion of Energy Assistance Plan (EAP)	Other	14,583.00
140	1/31/2016	REVEAP	42655000	3638		Shareholder's Portion of Energy Assistance Plan (EAP)	Other	14,583.00
141	2/29/2016	REVEAP	42655000	3638		Shareholder's Portion of Energy Assistance Plan (EAP)	Other	14,583.00

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
142	3/31/2016	REVEAP	42655000	3638		Shareholder's Portion of Energy Assistance Plan (EAP)	Other	14,583.00	
143	4/30/2016	REVEAP	42655000	3638		Shareholder's Portion of Energy Assistance Plan (EAP)	Other	14,583.00	
144	6/30/2015	CBILL41400	42655000	7001	99999	NiSource Corporate Services (Expenses)	Other	719.59	
145	11/30/2015	CBILL65209	42655000	7001	99999	NiSource Corporate Services (Expenses)	Other	(1.28)	
146	12/31/2015	CBILL70866	42655000	7001	99999	NiSource Corporate Services (Expenses)	Other	184.11	
147	<b>Total Account 426 - Others</b>								<b>223,053.06</b>
<b>Summary of Account 426 by Item</b>									
148							Total: Donations		172,699.00
149							Total: Political Activities		0.00
150							Total: Other		223,053.06
151							<b>Total All: Account 426</b>		<b>395,752.06</b>

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

53. List all present or proposed research efforts dealing with the pricing of natural gas and the current status of such efforts.

**Response:**

Columbia has no current or proposed research efforts regarding the pricing of natural gas.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

54. Provide an analysis of expenses for research and development activities incurred by Columbia for the base period and the three most recent calendar years. The analysis should include the following:

- a. Basis of fees paid to research organizations and Columbia's portion of the total revenue of each organization. Where the contribution is monthly, provide the current rate and the effective date.
- b. Details of the research activities conducted by each organization.
- c. Details of services and other benefits provided to the utility by each organization.
- d. Annual expenditures of each organization with a basic description of the nature of costs incurred by the organization.
- e. Details of the expected benefits to the utility.

**Response:**

a. Columbia annually provides funds of \$300,000 to Operations Technology Development Company (“OTD”). OTD is a research organization established in 2003 as a local distribution company-directed non-profit organization administered by Gas Technology Institute (“GTI”) to pursue strategic research programs and replace the long-standing collaborative research of Gas Research Institute (“GRI”). For more than 25 years, GRI was funded by an interstate natural gas sales surcharge to fund gas industry directed research and was included in FERC-authorized pipeline rates. The GRI research charges were treated as a cost of gas to distribution companies and included in the gas cost rates paid by end use customers. The FERC phased out mandatory funding of natural gas research and development through interstate pipeline rates in December 2004.

Believing in the continued importance of gas industry research and development, and in response to the Commission’s expressed interest in continued research and willingness to consider alternative means of cost recovery, the Joint Stipulation in Case No. 2002-00145 proposed a tariff rider for Research and Development which was approved by the Commission effective March 1, 2003. Columbia’s annual fees, OTD’s total fees received, and percent of OTD total fees received provided by Columbia are shown in the following table:



<b>Year</b>	<b>Fees Paid by Columbia</b>	<b>Total OTD Fees Received</b>	<b>Columbia % of OTD</b>
2012	\$300,000	\$8,385,000	3.6%
2013	\$300,000	\$8,273,600	3.6%
2014	\$300,000	\$9,653,800	3.1%
2015	\$300,000	\$10,533,500	2.8%

b. OTD provides natural gas companies with the innovative tools, techniques, and processes to ensure continued safe, economic, and reliable delivery of natural gas to the nation’s gas ratepayers. Attachment A highlights OTD results. Most notable is the completion of R&D and the commercial release of the Acoustic Plastic Pipe Locator technology and the completion of cross-bore guidelines to prevent cross-boring of gas and sewer lines. These would not have occurred without OTD and prior research by the GRI and GTI. Other results include using the 3-GIS Mobile platform to allow users to integrate global positioning (“GPS”) receivers to increase the accuracy of new asset mapping operations; a Magnetic Joint Locator for cast iron and steel pipe joints, a Portable Methane Detector (“PMD”) for hand-held locating of methane leaks., integrity risk management tools, and keyhole pipeline inspection systems from ULC Robotics.

Specific projects funded, in part, by Columbia:

<b>(1) Pipe and Leak Location</b>
(1.i) Remote Leak Survey Using Laser

(1.8.a) GPS-Based Excavation Encroachment Notification
(1.8.f) Underground Obstacle Detection System - Acoustic Only
(1.8.g) Acoustic Sewer Lateral Pipe Locator
(1.9.b) Public Improvement Project Coordination with GPS, GIS, and RFID
(1.10.c) Acoustic Pipe Locator - Technology Transfer
(1.11.a) Cross Bores - Evaluation of Chemical Detection Methods
(1.11.c) Low-Cost MEMS Methane Sensor Platform Phase 1
(1.12.b) Cross-Bores Detection Using Mechanical Spring Attachment
(1.13.a) Integration of Acoustic and GPR Technologies for HDD Operations (PHMSA cofunding)
(1.13.c) No Blow Fish Tape Technology to Locate PE Mains – Testing and Field Evaluation
1.14.d.2 Field Measurement of Leak Flow Rate Phase 2
1.14.g.2 Evaluation of Residential Methane Detectors-Phase 2
1.15.a Cross Bores - Sewer System Cleanout Safeguard Device
<b>(2) Pipe Materials, Repair, and Rehabilitation</b>
(2.ee) Non-Interrupted Meter Change Out Kit
(2.7.b) Qualification of Saddle and Electrofusion Joint Designs and Test Methods to Validate Safe Long Term Performance
(2.7.b) Qualification of Saddle and Electrofusion Joint Designs and Test Methods to Validate Safe Long Term Performance, Phase 2
(2.7.d) Cold Adhesive Repair (CAR) and Joining of Polyethylene Pipes with Minimal Surface Preparation
(2.7.e) Development of an External Repair Tool for PE Pipe
(2.8.c) Electrofusion Coupling Guidelines
(2.8.e) Structural Liners and Sleeves - Technology Search
(2.11.a) Development of a System for Repair of Above Ground Leaks

(2.11.c) No-Blow Tooling Enhancements and Finalization
(2.11.d) RSD X-Ray for Pipe Assessment - Testing and Validation
(2.11.h) Evaluation of Below Grade Pipe Surface Preparation Tools
(2.12.a) Integrated Expert Monitoring and Training System for Butt Fusion
(2.13.a) NDE Inspection for the Quality Control of PE Installations
(2.13.c) Accelerated Dynamic Testing for Long Term Evaluation of Liners and Composite Pipe Materials (PHMSA cofunding)
(2.14.a) Composite Repair Wrap for Polyethylene (PE) Systems
(2.15.b) Long Term Performance Evaluation of Mechanical Fittings for Gas Distribution Systems
<b>(3) Excavation and Site Restoration</b>
(3.dd) Development/Enhancement of Trenchless Service Installation Through Keyholes
<b>(4) Pipeline Integrity Management and Automation</b>
(4.7.g) Steel Pipe Yield Strength Determination
(4.8.g) North American Casing Research Program
(4.8.i) Extended Reassessment Interval Validation Through Dielectric Wax Casing Fill
(4.8.j) Distribution Integrity Management Risk Model
(4.9.a) 20 -> 30% SMYS (Leak Rupture Boundary)
(4.9.b) 2" Camera for Live Gas – Internal
(4.10.c) Testing and Design of Casing End Seals
(4.11.d) Internal Inspection Optimization Program
(4.11.e) Evaluating Assessment Technique Effectiveness
(4.12.c) Field Test of a Cathodic Disbondment Detector
(4.12.e) PipeCrawler Market Assessment and Demonstration

(4.13.c) Internal Inspection Optimization – EMAT (electromagnetic acoustic transducer) for Unpiggable Pipe (PHMSA cofunding)
(4.13.c.2) EMAT Sensor for Small Diameter and Unpiggable Pipe Phase 2 Construct and Test Field Ready Prototype (PHMSA cofunding)
(4.14.a) Fitting and Component Catalogue for IVP
(4.14.c) Surface Indentation for Material Characterization Correlation of Surface Properties Based on Vintage
4.15.a Field Ready Butt Fusion Inspector Phase 2a
<b>(5) Operations Infrastructure Support</b>
(5.8.e) Development of Standardized Algorithms and Identifiers for Enhanced Material Tracking and Traceability
(5.8.e) (a) Enhanced Material Tracking and Traceability Development of Standardized Protocols Identifiers For Meters and Regulators
(5.8.e) (b) Enhanced Material Tracking and Traceability Development of Standardized Protocols Identifiers For Transmission Pipeline
(5.10.a) Evaluation of Ionix Static Suppressor on Existing PE Piping Systems
(5.11.a) Dewatering Systems for Mains - Services
(5.11.e) Intelligent Utility System Disconnected Editing and Commercialization Phase 2
(5.11.e) Intelligent Utility System - Phase 3: Automated Component Validation Software
(5.11.r) Integrating Sensors with Existing AMR AMI Systems Phase 2 (A Smart Grid Project)
(5.11.m) Intelligent Utility Installation Process (Asset Tracking)
(5.11.p.2) Smart Grid Standards, Phase 2
(5.11.r) Integrating Sensors with Existing AMR AMI Systems Phase 2 (A Smart Grid Project)
(5.12.n) Advanced Tools for Improved AC Corrosion Prevention and Mitigation
(5.12.b.2) Development of a Portable Flash Fire Suppression System (PFFSS) Phase 2
(5.12.n) Advanced Tools for Improved AC Corrosion Prevention and Mitigation
(5.13.a) Evaluation of Commercial / Light Industrial Sized EFVs

(5.13.d) Transmission EZ Valve
(5.13.f) Low Cost Collision Avoidance System
(5.14.d) Tracking and Traceability for Transmission Pipe Materials
(5.14.d.2a) Tracking and Traceability for Transmission-Phase 2a Standards for MTR and Coating Reports, Rev
(5.14.d.2b) Tracking and Traceability for Transmission-Phase 2b Data Collection Technology, Rev
(5.14.d.3) Tracking and Traceability Welding Traceability Phase 3
(5.14.j) Residual Gas Removal Identify Technologies Limitations Best Practices
(5.14.p) Pipe Insertion Technologies - Develop Devices to Use with Jameson Directional Insertion Tool
(5.15.f) No Stub Service Lateral Retirement
(5.15.h) Evaluation of Meter Set Placement and Clearances
(5.16.a) Solvent cleaning and PE Joining Procedures
(5.16.c) Piercing Tool Redevelopment Enhancement to Remove "Mole" from Small Excavations
<b>(6) Other</b>
(6.a) Sustaining Membership Program
(6.6.a) Keyhole Project
(6.14.c) Multifamily High-Rise Natural Gas Customer Challenges
<b>(7) Environmental, Renewables and Gas Quality</b>
(7.10.a) Trace Constituents in NG - Characterization and Measurement for the Purposes of Comparative Analysis with Renewable Gas - Phase 2
(7.10.b) Odor Fade
(7.10.c) Improving Methane Emission Estimates for NG Distribution Companies, Phase 2
(7.10.c) Improving Methane Emission Estimates Phase 3 - Cast Iron and Unprotected Steel Pipes
(7.10.c.4) Improving Methane Emission Estimates for Natural Gas Distribution Companies Phase 4

(7.10.d) Development of Beta-Prototype of In-Line Biofilter for Biocleaning of Biomethane Prior to Injection
(7.11.a) Gas Quality Resource Center
(7.11.a.2) Gas Quality Resource Center Phase 2
(7.11.b) Trace Constituents Sensors
(7.15.b) Remote Gas Sensing and Monitoring
(7.15.b.2) Remote Gas Sensing and Monitoring, Phase 2
(9.16.a) Determining Data Quality Implication
(9.16.b) Establishing Risk Tolerance

c. As part of GTI's management of OTD, Columbia is provided R&D using the GTI not-for-profit R&D laboratory network of scientists, engineers and 28 lab facilities for investigation of natural gas industry and gas consumer critical needs and challenges. GTI performs applied research, technology development, product development, and technology deployment. As GTI is not a manufacturer, it works with manufacturers to ensure that the technologies successfully developed are delivered to the market place so the gas industry and gas consumer can use the products, processes, and scientific information developed. GTI also arranges co-funding of Columbia's funds by U.S. Department of Energy, U.S. Department of Transportation (PHMSA), state R&D agencies such as California Energy Commission and New York State Energy

Research and Development Authority; so that gas company funds are leveraged by other entities.

d. The total annual expenditures of OTD are shown below. OTD's annual expenditures include R & D program expenses, program management expenses, and administrative expenses.

2012	\$10.3 million
2013	\$9.6 million
2014	\$8.7 million
2015	\$8.9 million

e. In general, benefits to Columbia and its customers are: enhanced safety (e.g., lower leakage rates, less third party damage); enhanced system integrity (e.g., better inspection methods, more durable system, better risk assessment to identify high-risk sections of pipe); and O&M cost containment (e.g., costs for excavation, repair, inspection, and materials, productivity efficiencies).



# Results in Use

*OTD's mission is to identify, select, fund, and oversee research projects resulting in innovative solutions and the improved safety, reliability, and operational efficiency of natural gas systems.*

*Since 2003, the OTD program has provided utilities, pipeline companies, service providers, and others in the natural-gas-delivery business with innovative tools, enhanced processes, and advanced equipment for improving gas system operations.*

*These products represent the results of OTD efforts to build a stronger industry infrastructure, enhance system integrity, and improve the efficiency of a wide range of operations activities.*

## Selected OTD-Developed Products in the Marketplace

### > Large-Diameter, Medium-Pressure Inflatable Stoppers

#### Mainline Control Systems

Marketed as the Kleiss MCS Flow Stopping System, this new system is used to stop the flow of gas in polyethylene, steel, cast-iron, and PVC pipes at diameters up to 18 inches and pressures up to 60 psig. The system, which is manufactured in Europe, was investigated through OTD to validate its operation and potential savings in the U.S. gas industry.

**Contact:** [Wade Farr](#) | 812-459-3936 | [wfarr@mainlinecs.com](mailto:wfarr@mainlinecs.com) | [www.mainlinecontrolsystems.com](http://www.mainlinecontrolsystems.com)



### > IRED Infrared Portable Ethane Detector

#### SENSIT Technologies

This easy-to-use handheld detector was developed for use in the field to discriminate natural gas leaks from other sources of methane (e.g., swamp gas, landfill gas, and engine exhaust) and detect trace levels of ethane. The detection of ethane can be used as a fingerprint for natural gas in situations where the origin of a methane leak signal is questioned.

**Contact:** [Scott Kleppe](#) | 219-465-2700 | [jScottK@gasleaksensors.com](mailto:jScottK@gasleaksensors.com) | [info@gasleaksensors.com](mailto:info@gasleaksensors.com)



### > Acoustic Pipe Locator (APL)

#### SENSIT Technologies

SENSIT's ULTRA-TRAC® APL acoustic-based pipe locator provides the ability to locate plastic pipes before excavations and construction. Now commercially available, in tests the system was shown to be capable of detecting multiple buried plastic pipes at depths up to five feet.

**Contact:** [Scott Kleppe](#) | 219-465-2700 | [jScottK@gasleaksensors.com](mailto:jScottK@gasleaksensors.com) | [info@gasleaksensors.com](mailto:info@gasleaksensors.com)





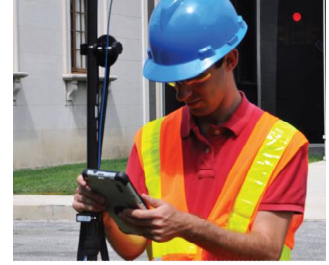
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## > LocusMap Mobile GIS Solution

### LocusView

This system maps new installations with comprehensive tracking and traceability data, creating GIS features in a format that allows field-collected data to be directly integrated into the enterprise GIS. Barcode scanning and high-accuracy GPS automate the system and help create high-accuracy maps.

**Contact:** [Alicia Farag](#) | 847-387-9412 | [alicia@locusview.com](mailto:alicia@locusview.com) | [www.locusview.com](http://www.locusview.com)



## > LocusSurvey for Tracking Leak-Survey Routes

### LocusView

LocusSurvey uses tablet computers and GPS to track leak-survey routes. The GPS breadcrumb trail is overlaid in a GIS to track pipe segments that are surveyed to provide real-time reporting and monitoring. LocusSurvey eliminates paper maps and records, automating the process of documenting surveys and leak locations.

**Contact:** [Alicia Farag](#) | 847-387-9412 | [alicia@locusview.com](mailto:alicia@locusview.com) | [www.locusview.com](http://www.locusview.com)

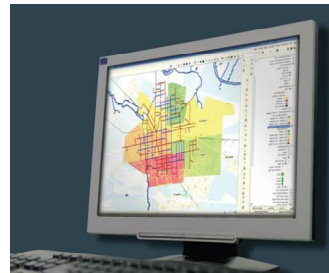


## > Uptime<sup>®</sup> 3.0 Distribution Integrity Management Risk Model

### GL Noble Denton

Uptime<sup>®</sup> 3.0 provides an integrated environment for the integrity management of gas distribution and transmission pipeline assets. Uptime provides core support for all the key elements of distribution integrity management program regulations.

**Contact:** [Michael Moore](#) | 717-724-1900 | [michael.moore@gl-group.com](mailto:michael.moore@gl-group.com) | [www.gl-group.com](http://www.gl-group.com)



## > NO-BLO<sup>®</sup> DBS System

### Mueller Co.

Directional Bag Stopper (DBS) technology allows for routine maintenance without interruption of gas service to the customer. A portable system, it allows field technicians to perform many tasks related to the gas service line, including meter replacement and work on any part of the meter set, such as risers and regulators.

**Contact:** [Bryan Kortte](#) | 217-425-7516 | [bkortte@muellercompany.com](mailto:bkortte@muellercompany.com) | [www.muellergas.com](http://www.muellergas.com)



## > Portable Methane Detector (PMD)

### SENSIT Technologies

The handheld SENSIT<sup>®</sup> PMD uses optical-detection technology to provide sensitivity and cost advantages over conventional techniques employing flame ionization detectors. The PMD improves the efficiency of leak surveys, is less costly to maintain than other technologies, and can detect leaks from low ppm to 100% gas.

**Contact:** [Scott Kleppe](#) | 219-465-2700 | [jScottK@gasleaksensors.com](mailto:jScottK@gasleaksensors.com) | [info@gasleaksensors.com](mailto:info@gasleaksensors.com)



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> **Lift Assists for Pavement Breakers and Rock Drills**

Integrated Tool Solutions, LLC

These devices assist workers in lifting pavement breaker and rock drills after the bits break through surface pavements and rocks and need to be repositioned for the next penetration. By eliminating the need to manually lift and re-position the heavy tools, the lift assists make breaking easier and less physically demanding.

**Contact: Ryan Purczynski** | 951-929-4808 | [rpurczynski@integratedtoolsolutions.com](mailto:rpurczynski@integratedtoolsolutions.com) | [www.integratedtoolsolutions.com](http://www.integratedtoolsolutions.com)



> **Keyhole Pipeline Inspection Camera System**

ULC Robotics

The PRX250K keyhole camera is an internal inspection system designed for visual assessment of live mains through conventional pits or small keyholes. The system is easily maneuverable through tight bends, allowing utilities to examine pipe segments without the need to drill additional access holes.

**Contact: Greg Penza** | 631-667-9200 | [gpenza@ulcrobotics.com](mailto:gpenza@ulcrobotics.com) | [www.ulcrobotics.com](http://www.ulcrobotics.com)



> **Metallic Joint Locator (MJL)**

SENSIT Technologies

The SENSIT Ultra-Trac<sup>®</sup> MJL accurately locates bell joints, repair clamps, and service connections on metallic piping systems, significantly reducing excavation areas and pavement restoration costs. In field tests, the MJL was also able to detect bell and spigot joints for an eight-inch-diameter water main buried at a depth of six feet.

**Contact: Scott Kleppe** | 219-465-2700 | [jScottK@gasleaksensors.com](mailto:jScottK@gasleaksensors.com) | [info@gasleaksensors.com](mailto:info@gasleaksensors.com)



Information on additional available products can be found at the OTD website: [www.otd-co.org](http://www.otd-co.org)

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# Informational Products

*In addition to the development of new tools, processes, and products, OTD supports research that results in useful information on various aspects related to gas delivery and operations. Listed here are some of the key reports developed under OTD sponsorship.*

## Selected OTD-Developed Technical Reports

### PIPE & LEAK LOCATION

#### > Cross Bores Best Practices Guide & Videos

Significant research was conducted to investigate gas line/sewer line cross bores. The Guide and "how-to" videos (available through the OTD website) provide recommendations and procedures for preventing and detecting cross bores. (OTD-12/0003)



#### > Residential Methane Gas Detector Program

This reports provides results of a project initiated to determine whether commercially available combustible gas detectors are susceptible to giving false positive responses to an assortment of typical household chemicals, including ammonia, ethanol, acetone, toluene, isobutane, ethyl acetate, isopropanol, heptane, and hydrogen. (OTD-13/0003)



#### > Underground Facility Pinpointing

Reports from this project present the results of research conducted on several technologies used by utilities to locate underground pipes and facilities. Researchers investigated standard electromagnetic locators, ground-penetrating radar, and alternative imaging tools. The reports provide a comparative, technical evaluation of tools that are currently available. (OTD-6/0001)



### EXCAVATION & SITE RESTORATION

#### > Evaluation of Flowable Fill Around Buried Pipes

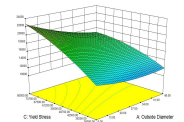
Flowable fill is required by some agencies for use as backfill material for pipe repairs, rehabilitations, and other operations. Presented in this report are the results of performance tests of flowable fill, including the effects of flowable fill on pipeline corrosion and on the detection of gas flow and leaks through the backfill. (OTD-07/0004)



### PIPELINE INTEGRITY MANAGEMENT & AUTOMATION

#### > Leak-Rupture Boundary Report and Calculator

This report and associated software allows operators to determine the leak-rupture boundary for a pipe segment based on properties such as the diameter, toughness, and yield strength. Operators can use the calculator for risk modeling and consequence analysis. (OTD-13/0002 and OTD 13/0004)



#### > Evaluation of Guided Wave Technology as a Hydrotest Equivalent

This report details an evaluation conducted to demonstrate and validate the use of Guided Wave Ultrasonic Testing as an equivalent to a hydrotest. A standard was developed and incorporated by the National Association of Corrosion Engineers (NACE) into the NACE TG410 committee standard. (OTD-11/0001)



#### > "Black Powder" Contamination in the Gas Industry: Survey and Best Practice Manual

Black powder – a substance composed mainly of iron sulfides and iron oxides – can cause corrosion and create wear on pipelines. This report provides information on issues, cleanup techniques, and management methods related to "black powder" contaminants. Results were compiled into a "best practices" industry manual. (OTD-07/0002)



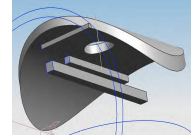
#### > Literature Review for Elemental Sulfur Deposits in Natural Gas Transmission Pipelines

Deposits of "elemental sulfur" – which can block natural gas pipes and equipment – are becoming an increasing concern in the natural gas industry. This report summarizes a literature review to develop a better understanding of the sources, causes, and mitigation possibilities for sulfur deposits found in gas pipelines. (OTD-09/0001)



> **Establishment of Yield Strength Using Sub-Size Samples Without Gas-Line Shutdown**

This report presents the results of a multi-phase project to develop, validate, and obtain regulatory acceptance for a method to establish pipeline yield strength that allows for a less expensive sampling procedure that does not require the line to be taken out of service. (OTD-13/0005)



## OPERATIONS INFRASTRUCTURE SUPPORT

> **Ignition Testing of Electronic Devices**

In this project, handheld electronic devices were tested to determine if ignition occurs in the presence of a flammable methane/air mixture. Laboratory tests demonstrated a large margin of safety under the scenarios investigated. (OTD-12/0001)



> **Intelligent Utility Installation Process**

This report provides a methodology, field process, and a data model for capturing data during new utility installations. The process is used to capture information regarding the location, materials, installation process, environmental considerations, and other factors. (OTD-12/0002)



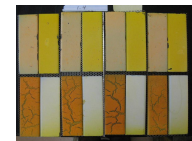
> **Tracer Wire for HDD Applications**

Extensive research and testing culminated in the release of a report that provides valuable information on the properties and performance of various tracer-wire products for use in horizontal directional drilling (HDD) operations. (OTD-13/0001)



> **Study of Low-Impact Markings**

A variety of paints, materials, and techniques were tested and characterized in an effort to identify products and methods that can be used for temporary utility marking. Information developed in this study allows users to identify the most appropriate marker type for a given environment to achieve the desired marking duration. (OTD-11/0002)



> **DVDs for Training First Responders**

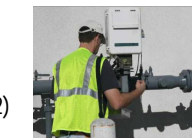
DVD training products help gas companies better educate first-responding personnel about natural gas emergencies. Learning modules with realistic scenarios cover a variety of issues to enhance public and worker safety. The product also serves to improve emergency-response effectiveness and coordination. (OTD-07/0005)



## ENVIRONMENTAL, RENEWABLES & GAS QUALITY

> **Field Measurement Program to Improve Uncertainties for Key Greenhouse Gas Emission Factors for Distribution Sources**

This report summarizes the results of field surveys conducted at six natural gas utilities. With the support of the American Gas Association, research updated emissions factors for metering stations, regulating stations, and customer meters. (OTD-10/0002)



> **Improving Methane Emission Estimates for Natural Gas Distribution Companies**

This report details Phase 2 of a four-phase field-testing program to evaluate gas leak rates from belowground pipelines, provide a simplified procedure that can be used to monitor pipeline leaks from surface measurements, and update the methane emission estimates for the main lines in a distribution system. (OTD-14/0001)



> **Pipeline-Quality Methane: North American Guidance Document for Introduction of Dairy-Waste-Derived Biomethane into Existing Natural Gas Networks**

The guidance document provides reference and recommendations for the consideration of biomethane from dairy-waste digestion for introduction into gas pipeline networks. Four reports and an executive summary detail results of a biogas/biomethane Gas Technology Institute research program. (OTD-09/0011; OTD-09/0012; OTD-09/0013; OTD-09/0014). A similar guidance report on landfill-derived gas is also available. (OTD-12/0007)



**Contact: Maureen Droessler**  
847-768-0608  
maureen.droessler@otd-co.org  
www.otd-co.org

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

55. Provide the following information concerning the costs for the preparation of this case:

a. A detailed schedule of expenses incurred to date for the following categories:

- (1) Accounting;
- (2) Engineering;
- (3) Legal;
- (4) Consultants; and
- (5) Other Expenses (identify separately).

For each category, the schedule should include the date of each transaction, check number or other document reference, the vendor, the hours worked, the rates per hour, amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of contracts or other documentation that support charges incurred in the

preparation of this case. Identify any costs incurred for this case that occurred during the base period.

b. An itemized estimate of the total cost to be incurred for this case. Expenses should be broken down into the same categories as identified in (a) above, with an estimate of the hours to be worked and the rates per hour. Include a detailed explanation of how the estimate was determined, along with all supporting work papers and calculations.

c. Provide monthly updates of the actual costs incurred in conjunction with this rate case, reported in the manner requested in (a) above. Updates will be due when Columbia files its monthly financial statements with the Commission, through the month of the public hearing.

**Response:**

a. Please refer to Attachment A of the response for a schedule of expenses incurred through April 2016 and Attachment B for individual invoices for additional supporting documentation. The majority of costs of this rate case are expected to be incurred in the base period. Columbia is deferring the costs for the preparation of this case and is requesting a three year amortization.

b. Please refer to Attachment C for an itemized estimate of the total cost to be incurred for this case. Please refer to Attachment D for the agreements for professional rate case services.

c. Columbia will provide monthly updates for the actual costs incurred as they become available.

Columbia Gas of Kentucky, Inc.  
 Case No. 2016-00162  
 Rate Case Expenses  
 Incurred to Date Through April 30, 2016

Line No.	Category	Transaction Date	FERC Account	Payment Method	Description	Vendor	Consultant	Hours	Rates per Hour \$	Amount \$
1	<b>Accounting:</b>									-
2	<b>Engineering:</b>									-
3	<b>Legal:</b>									-
4	<b>Consultants: [1]</b>									
5		11/18/2015	182	Check #5032016299	Depreciation Study (Phase 000)	Gannett Fleming, Inc.	<u>John J. Spanos</u>			<u>3,545.00</u>
6							Total			3,545.00
7		12/15/2015	182	Check #5032019232	Depreciation Study (Phase 000)	Gannett Fleming, Inc.	<u>John J. Spanos</u>			<u>1,610.00</u>
8							Total			1,610.00
9		2/8/2016	182	Check #5032017803	Depreciation Study (Phase 000)	Gannett Fleming, Inc.	<u>John J. Spanos</u>			<u>2,317.50</u>
10							Total			2,317.50
11		3/24/2016	182	Check #5032018596	Depreciation Study (Phase 000)	Gannett Fleming, Inc.	<u>John J. Spanos</u>			<u>4,822.50</u>
12							Total			4,822.50
13		4/22/2016	182	Check #5032019550	Depreciation Study (Phase 000)	Gannett Fleming, Inc.	<u>John J. Spanos</u>			<u>4,080.00</u>
14							Total			4,080.00
15										
16										
17										
18										
19	<b>Other Expenses:</b>									
20		3/14/2016	182	N/A	Hotel	Hilton Hotels				134.97
21		3/21/2016	182	N/A	Employee Travel Expense	Various				580.11
22		3/22/2016	182	N/A	Meals	Various				43.56
23		3/22/2016	182	N/A	Employee Travel Expense	Various				387.36
24		3/23/2016	182	N/A	Meals	Various				99.03
25		3/24/2016	182	N/A	Employee Travel Expense	Various				222.57
26		4/13/2016	182	N/A	Employee Travel Expense	Various				202.63
27		4/14/2016	182	N/A	Employee Travel Expense	Various				376.16
28		4/14/2016	182	N/A	Meals	Various				277.71
29		4/15/2016	182	N/A	Employee Travel Expense	Various				31.92
30		4/15/2016	182	N/A	Meals	Various				345.36
31		4/16/2016	182	N/A	Employee Travel Expense	Various				105.66
32		4/20/2016	182	N/A	Employee Travel Expense	Various				215.53
33		4/21/2016	182	N/A	Employee Travel Expense	Various				21.03
34		4/25/2016	182	N/A	Meals	NiSource				8.97
35										<u>3,052.57</u>
33	<b>Total Rate Case Expenses (Account 182)</b>									<u>19,427.57</u>

[1] Please see Attachment B to Staff 01-055 for detail.



INVOICES AND OTHER SUPPORTING DOCUMENTATION  
FOR RATE CASE EXPENSES







*Excellence Delivered As Promised***Gannett Fleming Valuation and Rate Consultants, LLC**NiSource - Columbia Gas of Kentucky  
Attn: Mr. Kevin Sollie, Depreciation Manager  
P.O. Box 117  
Columbus, OH 43215-0117**ACH/EFT Payment Information:**  
ABA: 031312738  
Account No.: 5003165655  
Account Name: Gannett Fleming Companies**Check Payment Information:**  
Gannett Fleming Companies  
PO Box 829160  
Philadelphia, PA 19182-9160**Project:** 060900  
**Invoice No:** 060900\*1227  
**Invoice Date:** November 18, 2015**Federal EIN:** 46-4413705  
**Send Remit Info:** AccountsReceivable@gfnet.com**Invoice Period:** October 3, 2015 through October 30, 2015

Depreciation Study - Columbia Gas of Kentucky

Summary of Current Charges

Phase 000	- DEPRECIATION STUDY	\$	3,545.00
	Total Charges		<u>\$ 3,545.00</u>
	<b>Total Due This Invoice .....</b>		<b>\$3,545.00</b>

UserID # U128322

00632

Vendor ID # 2006083900

### STATEMENT

Date: 4/15/2016

NISource - Columbia Gas of Kentucky  
ATTN: Matthew Ruth  
P.O. Box 117  
Columbus, OH 43215-0117

Send check payments to:  
Gannett Fleming Companies  
P.O. Box 829160  
Philadelphia, PA 19182-9160

**GF Valuation & Rate Consultants LLC**  
P.O. Box 67100  
Harrisburg, PA 17106-7100  
(717) 763 - 7211



Send ACH/EFT payments to:  
ABA: 031312738  
Acct No: 5003165655  
Acct Name: Gannett Fleming  
Companies

Invoice				
Contract: --	Invoice Number	Invoice Date	Amount	Balance
Project: 060900 -- NISource - Col Gas of KY - Depr Sty	1279	12/15/2015	\$1,610.00	\$1,610.00
Invoice Group: ** -- Default	Invoice Group Total:			\$1,610.00

Aged Balances				
	1 - 30	31 - 60	61 - 90	Over 90
	\$0.00	\$0.00	\$0.00	\$1,610.00

Project Manager: -- John J. Spanos

Corporate Collections: -- JolLyn Best (717) 763-7211

Invoice for \$1,610.00

00032

U 128322

Vendor ID # 2000083900

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. PUE-2016-00162  
PROJECTED RATE CASE EXPENSES

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
1	CONSULTING	
2	Class Cost of Service/Rate Design Study	\$ -
3	Cost of Capital Study	58,000
4	Depreciation Study	<u>100,000</u>
5	Sub-total	158,000
6	LEGAL FEES	
7	Attorney Fees and Expenses (514.7 hours x \$340/hour)	175,000
8	Newspaper Publication Costs	235,000
9	Printing and Duplicating	<u>15,000</u>
10	Sub-total	425,000
10	EMPLOYEE AND MISCELLANEOUS EXPENSES	
11	(travel, lodging, meals, printing, advertising, etc.)	<u>75,000</u>
12	TOTAL PROJECTED RATE CASE EXPENSES	\$ 658,000

**P. MOUL & ASSOCIATES**  
251 HOPKINS ROAD  
HADDONFIELD, NJ 08033  
TELEPHONE: 856.428.7515 • Email: [prmoul@verizon.net](mailto:prmoul@verizon.net)

December 24, 2015

Ms. Judy M. Cooper  
Director, Regulatory Services  
Columbia Gas of Kentucky, Inc.  
2001 Mercer Road, P.O. Box 14241  
Lexington, KY 40512

Dear Ms. Cooper:

I am pleased to submit this proposal to provide you with rate of return testimony for the rate case filing by Columbia Gas of Kentucky, Inc. I understand that you will make a filing with the Kentucky Public Service Commission in the first half of 2016. As part of that filing, I will provide you with support for the Company's rate of return, including the capital structure ratios, the embedded cost of debt, and the cost of equity. For my cost of equity determination, I will use a variety of approaches that will include the Discounted Cash Flow model, the Risk Premium approach, the Capital Asset Pricing Model, and the Comparable Earnings method.

The fee for my analysis will be \$29,000. This represents a cost not to exceed quote. I have excluded from this quote the time and expense associated with meetings outside my office that may be necessary during the preparation of my testimony. Those costs will be billed separately. While my fee quote represents the maximum amount for the preparation of my direct testimony and supporting exhibit, the billings will be based upon hours actually logged to the case if they are less than anticipated.

As you know, a considerable amount of your rate case expense usually occurs after the filing of the direct testimony. Time is usually required for responding to interrogatories, analyzing the cost of equity testimony by opposing parties, preparing rebuttal testimony, attending evidentiary hearings for cross-examination, and assisting your rate case counsel. These post-filing activities will be billed at the following hourly rates plus reimbursement of out-of-pocket expenses (i.e., duplication, telephone, delivery, and travel costs).

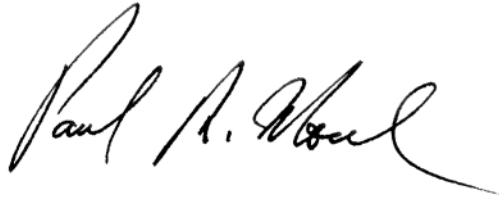


Ms. Judy M. Cooper  
Columbia Gas of Kentucky  
December 24, 2015  
Page 2

	Hourly rate
Paul Moul	\$290
Clerical	\$ 72

My experience in previous cases shows that the cost for the post-filing activities (i.e., interrogatory responses, rebuttal, etc.) usually equals the amount for the preparation of the direct testimony. As such, a guide to an estimate for the entire case would be approximately \$58,000, to which out-of-pocket expenses should be added. I trust that this proposal will be acceptable to you. If you have any questions concerning the scope of my testimony or my fee, please call.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul R. Moul", with a long, sweeping flourish extending to the right.

Paul R. Moul

/mt

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

56. Provide the following information for calendar year 2015 concerning Columbia and any affiliated service corporation or corporate service division/unit:

a. A schedule detailing the costs, those directly charged, and those allocated by Columbia to the service corporation. Indicate the Columbia accounts where these costs were originally recorded. For costs that are allocated, include a description of the allocation factors utilized.

b. A schedule detailing the costs, those directly charged, and those allocated by, the service corporation to Columbia. Identify the Columbia accounts where these costs were recorded. For costs that are allocated, include a description of the allocation factors utilized.

**Response:**

a. Columbia charged the Service Corporation \$235,212 for rent expense related to the Lexington and Ashland office buildings during the twelve months

ended December 31, 2015. These costs were originally recorded to the following

Columbia accounts:

<u>Account</u>	<u>Description</u>	<u>Total</u>
493	Rent from Gas Property	68,208
881	Rents	5,436
930	Miscellaneous General Expenses	161,568
	<b>Total Charges billed to NiSource Corporate Services</b>	<b>235,212</b>

b. The Service Corporation billed Columbia \$17,413,117 during the twelve months ended 12/31/2015. These costs were billed as follows:

<b>Service Corporation Costs</b>	<b>Amount</b>
Direct Billed to Columbia	6,894,338
Allocated to Columbia	10,518,779
<b>Total</b>	<b>\$17,413,117</b>

For a description of the allocation factors utilized and the breakdown of allocated costs by basis, please refer to Filing Requirement #16-7-U (1-4).

These costs were for total company gas operations. These charges were recorded to the following accounts:

<b>Columbia Gas Of Kentucky Inc.</b>		
<b>Summary of Contract Bill from NiSource Corporate Services</b>		
<b>Twelve Months - January 2015 thru December 2015</b>		
<u>Account</u>	<u>Description</u>	<u>Total</u>
107	Construction Work In Progress	\$2,963,837
146	Accounts Receivable from Associate Companies	3,832
182.3	Other Regulatory Assets	1,954
186	Miscellaneous Deferred Debits	30
426.3	Penalties	76
426.5	Other Deductions	902
807	Purchase Gas Expense - Management Services	284,944
870	Operation Supervision and Engineering	598,636
874	Mains and Services Expenses	148,134
875	Measuring and Regulating Station Expenses - General	15,485

876	Measuring and Regulating Station Expenses - Industrial	12,670
878	Meter and House Regulator Expenses	70,312
879	Customer Installations Expenses	67,809
880	Other Expenses	16,283
887	Maintenance of Main	43,273
889	Maintenance of Measuring and Regulating Station Equipment – General	15,485
890	Maintenance of Measuring and Regulating Station Equipment - Industrial	34,572
892	Maintenance of Services	22,233
893	Maintenance of Meters and House Regulators	34,295
894	Maintenance of Other Equipment	63,175
903	Customer Records and Collection Expenses	1,670,386
907	Supervision	64
908	Customer Assistance Expenses	65,375
909	Informational and Instructional Advertising Expenses	52,573
910	Miscellaneous Customer Service and Informational Expenses	219,656
912	Demonstrating and Selling Expenses	45,139
913	Advertising Expenses	16,010
920	Admin and General Salaries	2,339,247
921	Office Supplies and Expenses	319,519
923	Outside Services Employed	6,106,678
924	Property Insurance	48
925	Injuries and Damages	40,245
926	Employee Pensions and Benefits	1,358,313
930.1	General Advertising Expenses	20,788
930.2	Miscellaneous General Expenses	33,468
931	Rents	525,857
932	Maintenance of General Plant	201,846
	<b>Total Charges for Contract Bill from NiSource Corporate Services</b>	<b>\$17,413,117</b>

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

57. For calendar year 2015, concerning all affiliate-related activities not identified in response to Item 56:

a. Provide the names of affiliates that provided some form of service to Columbia and the type of service Columbia received from each affiliate.

b. Provide the names of affiliates to whom Columbia provided some form of service and the type of service Columbia provided to each affiliate.

c. Identify the service agreement with each affiliate, state whether the service agreement has been previously filed with the Commission, and identify the proceeding in which it was filed. Provide each service agreement that has not been previously filed with the Commission.

**Response:**

a. Please refer to Attachment A of the response for 2015 data.

b. Please refer to Attachment B of the response for 2015 data.

c. Columbia Gas Transmission, Columbia Gulf Transmission and Central Kentucky Transmission are regulated by the Federal Energy Regulatory

Columbia Gas of Kentucky Inc.  
 2015 Intercompany Payables  
 Goods and/or Services Provided by Columbia

	<u>Labor</u>	<u>Outside Services</u>	<u>Materials Supplies</u>	<u>Rents</u>	<u>Employee Benefits</u>	<u>Gas Purchase</u>	<u>Interest</u>	<u>Insurance</u>	<u>Vehicle Tools</u>	<u>Other</u>	<u>Total</u>
Columbia Gas of Ohio	219,306	347,039	378,548	2,369	38,940			1,926	276,045	44,342	1,308,516
Columbia Gas of Maryland	84		1,596		13			1	28	8,799	10,520
Columbia Gas of Pennsylvania	1,427	40,287	19,955	11,530	171			10	322	(387)	73,316
Columbia Gas of Virginia	13,507	21,757	9,968		3,943			117	14	(1,285)	48,022
Columbia Network Services Company				3,000							3,000
Columbia Gas Transmission	185			26,441		8,836,139					8,862,765
Columbia Gulf Transmission						581,471					581,471
Central Kentucky Transmission						146,781					146,781
NiSource Incorporated					306,509						306,509
NiSource Finance Company							5,723,520				5,723,520
2015 Intercompany Payables	<b>234,509</b>	<b>409,082</b>	<b>410,067</b>	<b>43,341</b>	<b>349,577</b>	<b>9,564,391</b>	<b>5,723,520</b>	<b>2,054</b>	<b>276,410</b>	<b>51,469</b>	<b>17,064,419</b>

Columbia Gas of Kentucky Inc.  
 2015 Intercompany Receivables  
 Goods and/or Services Provided by Columbia

	<u>Labor</u>	<u>Outside Services</u>	<u>Materials Supplies</u>	<u>Rents</u>	<u>Employee Benefits</u>	<u>Interest</u>	<u>Insurance</u>	<u>Vehicle Tools</u>	<u>Other</u>	<u>Total</u>
Columbia Gas of Ohio	334,669	666,986	42,780	275	52,106		4,099	36,083	63,553	1,200,551
Columbia Gas of Maryland	1,322	24,819	3,678		14		1	363	5	30,201
Columbia Gas of Pennsylvania	2,410	58,501	99,644	2,606	266		19	2,085	56,732	222,263
Columbia Gas of Virginia	1	135	1,593		0		0	0	4,265	5,995
Columbia Network Services Company										-
Columbia Gas Transmission	698									698
Columbia Gulf Transmission										-
Central Kentucky Transmission	3,832	6,076							9,456	19,364
NiSource Incorporated					140,635					140,635
NiSource Finance Company						-				-
2015 Intercompany Receivables	<b>342,932</b>	<b>756,517</b>	<b>147,695</b>	<b>2,881</b>	<b>193,021</b>	<b>-</b>	<b>4,119</b>	<b>38,532</b>	<b>134,010</b>	<b>1,619,707</b>

Commission (“FERC”). Services provided are pipeline transportation and storage, with agreements pursuant to the FERC tariffs of each entity and reflected in Columbia’s gas cost adjustment in Case No. 2004-00153, Columbia’s Progress Reports submitted pursuant to Administrative Case No. 384, and Columbia’s gas cost adjustment in Case No. 2015-00359. However, on July 1, 2015, Columbia Gas Transmission and Columbia Gulf Transmission were spun-off into a separate entity and are no longer affiliates of Columbia Gas of Kentucky.

NiSource Finance Company transactions are pursuant to authorizations and issuances reported in Case Nos. 2005-00400, 2008-00403, 2012-00418 and 2015-00354.



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

58. Describe Columbia's lobbying activities and provide a schedule showing the name, salary, and job title of each individual whose job function involves lobbying on the local, state, or national level.

**Response:**

Columbia's lobbying activities are covered by Kentucky statutes and are related to action and proposed action by the Kentucky General Assembly and Kentucky regulatory agencies related to Columbia's activities, the natural gas industry and business in general. None of the costs associated with lobbying are part of the cost of service in this case and are not included in customer rates.

Columbia employs a Director of Governmental Affairs, John H. "Brack" Marquette, whose responsibilities include, in part, lobbying activities at the Kentucky General Assembly. His other duties relate to maintaining relationships with other natural gas and energy companies, assisting in interactions involving economic development and advising Columbia on legislative and regulatory policy changes. The portion of his salary related to lobbying activities for 2015, as

disclosed in the public files of the Kentucky Legislative Ethics Commission, was \$6,450.00, plus additional expenses of \$2,715.88.

Columbia also engages an executive branch legislative agent, David W. Whitehouse of Whitehouse-Riddle, for regulated activity regarding Kentucky executive branch agencies. His registration is on file with the Kentucky Executive Branch Ethics Commission. Mr. Whitehouse is an independent contractor for these services and, in 2015, was compensated \$27,000.00.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

59. Regarding demand-side management, conservation and energy efficiency Programs, provide the following:

- a. A list of all programs currently offered by Columbia;
- b. The total cost incurred for these programs by Columbia in each of the three most recent calendar years;
- c. The total energy reductions realized through these programs in each of the three most recent calendar years; and
- d. The total cost for these programs included in the proposed forecasted test period and the expected energy reductions to be realized therefrom.

**Response:**

- a. Columbia's current demand-side management, conservation and energy-efficiency program offerings are set forth on its Tariff Sheet No. 51h attached hereto as Attachment A.
- b. 2013: \$1,470,583      2014: \$1,143,246      2015: \$918,956

- c. 2013: 13,379.4 Mcf 2014: 10,372.0 Mcf 2015: 7,550.2 Mcf
- d. The proposed forecasted test period does not contain any costs for these programs. The cost of the programs is recovered pursuant to Columbia's Energy Efficiency and Conservation Rider and no costs are included in base rates.

Original Sheet No. 51h

**COLUMBIA GAS OF KENTUCKY, INC.**

P.S.C. Ky. No. 5

**ENERGY EFFICIENCY/CONSERVATION PROGRAM**  
 Approved DSM Measures

**RESIDENTIAL**

1. High Efficiency Appliance Rebates – provides a rebate to customer based upon installation of high-efficiency natural gas appliances. The rebate amount varies with the appliance(s) installed as shown below:

Natural Gas Appliance	Efficiency Level	Size	Rebate Amount
Forced Air Furnace	90% or greater	30,000 BTU or greater	\$400
Dual Fuel Furnace	90% or greater	30,000 BTU or greater	\$300
Space Heater	%99	10,000 BTU or greater	\$100
Gas Logs	%99	18,000 BTU or greater	\$100
Gas Fireplace	90% or greater	18,000 BTU or greater	\$100
Tank Hot Water Heater	0.62 Energy Factor	40 gallon or greater	\$200
Power Vent Hot Water Heater	0.62 Energy Factor	40 Gallon or greater	\$250
On Demand Hot Water Heater	0.67 Energy Factor		\$300

2. Home Energy Audit – provides a walk-through audit to the customer at no charge. The customer is provided a summary of what was found during the audit and information regarding suggested weatherization actions that can be taken to improve the energy efficiency of the home.
3. Low-Income Furnace Replacement - in partnership with the Community Action Council, replaces old, non-working or inefficient furnace equipment with high-efficiency models for income-eligible customers.

**KENTUCKY  
 PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN  
 EXECUTIVE DIRECTOR**

TARIFF BRANCH

DATE OF ISSUE:: April 30, 2012

DATE EFFEC *Burt Kirtley* 7, 2009

Issued by authority of an Order of the Public Service Commission in Case No. 2009-00141 dated October 26, 2009

ISSUED BY: *Herbert A. Miller Jr.*

EFFECTIVE

**10/27/2009**

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)  
 President

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED MAY 11, 2016**

60. To the extent not included in other responses, provide all work papers, calculations, and assumptions Columbia used to develop its forecasted test period financial information.

**Response:**

Please refer to the testimony, schedules, and workpapers included in Columbia's application.