

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to Article 4.2 of Attachment ST-2. Provide copies of all internal audit reports referenced within this article completed since January 1, 2015.

Response:

Objection. Columbia's rate case is based upon a forecasted test period ending December 31, 2022 and, under applicable law, historical data that required to be filed is generally limited to the base period. Nevertheless, Columbia is providing historical information that predates the base period, up to and including the time following the expiration of the forecasted test year in the Company's 2016 rate case. To the extent that the question calls for additional information, the question is overly broad and seeks information that is very unlikely to be relevant to the issues of this case and Columbia therefore respectfully objects. Notwithstanding these objections, Columbia responds as follows:

Please refer to KY PSC Case No. 2021-00183, AG 1-123, Attachments A and B for the most recent audit reports for 2019 and 2020. Audit reports prior to that for 2015-2018 are attached hereto as KY PSC Case No. 2021-00183, AG 1-151, Attachments A-D, respectively.



TO: Susan Taylor, Controller, NiSource Corporate Services Company
David Speas, Director Corporate Budgeting

FROM: Ryan Binkley, Director Audit *Ryan Binkley*
Jaclyn Callahan, Audit Manager *Jaclyn Callahan*
Shelley Dulling, Senior Auditor *Shelley Dulling*
Chris Marlatt, Lead Auditor *Christopher Marlatt*

DATE: May 12, 2015

SUBJECT: NiSource Corporate Services Company Cost Allocation Audit

We have completed a review of the accounting systems, source documents, allocation methods, and billing procedures used by NiSource Corporate Services Company (NCSC) to allocate costs/expenses to the various subsidiary companies ("affiliates"), including the holding company, for the period January 1, 2014 through December 31, 2014.

Background

In February 2006, the Public Utility Holding Company Act (PUHCA) was repealed and replaced with the PUHCA of 2005. Prior to this date, NCSC was required to obtain approval from the Securities and Exchange Commission on new allocation methods used to allocate costs and expenses. The PUHCA of 2005 is primarily a "books and records" statute and provides the Federal Energy Regulatory Commission (FERC) with the authority over the books and records, the ability to prescribe standards, and gives access to the books and records of the holding company to the public utility commissions, but only to the extent relevant to the costs of the subsidiaries.

NCSC uses various allocation methods to assign expenses to affiliates (including the holding company), or groups of affiliates, to classify and disclose expenses in the financial statements. Such allocation methods are defined in the service agreements ("agreements") between NCSC and the affiliates. Affiliates are billed by NCSC via contract and convenience billings. Contract billings represent labor and expenses billed to an affiliate. These costs are identified by job order and represent costs incurred by NCSC to render services defined in the service agreements with affiliates. Convenience billings are accommodation payments that are rendered when NCSC makes a payment to a vendor for goods or services that are for the benefit of more than one or all affiliates, and can be made for an affiliate who may not have the means to wire money to outside vendors. Each affiliate is billed monthly for their proportional share of the payments made in that respective month.

Annually, Internal Audit conducts a review of the cost allocation methods and billing procedures used by NCSC and makes recommendations related to cost allocation and billing processes.

The primary business risks associated with these activities are:

- Allocation factors may not be updated properly to reflect current statistical data to ensure that NCSC charges are billed relative to current operations;
- Contract and convenience billings may not be properly billed to affiliates;

- Holding company costs incurred may not be properly segregated and paid by the holding company;
- Executive time allocation may not accurately reflect the affiliates benefiting from their services;
- Costs charged by department may not be in accordance with the NCSC cost allocation guidelines;
- All indirect costs may not be appropriately allocated to affiliates on a monthly basis;
- Intercompany payables and receivables may not be billed and settled accurately and timely; and
- Contract billings and accommodation payments may not be accurately reported in the annual FERC Form 60 Financial Report.

Conclusion

Based on our audit results, the methods and procedures used to allocate costs/expenses and bill subsidiary companies, including the holding company, are reasonable. Amounts reported as accommodation and contract billing payments in the FERC Form 60 are proper. Company records appear to be retained in accordance with Company and FERC requirements.

Summary of Business Objectives, Scope and Results

Audit Objective 1: Costs are fairly and equitably allocated to all subsidiary companies including the holding company.

Scope:

- Determine if allocation factors are updated regularly to reflect current statistical data to ensure that NCSC charges are billed relative to current operations.
- Verify contract and convenience billings are properly billed to affiliates.
- Verify holding company costs incurred are properly segregated and paid by the holding company.
- Verify executive time allocation accurately reflects the affiliates benefiting from their services.
- Verify costs charged by department are in accordance with the NCSC cost allocation guidelines.

Results:

- Allocation factors are updated semiannually and reflect allocation bases as defined in the agreements between NCSC and the affiliates. A sample of allocation factors were recalculated using source data, noting no exceptions. Internal Audit verified that these factors were accurately updated in the Billing Mainframe (“mainframe”).
- A sample of affiliate contract billings¹ showed that direct charges are being properly allocated to affiliates based on actual costs and current allocation percentages for respective bases per the agreements between NCSC and affiliates.

A sample of accommodation payments made by NCSC was reviewed and charges to affiliates for accommodation billings were accurately billed to the affiliates except for the following selections:

- Internal Audit identified one item for \$53,271 that was improperly allocated to Columbia Gulf Transmission (CGT) as advised by the vendor, IBM. Internal Audit noted at the time of billing NCSC applied the expense to the correct accommodation bill based on the information provided by IBM. Upon further investigation with business management as part of Internal Audit’s review, it was noted that the charges should have been allocated to Columbia Gas Transmission rather than CGT. Internal Audit notes the accuracy of information provided to NCSC is an inherent risk when allocating cost.
- Internal Audit identified one item for \$21,000 that was improperly allocated to Columbia Gas of Massachusetts (CMA) as coded in Catalyst. Internal Audit noted at the time of billing NCSC applied the expense to the correct bill based on the coding within Catalyst. Upon further investigation with business management as part of Internal Audit’s review, it was noted that the charges should have been allocated to Columbia Gas of Virginia (CGV) rather than CMA as expense related to a relocation fee for an employee moving from CMA to CGV. Internal Audit notes the accuracy of information provided to NCSC is an inherent risk when allocating cost.
- Holding company costs are required to be segregated and paid by the holding company. Examples of holding company costs include, but are not limited to:
 - Board of directors fees.
 - Consulting, legal and all other costs related to mergers, acquisitions and corporate restructuring.

A sample of costs charged to the holding company was tested and indicated that costs being charged to the holding company appeared proper.

- Executives are required to report time based on the affiliates receiving benefit from their services. A sample of executive timesheets indicated charges for executive labor appeared to be accurately allocated to the affiliates benefiting from their services.

¹ Sample coverage for accommodation payment and contract billing testing included NGD companies, Columbia Gulf Transmission, Columbia Gas Transmission, and NIPSCO.

- NCSC employees are required to report time based on the affiliates receiving benefit from their services and in accordance with the NiSource Cost Allocation Manual. A sample of NCSC employee timesheets was tested and Internal Audit concluded that charges for labor appear to be charged in accordance with guidelines established in the Cost Allocation Manual. Internal Audit noted that several charge codes were not included in the Cost Allocation Manual because they are related to Special Projects, IT initiatives, NiFiT, and other special requests. These codes are communicated out to only the specific people involved with the listed activities and could be utilized by employees in numerous departments.

Recommendations: None

Audit Objective 2: Processes and procedures are in place to verify monthly that all costs have been allocated and intercompany payables and receivables are billed settled in timely manner.

Scope:

- All costs are appropriately allocated to affiliates;
- Intercompany payables and receivables are billed and settled accurately and timely; and
- Verify contract billings and accommodation payments are accurately reported in the FERC Form 60 Financial Report.

Results:

- Summaries detailing costs to be billed to affiliates for contract and convenience billings are prepared monthly to ensure that all costs are allocated out to the affiliates. A sample of contract and accommodation billings was reviewed, and all costs were properly allocated to affiliates based on the allocator used except as noted at Audit Objective 1.
- Monthly, summary and detail bills for contract and accommodation costs are generated for each affiliate. The receivable is immediately settled via a money pool transaction. For a selection of months, Internal Audit confirmed the intercompany contract and accommodation payable amount with the affiliated company noting that the amount agreed to the respective invoice for the selected month. As such, it appears that the intercompany amounts are being settled timely and accurately.
- FERC Form 60 is an annual regulatory support requirement for centralized service companies, designed to collect financial information from centralized service companies subject to the jurisdiction of the FERC. Within the Form 60, amounts related to contract and accommodation payments are disclosed. Internal Audit reviewed the most recent filing of the Form 60 (2014) and tested a sample of transactions included in the amounts disclosed for contract and accommodation payments. Amounts included in the filing for contract and accommodation payments appeared proper and reconciled to amounts billed to affiliates by NCSC.

Recommendations: None

Columbia Pipeline Group (CPG) Post Transition Consideration: In addition to the procedures outlined above, Internal Audit met with Corporate Service Management to discuss the impact of the CPG transition on NiSource Corporate Services Company allocation factors. Management noted that new allocation factors will be entered into PeopleSoft, the NCSC General Ledger, prior to the transition with an effective date of July 1, 2015. CPG only allocation factors will be eliminated as of July 1, 2015 and the remaining factors will be reallocated based on data as of February 2015 less any balances including CPG business units. As is consistent with the process followed in prior years, all allocation factors will be updated again as of August 2015 and will be implemented based on June 30, 2015 data.

We appreciate the cooperation and assistance that your staff provided to the audit team during this review. Should you have any questions or require additional information, please do not hesitate to contact Ryan Binkley at (614) 460-5985, Jaclyn Callahan (614) 460-5493, or Chris Marlatt at (614) 460-6441.

cc:

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TO: Jeff Gore, Controller, NiSource Corporate Services Company

FROM: Shelley Duling, Senior Auditor *Shelley Duling*
Jaclyn Callahan, Audit Manager *Jaclyn Callahan*
Ryan Binkley, Audit Director *Ryan Binkley*

DATE: June 24, 2016

SUBJECT: NiSource Corporate Services Company Cost Allocation Audit

We have completed a review of the accounting systems, source documents, allocation methods, and billing procedures used by NiSource Corporate Services Company (NCSC) to allocate costs/expenses to the various subsidiary companies (“affiliates”), including the holding company, for the period January 1, 2015 through December 31, 2015.

Background

In February 2006, the Public Utility Holding Company Act (PUHCA) was repealed and replaced with the PUHCA of 2005. Prior to this date, NCSC was required to obtain approval from the Securities and Exchange Commission on new allocation methods used to allocate costs and expenses. The PUHCA of 2005 is primarily a “books and records” statute and provides the Federal Energy Regulatory Commission (FERC) with the authority over the books and records, the ability to prescribe standards, and gives access to the books and records of the holding company to the public utility commissions, but only to the extent relevant to the costs of the subsidiaries.

NCSC uses various allocation methods to assign expenses to affiliates (including the holding company), or groups of affiliates, to classify and disclose expenses in the financial statements. Such allocation methods are defined in the service agreements (“agreements”) between NCSC and the affiliates. Affiliates are billed by NCSC via contract and convenience billings. Contract billings represent costs incurred by NCSC to render services defined in the service agreements with affiliates. Convenience billings are accommodation payments that are rendered when NCSC makes a payment to a vendor for goods or services that are for the benefit of more than one or all affiliates, and can be made for an affiliate who may not have the means to wire money to outside vendors. Each affiliate is billed monthly for their proportional share of the payments made in that respective month.

Annually, Internal Audit conducts a review of the cost allocation methods and billing procedures used by NCSC and makes recommendations related to cost allocation and billing processes.

The primary business risks associated with these activities are:

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

- Executive time allocation may not accurately reflect the affiliates benefiting from their services;
- Costs charged by department may not be in accordance with the NCSC cost allocation guidelines;
- All indirect costs may not be appropriately allocated to affiliates on a monthly basis; and
- Contract billings and accommodation payments may not be accurately reported in the annual FERC Form 60 Financial Report.

Conclusion

Based on our audit results, the methods and procedures used to allocate costs/expenses and bill subsidiary companies, including the holding company, are reasonable. However, there is an inherent risk related to the proper application of these methods as allocation of costs is subject to employee judgment. Amounts reported as convenience and contract billing payments in the FERC Form 60 appear appropriate.

Summary of Business Objectives, Scope and Results

Audit Objective 1: Costs are fairly and equitably allocated to all subsidiary companies including the holding company.

Scope:

- Determine if allocation factors are updated regularly to reflect current statistical data to ensure that NCSC charges are billed relative to current operations.
- Verify contract and convenience billings are properly billed to affiliates.
- Verify holding company costs incurred are properly segregated and paid by the holding company.
- Verify executive time allocation accurately reflects the affiliates benefiting from their services.
- Verify costs charged by department are in accordance with the NCSC cost allocation guidelines.

Results:

- Allocation factors are updated semiannually using various data sources (i.e. survey data) and reflect allocation bases as defined in the agreements between NCSC and the affiliates. Survey data is compiled as of December and June of each year, with effective dates of February 1st and August 1st, respectively. A sample of allocation factors were recalculated using source data, noting no exceptions. However, Internal Audit did identify the following:

- For the June 2015 survey data, there was a manual adjustment to Company 58 (NiSource Holding Company) related to the allocation factor TA. Support for the adjustment was not retained by NCSC Accounting. The adjustment resulted in an inconsequential decrease (0.4%) for Company 58 and an inconsequential increase to the remaining companies by their proportionate share (of the 0.4%). The factor TA allocates costs to all NiSource companies. The percentage variance is considered inconsequential by NCSC Accounting as they use a 1% threshold in determining whether events are significant to require an adjustment to an allocation factor.

Due to the NiSource/Columbia Pipeline Group (CPG) transition effective July 1, 2015, an additional update was required for the month of July due to the timing of the semiannual updates. This update revised all allocation factors that were impacted by CPG as the CPG data had to be eliminated. Internal Audit verified that the July factors represented the December 2014 survey data, excluding CPG companies.

In addition, Internal Audit also determined that a selection of factors from the June and July survey data files were accurately updated in PeopleSoft, general ledger system, noting no exceptions.

- A sample of affiliate contract billings¹ showed that direct charges are being properly billed to affiliates based on actual costs and current allocation percentages for respective bases per the agreements between NCSC and affiliates except for the following selection:
 - Internal Audit identified one item for \$1,712 that was billed to Columbia Gas of Pennsylvania (CPA); however, the invoice related to project work for CPA and Columbia Gas of Maryland (CMD). Internal Audit reviewed a report within TeamConnect, a case management application for legal matters, which summarized invoice data for the project, noting that \$10,909 was potentially improperly charged 100% to CPA during 2015 (the project only occurred during 2015). While there is not an approved allocation factor to use for transactions involving only CPA and CMD, it is the invoice approver's responsibility to ensure that invoices are appropriately allocated to those companies benefiting from the transaction.

A sample of accommodation payments made by NCSC was reviewed and charges to affiliates for accommodation billings were accurately billed to the affiliates, noting no exceptions.

- Holding company costs are required to be segregated and paid by the holding company. Examples of holding company costs include, but are not limited to:
 - Board of directors fees
 - Consulting, legal and all other costs related to mergers, acquisitions and corporate restructuring

¹ Sample coverage for accommodation payment and contract billing testing included Columbia Companies, Columbia Gulf Transmission (CGT), Columbia Gas Transmission (TCO), and NIPSCO. CGT and TCO testing was performed for the period prior to the NiSource/CPG transition.

A sample of costs charged to the holding company was tested and indicated that costs being charged to the holding company appeared proper, including those costs associated with the NiSource/CPG transition.

- From the date of the transition, July 1, 2015, through December 31, 2015, approximately **\$2.3 million** of post-transition costs were recorded to Company 58. Internal Audit reviewed a sample of these transactions noting that they appeared to be properly recorded to Company 58 as they were incremental costs related to post transition activities. In accordance with NiSource policy, these costs have been approved as an adjustment to the GAAP financial statements in determining Net Operating Earnings.
- Executives are required to report time based on the affiliates receiving benefit from their services. A sample of executive timesheets indicated charges for executive labor appeared to be accurately allocated to the affiliates benefiting from their services. Executives selections covered the periods January 1, 2015 through June 30, 2015 (pre-NiSource/CPG transition) and July 1, 2015 through December 31, 2015 (post NiSource/CPG transition).
- NCSC employees are required to report time based on the affiliates receiving benefit from their services and in accordance with the NiSource Cost Allocation Manual. A sample of NCSC employee timesheets was selected covering the periods January 1, 2015 through June 30, 2015 (pre-NiSource/CPG transition) and July 1, 2015 through December 31, 2015 (post-NiSource/CPG transition). Internal Audit performed the following for each selected period:
 - **Pre-NiSource/CPG Transition**
For each selection, Internal Audit verified that the time allocation was charged in accordance with the guidelines established in the Cost Allocation Manual. Several charge codes were not included in the Cost Allocation Manual because they are related to Special Projects, IT initiatives, NiFiT, and other special requests. These codes are communicated out to only the specific people involved with the listed activities and could be utilized by employees in numerous departments.
 - **Post-NiSource/CPG Transition**
Due to the frequency and significance of the organizational changes that occurred subsequent to the NiSource/CPG transition, the NiSource Cost Allocation Manual was not entirely reflective of the organization as of the date of testing for the period subsequent to the NiSource/CPG transition. As such, Internal Audit could only assess that the time allocation was reasonable based on Internal Audit's knowledge from historical audits and confirmation with NCS Accounting when necessary. Employee time allocation for the sample selections was deemed reasonable.

NCS Management did meet with each department to review the time allocation methods being utilized to ensure that personnel were charging time appropriately post-transition. A revised Cost Allocation Manual was issued by NCS Accounting with an effective date of March 2016.

Recommendation:

Management should document and retain support for any adjustments made to the survey data used to calculate the allocation factors.

Audit Objective 2: Processes and procedures are in place to verify monthly that all costs have been allocated and accurately reflected in the FERC Form 60 Financial Report.

Scope:

- All costs are appropriately allocated to affiliates.
- Verify contract billings and accommodation payments are accurately reported in the FERC Form 60 Financial Report.

Results:

- Summaries detailing costs to be billed to affiliates for contract and convenience billings are prepared monthly to ensure that all costs are allocated out to the affiliates. A sample of contract and convenience billings was reviewed, and all costs were properly allocated to affiliates based on the allocator used except as noted at Audit Objective 1.
- FERC Form 60 is an annual regulatory support requirement for centralized service companies, designed to collect financial information from centralized service companies subject to the jurisdiction of the FERC. Within the Form 60, amounts related to contract and accommodation payments are disclosed. Internal Audit reviewed the most recent filing of the Form 60 (2015) and tested a sample of transactions included in the amounts disclosed for contract and accommodation payments. Amounts included in the filing for contract and convenience payments appeared proper and reconciled to amounts billed to affiliates by NCSC.
 - NCS Management confirmed that reported contract billing amounts should only include Operating and Maintenance (O&M) expenditures; however, prior to the implementation of NiFIT (April 1, 2015), the Capital/O&M split for the contract bills was not available to NCS Management for compilation of the FERC Form 60. Thus, amounts reported prior to April 1, 2015, included both Capital and O&M expenditures which the FERC approved per NCS Management. Amounts reported subsequent to April 1, 2015, include O&M expenditures only as reported on the contract bills.

Recommendations: None

We appreciate the cooperation and assistance that your staff provided to the audit team during this review. Should you have any questions or require additional information, please do not hesitate to contact Ryan Binkley at (614) 460-5985, Jaclyn Callahan (614) 460-5493, or Shelley Duling at (614) 460-6062.

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NiSource Corporate Services Company Cost Allocation Audit

May 18, 2017

To: J. Gore, Controller, Corporate Accounting

From: S.T. Duling, Senior Internal Auditor
J.M. Callahan, Manager Internal Audit
R.W. Binkley, Director Internal Audit



Executive Summary

Internal Audit performs an annual review of the accounting systems, source documents, allocation methods, and billing procedures used by NiSource Corporate Services Company (NCSC) to allocate costs/expenses to the various subsidiary companies (“affiliates”), including the holding company.

The focus of the audit includes the following procedures:

- Determine that costs are fairly and equitably allocated to all subsidiary companies, including the holding company; and
- Verify procedures are in place to ensure that all costs have been allocated monthly and are accurately reflected in the annual FERC Form 60 Financial Report.

Summary Conclusions:

As with many processes, the accuracy of cost allocation is dependent upon the responsible employee properly identifying the company which benefited from the expense. Based on our audit procedures and selection testing, we noted the following:

- The methods and procedures used to allocate costs/expenses and bill subsidiary companies (including the holding company) are reasonable; and
- Amounts reported as convenience and contract billing payments in the FERC Form 60 appear appropriate.

This audit conforms with the International Standards for the Professional Practice of Internal Auditing. A summary, along with detailed observations, have been provided. Internal Audit would like to thank NCSC staff and management for their cooperation and time in support of this audit.

Background

In February 2006, the Public Utility Holding Company Act (PUHCA) was repealed and replaced with the PUHCA of 2005. Prior to this date, NiSource Corporate Services Company (NCSC) was required to obtain prior approval from the Securities and Exchange Commission on new allocation methods used to allocate costs and expenses. The PUHCA of 2005 is primarily a “books and records” statute and provides the Federal Energy Regulatory Commission (FERC) with the authority over the books and records, the ability to prescribe standards, and gives access to the books and records of the holding company to the public utility commissions, but only to the extent relevant to the costs of the subsidiaries.

NCSC uses various allocation methods to assign expenses to companies (including the holding company), or groups of companies, to classify and disclose expenses in the financial statements. Such allocation methods are defined in the service agreements (“agreements”) between NCSC and the affiliates. Affiliates are billed by NCSC via contract and convenience billings. Contract billings represent labor and expenses billed to an affiliate. The allocation between affiliates is based on a billing pool which is a four digit code that identifies the company or company's benefiting from the charge. Convenience billings are accommodation payments that are rendered when NCSC makes a payment to a vendor for goods or services that are for the benefit of more than one or all affiliates, and can be made for an affiliate who may not have the means to wire money to outside vendors. Each affiliate is billed monthly for their proportional share of the payments made in that respective month.

Audit Scope and Approach

Internal Audit has completed a review of the accounting systems, source documents, allocation methods, and billing procedures used by NCSC to allocate costs/expenses to the various subsidiary companies, including the holding company, for the period January 1, 2016 through December 31, 2016.

Objective 1: Costs are fairly and equitably allocated to all subsidiary companies, including the holding company.		
#	Procedures	Findings Summary (Refer to Appendix A for rating scale)
1	Determine if allocation factors are updated regularly to reflect current statistical data to ensure that NCSC charges are billed relative to current operations.	No Findings Noted.
2	Verify contract and convenience billings are properly billed to affiliates.	No Findings Noted.
3	Verify holding company costs incurred are properly segregated and paid by the holding company.	No Findings Noted.
4	Verify executive time allocation accurately reflects the companies benefiting from their services.	No Findings Noted.
5	Verify costs charged by employees are in accordance with the NCSC cost allocation guidelines.	No Findings Noted.

Objective 2: Processes and procedures are in place to ensure that all costs have been allocated monthly and are accurately reflected in the annual FERC Form 60 Financial Report.		
#	Procedures	Findings Summary (Refer to Appendix A for rating scale)
1	Determine that all costs are appropriately allocated to affiliates.	No Findings Noted.
2	Verify that contract billings and accommodation payments are accurately reported in the FERC Form 60 Financial Report.	No Findings Noted.

Report Distribution:

Cc: J. Hamrock
C.W. Levander
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M.A. Huwar
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S.H. Bryant
T.L. Tucker
S. Anderson
Deloitte & Touche, LLP

Appendix A

Rating Scale for Audit Findings	
High	<p>Requires corrective action due to high risk of one or more of the following: safety risk; material financial statement impact or fraud; significant violation of established policies and procedures; process/control environment breakdown for critical business processes; high likelihood of legal/regulatory fines or penalties for non-compliance; or significant brand/reputational exposure.</p> <p><i>High risk findings require an auditee Management Response coupled with a Target Implementation Date for remediation.</i></p> <p><u><i>Internal Audit is required to perform independent effectiveness validation testing of a Management remediated, high risk finding prior to official closure.</i></u></p>
Moderate	<p>Requires corrective action due to moderate risk of one or more of the following: safety risk; potential for significant financial statement impact or fraud; process/control design deficiency; process/control not operating effectively; moderate likelihood of legal/regulatory fines or penalties; or potential for negative publicity/brand impact.</p> <p><i>Moderate risk findings require an auditee Management Response coupled with a Target Implementation Date for remediation.</i></p> <p><u><i>Internal Audit is required to perform an independent process design review of a Management remediated, moderate risk finding prior to official closure.</i></u></p>
Low	<p>Requires minimal attention: no material financial or operational impact; low probability of residual risk; process/controls operating below optimal levels.</p> <p><i>Low risk findings do not require an auditee Management Response nor a Target Implementation Date for remediation.</i></p> <p><u><i>Internal Audit does not perform follow-up review procedures on low risk findings.</i></u></p>

NiSource Corporate Services Company Cost Allocation Audit

April 16, 2018

To: Jeff Gore, Controller, Corporate Accounting

From: Chris Marlatt, Lead Internal Auditor
Jaclyn Callahan, Manager Internal Audit
Ryan Binkley, Director Internal Audit



Executive Summary

Internal Audit performs an annual review of the accounting systems, source documents, allocation methods, and billing procedures used by NiSource Corporate Services Company (NCSC) to allocate costs/expenses to the various subsidiary companies (“affiliates”), including the holding company.

The focus of the audit includes the following procedures:

- Determine that costs are fairly and equitably allocated to all subsidiary companies, including the holding company; and
- Verify procedures are in place to ensure that all costs have been allocated monthly and are accurately reflected in the FERC Form 60 Financial Report.

Summary Conclusions:

Based on our audit results, the methods and procedures used to allocate costs/expenses and bill subsidiary companies, including the holding company, are reasonable. Amounts reported as convenience and contract billing payments in the FERC Form 60 appear appropriate.

Note: there is an inherent risk related to the proper application of these methods by employees (i.e. manual application of billing pool codes to invoices or timesheets).

This audit conforms with the International Standards for the Professional Practice of Internal Auditing. A summary, along with detailed observations, have been provided to Corporate Accounting Management. Internal Audit would like to thank NCSC staff and management for their cooperation and time in support of this audit.

Background

- In February 2006, the Public Utility Holding Company Act (PUHCA) was repealed and replaced with the PUHCA of 2005. Prior to this date, NiSource Corporate Services Company (NCSC) was required to obtain prior approval from the Securities and Exchange Commission on new allocation methods used to allocate costs and expenses. The PUHCA of 2005 is primarily a “books and records” statute and provides the Federal Energy Regulatory Commission (FERC) with the authority over the books and records, the ability to prescribe standards, and gives access to the books and records of the holding company to the public utility commissions, but only to the extent relevant to the costs of the subsidiaries.
- NCSC uses various allocation methods to assign expenses to companies (including the holding company), or groups of companies, to classify and disclose expenses in the financial statements. Such allocation methods are defined in the service agreements (“agreements”) between NCSC and the affiliates. Affiliates are billed by NCSC via contract and convenience billings. Contract billings represent labor and expenses billed to an affiliate. The allocation between affiliates is based on a billing pool which is a four digit code that identifies the company or company's benefiting from the charge. Convenience billings are accommodation payments that are rendered when NCSC makes a payment to a vendor for goods or services that are for the benefit of more than one or all affiliates, and can be made for an affiliate who may not have the means to wire money to outside vendors. Each affiliate is billed monthly for their proportional share of the payments made in that respective month.

Audit Scope and Approach

Internal Audit has completed a review of the accounting systems, source documents, allocation methods, and billing procedures used by NCSC to allocate costs/expenses to the various subsidiary companies, including the holding company, for the period January 1, 2017 through December 31, 2017.

Objective 1: Costs are fairly and equitably allocated to all subsidiary companies including the holding company.

#	Procedures	Findings Summary (Refer to Appendix A for rating scale)
1	Determine if allocation factors are updated regularly to reflect current statistical data to ensure that NCSC charges are billed relative to current operations.	No Findings Noted.
2	Verify contract and convenience billings are properly billed to affiliates.	No Findings Noted.
3	Verify holding company costs incurred are properly segregated and paid by the holding company.	No Findings Noted.
4	Verify executive time allocation accurately reflects the companies benefiting from their services.	No Findings Noted.
5	Verify costs charged by department are in accordance with the NCSC cost allocation guidelines.	No Findings Noted.

Objective 2: Processes and procedures are in place to ensure that all costs have been allocated monthly and are accurately reflected in the FERC Form 60 Financial Report.

#	Procedures	Findings Summary (Refer to Appendix A for rating scale)
1	Determine that all costs are appropriately allocated to affiliates.	No Findings Noted.
2	Verify that contract billings and accommodation payments are accurately reported in the FERC Form 60 Financial Report.	No Findings Noted.

Report Distribution

CC: J. Hamrock
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Appendix A

Rating Scale for Audit Findings	
High	<p>Requires corrective action due to high risk of one or more of the following: safety risk; material financial statement impact or fraud; significant violation of established policies and procedures; process/control environment breakdown for critical business processes; high likelihood of legal/regulatory fines or penalties for non-compliance; or significant brand/reputational exposure.</p> <p><i>High risk findings require an auditee Management Response coupled with a Target Implementation Date for remediation.</i></p> <p><u><i>Internal Audit is required to perform independent effectiveness validation testing of a Management remediated, high risk finding prior to official closure.</i></u></p>
Moderate	<p>Requires corrective action due to moderate risk of one or more of the following: safety risk; potential for significant financial statement impact or fraud; process/control design deficiency; process/control not operating effectively; moderate likelihood of legal/regulatory fines or penalties; or potential for negative publicity/brand impact.</p> <p><i>Moderate risk findings require an auditee Management Response coupled with a Target Implementation Date for remediation.</i></p> <p><u><i>Internal Audit is required to perform an independent process design review of a Management remediated, moderate risk finding prior to official closure.</i></u></p>
Low	<p>Requires minimal attention: no material financial or operational impact; low probability of residual risk; process/controls operating below optimal levels.</p> <p><i>Low risk findings do not require an auditee Management Response nor a Target Implementation Date for remediation.</i></p> <p><u><i>Internal Audit does not perform follow-up review procedures on low risk findings.</i></u></p>

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to Article 5.2 of Attachment ST-2. To the extent that any changes in the allocation methods or scope of services rendered have changed as a result of i) new entities coming into existence, or ii) entities ceasing to be associated with the Company, provide a comprehensive explanation of such changes in methods or scope.

Response:

Please note, there have been no changes in the allocation methods or scope of services rendered as a result of change in entities. Allocation percentages were updated as a result of change in entities. Please refer to KY PSC Case No. 2021-00183, AG 1-152, Attachments A and B for memos pertaining to updates to NCSC allocation percentages as a result of NCSC change in billing entities.



NBSC – Record to Report – General Accounting Services

Methodology Memo

To: Adolfo Acevedo, Kevin Stanley, Gunnar Gode, Deborah Schmelzer
cc: Christopher Cubenas, Julie Wozniak
From: Jacob Draa
Date: September 22, 2020
Re: Impact of CMA sale on corporate allocations

The purpose of this memo is to document the discussion and decision on allocation of charges following the sale of Columbia Gas of Massachusetts (“CMA”).

Background

Columbia Gas of Massachusetts (“CMA”) is being sold to Eversource in October (pending DPU approval). Corporate allocations from NiSource Corporate Services Company (“NCSC”) need to be reviewed and adjusted accordingly.

Considerations

- How should NCSC allocations be adjusted for CMA sale?
- Do we need new billing pools and code patterns due to CMA sale?
- How will costs be identified and billed to Eversource?
- How would we handle mid-month sale date?

Conclusion

NCSC allocations utilize basis approach and are updated semi-annually using prior 12 months data. CMA currently receives portion of these charges based on factors used to compile each basis of allocation. Following sale of CMA to Eversource, remaining CMA business unit will not resemble existing CMA. Please see table for review of impact to each allocation basis.



NBSC – Record to Report – General Accounting Services

Methodology Memo

Basis	Post-Sale Determination
1 - GROSS FIXED ASSETS AND TOTAL OPERATING EXPENSES	Fixed assets are being sold to Eversource; Remaining CMA expenses will not reflect recurring activity
2 - GROSS FIXED ASSETS	Fixed assets are being sold to Eversource
3 - NUMBER OF METERS SERVICED	CMA does not have meters serviced by centralized meter shop
4 - NUMBER OF ACCOUNTS PAYABLE INVOICES PROCESSED	CMA will not be able to process invoices post-sale
7 - GROSS DEPRECIABLE PROPERTY AND TOTAL OPERATING EXPENSE	Fixed assets are being sold to Eversource; Remaining CMA expenses will not reflect recurring activity
8 - GROSS DEPRECIABLE PROPERTY	Fixed assets are being sold to Eversource
9 - AUTOMOBILE UNITS	Vehicle leases are moving to Eversource
10 - NUMBER OF RETAIL CUSTOMERS	Remaining CMA will not have customers
11 - NUMBER OF REGULAR EMPLOYEES	Remaining CMA will not have employees
13 - FIXED ALLOCATION Space Allocators IT Devices Mainframe	Remaining CMA will not have employees. Any Basis 13 items that would continue to be used by Eversource (i.e. IT devices) would need to be billed through TSA
14 - NUMBER OF TRANSPORTATION CUSTOMERS	CMA was not part of this allocator
15 - NUMBER OF COMMERCIAL CUSTOMERS	CMA was not part of this allocator
16 - NUMBER OF RESIDENTIAL CUSTOMERS	CMA was not part of this allocator
17 - NUMBER OF HIGH PRESSURE CUSTOMERS	CMA was not part of this allocator
20 - DIRECT COSTS	Certain costs will continue to be direct billed to 0080 following sale, most will be non-recurring costs related to MVI. Basis 20 costs will be assessed for materiality at future date as there is not good way to estimate at moment and actuals based approach is used for calculation.

After reviewing each allocation basis, it was determined that remaining CMA should be removed from all NCSC allocations following sale. This will be done as special update put together by General Accounting using same allocation survey data used to compile previous allocation survey effective starting 8-1-2020. Billing pool calculations will be updated following sale to remove CMA and manually input into PeopleSoft effective as of sale date. Employees will be able to continue to use existing billing pools following sale since percentages will be updated behind the scenes to remove CMA.



NBSC – Record to Report – General Accounting Services

Methodology Memo

General Accounting reviewed all existing code patterns containing CMA and determined if CMA should be removed and code pattern percentages updated or if code pattern could be inactivated following sale. This listing was shared with IT and process was created to automate these updates in PeopleSoft as of sale date. Result is that employees can continue to utilize existing code patterns because CMA will be removed on back end and percentage allocation amongst remaining business units will be updated accordingly.

General Accounting will create new billing pool 0098 (Eversource) which will be used to identify all charges that need to be TSA billed to Eversource. Billing pool 0098 was configured so that it receives allocated portion of Co 12 overhead costs (such as non-productive, vacation, benefits, etc.) but it will not pool as part of Service Company Billing (“SCB”) processing since Eversource is not an affiliated entity. General Accounting tested both of these requirements as part of User Acceptance Testing (“UAT”). All charges to billing pool 0098 will have offsetting non-affiliated revenue recorded to keep Co 12 as a zero net income entity. Code patterns were created to streamline TSA billing. TSA team is providing communication to impacted employees on which code patterns they need to charge during TSA period for TSA services performed.

NCSC allocations have been brought up as a potential issue if we were to move into mid-month close situation due to delay in deal closing. Existing SCB processing can only be run as an end of month process due to costs being recorded at month-end (labor being the best example of this). Contingency plan would be to book management fee estimate using historical O&M data directly to CMA using cost element 7001 (Management Fee) for mid-month close. This entry would be reversed at end of month and then CMA would receive portion of actual SCB costs. NCSC allocation rates would be adjusted so that Co 80 received pro-rated portion based on number of days CMA remained NiSource entity.



NBSC – Record to Report – General Accounting Services

Methodology Memo

To: Christopher Cubenas, Thomas Harmon, Kirk Isley
cc: Adolfo Acevedo, Matthew Ruth, Kristin Harmon
From: Jacob Draa
Reviewer: Christopher Cubenas
Date: September 11, 2020
Re: Rosewater & Indiana Crossroads - Billing Allocation Discussion

The purpose of this memo is to document the discussion and decision on allocation of charges to Rosewater & Indiana Crossroads entities.

Background

NiSource is entering joint venture with a tax equity partner for wind generation that will result in creation of new entities. Service agreements will be between NiSource Corporate Services and the new entities, Rosewater & Indiana Crossroads. It was requested that review be performed to determine if new entities needed to be added to NiSource Corporate Services (“NCS”) allocations.

Considerations

- Does Rosewater & Indiana Crossroads need to be added to NCS allocations?
- Which allocation basis/billing pools should Rosewater & Indiana Crossroads be added to?
- Will Rosewater & Indiana Crossroads be part of shared work orders?
- What is the determination of which IT projects get a piece allocated through shared work orders to Rosewater?

Conclusion

Rosewater & Indiana Crossroads need to be added to NCS allocations because entities will benefit from services provided by NCS (i.e. IT support, corporate services and leadership etc.). New billing pools will be created to allow labor and invoices to be direct charged to Rosewater & Indiana Crossroads when possible. Charges will flow down to Rosewater from either direct charges (e.g. accounting support charged to the entity) or the NCS allocations.

Said another way, from the other company’s perspective, Rosewater needs to be allocated costs. Rosewater benefits from all the same services one of the regulated company’s receive. To exclude Rosewater would indicate that other companies are being allocated too much expense which could cause jurisdictional issues in the future.

Analysis was performed to determine which allocation basis Rosewater & Indiana Crossroads would need to be added:



NBSC – Record to Report – General Accounting Services

Methodology Memo

Basis	Determination	Impacted Billing Pools
1 - GROSS FIXED ASSETS AND TOTAL OPERATING EXPENSES	Entities will have fixed assets and O&M, should be added to Basis 1	00AG, 00AN
2 - GROSS FIXED ASSETS	Entities will have fixed assets and should be added to Basis 2	00BN
3 - NUMBER OF METERS SERVICED	Entities will not have meters	N/A
4 - NUMBER OF ACCOUNTS PAYABLE INVOICES PROCESSED	Not enough information to determine if material amount of invoices will be processed; will be re-evaluated as voucher counts available	N/A to start
7 - GROSS DEPRECIABLE PROPERTY AND TOTAL OPERATING EXPENSE	Used primarily for corporate insurance costs, need to determine if new entities will benefit	TBD
8 - GROSS DEPRECIABLE PROPERTY	Entities will have depreciable assets and should be added to Basis 2	00HD (not used)
9 - AUTOMOBILE UNITS	Entities will not have vehicles	N/A
10 - NUMBER OF RETAIL CUSTOMERS	Entities will not have customers	N/A
11 - NUMBER OF REGULAR EMPLOYEES	Entities will not have employees	N/A
13 - FIXED ALLOCATION Space Allocators IT Devices Mainframe	Due to lack of employees, entities will not be added to space allocators or IT devices. Mainframe usage will be assessed for materiality once available from WiPro.	N/A
14 - NUMBER OF TRANSPORTATION CUSTOMERS	Entities will not have customers	N/A
15 - NUMBER OF COMMERCIAL CUSTOMERS	Entities will not have customers	N/A
16 - NUMBER OF RESIDENTIAL CUSTOMERS	Entities will not have customers	N/A
17 - NUMBER OF HIGH PRESSURE CUSTOMERS	Entities will not have customers	N/A
20 - DIRECT COSTS	Entities will receive portion of direct costs on lag based on direct bill and allocated charges received	00TA, 00TA, 00TL

Rosewater & Indiana Crossroads will be part of shared work orders. Each shared work order is assigned billing pool. Rosewater & Indiana Crossroads will only receive charges if billing pool selected includes them in allocation. Note that any IT or plant assets allocated down to Rosewater will be charged off in the period that the shared work order was allocated down. From a customer value point of the view, the team determined that the shared work orders, expected to be only in the thousands of dollars each year, would be more easily charged off than depreciated over the 30 year life of the wind farm.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Provide a comprehensive set of electronic workpapers with source references intact, supporting the calculation for each adjustment identified in attachment ST-3.

Response:

Please refer to KY PSC Case No. 2021-00183, AG 1-153, Attachments A and B¹ for supporting calculations for each adjustment identified in Attachment ST-3.

¹ KY PSC Case No. 2021-00183, AG 1-153, Attachment B does not contain a separate header identifying it as such. The attachment contains sheets titled "WPC-3.—b," "WPC-3.—c," "WPC-3.—d," "WPC-3.—e," "WPC-3.—f," "WPC-3.—g," "WPC-3.—h," "WPC-3.—i," "WPC-3.—j," "INPUT," and "INPUT Inflation Factor."

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY

KY PSC Case No. 2021-00183
Response to the Attorney General's Data Request Set One No. 154
Respondent: Susan Taylor; As to the Objection: Legal

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Provide all internal documents of NCSC comparing and explaining the variance between actual and budgeted costs for the annual periods of 2018 – 2020 and all monthly variance reports for the period January 2021 through the most recently available report.

Response:

Columbia objects as this data request is overbroad and unduly burdensome, and responsive information related to NiSource affiliates (e.g, any operating company, gas or electric, other than Columbia) is irrelevant to the issues of this case. Notwithstanding these objections, Columbia responds as follows:

Please refer to KY PSC Case No. 2021-00183, AG 1 -150, Attachment A, for all internal documents comparing and explaining the variance between actual and budgeted costs, including NCSC, for the annual periods of 2018 – 2020 and all monthly variance reports for the period January 2021 through May 2021.

KY PSC Case No. 2021-00183
Response to the Attorney General's Data Request Set One No. 155
Respondent: Chun-Yi Lai

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the Chun-Yi Lai Testimony, page 7. Provide a copy of the documentation of the drivers of the variance for the period 2020 through 2021 to date.

Response:

Please refer to Application, Tab 61, Section 16-(7)(o) for the monthly budget variance reports.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the Chun-Yi Lai Testimony, page 10, lines 9 – 14, which discuss the development of how the non-work force activities are budgeted. Provide the following:

- a. Provide the non-work force expenses by department and cost element for 2020.
- b. Provide the non-work force expenses by department and cost element for 2021.
- c. Provide the non-work force expenses by department and cost element contained in the forecast period.
- d. Identify all such adjustments referenced in direct testimony related to i) incremental activities expected to occur and ii) adjusted for expenses not expected to recur.

Response:

a-d

The section of the Direct Testimony of Witness Chun-Yi Lai which discusses the development of how the non-work force activities are budgeted refers to Columbia's budget Gas Operations and Gas President's Group. The Gas Operations work plan is

based on the work to be completed for the forecasted test period and forecasts the cost (labor, non-work force) of that planned work. The non-work force for the Gas President's Group assumes a normal, on-going level of expenses. Please refer to KY PSC Case No. 2021-00183, AG 1-156, Attachment A for the non-work force expenses which are the cost categories not labeled as "Labor".

**Columbia Gas of Kentucky, Inc.
Actual and Budget O&M Expense (Including O&M Trackers) for 2020
Budget O&M Expense (Including O&M Trackers) for Forecasted Test Period**

Department	Cost Element	Budget FY2020	Budget FY2021	Budget FY2022
Gas Operations	401K	\$ -	\$ -	\$ -
	Employee Expenses	\$ 381,295	\$ 398,075	\$ 398,075
	Employee Medical Health Insurance	\$ -	\$ -	\$ -
	Incentive Compensation	\$ -	\$ -	\$ -
	Injuries & Damages	\$ -	\$ -	\$ -
	Labor	\$ 9,898,674	\$ 9,673,799	\$ 9,830,252
	Leases Building & Land	\$ -	\$ -	\$ -
	Leases Other	\$ 15,211	\$ 32,754	\$ 32,754
	Materials & Supplies	\$ 873,515	\$ 975,567	\$ 975,567
	Membership Dues	\$ -	\$ -	\$ -
	Miscellaneous & Other	\$ 138,677	\$ 337,211	\$ 77,437
	Miscellaneous Revenue Billings	\$ (559,452)	\$ (348,372)	\$ (348,372)
	OPEB Expense	\$ -	\$ -	\$ -
	Other Benefits	\$ -	\$ -	\$ -
	Outside Services	\$ 5,642,189	\$ 6,963,506	\$ 6,963,506
	Pension Expense	\$ -	\$ -	\$ -
	Utilities	\$ 65,216	\$ 172,009	\$ 172,009
	Vehicles	\$ 1,426	\$ -	\$ -
Gas Operations Total		\$ 16,456,752	\$ 18,204,549	\$ 18,101,228
Gas Presidents Group	Advertising	\$ 750	\$ 20,976	\$ 22,126
	Employee Expenses	\$ 217,103	\$ 76,687	\$ 78,383
	Incentive Compensation	\$ -	\$ -	\$ -
	Labor	\$ 2,455,238	\$ 2,408,122	\$ 2,490,067
	Leases Other	\$ -	\$ -	\$ -
	Legal Expenses	\$ 400,001	\$ -	\$ -
	Materials & Supplies	\$ 61,984	\$ 55,343	\$ 58,403
	Membership Dues	\$ 99,964	\$ 46,560	\$ 50,516
	Miscellaneous & Other	\$ 55,584	\$ 198,960	\$ 226,075
	Outside Services	\$ 153,774	\$ 117,261	\$ 114,956
	Uncollectible	\$ -	\$ -	\$ -
	Utilities	\$ -	\$ 309	\$ 336
	Vehicles	\$ -	\$ -	\$ -
Gas Presidents Group Total		\$ 3,444,398	\$ 2,924,219	\$ 3,040,863
Grand Total		\$ 19,901,150	\$ 21,128,768	\$ 21,142,091

KY PSC Case No. 2021-00183
Response to the Attorney General's Data Request Set One No. 157
Respondent: Kimberly Cartella

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the Chun-Yi Lai Testimony, page 10, lines 15 – 19. Provide a copy of all information provided by AON related to the forecasted period employee benefit costs referenced in direct testimony. If not contained in the AON information, identify all assumptions embedded in the forecast.

Response:

Please Refer to Columbia's Response to the Attorney General's First Request for Information, No. 221.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the Chun-Yi Lai Testimony, page 10, line 19 through page 11 line 1. Provide a copy of all source information from the insurance department supporting the property and casualty premium insurance costs, including all supporting information on how such costs are allocated to Columbia Kentucky.

Response:

The Insurance Premium budget is based on insurance market trends, and a mid-year inflationary rate of 2.05%. The insurance premiums are then allocated to the NiSource subsidiaries, as described in Columbia's Response to the Attorney General's First Request for Information, No. 120.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL’S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the Chun-Yi Lai Testimony, page 11, lines 1 – 2. Provide a copy of all supporting information relied upon by the NCSC Accounting Department in arriving at the level of forecasted audit fees. Provide the amount of such fees by year for the periods 2018 – 2020, both on a total NCSC and allocated Columbia Kentucky basis.

Response:

The budget methodology for the level of forecasted audit fees used trending based on historical expense. Please see below for the fees by year for the periods 2018 – 2020, both on a total NCSC and the portion charged to Columbia via convenience billing.

	2018 Actual	2019 Actual	2020 Actual	2022 Forecasted Test Period
CKY Direct (Convenience Billing)	\$158,920	\$152,667	\$162,561	\$152,077
NiSource Corporate Services	\$25,000	\$25,000	\$162,880*	\$114,835
NiSource Corporate Services (allocated to CKY)			\$5,239	\$5,248

*In 2020, professional services related to Tax were booked to the cost category of audit fee instead of professional services.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the Chun-Yi Lai Testimony, page 11, lines 2 – 3.

- a. Provide a copy of all supporting information and assumptions relied upon.

Provide the amount of such costs by year for the periods 2018 – 2020, both on a total NCSC and allocated Columbia Kentucky basis.

Response:

The budget methodology for the level of telecommunication expense is based on current spend plus growth. Please see below for the telecommunications expense as mentioned on page 11, lines 2 – 3 of my testimony.

	2018 Actual	2019 Actual	2020 Actual	2022 Forecasted Test Period
CKY Direct	\$484,721	\$557,824	\$685,489	\$579,898
NiSource Corporate Services Total	\$3,699,942	\$3,587,242	\$4,993,868	\$3,592,765
NiSource Corporate Services (allocated to CKY)	\$116,179	\$110,775	\$151,793	\$131,602

KY PSC Case No. 2021-00183
Response to the Attorney General's Data Request Set One No. 161
Respondent: Susan Taylor

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the Chun-Yi Lai testimony, page 11, lines 4 – 5. Provide a copy of all supporting information relied upon in developing the Corporate Service fee. Provide the amount of such costs by year for the periods 2018 – 2020, both on a total NCSC and allocated Columbia Kentucky basis.

Response:

Please refer to KY PSC Case No. 2021-00183, AG 1-161, Attachment A for the supporting information for total NCSC and allocated to Columbia Kentucky for the periods 2018 – 2020.

Twelve Months Ended Year	Total NCS Costs			Allocated to KY		
	Actual	Actual	Actual	Actual	Actual	Actual
	12/31/18 2018	12/31/19 2019	12/31/20 2020	12/31/18 2018	12/31/19 2019	12/31/20 2020
Labor	155,569,105	142,191,119	143,728,205	5,924,153	6,185,502	6,270,343
Employee Related Expenses	15,454,465	9,388,169	4,341,280	262,569	360,601	138,975
External Services Direct	192,359,940	154,119,149	157,012,014	4,766,529	4,959,117	4,697,421
Materials & Supplies Total	8,232,530	5,990,185	8,635,462	274,997	255,254	302,214
Rents & Leases Direct	19,697,306	20,910,338	18,472,024	752,235	832,977	751,026
Other O&M Expenses Direct	9,208,286	11,073,523	11,057,225	464,732	544,496	451,650
Fleet & Clearing	697,322	497,730	323,555	39,957	35,835	26,109
Direct Expenses	401,218,954	344,170,212	343,569,765	12,485,171	13,173,783	12,637,738
Corporate Incentive Program	14,753,061	17,036,387	7,855,178	557,218	679,533	376,696
Stock Compensation	11,863,075	12,050,895	9,806,442	375,600	413,654	351,403
Employee Benefits	35,910,580	35,102,306	49,162,560	1,413,952	1,487,663	2,103,110
External Services Indirect	1,607,641	1,224,080	1,694,035	52,029	39,753	46,914
Indirect Expenses	64,134,357	65,413,668	68,518,216	2,398,799	2,620,604	2,878,124
O&M	465,353,311	409,583,880	412,087,981	14,883,970	15,794,386	15,515,862
Depreciation	34,392,994	35,449,913	40,061,741	1,120,514	1,182,863	1,301,270
Interest Expenses, Net	4,678,248	4,377,691	3,064,886	140,948	171,091	118,349
Total Other Taxes	11,824,066	12,203,202	11,563,499	474,940	529,526	513,871
Other Misc	(516,248,619)	(461,614,685)	(466,778,107)	122,685	295,098	87,761
Corporate Services Bill	-	-	-	16,743,056	17,972,964	17,537,114
Management Fee Transfers	-	-	-	2,279	(12,651)	(18,101)
Total	-	-	-	16,745,336	17,960,314	17,519,012

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the Chun-Yi Lai Testimony, page 11, lines 8 – 15. Provide a comprehensive explanation of any and all criterion and applicable weights upon which employees are eligible to earn i) short-term incentive compensation and ii) long-term incentive compensation. If this general criterion differs by employee classification, provide all such criteria for each differentiating job classification.

Response:

Please refer to Witness Cartella's testimony filed under Application, Volume 3, Tab 30. Information regarding the incentive compensation programs can be found on pages 13 through 15, and details about criterion and processes on pages 16 through 23.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Provide a copy of all material provided to employees, which explain the i) short-term incentive compensation plan and ii) the long-term incentive compensation plan.

Response:

- i) Attachments A-D contain materials provided to employees that explain the short-term incentive compensation plan.
- ii) Attachments E-M contain templates of materials provided to employees that explain long-term incentive compensation plan.

2020 CASH-BASED AWARDS PROGRAM TERMS AND CONDITIONS FOR PARTICIPANTS

*NiSource Inc.
2010 Omnibus Incentive Plan*

1. Background

Article XI of the NiSource Inc. 2010 Omnibus Incentive Plan (the “Plan”) provides that the Compensation Committee of the Corporation’s Board of Directors (the “Committee”) may grant Cash-Based Awards to Employees under such terms described by the Committee, subject to the terms of the Plan. This document sets forth the terms and conditions of how Cash-Based Awards will be paid for the applicable performance period that begins January 1, 2020, and ends December 31, 2020 (the “Performance Period”), to the Eligible Employees (as defined below). Any capitalized term that is not defined in this document shall have the meaning assigned to it in the Plan.

2. Eligibility for Participation

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

- A.** Participants who are eligible under any other 2020 Cash-Based Award program;
- B.** Employees who have received a last chance letter, final notice letter or equivalent during the Performance Period;
- C.** Certain exempt employees who participate in other specialized functional incentive plans; and
- D.** Interns.

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

Except as provided below, a Participant whose employment with the Corporation terminates prior to the end of the Performance Period will cease to participate in the Program and will not be entitled to receive any payment under this Program. A Participant who terminates his or her employment with the Corporation after the end of the Performance Period, but before the distribution of the incentive

payment, will be entitled to receive any payment due under this Program. However, any Participant that is terminated “for cause” before the distribution of the incentive payment will not be entitled to receive any payment due under this Program. Notwithstanding the foregoing, any Participant who terminates employment with the Employer and their affiliates during the Performance Period due to death, disability or retirement will be deemed a Participant on December 31 of such calendar year, and will receive an incentive payment for such year based on his or her Eligible Earnings through the date of termination of employment. For purposes of this Plan, “retirement” means the Participant’s termination from Service with the Employer at or after attainment of age 55 and completing 10 years of service (within the meaning of the Corporation’s tax-qualified pension plan, regardless of whether the Participant is eligible for such plan) and “disability” means the employee’s disability as defined in the Employer’s long-term disability plan.

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

3. Cash-Based Award Performance Measures, Targets and Opportunities

A. Threshold Performance Measure

No Cash-Based Awards will be paid under the Financial and Customer Care Measures set forth below unless the Corporation’s net operating earnings per share for the Performance Period, after accounting for the cost of payments under the Program (“NOEPS”), meets or exceeds the NOEPS trigger level.

NOEPS Trigger Level
\$1.34

B. Financial and Customer Care Measures

The performance measures for the Performance Period will be NOEPS (85%) and Customer Care (15%).

i. NOEPS Financial Measure

The NOEPS measure is based on the Corporation’s achievement of net operating earnings per share, after accounting for the cost of payments under the Program (“NOEPS”). The Corporation shall

have full discretion and authority to determine whether this measure has been achieved and whether any adjustments need to be made in the calculation of NOEPS to reflect unusual or non-recurring events.

ii. Customer Care Measure

The Customer Care measure is based on four components: Three of the components are based on Corporation’s overall score derived from all operating company results of the 2020 JD Power Gas and Electric Utility Residential Customer Satisfaction Studies (“JD Power”) in the following categories: (1) billing and payment (2.5%); (2) price (2.5%); (3) safety and reliability and power quality and reliability (5%). The fourth component (4) is the overall post-transactional customer satisfaction (“CSAT”) survey results (5%).

Part (C) identifies the tiers of NOEPS and Customer Care measures and the corresponding payout percentage of Eligible Earnings that will be used to calculate the amount of a Participant’s incentive opportunity. Eighty-five percent (85%) of a Participant’s incentive opportunity will be based upon NOEPS, and fifteen percent (15%) will be based upon Customer Care ((10% 2020 JD Power (consisting of 2.5% billing and payment, 2.5% price, and 5% safety and reliability and power quality and reliability categories) and 5% CSAT)).

C. Goals and Payout Percentages

i. NOEPS Goal

NOEPS	Individual Payout Percentage
\$1.42	Stretch %
\$1.37-1.39	Target %
\$1.34	Trigger %

ii. Customer Care Goals

JD Power: Billing and Payment

JD Power Billing and Payment Goal	Individual Payout Percentage
Trigger x 1.01	Stretch %
Midpoint between trigger and stretch	Target %
2019 Year End NiSource Factor Score + [Sum of 2020 Weighted LDC Factor Score Segment Change] + 2 points	Trigger %

JD Power: Price

JD Power Price Goal	Individual Payout Percentage
Trigger x 1.01	Stretch %
Midpoint between trigger and stretch	Target %
2019 Year End NiSource Factor Score + [Sum of 2020 Weighted LDC Factor Score Segment Change] + 2 points	Trigger %

JD Power: Safety and Reliability and Power Quality and Reliability

JD Power Safety and Reliability Power Quality and Reliability Goal	Individual Payout Percentage
Trigger x 1.01	Stretch %
Midpoint between trigger and stretch	Target %
2019 Year End NiSource Factor Score + [Sum of 2020 Weighted LDC Factor Score Segment Change] + 2 points	Trigger %

CSAT

CSAT	Individual Payout Percentage
88.5	Stretch %
88.0	Target %
87.5	Trigger %

D. Incentive Pool Creation:

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

<p>[(NOEPS individual payout percentage X 85%) PLUS (2020 JD Power: Billing and Payment individual payout percentage X 2.5%) PLUS (2020 JD Power: Price individual payout percentage X 2.5%) PLUS (2020 JD Power: Safety and Reliability & Power Quality and Safety individual payout percentage X 5%) PLUS (CSAT individual payout percentage X 5%)] MULTIPLIED BY (TIMES) Participant Eligible Earnings</p>

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

The individual incentive opportunity for all Participants under this Exhibit will be added together, and the sum will equal the Incentive Pool for the Participants under this Exhibit.

E. Calculation of Bonus

i. Non-Exempt Employees

In general, Participants who are non-exempt employees will receive one hundred percent (100%) of their individual incentive opportunity as calculated under this Program.

ii. Exempt Employees

The individual incentive opportunity for each exempt employee will be added together, and the sum will equal the Incentive Pool. The amount of individual incentive is 100% discretionary.

. Extraordinary Events

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

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

4. General Timing of Payment

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

5. Notices

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

6. Miscellaneous Provisions

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

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

C. The Committee retains all discretion conferred under the Plan to determine any amount payable under the 2020 Cash-Based Award Program.

2020 CASH-BASED AWARDS PROGRAM TERMS AND CONDITIONS FOR OFFICER PARTICIPANTS

*NiSource Inc.
2010 Omnibus Incentive Plan*

1. Background

Article XI of the NiSource Inc. 2010 Omnibus Incentive Plan (the “Plan”) provides that the Compensation Committee of the Corporation’s Board of Directors (the “Committee”) may grant Cash-Based Awards to Participants under such terms described by the Committee, subject to the terms of the Plan. This document sets forth the terms and conditions of how Cash-Based Awards will be paid for the applicable performance period that begins January 1, 2020, and ends December 31, 2020 (the “Performance Period”), to Employees who are Officers of the Corporation (as defined below). Officers are not eligible to participate in any other 2020 Cash-Based Award program. Any capitalized term that is not defined in this document shall have the meaning assigned to it in the Plan.

2. Eligibility for Participation

All Employees who hold the title of Chief Executive Officer, Executive Vice President, Senior Vice President, President, Vice President or equivalent position, as determined in the sole discretion of the Committee or its delegate (“Officers”), are eligible to participate in the Cash-Based Awards Program (the “Program”) under the Plan, subject to the terms and conditions set forth herein; provided, however, that the Committee or its delegate may add additional Officers and remove Officers in its discretion. Eligible Employees chosen to participate in the Program are “Participants.” Designation by the Committee or its delegate as a Participant in one Performance Period shall not confer on such Participant the right to be a Participant in another Performance Period.

Except as provided below, an Officer whose employment with the Corporation terminates prior to the end of the Performance Period will cease to participate in the Program and will not be entitled to receive any payment under this Program. An Officer who terminates his or her employment with the Corporation after the end of the Performance Period but before the distribution of the incentive payment will be entitled to receive any payment due under this Program. However, any Officer that is terminated “for cause” before the distribution of the incentive payment will not be entitled to receive any payment due under this Program. Notwithstanding the foregoing, any Officer who terminates employment with the Employer and their affiliates during the Performance Period due to death, disability or retirement will be deemed to participate in the Program on December 31 of such calendar year, and will be eligible to receive an incentive payment for such year based on his or her Eligible Earnings through the date of termination of employment. For purposes of this Plan, “retirement” means the employee’s termination from Service with the Employer at or after attainment of age 55

and completing 10 years of service (within the meaning of the Corporation's tax-qualified pension plan, regardless of whether the Officer is eligible for such plan), and "disability" means the employee's disability as defined in the Employer's long-term disability plan.

3. Cash-Based Award Performance Measures, Targets and Opportunities

A. Threshold Performance Measure

No Cash-Based Awards will be paid under the Financial, Customer Care and Safety Measures set forth below unless the Corporation's net operating earnings per share for the Performance Period, after accounting for the cost of payments under the Program ("NOEPS"), meets or exceeds the NOEPS trigger level.

NOEPS Trigger Level
\$1.34

B. Financial, Customer Care and Safety Measures

The performance measures for the Performance Period will be NOEPS (75%), Customer Care (15%) and Safety (10%).

i. NOEPS Financial Measure

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

ii. Customer Care Measure

The Customer Care measure is based on four components: Three of the components are based on Corporation's overall score derived from all operating company results of the 2020 JD Power Gas and Electric Utility Residential Customer Satisfaction Studies ("JD Power") in the following categories: (1) billing and payment (2.5%); (2) price (2.5%); (3) safety and reliability and power quality

and reliability (5%). The fourth component (4) is the overall post-transactional customer satisfaction (“CSAT”) survey results (5%).

iii. Safety Measure

The Safety measure is based on two components: (1) the Corporation’s overall number of days away from work, restricted or the number of days an employee was transferred, known as the (“DART”) metric (5%); and (2) the Corporation’s overall percentile score on the National Safety Council’s Barometer Survey, the (“NSCBS”) metric, (5%), an employee perception survey that measures the Corporation’s safety culture in the areas of management, supervisor and employee participation in safety, safety support activities and climate, and overall organizational climate.

Part (C) identifies the tiers of NOEPS, Customer Care and Safety measures and the corresponding payout percentage of Eligible Earnings that will be used to calculate the amount of an Officer’s incentive opportunity. Seventy-Five percent (75%) of an Officer’s incentive opportunity will be based upon NOEPS, fifteen percent (15%) will be based upon Customer Care ((10% 2020 JD Power (consisting of 2.5% billing and payment, 2.5% price, and 5% safety and reliability and power quality and reliability categories) and 5% CSAT)) and ten percent (10%) will be based on Safety (5% DART and 5% NSCBS).

C. Goals and Payout Percentages

i. NOEPS Goal

NOEPS	Individual Payout Percentage
\$1.42	Stretch %
\$1.37-1.39	Target %
\$1.34	Trigger %

ii. Customer Care Goals

JD Power: Billing and Payment

JD Power Billing and Payment Goal	Individual Payout Percentage
Trigger x 1.01	Stretch %
Midpoint between trigger and stretch	Target %
2019 Year End NiSource Factor Score + [Sum of 2020 Weighted LDC Factor Score Segment Change] + 2 points	Trigger %

JD Power: Price

JD Power Price Goal	Individual Payout Percentage
Trigger x 1.01	Stretch %
Midpoint between trigger and stretch	Target %
2019 Year End NiSource Factor Score + [Sum of 2020 Weighted LDC Factor Score Segment Change] + 2 points	Trigger %

JD Power: Safety and Reliability and Power Quality and Reliability

JD Power Safety and Reliability Power Quality and Reliability Goal	Individual Payout Percentage
Trigger x 1.01	Stretch %
Midpoint between trigger and stretch	Target %
2019 Year End NiSource Factor Score + [Sum of 2020 Weighted LDC Factor Score Segment Change] + 2 points	Trigger %

CSAT

CSAT	Individual Payout Percentage
88.5	Stretch %
88.0	Target %
87.5	Trigger %

iii. Safety Goals

DART

DART	Individual Payout Percentage
0.22	Stretch %
0.43	Target %
0.76	Trigger %

NSCBS

Overall Percentile	Individual Payout Percentage
92%	Stretch %
90%	Target %
88%	Trigger %

D. Incentive Pool Creation:

The individual incentive opportunity for an Officer is calculated as follows:

[(NOEPS individual payout percentage X 75%)
PLUS
(2020 JD Power: Billing and Payment individual payout percentage X 2.5%)
PLUS
(2020 JD Power: Price individual payout percentage X 2.5%)
PLUS
(2020 JD Power: Safety and Reliability & Power Quality and Safety individual payout percentage X 5%)
PLUS
(CSAT individual payout percentage X 5%)

<p>PLUS</p> <p>(DART individual payout percentage X 5%)</p> <p>PLUS</p> <p>(NSCBS individual payout percentage X 5%)]</p> <p>MULTIPLIED BY (TIMES)</p> <p>Officer Eligible Earnings</p>

Eligible Earnings consist of the Officer's base earnings for the Performance Period, unless otherwise determined by the Compensation Committee. Reimbursements for educational assistance, relocation, meals and mileage, as well as incentive payments, stock option gains, and long-term disability payments are not included in Eligible Earnings.

The individual incentive opportunity for all Officers will be added together, and the sum will equal the Officer Incentive Pool. The amount of individual incentive opportunity is 100% discretionary.

E. Extraordinary Events

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

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

4. General Timing of Payment

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

5. Notices

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

6. Miscellaneous Provisions

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

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

C. The Committee retains all discretion conferred under the Plan to determine any amount payable under the 2020 Cash-Based Award Program.

ATTACHMENT
FILED UNDER SEAL
PURSUANT TO A
MOTION FOR
CONFIDENTIAL
TREATMENT

**NiSource Inc.
2010 Omnibus Incentive Plan**

2018 Restricted Stock Unit Award Agreement

This Restricted Stock Unit Award Agreement (the “Agreement”), is made and entered into as of [DATE], 2018 (the “Date of Grant”), by and between NiSource Inc., a Delaware corporation (the “Company”), and [NAME], an Employee of the Company (the “Grantee”).

Section 1. Restricted Stock Unit Award. The Company hereby grants to the Grantee, on the terms and conditions hereinafter set forth, an Award of [NUMBER] Restricted Stock Units. The Restricted Stock Units will be represented by a bookkeeping entry (the “RSU Account”) of the Company, and each Restricted Stock Unit shall be equivalent to one share of the Company’s common stock.

Section 2. Grantee Accounts. The number of Restricted Stock Units granted pursuant to this Agreement shall be credited to the Grantee’s RSU Account. Each RSU Account shall be maintained on the books of the Company until full payment of the balance thereof has been made to the Grantee (or the Grantee’s beneficiaries or estate if the Grantee is deceased) in accordance with Section 1 above. No funds shall be set aside or earmarked for any RSU Account, which shall be purely a bookkeeping device.

Section 3. Vesting and Lapse of Restrictions.

- (a) Vesting. Subject to the forfeiture conditions described later in this Agreement, the Restricted Stock Units shall vest on February 26, 2021 (the “Vesting Date”), at which date they will become 100% vested, provided that the Grantee is continuously employed by the Company through and including the Vesting Date. Except as set forth in subsection (b) hereof, if Grantee’s Service is terminated for any reason prior to the Vesting Date, the unvested Restricted Stock Units subject to this Agreement shall immediately terminate and be automatically forfeited by Grantee.

- (b) Effect of Termination of Service Prior to Vesting. Notwithstanding the foregoing, in the event that the Grantee’s Service terminates prior to the Vesting Date as a result of (i) the Grantee’s Retirement, (ii) the Grantee’s death, or (iii) the Grantee’s Disability, the restrictions set forth in subsection (a) above shall lapse with respect to a *pro rata* portion of such Restricted Stock Units on the date of termination of Service. Such *pro rata* lapse of restrictions shall be determined using a fraction, where the numerator shall be the number of full or partial calendar months elapsed between the Date of Grant and the date the Grantee terminates Service, and the denominator shall be the number of full or partial calendar months between the Date of Grant and the Vesting Date. For purposes of this Agreement, “Retirement” means the Grantee’s termination from Service with the Company at or after attainment of age 55 and completing 10 years of service (within the meaning of the

Company's tax-qualified pension plan, regardless of whether the Grantee is eligible for such plan).

- (c) Change in Control. Notwithstanding the foregoing provisions, in the event of a Change in Control, the Restricted Stock Units under this Agreement shall vest in accordance with Article XVI of the Plan. In the event of any conflict between Article XVI of the Plan and this Agreement, Article XVI shall control.

Section 4. Delivery of Shares. Once Restricted Stock Units have vested under this Agreement, the Company will determine the number of Shares represented by the vested Restricted Stock Units in the Grantee's RSU Account and deliver the total number of Shares due to the Grantee as soon as administratively practicable after such date but not later than March 15th of the year following the year in which such RSUs vest. Notwithstanding the foregoing, to the extent necessary to comply with Code Section 409A, if any RSUs vest prior to the Vesting Date in connection with a Grantee's "separation from service" within the meaning of Code Section 409A and the Grantee is a "specified employee" within the meaning of Code Section 409A at the time of such separation from service, the Shares represented by the vested RSUs will be issued and delivered on the first business day after the date that is six (6) months following the date of the Grantee's separation from service (or if earlier, the Grantee's date of death). The delivery of the Shares shall be subject to payment of the applicable withholding tax liability and the forfeiture provisions of this Agreement. If the Grantee dies before the Company has distributed any portion of the vested Restricted Stock Units, the Company will transfer any Shares payable with respect to the vested Restricted Stock Units in accordance with the Grantee's written beneficiary designation or to the Grantee's estate if no written beneficiary designation is provided.

Section 5. Withholding of Taxes. The Company shall have the power and the right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Agreement.

Section 6. Securities Law Compliance. The delivery of all or any Shares that relate to the Restricted Stock Units shall only be effective at such time that the issuance of such Shares will not violate any state or federal securities or other laws. The Company is under no obligation to effect any registration of Shares under the Securities Act of 1933 or to effect any state registration or qualification of the Shares that may be issued under this Agreement. The Company may, in its sole discretion, delay the delivery of Shares or place restrictive legends on Shares in order to ensure that the issuance of any Shares will be in compliance with federal or state securities laws and the rules of any exchange upon which the Company's Shares are traded. If the Company delays the delivery of Shares in order to ensure compliance with any state or federal securities or other laws, the Company shall deliver the Shares at the earliest date at which the Company reasonably believes that such delivery will not cause such violation, or at such later date that may be permitted under Code Section 409A.

Section 7. Restriction on Transferability. Except as otherwise provided under the Plan, until the Restricted Stock Units have vested under this Agreement, the Restricted Stock Units granted herein and the rights and privileges conferred hereby may not be sold, transferred, pledged,

assigned, or otherwise alienated or hypothecated (by operation of law or otherwise), other than by will or the laws of descent and distribution. Any attempted transfer in violation of the provisions of this paragraph shall be void, and the purported transferee shall obtain no rights with respect to such Restricted Stock Units.

Section 8. Grantee's Rights Unsecured. The right of the Grantee or his or her beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company, and neither the Grantee nor his or her beneficiary shall have any rights in or against any amounts credited to the Grantee's RSU Account or any other specific assets of the Company. All amounts credited to the Grantee's RSU Account shall constitute general assets of the Company and may be disposed of by the Company at such time and for such purposes, as it may deem appropriate.

Section 9. No Rights as Stockholder or Employee.

- (a) Unless and until Shares have been issued to the Grantee, the Grantee shall not have any privileges of a stockholder of the Company with respect to any Restricted Stock Units subject to this Agreement, nor shall the Company have any obligation to issue any dividends or otherwise afford any rights to which Shares are entitled with respect to any such Restricted Stock Units.
- (b) Nothing in this Agreement or the Award shall confer upon the Grantee any right to continue as an Employee of the Company or any Affiliate or to interfere in any way with the right of the Company or any Affiliate to terminate the Grantee's Service at any time.

Section 10. Adjustments. If at any time while the Award is outstanding, the number of outstanding Restricted Stock Units is changed by reason of a reorganization, recapitalization, stock split or any of the other events described in the Plan, the number and kind of Restricted Stock Units shall be adjusted in accordance with the provisions of the Plan. In the event of certain corporate events specified in Article XVI of the Plan, any unvested Restricted Stock Units may be replaced by substituted Awards or forfeited in exchange for payment of cash in accordance with the procedures and provisions of Article XVI of the Plan.

Section 11. Notices. Any notice hereunder by the Grantee shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof at the following address: Corporate Secretary, NiSource Inc., 801 East 86th Avenue, Merrillville, IN 46410-6271, or at such other address as the Company may designate by notice to the Grantee. Any notice hereunder by the Company shall be given to the Grantee in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Grantee may have on file with the Company.

Section 12. Administration. The administration of this Agreement, including the interpretation and amendment or termination of this Agreement, will be performed in accordance with the Plan. All determinations and decisions made by the Committee, the Board, or any delegate of the Committee as to the provisions of this Agreement shall be conclusive, final, and

binding on all persons. This Agreement at all times shall be governed by the Plan, which is incorporated in this Agreement by reference, and in no way alter or modify the Plan. All capitalized terms used in this Agreement and not defined herein shall have the meaning set forth in the Plan. To the extent a conflict exists between this Agreement and the Plan, the provisions of the Plan shall govern. Notwithstanding the foregoing, if subsequent guidance is issued under Code Section 409A that would impose additional taxes, penalties, or interest to either the Company or the Grantee, the Company may administer this Agreement in accordance with such guidance and amend this Agreement without the consent of the Grantee to the extent such actions, in the reasonable judgment of the Company, are considered necessary to avoid the imposition of such additional taxes, penalties, or interest.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Indiana, without giving effect to the choice of law principles thereof.

Section 14. Government Regulations. Notwithstanding anything contained herein to the contrary, the Company's obligation to issue or deliver certificates evidencing the Restricted Stock Units shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

Section 15. Entire Agreement; Code Section 409A Compliance. This Agreement and the Plan contain the terms and conditions with respect to the subject matter hereof and supersede any previous agreements, written or oral, relating to the subject matter hereof. This Agreement is pursuant to the terms of the Company's 2010 Omnibus Incentive Plan (the "Plan"). The applicable terms of the Plan are incorporated herein by reference, including the definition of capitalized terms contained in the Plan, and including the Code Section 409A provisions of Section XIX of the Plan. This Agreement shall be interpreted in accordance with Code Section 409A including the rules related to payment timing for "specified employees" within the meaning of Code Section 409A. This Agreement shall be deemed to be modified to the maximum extent necessary to be in compliance with Code Section 409A's rules. If the Grantee is unexpectedly required to include in the Grantee's current year's income any amount of compensation relating to the Restricted Stock Units because of a failure to meet the requirements of Code Section 409A, then to the extent permitted by Code Section 409A, the Grantee may receive a distribution of cash or Shares in an amount not to exceed the amount required to be included in income as a result of the failure to comply with Code Section 409A.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Company has caused this Award to be granted, and the Grantee has accepted this Award, as of the date first above written.

NiSource Inc.

By: Carl W. Levander
Its: Executive Vice President,
Regulatory Policy and Corporate Affairs

GRANTEE

By: _____
[NAME]

**NiSource Inc.
2010 Omnibus Incentive Plan**

Performance Share Award Agreement

This Performance Share Award Agreement (the “Agreement”), is made and entered into as of [January 25, 2018] (the “Date of Grant”), by and between NiSource Inc., a Delaware corporation (the “Company”), and [NAME], an Employee of the Company (the “Grantee”).

Section 1. Performance Share Award. The Company hereby grants to the Grantee, on the terms and conditions hereinafter set forth, an Award of [NUMBER] Performance Shares. The Performance Shares will be represented by a bookkeeping entry (the “Performance Share Account”) of the Company, and each Performance Share will be settled with one share of the Company’s common stock to the extent provided under this Agreement and the Plan.

Section 2. Grantee Accounts. The number of Performance Shares granted pursuant to this Agreement shall be credited to the Grantee’s Performance Share Account. Each Performance Share Account shall be maintained on the books of the Company until full payment of the balance thereof has been made to the Grantee (or the Grantee’s beneficiaries or estate if the Grantee is deceased) in accordance with Section 1 above. No funds shall be set aside or earmarked for any Performance Share Account, which shall be purely a bookkeeping device.

Section 3. Performance Period. The “Performance Period” is the period beginning on January 1, 2018, and ending on December 31, 2020.

Section 4. Performance Goals.

- (a) **Satisfaction of Performance Goals.** If the Company’s cumulative “net operating earnings” per Share for the Performance Period meets or exceeds \$4.13 (the “Threshold Performance Requirement”), and the Committee certifies to this result in accordance with subsection (b) below, the Performance Shares will be eligible to vest as provided below. If the Company’s cumulative “net operating earnings” per Share for the Performance Period does not meet or exceed \$4.13, all Performance Shares will be forfeited as of the end of the Performance Period.
- (b) **Committee Certification.** As soon as practicable after the end of the Performance Period, the Committee will certify in writing whether the Threshold Performance Requirement has been met for the Performance Period and determine the number of Shares, if any, that will be payable to the Grantee. The date of the Committee’s certification under this Section shall hereinafter be referred to as the “Certification Date.” The Company will notify the Grantee (or the executors or administrators of the Grantee’s estate, if appropriate) of the Committee’s certification following the Certification Date (such notice being the “Determination Notice”). The Determination Notice shall specify the number of Shares payable in accordance with the Committee’s certification and the terms of this Agreement.

Section 5. Vesting. If the Threshold Performance Requirement for the Performance Period has been met, and the Committee certifies to this result as provided in Section 4(b), the number of Performance Shares earned and vested shall be determined as follows:

- (a) [Number of Performance Shares] shall be eligible to vest based on the achievement of cumulative “net operating earnings” per Share for the Performance Period in accordance with the following results (including interpolation between the trigger, target and stretch goals, expressed as a percentage of the target) (“Cumulative NOEPS Shares”), provided that the Grantee remains in the continuous employment with the Company through February 26, 2021:

Cumulative Net Operating Earnings Per Share	Vesting Percentage
<\$4.13	0%
\$4.13	50%
\$4.34	100%
≥\$4.55	200%

- (i) The number of Cumulative NOEPS Shares determined above shall be increased or decreased (“TSR Adjustment”) based on the Company’s Relative Total Shareholder Return (“RTSR”) (as defined below). If the Company’s RTSR as of the last day of the Performance Period is in the top quartile of Total Shareholder Return (“TSR”) performance of a peer group of companies, the number of Cumulative NOEPS Shares eligible to vest as determined above shall be increased by twenty-five percent (25%). If the Company’s RTSR as of the last day of the Performance Period is in the bottom quartile of TSR performance of a peer group of companies, the number of Cumulative NOEPS Shares eligible to vest as determined above shall be decreased by twenty-five percent (25%). No other adjustment shall be made based on the Company’s RTSR.
- (ii) For purposes of this Agreement, Relative Total Shareholder Return (“RTSR”) is the annualized growth in the dividends and share price of a share of the Company’s common stock, calculated using a 20 day trading average of the Company’s closing price beginning December 31, 2017 and ending December 31, 2020 compared to the TSR performance of a peer group of companies determined by the Committee at its meeting on January 25, 2018.
- (b) [Number of Performance Shares] shall be eligible to vest based on the individual’s contribution to the Company’s Customer Value Framework, as determined at the

end of the Performance Period, provided that the Grantee remains in the continuous employment with the Company until February 26, 2021. Individual payout percentages may range from 0%-200%, as determined by the Committee in its sole discretion. The components of the Company's Customer Value Framework shall consist of the following areas of focus: safety, customer satisfaction, financial, culture and environmental.

Section 6. Forfeiture of Performance Shares.

- (a) Termination of Service before February 26, 2021. Except as set forth below, if Grantee's Service is terminated for any reason prior to February 26, 2021, the Grantee shall forfeit the Performance Shares credited to the Grantee's Performance Share Account.
- (b) Retirement, Disability or Death.
 - (i) Notwithstanding the foregoing, in the event that Grantee's Service terminates prior to February 26, 2021 as a result of (i) Grantee's Retirement; or (ii) Grantee's Disability; or (iii) Grantee's death and such death occurs with less than or equal to twelve months remaining in the Performance Period, the Grantee (or the Grantee's beneficiary or estate in the case of Grantee's death) shall vest in a pro rata portion of the Performance Shares, based on the actual performance results for the Performance Period, including application of the TSR Adjustment, after the Certification Date described in subsection 4(b) above; provided that the Committee actually certifies that the Threshold Performance Requirement for the Performance Period has been met. Such pro rata portion of Performance Shares shall be determined by multiplying such number of Performance Shares by a fraction, where the numerator shall be the number of full or partial calendar months elapsed between the Date of Grant and the date the Grantee terminates Service, and the denominator shall be the number of full or partial calendar months elapsed between the Date of Grant and February 26, 2021.
 - (ii) Additionally, if the Grantee terminates Service due to death prior to February 26, 2021 with more than 12 months remaining in the Performance Period, the Grantee's beneficiary or estate shall vest, on the date of termination, in a pro rata portion of the Performance Shares equal to the number of Performance Shares that the Grantee otherwise would have received had the Threshold Performance Requirement been met for the Performance Period and vesting had been achieved at the target level (without application of the TSR Adjustment). Such pro rata portion of Performance Shares shall be determined by multiplying such number of Performance Shares by a fraction, where the numerator shall be the number of full or partial calendar months elapsed between the Date of Grant and the date the Grantee terminates Service, and the denominator shall be the number of full or partial calendar months elapsed between the Date of Grant and February 26, 2021.

- (iii) For purposes of this Agreement, “Retirement” means the Grantee’s termination from Service with the Company at or after attainment of age 55 and completing 10 years of service (within the meaning of the Company’s tax-qualified pension plan, regardless of whether the Grantee is eligible for such plan).
- (d) Change in Control. Notwithstanding the foregoing provisions, in the event of a Change in Control, the Performance Shares under this Agreement shall vest in accordance with Article XVI of the Plan. In the event of any conflict between Article XVI of the Plan and this Agreement, Article XVI shall control.

Section 7. Delivery of Shares. Once Performance Shares have vested under this Agreement, the Company will convert the Performance Shares in the Grantee’s Performance Share Account into Shares and deliver the total number of Shares due to the Grantee as soon as administratively practicable after such date, but no later than March 15, 2021. The delivery of the Shares shall be subject to payment of the applicable withholding tax liability and the forfeiture provisions of this Agreement. If the Grantee dies before the Company has distributed any portion of the vested Performance Shares, the Company will transfer any Shares with respect to the vested Performance Shares in accordance with the Grantee’s written beneficiary designation or to the Grantee’s estate if no written beneficiary designation is provided.

Section 8. Withholding of Taxes. The Company shall have the power and the right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Agreement.

Section 9. Securities Law Compliance. The delivery of all or any Shares that relate to the Performance Shares shall only be effective at such time that the issuance of such Shares will not violate any state or federal securities or other laws. The Company is under no obligation to effect any registration of Shares under the Securities Act of 1933 or to effect any state registration or qualification of the Shares that may be issued under this Agreement. The Company may, in its sole discretion, delay the delivery of Shares or place restrictive legends on Shares in order to ensure that the issuance of any Shares will be in compliance with federal or state securities laws and the rules of any exchange upon which the Company’s Shares are traded. If the Company delays the delivery of Shares in order to ensure compliance with any state or federal securities or other laws, the Company shall deliver the Shares at the earliest date at which the Company reasonably believes that such delivery will not cause such violation, or at such later date that may be permitted under Code Section 409A.

Section 10. Restriction on Transferability. Except as otherwise provided under the Plan, until the Performance Shares have vested under this Agreement, the Performance Shares granted herein and the rights and privileges conferred hereby may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated (by operation of law or otherwise), other than by will or the laws of descent and distribution. Any attempted transfer in violation of the provisions of this paragraph shall be void, and the purported transferee shall obtain no rights with respect to such Performance Shares.

Section 11. Grantee's Rights Unsecured. The right of the Grantee or his or her beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company, and neither the Grantee nor his or her beneficiary shall have any rights in or against any amounts credited to the Grantee's Performance Share Account or any other specific assets of the Company. All amounts credited to the Grantee's Performance Share Account shall constitute general assets of the Company and may be disposed of by the Company at such time and for such purposes, as it may deem appropriate.

Section 12. No Rights as Stockholder or Employee.

- (a) The Grantee shall not have any privileges of a stockholder of the Company with respect to any Performance Shares subject to this Agreement, nor shall the Company have any obligation to issue any dividends or otherwise afford any rights to which Shares are entitled with respect to any such Performance Shares.
- (b) Nothing in this Agreement or the Award shall confer upon the Grantee any right to continue as an Employee of the Company or any Affiliate or to interfere in any way with the right of the Company or any Affiliate to terminate the Grantee's Service at any time.

Section 13. Adjustments. If at any time while the Award is outstanding, the number of outstanding Performance Shares is changed by reason of a reorganization, recapitalization, stock split or any of the other events described in the Plan, the number and kind of Performance Shares shall be adjusted in accordance with the provisions of the Plan. In the event of certain corporate events specified in Article XVI of the Plan, any unvested Performance Shares may be replaced by substituted Awards or forfeited in exchange for payment of cash in accordance with the procedures and provisions of Article XVI of the Plan.

Section 14. Notices. Any notice hereunder by the Grantee shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof at the following address: Corporate Secretary, NiSource Inc., 801 East 86th Avenue, Merrillville, IN 46410-6271, or at such other address as the Company may designate by notice to the Grantee. Any notice hereunder by the Company shall be given to the Grantee in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Grantee may have on file with the Company.

Section 15. Administration. The administration of this Agreement, including the interpretation and amendment or termination of this Agreement, will be performed in accordance with the Plan. All determinations and decisions made by the Committee, the Board, or any delegate of the Committee as to the provisions of this Agreement shall be conclusive, final, and binding on all persons. This Agreement at all times shall be governed by the Plan, which is incorporated in this Agreement, and in no way alter or modify the Plan. All capitalized terms used in this Agreement and not defined herein shall have the meaning set forth in the Plan. To the extent a conflict exists between this Agreement and the Plan, the provisions of the Plan shall govern. Notwithstanding the foregoing, if subsequent guidance is issued under Code Section 409A

that would impose additional taxes, penalties, or interest to either the Company or the Grantee, the Company may administer this Agreement in accordance with such guidance and amend this Agreement without the consent of the Grantee to the extent such actions, in the reasonable judgment of the Company, are considered necessary to avoid the imposition of such additional taxes, penalties, or interest.

Section 16. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Indiana, without giving effect to the choice of law principles thereof.

Section 17. Government Regulations. Notwithstanding anything contained herein to the contrary, the Company's obligation to issue or deliver certificates evidencing the Performance Shares shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

Section 18. Entire Agreement; Code Section 409A Compliance. This Agreement and the Plan contain the terms and conditions with respect to the subject matter hereof and supersede any previous agreements, written or oral, relating to the subject matter hereof. This Agreement is pursuant to the terms of the Company's 2010 Omnibus Incentive Plan (the "Plan"). The applicable terms of the Plan are incorporated herein by reference, including the definition of capitalized terms contained in the Plan, and including the Code Section 409A provisions of Section XIX of the Plan. This Agreement shall be interpreted in accordance with Code Section 409A including the rules related to payment timing for specified employees. This Agreement shall be deemed to be modified to the maximum extent necessary to be in compliance with Code Section 409A's rules. If the Grantee is unexpectedly required to include in the Grantee's current year's income any amount of compensation relating to the Performance Shares because of a failure to meet the requirements of Code Section 409A, then to the extent permitted by Code Section 409A, the Grantee may receive a distribution of Shares in an amount not to exceed the amount required to be included in income as a result of the failure to comply with Code Section 409A.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Company has caused this Award to be granted, and the Grantee has accepted this Award, as of the date first above written.

NiSource Inc.

By: Carl W. Levander
Its: Executive Vice President,
Regulatory Policy and Corporate Affairs

GRANTEE

By: _____
[NAME]

**NiSource Inc.
2010 Omnibus Incentive Plan**

2019 Restricted Stock Unit Award Agreement

This Restricted Stock Unit Award Agreement (the “Agreement”), is made and entered into as of [DATE], 2019 (the “Date of Grant”), by and between NiSource Inc., a Delaware corporation (the “Company”), and [NAME], an Employee of the Company (the “Grantee”).

Section 1. Restricted Stock Unit Award. The Company hereby grants to the Grantee, on the terms and conditions hereinafter set forth, an Award of [NUMBER] Restricted Stock Units. The Restricted Stock Units will be represented by a bookkeeping entry (the “RSU Account”) of the Company, and each Restricted Stock Unit shall be equivalent to one share of the Company’s common stock.

Section 2. Grantee Accounts. The number of Restricted Stock Units granted pursuant to this Agreement shall be credited to the Grantee’s RSU Account. Each RSU Account shall be maintained on the books of the Company until full payment of the balance thereof has been made to the Grantee (or the Grantee’s beneficiaries or estate if the Grantee is deceased) in accordance with Section 1 above. No funds shall be set aside or earmarked for any RSU Account, which shall be purely a bookkeeping device.

Section 3. Vesting and Lapse of Restrictions.

- (a) Vesting. Subject to the forfeiture conditions described later in this Agreement, the Restricted Stock Units shall vest on VESTING SCHEDULE, at which date they will become 100% vested, provided that the Grantee is continuously employed by the Company through and including the Vesting Date. Except as set forth in subsection (b) hereof, if Grantee’s Service is terminated for any reason prior to the Vesting Date, the unvested Restricted Stock Units subject to this Agreement shall immediately terminate and be automatically forfeited by Grantee.

- (b) Effect of Termination of Service Prior to Vesting. Notwithstanding the foregoing, in the event that the Grantee’s Service terminates prior to the Vesting Date as a result of (i) the Grantee’s Retirement, (ii) the Grantee’s death, or (iii) the Grantee’s Disability, the restrictions set forth in subsection (a) above shall lapse with respect to a *pro rata* portion of such Restricted Stock Units on the date of termination of Service. Such *pro rata* lapse of restrictions shall be determined using a fraction, where the numerator shall be the number of full or partial calendar months elapsed between the Date of Grant and the date the Grantee terminates Service, and the denominator shall be the number of full or partial calendar months between the Date of Grant and the Vesting Date. For purposes of this Agreement, “Retirement” means the Grantee’s termination from Service with the Company at or after attainment of age 55 and completing 10 years of service (within the meaning of the Company’s tax-qualified pension plan, regardless of whether the Grantee is eligible for such plan).

- (c) Change in Control. Notwithstanding the foregoing provisions, in the event of a Change in Control, the Restricted Stock Units under this Agreement shall vest in accordance with Article XVI of the Plan. In the event of any conflict between Article XVI of the Plan and this Agreement, Article XVI shall control.

Section 4. Delivery of Shares. Once Restricted Stock Units have vested under this Agreement, the Company will determine the number of Shares represented by the vested Restricted Stock Units in the Grantee's RSU Account and deliver the total number of Shares due to the Grantee as soon as administratively practicable after such date but not later than March 15th of the year following the year in which such RSUs vest. Notwithstanding the foregoing, to the extent necessary to comply with Code Section 409A, if any RSUs vest prior to the Vesting Date in connection with a Grantee's "separation from service" within the meaning of Code Section 409A and the Grantee is a "specified employee" within the meaning of Code Section 409A at the time of such separation from service, the Shares represented by the vested RSUs will be issued and delivered on the first business day after the date that is six (6) months following the date of the Grantee's separation from service (or if earlier, the Grantee's date of death). The delivery of the Shares shall be subject to payment of the applicable withholding tax liability and the forfeiture provisions of this Agreement. If the Grantee dies before the Company has distributed any portion of the vested Restricted Stock Units, the Company will transfer any Shares payable with respect to the vested Restricted Stock Units in accordance with the Grantee's written beneficiary designation or to the Grantee's estate if no written beneficiary designation is provided.

Section 5. Withholding of Taxes. The Company shall have the power and the right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Agreement.

Section 6. Securities Law Compliance. The delivery of all or any Shares that relate to the Restricted Stock Units shall only be effective at such time that the issuance of such Shares will not violate any state or federal securities or other laws. The Company is under no obligation to effect any registration of Shares under the Securities Act of 1933 or to effect any state registration or qualification of the Shares that may be issued under this Agreement. The Company may, in its sole discretion, delay the delivery of Shares or place restrictive legends on Shares in order to ensure that the issuance of any Shares will be in compliance with federal or state securities laws and the rules of any exchange upon which the Company's Shares are traded. If the Company delays the delivery of Shares in order to ensure compliance with any state or federal securities or other laws, the Company shall deliver the Shares at the earliest date at which the Company reasonably believes that such delivery will not cause such violation, or at such later date that may be permitted under Code Section 409A.

Section 7. Restriction on Transferability. Except as otherwise provided under the Plan, until the Restricted Stock Units have vested under this Agreement, the Restricted Stock Units granted herein and the rights and privileges conferred hereby may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated (by operation of law or otherwise), other than by will or the laws of descent and distribution. Any attempted transfer in violation of the provisions

of this paragraph shall be void, and the purported transferee shall obtain no rights with respect to such Restricted Stock Units.

Section 8. Grantee's Rights Unsecured. The right of the Grantee or his or her beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company, and neither the Grantee nor his or her beneficiary shall have any rights in or against any amounts credited to the Grantee's RSU Account or any other specific assets of the Company. All amounts credited to the Grantee's RSU Account shall constitute general assets of the Company and may be disposed of by the Company at such time and for such purposes, as it may deem appropriate.

Section 9. No Rights as Stockholder or Employee.

- (a) Unless and until Shares have been issued to the Grantee, the Grantee shall not have any privileges of a stockholder of the Company with respect to any Restricted Stock Units subject to this Agreement, nor shall the Company have any obligation to issue any dividends or otherwise afford any rights to which Shares are entitled with respect to any such Restricted Stock Units.
- (b) Nothing in this Agreement or the Award shall confer upon the Grantee any right to continue as an Employee of the Company or any Affiliate or to interfere in any way with the right of the Company or any Affiliate to terminate the Grantee's Service at any time.

Section 10. Adjustments. If at any time while the Award is outstanding, the number of outstanding Restricted Stock Units is changed by reason of a reorganization, recapitalization, stock split or any of the other events described in the Plan, the number and kind of Restricted Stock Units shall be adjusted in accordance with the provisions of the Plan. In the event of certain corporate events specified in Article XVI of the Plan, any unvested Restricted Stock Units may be replaced by substituted Awards or forfeited in exchange for payment of cash in accordance with the procedures and provisions of Article XVI of the Plan.

Section 11. Notices. Any notice hereunder by the Grantee shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof at the following address: Corporate Secretary, NiSource Inc., 801 East 86th Avenue, Merrillville, IN 46410-6271, or at such other address as the Company may designate by notice to the Grantee. Any notice hereunder by the Company shall be given to the Grantee in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Grantee may have on file with the Company.

Section 12. Administration. The administration of this Agreement, including the interpretation and amendment or termination of this Agreement, will be performed in accordance with the Plan. All determinations and decisions made by the Committee, the Board, or any delegate of the Committee as to the provisions of this Agreement shall be conclusive, final, and binding on all persons. This Agreement at all times shall be governed by the Plan, which is incorporated in this Agreement by reference, and in no way alter or modify the Plan. All

capitalized terms used in this Agreement and not defined herein shall have the meaning set forth in the Plan. To the extent a conflict exists between this Agreement and the Plan, the provisions of the Plan shall govern. Notwithstanding the foregoing, if subsequent guidance is issued under Code Section 409A that would impose additional taxes, penalties, or interest to either the Company or the Grantee, the Company may administer this Agreement in accordance with such guidance and amend this Agreement without the consent of the Grantee to the extent such actions, in the reasonable judgment of the Company, are considered necessary to avoid the imposition of such additional taxes, penalties, or interest.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Indiana, without giving effect to the choice of law principles thereof.

Section 14. Government Regulations. Notwithstanding anything contained herein to the contrary, the Company's obligation to issue or deliver certificates evidencing the Restricted Stock Units shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

Section 15. Entire Agreement; Code Section 409A Compliance. This Agreement and the Plan contain the terms and conditions with respect to the subject matter hereof and supersede any previous agreements, written or oral, relating to the subject matter hereof. This Agreement is pursuant to the terms of the Company's 2010 Omnibus Incentive Plan (the "Plan"). The applicable terms of the Plan are incorporated herein by reference, including the definition of capitalized terms contained in the Plan, and including the Code Section 409A provisions of Section XIX of the Plan. This Agreement shall be interpreted in accordance with Code Section 409A including the rules related to payment timing for "specified employees" within the meaning of Code Section 409A. This Agreement shall be deemed to be modified to the maximum extent necessary to be in compliance with Code Section 409A's rules. If the Grantee is unexpectedly required to include in the Grantee's current year's income any amount of compensation relating to the Restricted Stock Units because of a failure to meet the requirements of Code Section 409A, then to the extent permitted by Code Section 409A, the Grantee may receive a distribution of cash or Shares in an amount not to exceed the amount required to be included in income as a result of the failure to comply with Code Section 409A.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Company has caused this Award to be granted, and the Grantee has accepted this Award, as of the date first above written.

NiSource Inc.



By: Kenneth E. Keener

Its: Senior Vice President, Human Resources

GRANTEE

By: _____
[NAME]

ATTACHMENT
FILED UNDER SEAL
PURSUANT TO A
MOTION FOR
CONFIDENTIAL
TREATMENT

**NiSource Inc.
2010 Omnibus Incentive Plan**

2020 Restricted Stock Unit Award Agreement

This Restricted Stock Unit Award Agreement (the “Agreement”), is made and entered into as of [DATE] (the “Date of Grant”), by and between NiSource Inc., a Delaware corporation (the “Company”), and [NAME], an Employee of the Company (the “Grantee”).

Section 1. Restricted Stock Unit Award. The Company hereby grants to the Grantee, on the terms and conditions hereinafter set forth, an Award of [NUMBER] Restricted Stock Units. The Restricted Stock Units will be represented by a bookkeeping entry (the “RSU Account”) of the Company, and each Restricted Stock Unit shall be equivalent to one share of the Company’s common stock.

Section 2. Grantee Accounts. The number of Restricted Stock Units granted pursuant to this Agreement shall be credited to the Grantee’s RSU Account. Each RSU Account shall be maintained on the books of the Company until full payment of the balance thereof has been made to the Grantee (or the Grantee’s beneficiaries or estate if the Grantee is deceased) in accordance with Section 1 above. No funds shall be set aside or earmarked for any RSU Account, which shall be purely a bookkeeping device.

Section 3. Vesting and Lapse of Restrictions.

- (a) Vesting. Subject to the forfeiture conditions described later in this Agreement, the Restricted Stock Units shall vest on February 28, 2023 (the “Vesting Date”), at which date they shall become 100% vested, provided that the Grantee is continuously employed by the Company through and including the Vesting Date. Except as set forth in subsection (b) hereof, if Grantee’s Service is terminated for any reason prior to the Vesting Date, the unvested Restricted Stock Units subject to this Agreement shall immediately terminate and be automatically forfeited by Grantee.
- (b) Effect of Termination of Service Prior to Vesting. Notwithstanding the foregoing, in the event that the Grantee’s Service terminates prior to the Vesting Date as a result of (i) the Grantee’s Retirement, (ii) the Grantee’s death, or (iii) the Grantee’s Disability, the restrictions set forth in subsection (a) above shall lapse with respect to a *pro rata* portion of such Restricted Stock Units on the date of termination of Service. Such *pro rata* lapse of restrictions shall be determined using a fraction, where the numerator shall be the number of full or partial calendar months elapsed between the Date of Grant and the date the Grantee terminates Service, and the denominator shall be the number of full or partial calendar months between the Date of Grant and the Vesting Date. For purposes of this Agreement, “Retirement” means the Grantee’s termination from Service with the Company at or after attainment of age 55 and completing 10 years of service (within the meaning of the Company’s tax-qualified pension plan in effect on the Date of Grant, regardless of whether the Grantee is eligible for such plan).

- (c) **Change in Control.** Notwithstanding the foregoing provisions, in the event of a Change in Control, the Restricted Stock Units under this Agreement shall be subject to the Change in Control provisions set forth in the Plan. In the event of any conflict between the Plan and this Agreement, the Plan shall control. Notwithstanding the foregoing or anything herein to the contrary, in the event the Restricted Stock Units do not become Alternative Awards under the Plan, then the Restricted Stock Units shall be settled within 60 days following the Change in Control; provided, however, in the event the Restricted Stock Units constitute nonqualified deferred compensation subject to Code Section 409A and the Change in Control is not a “change in control event” within the meaning of Code Section 409A, then, to the extent required to comply with Code Section 409A, the vested Restricted Stock Units shall be settled within 60 days following the Vesting Date or, if earlier and subject to Section 4, upon Grantee’s termination of Service.

Section 4. Delivery of Shares. Once Restricted Stock Units have vested under this Agreement, the Company will determine the number of Shares represented by the vested Restricted Stock Units in the Grantee’s RSU Account and deliver the total number of Shares due to the Grantee within 60 days following the Vesting Date or, if earlier, Grantee’s termination of Service in accordance with Section 3(b). Notwithstanding the foregoing, to the extent any portion of the Restricted Stock Units are subject to Code Section 409A, if any Restricted Stock Units vest prior to the Vesting Date in connection with a Grantee’s “separation from service” within the meaning of Code Section 409A and the Grantee is a “specified employee” within the meaning of Code Section 409A at the time of such separation from service, the Shares represented by the vested Restricted Stock Units shall be issued and delivered on the first business day after the date that is six (6) months following the date of the Grantee’s separation from service (or if earlier, the Grantee’s date of death). The delivery of the Shares shall be subject to payment of the applicable withholding tax liability and the forfeiture provisions of this Agreement. If the Grantee dies before the Company has distributed any portion of the vested Restricted Stock Units, the Company will transfer any Shares payable with respect to the vested Restricted Stock Units in accordance with the Grantee’s written beneficiary designation or to the Grantee’s estate if no written beneficiary designation is provided.

Section 5. Withholding of Taxes. The Company shall have the power and the right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Agreement.

Section 6. Securities Law Compliance. The delivery of all or any Shares that relate to the Restricted Stock Units shall only be effective at such time that the issuance of such Shares will not violate any state or federal securities or other laws. The Company is under no obligation to effect any registration of Shares under the Securities Act of 1933 or to effect any state registration or qualification of the Shares that may be issued under this Agreement. The Company may, in its sole discretion, delay the delivery of Shares or place restrictive legends on Shares in order to ensure that the issuance of any Shares will be in compliance with federal or state securities laws and the rules of any exchange upon which the Shares are then traded. If the Company delays the delivery of Shares in order to ensure compliance with any state or federal securities or other laws, the Company shall deliver the Shares at the earliest date at which the Company reasonably believes

that such delivery will not cause such violation, or at such later date that may be permitted under Code Section 409A.

Section 7. Restriction on Transferability. Except as otherwise provided under the Plan, until the Restricted Stock Units have vested under this Agreement, the Restricted Stock Units granted herein and the rights and privileges conferred hereby may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated (by operation of law or otherwise), other than by will or the laws of descent and distribution. Any attempted transfer in violation of the provisions of this paragraph shall be void, and the purported transferee shall obtain no rights with respect to such Restricted Stock Units.

Section 8. Grantee's Rights Unsecured. The right of the Grantee or his or her beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company, and neither the Grantee nor his or her beneficiary shall have any rights in or against any amounts credited to the Grantee's RSU Account or any other specific assets of the Company. All amounts credited to the Grantee's RSU Account shall constitute general assets of the Company and may be disposed of by the Company at such time and for such purposes, as it may deem appropriate.

Section 9. No Rights as Stockholder or Employee.

- (a) Unless and until Shares have been issued to the Grantee, the Grantee shall not have any privileges of a stockholder of the Company with respect to any Restricted Stock Units subject to this Agreement, nor shall the Company have any obligation to issue any dividends or otherwise afford any rights to which Shares are entitled with respect to any such Restricted Stock Units.
- (b) Nothing in this Agreement or the Award shall confer upon the Grantee any right to continue as an Employee of the Company or any Affiliate or to interfere in any way with the right of the Company or any Affiliate to terminate the Grantee's Service at any time.

Section 10. Adjustments. If at any time while the Award is outstanding, the number of outstanding Restricted Stock Units is changed by reason of a reorganization, recapitalization, stock split or any of the other events described in the Plan, the number and kind of Restricted Stock Units shall be adjusted in accordance with the provisions of the Plan. In the event of certain corporate events specified in the Change in Control provisions of the Plan, any unvested Restricted Stock Units may be replaced by substituted Awards or forfeited in exchange for payment of cash in accordance with the Change in Control procedures and provisions of the Plan.

Section 11. Notices. Any notice hereunder by the Grantee shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof at the following address: Corporate Secretary, NiSource Inc., 801 East 86th Avenue, Merrillville, IN 46410-6271, or at such other address as the Company may designate by notice to the Grantee. Any notice hereunder by the Company shall be given to the Grantee in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Grantee may have on file with the Company.

Section 12. Administration. The administration of this Agreement, including the interpretation and amendment or termination of this Agreement, will be performed in accordance with the Plan. All determinations and decisions made by the Committee, the Board, or any delegate of the Committee as to the provisions of this Agreement shall be conclusive, final, and binding on all persons. This Agreement at all times shall be governed by the Plan, which is incorporated in this Agreement by reference, and in no way alter or modify the Plan. All capitalized terms used in this Agreement and not defined herein shall have the meaning set forth in the Plan. To the extent a conflict exists between this Agreement and the Plan, the provisions of the Plan shall govern. Notwithstanding the foregoing, if subsequent guidance is issued under Code Section 409A that would impose additional taxes, penalties, or interest to either the Company or the Grantee, the Company may administer this Agreement in accordance with such guidance and amend this Agreement without the consent of the Grantee to the extent such actions, in the reasonable judgment of the Company, are considered necessary to avoid the imposition of such additional taxes, penalties, or interest.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Indiana, without giving effect to the choice of law principles thereof.

Section 14. Government Regulations. Notwithstanding anything contained herein to the contrary, the Company's obligation to issue or deliver certificates evidencing the Restricted Stock Units shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

Section 15. Entire Agreement; Code Section 409A Compliance. This Agreement and the Plan contain the terms and conditions with respect to the subject matter hereof and supersede any previous agreements, written or oral, relating to the subject matter hereof. This Agreement is pursuant to the terms of the Company's 2010 Omnibus Incentive Plan (the "Plan"). The applicable terms of the Plan are incorporated herein by reference, including the definition of capitalized terms contained in the Plan, and including the Code Section 409A provisions of the Plan. This Agreement shall be interpreted in accordance with Code Section 409A including the rules related to payment timing for "specified employees" within the meaning of Code Section 409A. This Agreement shall be deemed to be modified to the maximum extent necessary to be in compliance with Code Section 409A's rules. If the Grantee is unexpectedly required to include in the Grantee's current year's income any amount of compensation relating to the Restricted Stock Units because of a failure to meet the requirements of Code Section 409A, then to the extent permitted by Code Section 409A, the Grantee may receive a distribution of cash or Shares in an amount not to exceed the amount required to be included in income as a result of the failure to comply with Code Section 409A.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Company has caused this Award to be granted, and the Grantee has accepted this Award, as of the date first above written.

NiSource Inc.



By: Kenneth E. Keener
Its: Senior Vice President and Chief Human Resources Officer

GRANTEE

By: _____
[NAME]

ATTACHMENT
FILED UNDER SEAL
PURSUANT TO A
MOTION FOR
CONFIDENTIAL
TREATMENT

**NiSource Inc.
2020 Omnibus Incentive Plan**

2021 Restricted Stock Unit Award Agreement

This Restricted Stock Unit Award Agreement (the “Agreement”), is made and entered into as of [DATE] (the “Grant Date”), by and between NiSource Inc., a Delaware corporation (the “Company”), and [NAME], an Employee of the Company or an Affiliate (the “Grantee”), pursuant to the terms of the NiSource Inc. 2020 Omnibus Incentive Plan, as amended (the “Plan”). Any term capitalized but not defined in this Agreement shall have the meaning set forth in the Plan.

Section 1. Restricted Stock Unit Award. The Company hereby grants to the Grantee, on the terms and conditions hereinafter set forth, an Award of [NUMBER] Restricted Stock Units. The Restricted Stock Units shall be represented by a bookkeeping entry (the “RSU Account”) of the Company, and each Restricted Stock Unit shall be equivalent to one share of the Company’s common stock.

Section 2. Grantee Accounts. The number of Restricted Stock Units granted pursuant to this Agreement shall be credited to the Grantee’s RSU Account. Each RSU Account shall be maintained on the books of the Company until full payment of the balance thereof has been made to the Grantee (or the Grantee’s beneficiaries or estate if the Grantee is deceased) in accordance with Section 1 above. No funds shall be set aside or earmarked for any RSU Account, which shall be purely a bookkeeping device.

Section 3. Vesting and Lapse of Restrictions.

- (a) Vesting. Subject to the forfeiture conditions described later in this Agreement, the Restricted Stock Units shall vest on February 28, 2024 (the “Vesting Date”), at which date they shall become 100% vested, provided that the Grantee is continuously employed by the Company through and including the Vesting Date. Except as set forth in subsection (b) hereof, if Grantee’s Service is terminated for any reason prior to the Vesting Date, the unvested Restricted Stock Units subject to this Agreement shall immediately terminate and be automatically forfeited by Grantee.
- (b) Effect of Termination of Service Prior to Vesting. Notwithstanding the foregoing, in the event that the Grantee’s Service terminates prior to the Vesting Date as a result of (i) the Grantee’s Retirement, (ii) the Grantee’s death, or (iii) the Grantee’s Disability, the restrictions set forth in subsection (a) above shall lapse with respect to a *pro rata* portion of such Restricted Stock Units on the date of termination of Service. Such *pro rata* lapse of restrictions shall be determined using a fraction, where the numerator shall be the number of full or partial calendar months elapsed between the Grant Date and the date the Grantee terminates Service, and the denominator shall be the number of full or partial calendar months between the Grant Date and the Vesting Date. For purposes of this Agreement, “Retirement” means the Grantee’s termination from Service at or after attainment of age 55 and completion of at least 10 years of continuous Service measured from the Grantee’s most recent date of hire with the Company or an Affiliate.

- (c) Change in Control. Notwithstanding the foregoing provisions, in the event of a Change in Control, the Restricted Stock Units under this Agreement shall be subject to the Change in Control provisions set forth in the Plan. In the event of any conflict between the Plan and this Agreement, the Plan shall control. Notwithstanding any other agreement between the Company and the Grantee, the “Good Reason” definition set forth in the Plan shall govern this award. Notwithstanding the foregoing or anything herein to the contrary, in the event the Restricted Stock Units do not become Alternative Awards under the Plan, then the Restricted Stock Units shall be settled within 60 days following the Change in Control; provided, however, in the event the Restricted Stock Units constitute nonqualified deferred compensation subject to Code Section 409A and the Change in Control is not a “change in control event” within the meaning of Code Section 409A, then, to the extent required to comply with Code Section 409A, the vested Restricted Stock Units shall be settled within 60 days following the Vesting Date or, if earlier and subject to Section 4, upon Grantee’s termination of Service.

Section 4. Delivery of Shares. Once Restricted Stock Units have vested under this Agreement, the Company shall convert the Restricted Stock Units in the Grantee’s RSU Account into Shares and issue or deliver the total number of Shares due to the Grantee within 60 days following the Vesting Date or, if earlier, Grantee’s termination of Service in accordance with Section 3(b). Notwithstanding the foregoing, to the extent any portion of the Restricted Stock Units are subject to Code Section 409A, if any Restricted Stock Units vest prior to the Vesting Date in connection with a Grantee’s “separation from service” within the meaning of Code Section 409A and the Grantee is a “specified employee” within the meaning of Code Section 409A at the time of such separation from service, the Shares represented by the vested Restricted Stock Units shall be issued and delivered on the first business day after the date that is six (6) months following the date of the Grantee’s separation from service (or if earlier, the Grantee’s date of death). The delivery of the Shares shall be subject to payment of the applicable withholding tax liability and the forfeiture provisions of this Agreement. If the Grantee dies before the Company has distributed any portion of the vested Restricted Stock Units, the Company shall transfer any Shares payable with respect to the vested Restricted Stock Units in accordance with the Grantee’s written beneficiary designation or to the Grantee’s estate if no written beneficiary designation is provided.

Section 5. Withholding of Taxes. As a condition precedent to the delivery to Grantee of any Shares upon vesting of the Restricted Stock Units, Grantee shall, upon request by the Company, pay to the Company such amount of cash as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the “Required Tax Payments”) with respect to the Restricted Stock Units. If Grantee shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to Grantee or withhold Shares. Grantee may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (a) a cash payment to the Company; (b) delivery to the Company (either actual delivery or by attestation procedures established by the Company) of previously owned whole Shares having a Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Restricted Stock Units (the “Tax Date”), equal to the Required Tax Payments; (c) authorizing the Company to withhold from the Shares otherwise to be delivered to Grantee upon the vesting of the Restricted Stock Units, a number of whole Shares having a Fair Market Value, determined as of the Tax Date, equal to the

Required Tax Payments; or (d) any combination of (a), (b) and (c). Shares to be delivered or withheld may not have a Fair Market Value in excess of the minimum amount of the Required Tax Payments. Any fraction of a Share which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by Grantee. No Shares shall be delivered until the Required Tax Payments have been satisfied in full.

Section 6. Compliance with Applicable Law. Notwithstanding anything contained herein to the contrary, the Company's obligation to issue or deliver certificates evidencing the Restricted Stock Units shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. The delivery of all or any Shares that relate to the Restricted Stock Units shall be effective only at such time that the issuance of such Shares shall not violate any state or federal securities or other laws. The Company is under no obligation to effect any registration of Shares under the Securities Act of 1933 or to effect any state registration or qualification of the Shares that may be issued under this Agreement. Subject to Code Section 409A, the Company may, in its sole discretion, delay the delivery of Shares or place restrictive legends on Shares in order to ensure that the issuance of any Shares shall be in compliance with federal or state securities laws and the rules of any exchange upon which the Company's Shares are traded. If the Company delays the delivery of Shares in order to ensure compliance with any state or federal securities or other laws, the Company shall deliver the Shares at the earliest date at which the Company reasonably believes that such delivery shall not cause such violation, or at such later date that may be permitted under Code Section 409A.

Section 7. Restriction on Transferability. Except as otherwise provided under the Plan, until the Restricted Stock Units have vested under this Agreement, the Restricted Stock Units granted herein and the rights and privileges conferred hereby may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated (by operation of law or otherwise), other than by will or the laws of descent and distribution. Any attempted transfer in violation of the provisions of this paragraph shall be void, and the purported transferee shall obtain no rights with respect to such Restricted Stock Units.

Section 8. Grantee's Rights Unsecured. The right of the Grantee or his or her beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company, and neither the Grantee nor his or her beneficiary shall have any rights in or against any amounts credited to the Grantee's RSU Account or any other specific assets of the Company. All amounts credited to the Grantee's RSU Account shall constitute general assets of the Company and may be disposed of by the Company at such time and for such purposes, as it may deem appropriate.

Section 9. No Rights as Stockholder or Employee.

- (a) Unless and until Shares have been issued to the Grantee, the Grantee shall not have any privileges of a stockholder of the Company with respect to any Restricted Stock Units subject to this Agreement, nor shall the Company have any obligation to issue any dividends or otherwise afford any rights to which Shares are entitled with respect to any such Restricted Stock Units.
- (b) Nothing in this Agreement or the Award shall confer upon the Grantee any right to continue as an Employee of the Company or any Affiliate or to interfere in any way with the right of the Company or any Affiliate to terminate the Grantee's Service at any time.

Section 10. Adjustments. If at any time while the Award is outstanding, the number of outstanding Restricted Stock Units is changed by reason of a reorganization, recapitalization, stock split or any of the other events described in the Plan, the number and kind of Restricted Stock Units shall be adjusted in accordance with the provisions of the Plan. In the event of certain corporate events specified in the Change in Control provisions of the Plan, any Restricted Stock Units may be replaced by Alternative Awards or forfeited in exchange for payment of cash in accordance with the Change in Control procedures and provisions of the Plan.

Section 11. Notices. Any notice hereunder by the Grantee shall be given to the Company in writing and such notice shall be deemed duly given only upon receipt thereof at the following address: Corporate Secretary, NiSource Inc., 801 East 86th Avenue, Merrillville, IN 46410-6271, or at such other address as the Company may designate by notice to the Grantee. Any notice hereunder by the Company shall be given to the Grantee in writing and such notice shall be deemed duly given only upon receipt thereof at such address as the Grantee may have on file with the Company.

Section 12. Administration. The administration of this Agreement, including the interpretation and amendment or termination of this Agreement, shall be performed in accordance with the Plan. All determinations and decisions made by the Committee, the Board, or any delegate of the Committee as to the provisions of this Agreement shall be conclusive, final, and binding on all persons. Notwithstanding the foregoing, if subsequent guidance is issued under Code Section 409A that would impose additional taxes, penalties, or interest to either the Company or the Grantee, the Company may administer this Agreement in accordance with such guidance and amend this Agreement without the consent of the Grantee to the extent such actions, in the reasonable judgment of the Company, are considered necessary to avoid the imposition of such additional taxes, penalties, or interest.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Indiana, without giving effect to the choice of law principles thereof.

Section 14. Entire Agreement; Agreement Subject to Plan. This Agreement and the Plan contain all of the terms and conditions with respect to the subject matter hereof and supersede any previous agreements, written or oral, relating to the subject matter hereof. This Agreement at all times shall be governed by the Plan, which is incorporated in this Agreement by reference, and in no way alter or modify the Plan. To the extent a conflict exists between this Agreement and the Plan, the provisions of the Plan shall govern. This Agreement is pursuant to the terms of the Plan.

Section 15. Code Section 409A Compliance. This Agreement shall be interpreted in accordance with Code Section 409A including the rules related to payment timing for “specified employees” within the meaning of Code Section 409A. This Agreement shall be deemed to be modified to the maximum extent necessary to be in compliance with Code Section 409A’s rules. If the Grantee is unexpectedly required to include in the Grantee’s current year’s income any amount of compensation relating to the Restricted Stock Units because of a failure to meet the requirements of Code Section 409A, then to the extent permitted by Code Section 409A, the Grantee may receive a distribution of cash or Shares in an amount not to exceed the amount required to be included in income as a result of the failure to comply with Code Section 409A.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Award to be granted, and the Grantee has accepted this Award, as of the date first above written.

NISOURCE INC.



By: Kenneth E. Keener
Its: Senior Vice President and Chief Human Resources Officer

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

With respect to incentive compensation provided to Columbia Kentucky employees provide the following by year for the period 2015 – 2020, and monthly accruals recorded through May 2021.

- a. Short-term incentive compensation charged to expense.
- b. Short-term incentive compensation capitalized.
- c. Long-term incentive compensation charged to expense.
- d. Long-term incentive compensation capitalized

Response:

Objection. Columbia's rate case is based upon a forecasted test period ending December 31, 2022 and, under applicable law, historical data that required to be filed is generally limited to the base period. Nevertheless, Columbia is providing historical information that predates the base period, up to and including the time following the expiration of the forecasted test year in the Company's 2016 rate case. To the extent that the question calls for additional information, the question is overly broad and seeks information that is very unlikely to be relevant to the issues of this case and Columbia therefore respectfully objects. Notwithstanding these objections, Columbia responds as follows:

CKY Direct Expense \$	2018	2019	2020	1/1/21 - 5/31/21*
a.) Short term incentive compensation charged to expense	487,091	525,671	625,376	270,152
b.) Short term incentive compensation capitalized	236,037	303,527	311,709	184,974
c.) LTI charged to expense	172,266	207,247	359,711	100,195
d.) LTI compensation capitalized	-	-	-	-

*Average of this amount is spread across January through May

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

With respect to incentive compensation provided to NCSC employees whose costs were subsequently reflected on the books of Columbia Kentucky, provide the following by year for the period 2015 – 2020 and monthly accruals recorded through May 2021:

- a. CIP incentive compensation charged to expense.
- b. CIP incentive compensation capitalized.
- c. LTI charged to expense.
- d. LTI incentive compensation capitalized.

Response:

Objection. Columbia's rate case is based upon a forecasted test period ending December 31, 2022 and, under applicable law, historical data that required to be filed is generally limited to the base period. Nevertheless, Columbia is providing historical information that predates the base period, up to and including the time following the expiration of the forecasted test year in the Company's 2016 rate case. To the extent that the question calls for additional information, the question is overly broad and seeks information that is very unlikely to be relevant to the issues of this case and Columbia therefore respectfully objects. Notwithstanding these objections, Columbia responds as follows:

NCSC Allocated Expense to CKY \$	2018	2019	2020	1/1/21 - 5/31/21*
a.) Short term incentive compensation charged to expense	557,218	679,533	376,696	347,854
b.) Short term incentive compensation capitalized	104,704	148,934	81,600	68,161
c.) LTI charged to expense	367,963	406,452	345,438	150,557
d.) LTI compensation capitalized	-	-	-	-

*Average of this amount is spread across January through May

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the Cartella Testimony, page 16, lines 5 - 10. The testimony indicates a portion of each exempt employee's annual total rewards is tied to the performance results of the measures in the CIP. Provide the specific performance measures referred to in this portion of the testimony, along with their respective definitions for the period 2018 – 2021. Further, provide the actual results against which the performance measures were evaluated.

Response:

Please refer to CONFIDENTIAL KY PSC Case No. 2021-00183, AG 1-166, Attachment A for documentation that shows the specific performance measures, definitions, and actual results where available for the period 2018-2021.

2018 STI Goals and Results

STI Measure	Weight		Goal	Results	
	Executive	Non-Executive	2018	Executive	Non-Executive
NiSource Net Operating Earnings Per Share	75%	85%	Stretch = \$1.35 Target = \$1.28 – \$1.30 Trigger = \$1.23	75%	85%
J.D. Power Gas Utility and Electric Residential Customer Satisfaction Studies	10%		Stretch – 739 Target – 738 Trigger – 737	0%	0%
MSR Customer Satisfaction Survey	5%		Stretch – 91% Target – 90% Trigger – 89%	5%	5%
DART	5%	NA	Stretch = .20 Target = .41 Trigger = .43	0%	NA
National Safety Council Barometer Survey	5%	NA	Stretch 95% Target 92% Trigger 89%	4%	NA
Results as % Target				84%*	90%*

*In January 2019, in light of the profound effect of the Greater Lawrence Incident on the communities of Andover, North Andover and Lawrence, Massachusetts, the Compensation Committee exercised negative discretion retained by the Compensation Committee under the Omnibus Plan to eliminate the performance-based cash incentive payouts for all of the Named Executive Officers (Donald Brown, Pablo Vegas, Carrie Hightman, Violet Sistovaris), and separately, with respect to our CEO (Joe Hamrock), the Compensation Committee made a recommendation to the independent members of the Board that Mr. Hamrock’s annual performance-based cash incentive payout also be eliminated. The Compensation Committee certified the performance results relative to the goals set in 2018 and then exercised negative discretion in accordance with the terms of the Omnibus Plan to eliminate payouts to our Named Executive Officers. The formulaic result shown above would have been used to calculate payouts to the Named Executive Officers under the 2018 Cash Incentive Plan but for the Compensation Committee’s negative discretionary adjustment to eliminate payouts. The Compensation Committee exercised negative discretion in accordance with the terms of the Omnibus Plan in order to underscore our commitment to safe operations. In making such determination, the Compensation Committee noted the strong performance of certain business units and corporate functions of certain executives, but determined that the significance of the Greater Lawrence Incident and the totality of the community impact outweighed any consideration of business unit or individual performance. For all other employees, negative discretion was also applied to the incentive results. Employees eligible for the executive plan had their incentive opportunity reduced to 50%, and all other employees had their incentive opportunity reduced to 75%.

2019 STI Goals and Results

STI Measure	Weighting		Goal	Results		
	Executive	Non-Executive	2019	Executive Council	Executive	Non-Executive
NiSource Net Operating Earnings Per Share	75%	85%	Stretch = \$1.36 Target = \$1.33 Trigger = \$1.30	80%	83%	83%
J.D. Power Gas Utility and Electric Residential Customer Satisfaction Studies	10%		Stretch = 749 Target = 746 Trigger = 744	0%	0%	0%
MSR Customer Satisfaction Survey	5%		Stretch = 92% Target = 91% Trigger = 90%	40%	50%	50%
DART	5%		Stretch = .22 Target = .44 Trigger = .53	0%	0%	NA
National Safety Council Barometer Survey	5%		Stretch = 95% Target = 92% Trigger = 90%	0%	0%	NA
Results as % Target				62%	65%	73%

2020 STI Goals and Results

STI Measure	Weighting		Goal	Results		
	Executive	Non-Executive	2020	Executive Council	Executive	Non-Executive
NiSource Net Operating Earnings Per Share	75%	85%	Stretch = \$1.42 Target = \$1.37 – \$1.39 Trigger = \$1.34	0%	0%	0%
J.D. Power Gas Utility and Electric Residential Customer Satisfaction Studies						
Billing & Payment	2.5%		Stretch = 805 Target = 801 Trigger = 797	0%		
Price	2.5%		Stretch = 710 Target = 706 Trigger = 703	0%		
Safety / Power and Reliability	5%		Stretch = 802 Target = 798 Trigger = 794	85%	88%	88%
MSR Customer Satisfaction Survey	5%		Stretch = 88.5% Target = 88.0% Trigger = 87.5%	160%	150%	150%
DART	5%	NA	Stretch = .22 Target = .43 Trigger = .76	0%		NA
National Safety Council Barometer Survey	5%	NA	Stretch = 92% Target = 90% Trigger = 88%	55%	63%	NA
Results as % Target				45%*	53%*	54%*

*The Compensation Committee noted the extraordinary effect of the COVID-19 pandemic on our business and customers and exercised its authority under the terms of the STI program to adjust for extraordinary items. Our 2020 NOEPS result for STI purposes includes an upward adjustment of 2 cents per share to partially offset the impact of COVID-19 on the Company's operations and NOEPS results. Also, the Compensation Committee exercised discretion to cap STI payouts at the trigger level of achievement, which resulted in a payout at 40% of target for the Named Executive Officers (Joe Hamrock, Pablo Vegas, Donald Brown, Violet Sistovaris, Carrie Hightman) and 50% for all other employees.

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2021 STI Goals and Results

STI Measure	Weighting		Goal	Results
	Executive	Non-Executive	2021	
NISource Net Operating Earnings Per Share				
J.D. Power Gas Utility and Electric Residential Customer Satisfaction Studies				
Billing & Payment				
Price				
Safety & Reliability (Gas)				
Power Quality and Reliability (Electric)				
MSR Customer Satisfaction Survey				
Safety Scorecard				
DART				
Executive Observations				
Process Safety Incidents				
Standard Operating Procedure (SOP) Development				
Records & Mapping				

Measure	Definition
Net Operating Earnings Per Share	Income from continuing operations determined in accordance with Generally Accepted Accounting Principles (GAAP) adjusted for certain items such as weather, gains, and losses on the sale of assets, and certain out-of-pocket period items and reserve adjustments or in management's discussion and analysis of financial conditions and results of operations appearing in the Company's consolidated report to the investment community or investor letters.
MSR Customer Satisfaction Survey	Transactional customer satisfaction survey provided to customers; evaluations rate interactions with customer care center representatives, field personnel and/ or automated phone calls or online interaction.
J.D. Power Gas Utility and Electric Residential Customer Satisfaction Studies	Operating company scores as measured by J.D. Power Gas and Electric Utility Residential Customer Satisfaction Studies. Categories include: - Safety and Reliability (Gas) - Efforts to maintain and communicate safe and reliable gas systems - Power Quality and Reliability (Electric) - Promptly informs and restores quality electric power after an outage - Billing and Payment- provides a variety of clear, concise and easy to pay billing options - Price (affordability/value) - Fair pricing options that meets customer need
National Safety Council Barometer Survey	Measures the overall health of the Company's safety efforts, identifies areas in need of corrective action, provides valid leading indicator safety metrics, effectively incorporates safety into the improvement process, increases employee engagement and morale, allows us to find gaps, design action plans and make changes; survey is comprised of 50 questions in 6 areas: Management Participation, Supervisor Participation, Employee Participation, Safety Support Activities, Safety Support Climate, and Organizational Climate.
DART (Days Away Restricted or Transferred)	Mathematical calculation that describes the number of OSHA recordable incidents per 100 full time employees that resulted in lost or restricted days or job transfer due to work related injuries or illnesses; all operating units and corporate staff of the Company were united by one overall safety goal based on the total performance of all operating units.
Executive Observations	Quality executive field observations
Process Safety Incidents	Significant Injuries or Fatalities (SIF) or PHMSA reportable incidents due to process safety failures
Standard Operating Procedures Development	Supplemental mandatory job aids designed to assure adherence to company standards and policies by prompting the proper steps and decisions required for the safe and compliant completion of our work
Records and Mapping	Increase the percentage of service lines that are mapped in GIS; complete, validate and publish in GIS isometric drawings for above ground assets for regulator stations with greater than 125 psig inlet pressures

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021**

Provide the amount of Supplemental Executive Retirement Plan ("SERP") costs i) direct charged and ii) allocated/assigned from NCSC for the period 2015 – 2021 as well as that embedded within the forecast period.

Response:

Objection. Columbia's rate case is based upon a forecasted test period ending December 31, 2022 and, under applicable law, historical data that required to be filed is generally limited to the base period. Nevertheless, Columbia is providing historical information that predates the base period, up to and including the time following the expiration of the forecasted test year in the Company's 2016 rate case. To the extent that the question calls for additional information, the question is overly broad and seeks information that is very unlikely to be relevant to the issues of this case and Columbia therefore respectfully objects. Notwithstanding these objections, Columbia responds as follows:

Please see below for the SERP amount for CKY direct and allocated to CKY from NCSC.

	2018 Actual	2019 Actual	2020 Actual	YTD June 2021 Actual	2022 Forecasted Test Period
CKY Direct	\$4,319	\$5,019	\$3,899	\$5	\$0

NiSource Corporate Services (allocated to CKY)	\$58,069	\$58,447	\$57,402	\$33,478	\$72,396*
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*Budget information does not provide the split between service and non-service costs. The total SERP amount allocated to CKY was split between service and non-service costs based on 2021 accounting data to determine the service cost that gets capitalization treatment.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Provide a comprehensive explanation and all company documentation provided to employees explaining how SERP benefits are earned by the employee as well as incurred as expense by the Company.

Response:

Benefits labelled as SERP on the Company's financial statements represent non-qualified retirement benefits offered to a select group of senior leaders. The non-qualified benefits consist of two separate plans, the NiSource Supplemental Executive Retirement Plan and the NiSource Pension Restoration Plan as detailed in Attachments A and B. The Company's SERP expenses are only associated with the Pension Restoration Plan. The Company also incurs allocated expenses from NCSC for both the Pension Restoration Plan and the Supplemental Executive Retirement Plan.

The purpose of the Pension Restoration Plan is to provide for the payment of pension restoration benefits to employees, whose benefits under the qualified pension plan have limits imposed under Code Sections 415 and 401(a)(17). The benefit earned by the employee under the Pension Restoration Plan is what would have been due to them

under the qualified pension plan without regard to any imposed limits. As participants first become eligible for the Pension Restoration Plan, an Election Form is generated and mailed to the employee providing a high level overview of their participation, as well as requesting the employee's payment option at commencement (i.e. single life annuity, lump sum option, etc.) See Attachment C for a sample Election Form. Additionally, employees receive an account balance statement annually detailing the interest credit and pay credit balances for their qualified and non-qualified accounts. See Attachment D for a sample Account Balance statement.

The purpose of the NiSource Supplemental Executive Retirement Plan was to provide deferred compensation to a select group of senior leaders in the form of a supplemental retirement pension, as well as a retiree death benefit. Please note that the NiSource Supplemental Executive Retirement Plan has been frozen for 15+ years with no new participants being added to the plan.

PENSION RESTORATION PLAN
FOR NISOURCE INC. AND AFFILIATES
As Amended and Restated Effective November 1, 2020

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PENSION RESTORATION PLAN

FOR NISOURCE INC. AND AFFILIATES

As Amended and Restated Effective November 1, 2020

ARTICLE I.

BACKGROUND AND PURPOSE

1.1 **Background.** The Pension Restoration Plan for NiSource Inc. and Affiliates is maintained to provide deferred compensation for a select group of management or highly compensated employees of NiSource Inc. and participating affiliates. The history of the Plan's amendments and restatements is attached as Exhibit A.

1.2 **Purpose.** The purpose of the Plan is to provide for the payment of pension restoration benefits to employees of the Employer, whose benefits under the Basic Plans are subject to the Limits, or affected by deferrals into the DCP, so that the total pension benefits of such employees will be determined on the same basis as is applicable to all other employees of the Employer. The Plan is adopted solely (1) for the purpose of providing benefits to Participants in the Plan and their Beneficiaries in excess of the Limits imposed on qualified plans by Code Sections 415 and 401(a)(17), and any other Code Sections, by restoring benefits to such Plan Participants and Beneficiaries that are not available under the Basic Plans as a result of the Limits, and (2) for the purpose of restoring benefits to Plan Participants and Beneficiaries that are no longer available under the Basic Plans as a result of the Participant's deferrals into, the DCP. The provisions of the Plan as stated herein apply only to Participants who actively participate in the Plan on or after the Effective Date. Any Participant who retired or otherwise terminated employment with the Company and Affiliates prior to the Effective Date shall have his or her rights determined under the provision of the Plan, as it existed when his or her employment relationship terminated.

ARTICLE II.

DEFINITIONS

For the purposes of the Plan, the following terms shall have the meanings indicated, unless the context clearly indicates otherwise. Except when otherwise required by the context, any masculine terminology in this document shall include the feminine, and any singular terminology shall include the plural. The headings of Articles and Sections are included solely for convenience, and if there is any conflict between such headings and the text of the Plan, the text shall control.

2.1 **AB Account.** The hypothetical account created for a Participant under the Plan who has an AB Benefit under a Basic Plan.

2.2 **AB Benefit.** A Participant's AB I Benefit or AB II Benefit that is accrued for the benefit of the Participant under a Basic Plan.

2.3 **Affiliate**. Any corporation that is a member of a controlled group of corporations (as defined in Code Section 414(b)) that includes the Company; any trade or business (whether or not incorporated) that is under common control (as defined in Code Section 414(c)) with the Company; any organization (whether or not incorporated) that is a member of an affiliated service group (as defined in Code Section 414(m)) that includes the Company; any leasing organization, to the extent that its employees are required to be treated as if they were employed by the Company pursuant to Code Section 414(n) and the regulations thereunder; and any other entity required to be aggregated with the Company pursuant to regulations under Code Section 414(o). An entity shall be an Affiliate only with respect to the existing period as described in the preceding sentence.

2.4 **Basic Plans**. The tax-qualified defined benefit retirement plan(s) maintained by the Company and Affiliates listed on Exhibit B, attached hereto.

2.5 **Beneficiary**. The person, persons or entity entitled to receive any plan benefits payable after a Participant's death.

2.6 **Benefits Committee**. The NiSource Benefits Committee.

2.7 **Code**. The Internal Revenue Code of 1986, as amended.

2.8 **Company**. NiSource Inc., a Delaware corporation.

2.9 **Compensation Committee**. The Compensation Committee of the Board of Directors of the Company.

2.10 **DCP**. The Columbia Energy Group Deferred Compensation Plan, on or prior to December 31, 2003, and, thereafter, the NiSource Inc. Executive Deferred Compensation Plan.

2.11 **Disability**. A condition that (a) causes a Participant, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, to receive income replacement benefits for a period of not less than three months under an accident and health plan covering Employees of the Company or an Affiliate or (b) causes a Participant to be eligible to receive Social Security disability payments.

2.12 **Effective Date**. November 1, 2020, the date on which this amendment and restatement of the Plan is effective.

2.13 **Employee**. Any individual who is employed by an Employer on a basis that involves payment of salary, wages or commissions.

2.14 **Employer**. The Company or any Affiliate who maintains or adopts for its Eligible Employees a Basic Plan.

2.15 **ERISA**. The Employee Retirement Income Security Act of 1974, as amended.

2.16 **Limits**. The limits imposed on the payment, accrual or calculation of tax-qualified retirement plans by Code Sections 415 and 401(a)(17) and any other Code Sections.

2.17 **Participant.** Any Employee who is participating in the Plan in accordance with its provisions.

2.18 **Plan.** The Pension Restoration Plan for NiSource Inc. and Affiliates (formerly known as the Pension Restoration Plan for the Columbia Energy Group, formerly known as the Pension Restoration Plan for The Columbia Gas System, Inc.), as set forth herein.

2.19 **Plan Administrator.** The Benefits Committee or such delegate of the Benefits Committee delegated to carry out the administrative functions of the Plan.

ARTICLE III.

PARTICIPATION AND BENEFIT ACCRUAL

3.1 **Eligibility for Participation and Accrual of Benefit.** Except as provided in Section 3.2 below, each Employee of an Employer shall be eligible to participate in the Plan as of the date he or she is eligible to participate in a Basic Plan. For purposes of accruing a benefit under the Plan, each employee shall be eligible to accrue a benefit under the Plan for any plan year in which his or her benefits under a Basic Plan are affected by the Limits or by his or her deferrals under the DCP.

The Compensation Committee (or its delegate) shall determine the eligibility of each Employee to participate in the Plan based on information furnished by the Employer. Such determination shall be within the discretion of the Plan Administrator (or its delegate) and shall be conclusive and binding upon all persons as long as such determination is made pursuant to the Plan and applicable law.

3.2 Special Provisions for Participants with Basic Plan Benefits Accrued Prior to 2004.

(a) **Eligibility.** As set forth in Exhibit A, prior to January 1, 2004, only Employees of Columbia Energy Group (or its predecessor) who had benefits under a Basic Plan affected by the Limits, or by his or her deferrals under the DCP, participated in the Plan. Pursuant to the extension of participation in the Plan as explained in Exhibit A, on or after January 1, 2004, each Employee meeting the participation requirements set forth in Section 3.1 shall participate in the Plan as of January 1, 2004, and shall be eligible to accrue a benefit under the Plan as of such date or, if later, as of the date that an Employee's benefits under a Basic Plan are affected by the Limits or by his or her deferrals under the DCP.

(b) **Benefit Accrual.** With respect to any Participant who was first eligible to participate in the Plan on January 1, 2004 in accordance with this Section, but who had accrued benefits under a Basic Plan prior to such date, such Participant shall have benefits under the Plan calculated in accordance with the Plan's general provisions, except that the Plan shall only consider the Participant's Credited Service, Point Service, Compensation or Accrued Benefit under the Basic Plan earned on or after the date participation in the Plan begins (*i.e.*, January 1, 2004),

as further described in Section 4.2, Section 4.4(b), Section 4.5(b) Section 4.6(b) and Section 4.7(b).

3.3 **Service Crediting.** A Participant's service used under the Basic Plan for purposes of determining eligibility for any retirement benefit shall also be used for similar purposes under the Plan. For any Participant described in Section 3.2, the Plan shall only consider such Participant's Credited Service (or, if applicable, Point Service) as of the date of participation in the Plan for purposes of calculating the benefit under the Plan; however, the Plan shall continue to consider such Participant's Credited Service (or, if applicable, Point Service) under the Basic Plan for purposes of determining early retirement eligibility or the application of the Pay-Based Credit scale for the Participant as described in Section 4.6.

ARTICLE IV.

DETERMINATION OF BENEFIT AMOUNT

4.1 **Amount of Benefit - General Principle.** The benefit payable under the Plan to a Participant (or to his or her Beneficiary under a Basic Plan) shall be equal to the excess (if any) of the benefit determined under subsection (a) below over the benefit determined under subsection (b) below:

- (a) The benefit that would have been payable under a Basic Plan to a Participant, or to his or her Beneficiary, determined under a Basic Plan without regard to (i) the Limits or (ii) the Participant's deferrals into the DCP, if any.
- (b) The benefit actually payable to the Participant, or to his or her Beneficiary, determined under a Basic Plan after applying the Limits and considering deferrals into the DCP, if any.

To the extent that the AB Benefit provisions of the Basic Plan apply to a Participant, such Participant shall have an AB Account created and shall have his or her benefit under the Plan calculated in accordance with the provisions of this Article IV. Specifically, such Participant shall be subject to the conversion, Opening Balance, Pay-Based and Interest Credits and Protected Benefit provisions provided under this Article.

4.2 **Amount of Benefit For Participant Who Accrued a Benefit under a Basic Plan Prior to Participating in the Plan on January 1, 2004.** Notwithstanding the foregoing, the calculation of the benefit payable under Section 4.1 above shall be limited for any Participant described in Section 3.2. For such Participants, the benefit payable under the Plan shall be determined as follows:

- (a) **FAP Participant.** For a Participant whose Accrued Benefit under a Basic Plan is a FAP Benefit, the benefit payable under the Plan to the Participant, or to his or her Beneficiary under the Basic Plan, shall be equal to the excess (if any) of the benefit determined under paragraph (1) below over the benefit determined under paragraph (2) below:

- (1) The benefit that would have been payable under a Basic Plan to a Participant, or to his or her Beneficiary determined under a Basic Plan, considering only the Participant's Credited Service and Compensation from and after the date the Participant first becomes eligible to participate in the Plan, determined without regard to (i) the Limits or (ii) the Participant's deferrals into the DCP, if any.
 - (2) The benefit actually payable to the Participant, or to his or her Beneficiary determined under a Basic Plan, calculated based upon the Participant's Credited Service and Compensation from and after the date the Participant first becomes eligible to participate in the Plan, determined after applying the Limits and considering deferrals into the DCP, if any.
- (b) AB Participant. For a Participant whose Accrued Benefit under a Basic Plan is an AB Benefit, the benefit payable under the Plan to the Participant, or to his or her Beneficiary under a Basic Plan, shall be equal to the excess (if any) of the benefit determined under paragraph (1) below over the benefit determined under paragraph (2) below:
- (1) The benefit that would have been payable under a Basic Plan to a Participant or his or her Beneficiary, determined as if the Participant's Opening Balance under the Basic Plan was \$0 as of the date the Participant first becomes eligible to participate in the Plan, and considering only the Participant's Pay-Based Credits, Interest Credits and Compensation from and after such date, and determined without regard to (i) the Limits or (ii) the Participant's deferrals into the DCP, if any.
 - (2) The benefit actually payable under a Basic Plan to the Participant, or to his or her Beneficiary, determined as if the Participant's Opening Balance under the Basic Plan was \$0 as of the date the Participant first becomes eligible to participate in the Plan, and considering only the Participant's Pay-Based Credits, Interest Credits and Compensation from and after such date, and determined after applying the Limits and considering deferrals into the DCP, if any.

4.3 **Form of Benefit Accrual.** The form of benefit accrual for a Participant in the Plan shall be the form of benefit accrual applicable for such Participant under the relevant Basic Plan.

4.4 **Conversion of Benefits.**

- (a) In General. Upon the conversion of any Participant's Accrued Benefit in a Basic Plan from a FAP Benefit to an AB II Benefit or from an AB I Benefit to an AB II Benefit, any benefit under the Plan shall, except as provided below, also be converted upon such date according to the conversion procedures set forth in the relevant Basic Plan, including determination of an Opening Balance.
- (b) Exception to the General Provision. Notwithstanding the foregoing, with respect to any Participant in the Plan who is described in Section 3.2, such Participant's

benefit under the Plan shall be converted according to the conversion procedures in the relevant Basic Plan, provided that any consideration of Credited Service and Compensation in the calculation of the Participant's Opening Balance shall be limited to Credited Service and Compensation earned from and after the date the Participant first becomes eligible to participate in the Plan.

4.5 **Opening Balance.** For purposes of determining the Opening Balance for Participants in the Plan, the following provisions shall apply:

- (a) **In General.** The Opening Balance shall be calculated using the same methodology and factors as provided in the relevant Basic Plan. The Opening Balance under the Plan shall be determined as the excess of the Opening Balance determined in (1) below over the Opening Balance determined in (2) below:
 - (1) The Participant's Opening Balance under the Basic Plan determined without regard to (i) the Limits or (ii) the Participant's deferrals into the DCP, if any.
 - (2) The Participant's Opening Balance under the Basic Plan determined after applying the Limits and considering deferrals into the DCP, if any.
- (b) **Exception to the General Provision.** For the purpose of determining the Opening Balance for any Participant in the Plan who is described in Section 3.2, the Opening Balance under the Plan shall be determined in accordance with Section 4.5(a) above, but considering a calculation of the Opening Balance under the Basic Plan using only the Participant's Credited Service (or, if applicable, Point Service) and Compensation from and after the date the Participant first becomes eligible to participate in the Plan.

4.6 **Pay-Based Credits and Interest Credits.** For purposes of determining Pay-Based Credits and Interest Credits under the Plan, the following provisions shall apply:

- (a) **Pay-Based Credits Generally.** Pay-Based Credits under the Plan shall be calculated using the same methodology and factors as provided in the relevant Basic Plan. Pay-Based Credits under the Plan shall be determined as the excess of the Pay-Based Credits determined in (1) below over the Pay-Based Credits determined in (2) below:
 - (1) The Participant's Pay-Based Credits under the Basic Plan determined without regard to (i) the Limits or (ii) the Participant's deferrals into the DCP, if any.
 - (2) The Participant's Pay-Based Credits under the Basic Plan determined after applying the Limits and considering deferrals into the DCP, if any.
- (b) **Exception to the General Pay-Based Credits Provision.** For the purpose of determining the Pay-Based Credits for any Participant in the Plan who is described in Section 3.2, the Pay-Based Credits under the Plan shall be determined in

accordance with Section 4.6(a) above, but considering a calculation of Pay-Based Credits under the Basic Plan using only Compensation from and after the date the Participant first becomes eligible to participate in the Plan.

- (c) Interest Credits. Interest Credits under the Plan shall be calculated using the same methodology and factors as provided in the relevant Basic Plan.

4.7 **Protected Benefit.** Effective for any Participant terminating employment with the Employer on or after January 1, 2011, the benefit payable under the Plan may never be less than the benefit set forth in this section. For purposes of determining the Protected Benefit under the Plan, the following provisions shall apply:

- (a) Protected Benefit Generally. The Protected Benefit under the Plan shall be calculated using the same methodology and factors as provided in the relevant Basic Plan. The Protected Benefit under the Plan shall be determined as the excess of the benefit determined in (1) below over the benefit determined in (2) below:
- (1) The Protected Benefit under the Basic Plan for the Participant, or for his or her Beneficiary, determined without regard to (i) the Limits or (ii) the Participant's deferrals into the DCP, if any.
 - (2) The Protected Benefit under the Basic Plan for the Participant, or for his or her Beneficiary, determined after applying the Limits and considering deferrals into the DCP, if any.

In accordance with the methodology provided in the applicable Basic Plan, a Participant with an AB Benefit shall be entitled to benefit under the Plan equal to the greater of (1) the AB Account under the Plan or (2) the sum of the AB Account under the Plan (determined without regard to the Opening Balance calculation) *plus* the portion of the FAP Benefit that is calculated in accordance with the Plan as of the date of conversion to the AB Benefit as set forth in Section 4.4.

- (b) Exception to the General Protected Benefit Provision. For the purpose of determining the Protected Benefit for any Participant in the Plan who is described in Section 3.2, the Protected Benefit under the Plan shall be determined in accordance with Section 4.7 above, but considering calculation of the Protected Benefit under the Basic Plan using only Credited Service and Compensation from and after the date the Participant first becomes eligible to participate in the Plan.

ARTICLE V.

TIME AND METHOD OF PAYMENT OF BENEFIT

5.1 Method of Payment.

- (a) The benefit earned under the Plan shall be payable to a Participant in a form available under the Basic Plan, as elected by the Participant by notice delivered to the Plan Administrator on or before December 31, 2005. Notwithstanding the

preceding sentence, in the case of an Employee who becomes a Participant on or after January 1, 2005, the aforementioned election with respect to a benefit shall be made no later than January 31 of the calendar year after the calendar year in which the Participant first becomes eligible to participate in the Plan, and such election shall be effective with respect to Compensation related to services to be performed subsequent to the election; provided, however, that a Participant shall not be considered first eligible if, on the date he or she becomes a Participant, he or she participates in any other nonqualified plan of the same category that is subject to Code Section 409A, maintained by the Company or an Affiliate.

- (b) If payment in the form of an annuity is elected, the annuity type shall be elected by the Participant at the time he or she makes the election described in the first or second sentence of subsection (a) above from among those annuities available at that time under the Basic Plan. If a benefit hereunder is paid in an annuity form other than a straight life annuity, the amount of the benefit under the Plan shall be reduced by the Basic Plan's factors in effect at the time of such election for payment in a form other than a straight life annuity. If payment in the form of a lump sum is elected, the lump sum amount payable will be calculated in the same manner and according to the same interest rates and mortality tables as under the Basic Plan at the time of such election.
- (c) If the Participant fails to timely elect a form of payment as required under subsections (a) and (b) above, the Participant's benefit shall be payable in a lump sum.

5.2 **Timing of Payment.**

- (a) Subject to Section 5.4 hereof, a benefit payable in accordance with Section 5.1 will commence within 45 days after: (i) if the Participant qualifies for Early Retirement under a Basic Plan, when the Participant separates from service, or (ii) if the Participant does not qualify for Early Retirement under a Basic Plan, the later of when the Participant separates from service or attains (or would have attained) age 65, or, if later, within such timeframe permitted under Code Section 409A, and guidance and regulations thereunder.
- (b) **Automatic Cash-Out.** Subject to Section 5.4 of the Plan and notwithstanding any other provision in the Plan, if the benefit payable to a Participant under the Plan at the time distribution begins, when combined with the benefits payable to the Participant under all other arrangements that are required to be considered a single nonqualified deferred compensation plan under Code Section 409A and applicable guidance thereunder, does not exceed the applicable dollar limit under Code Section 402(g)(1)(B), the Employer shall distribute the Participant's Plan benefit (and the Participant's entire interest under any other arrangement that is required to be aggregated with this Plan under Code Section 409A). The form of payment shall be a single lump sum.

5.3 **Changes to the Form of Payment.** A Participant cannot change the form of payment of a benefit elected under Section 5.1 or this Section 5.3 unless (i) such election does not take effect until at least 12 months after the date on which the election is made, (ii) in the case of an election related to a payment not due to the Participant's Disability or death, the first payment with respect to which such new election is effective is deferred for a period of not less than five years from the date such payment would otherwise have been made, and (iii) any election related to a payment based upon a specific time or pursuant to a fixed schedule may not be made less than 12 months prior to the date of the first scheduled payment; provided, however, that an election to change from one type of annuity payment to a different, actuarially equivalent, type of annuity payment shall not be considered a change to the form of payment for purposes of applying the restrictions in clauses (i), (ii) and (iii).

Notwithstanding the preceding paragraphs of this Section 5.3, a Participant may change an election with respect to the form of payment of a benefit, without regard to the restrictions imposed under the preceding paragraph, on or before December 31, 2006; provided that such election (i) applies only to amounts that would not otherwise be payable in calendar year 2006, and (ii) shall not cause an amount to be paid in calendar year 2006 that would not otherwise be payable in such year.

5.4 **Specified Employees.** Notwithstanding any other provision of the Plan, in no event can a payment of a benefit to a Participant who is a Specified Employee of the Company or an Affiliate, at a time during which the Company's capital stock or capital stock of an Affiliate is publicly traded on an established securities market, in the calendar year of his or her separation from service, be made before the date that is six months after the date of the Participant's separation from service with the Company and all Affiliates, unless such separation is due to his or her death.

A Participant shall be deemed to be a Specified Employee for purposes of this Section 5.4 if he or she is in a job category C2 or above with respect to the Company or Affiliate that employs him or her; provided if at any time the total number of Employees in job category C2 and above is less than 50, a Specified Employee shall include any person who meets the definition of Key Employee set forth in Code Section 416(i) without reference to paragraph (5). A Participant shall be deemed to be a Specified Employee with respect to a calendar year if he or she is a Specified Employee on September 30th of the preceding calendar year. If a Specified Employee will receive payments hereunder in the form of installments or an annuity, the first payment made as of the date six months after the date of the Participant's separation from service with the Company and all Affiliates shall be a lump sum, paid as soon as practicable after the end of such six-month period, that includes all payments that would otherwise have been made during such six-month period.

From and after the end of such six month period, any such installment or annuity payments shall be made pursuant to the terms of the applicable installment or annuity form of payment.

5.5 **Interest and Mortality Assumptions.** Determinations under the Plan shall be based on the interest and mortality assumptions used in the applicable Basic Plan on the date of such determination.

ARTICLE VI.

ADMINISTRATION OF PLAN

6.1 **Allocation of Duties to Committees.** The Plan shall be administered by the Benefits Committee, as delegated by the Compensation Committee. The Benefits Committee shall have the authority to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of the Plan and decide or resolve any and all questions, including interpretations of the Plan, as may arise in such administration, except as otherwise reserved to the Compensation Committee herein, or by resolution or charter of the respective committees.

In its discretion, the Plan Administrator may delegate to any division or department of the Company the discretionary authority to make decisions regarding Plan administration, within limits and guidelines from time to time established by the Plan Administrator. The delegated discretionary authority shall be exercised by such division or department's senior officer, or his/her delegate. Within the scope of the delegated discretionary authority, such officer or person shall act in the place of the Plan Administrator and his/her decisions shall be treated as decisions of the Plan Administrator.

6.2 **Agents.** The Plan Administrator may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Company.

6.3 **Information Required by Plan Administrator.** The Company shall furnish the Plan Administrator with such data and information as the Plan Administrator may deem necessary or desirable in order to administer the Plan. The records of the Company as to an employee's or Participant's period or periods of employment, separation from Service and the reason therefore, reemployment and Compensation will be conclusive on all persons unless determined to the Plan Administrator's satisfaction to be incorrect. Participants and other persons entitled to benefits under the Plan also shall furnish the Plan Administrator with such evidence, data or information as the Plan Administrator considers necessary or desirable to administer the Plan.

6.4 **Binding Effect of Decisions.** Subject to applicable law, and the provisions of Article VIII, any interpretation of the provisions of the Plan and any decision on any matter within the discretion of the Benefits Committee and/or the Compensation Committee (or any duly authorized delegate of either such committee) and made in good faith shall be binding on all persons.

ARTICLE VII.

CLAIMS PROCEDURE

7.1 **Claims Procedure.** Claims for benefits under the Plan shall be made in writing to the Plan Administrator. The Plan Administrator shall establish rules and procedures to be followed by Participants and Beneficiaries in filing claims for benefits, and for furnishing and verifying proof necessary to establish the right to benefits in accordance with the Plan, consistent with the remainder of this Article.

7.2 **Review of Claim.** The Plan Administrator shall review all claims for benefits. Upon receipt by the Plan Administrator of such a claim, it shall determine all facts that are necessary to establish the right of the claimant to benefits under the provisions of the Plan and the amount thereof as herein provided within 90 days of receipt of such claim. If prior to the expiration of the initial 90 day period, the Plan Administrator determines additional time is needed to come to a determination on the claim, the Plan Administrator shall provide written notice to the Participant, Beneficiary or other claimant of the need for the extension, not to exceed a total of 180 days from the date the application was received. If the Plan Administrator fails to notify the claimant in writing of the denial of the claim within 90 days after the Plan Administrator receives it, the claim shall be deemed denied.

7.3 **Notice of Denial of Claim.** If the Plan Administrator wholly or partially denies a claim for benefits, the Plan Administrator shall, within a reasonable period of time, but no later than 90 days after receiving the claim (unless extended as noted above), notify the claimant in writing of the denial of the claim. Such notification shall be written in a manner reasonably expected to be understood by such claimant and shall in all respects comply with the requirements of ERISA, including but not limited to inclusion of the following:

- (a) the specific reason or reasons for denial of the claim;
- (b) a specific reference to the pertinent Plan provisions upon which the denial is based;
- (c) a description of any additional material or information necessary for the claimant to perfect the claim, together with an explanation of why such material or information is necessary; and
- (d) an explanation of the Plan's review procedure.

7.4 **Reconsideration of Denied Claim.** Within 60 days of the receipt by the claimant of the written notice of denial of the claim, or within 60 days after the claim is deemed denied as set forth above, if applicable, the claimant or duly authorized representative may file a written request with the Benefits Committee that it conduct a full and fair review of the denial of the claimant's claim for benefits. If the claimant or duly authorized representative fails to request such a reconsideration within such 60 day period, it shall be conclusively determined for all purposes of the Plan that the denial of such claim by the Benefits Committee is correct. In connection with the claimant's appeal of the denial of his or her benefit, the claimant may review documents relevant to the benefit claim and may submit issues and comments in writing.

The Benefits Committee shall render a decision on the claim appeal promptly, but not later than 60 days after receiving the claimant's request for review, unless, in the discretion of the Benefits Committee, special circumstances require an extension of time for processing, in which case the 60-day period may be extended to 120 days. The Benefits Committee shall notify the claimant in writing of any such extension. The notice of decision upon review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Plan provisions upon which the decision is based. If the decision on review is not furnished within the time period set forth above, the claim shall be deemed denied on review.

If such determination is favorable to the claimant, it shall be binding and conclusive. If such determination is adverse to such claimant, it shall be binding and conclusive unless the claimant or his duly authorized representative notifies the Benefits Committee within 90 days after the mailing or delivery to the claimant by the Benefits Committee of its determination that claimant intends to institute legal proceedings challenging the determination of the Benefits Committee and actually institutes such legal proceedings within 180 days after such mailing or delivery.

ARTICLE VIII.

PLAN AMENDMENT OR TERMINATION

8.1 **Plan Amendment.** While the Company intends to maintain the Plan in conjunction with the Basic Plans, the Company or the Compensation Committee reserves the right to amend the Plan at any time and from time to time with respect to eligibility for the Plan, the level of benefits awarded under the Plan and the time and form of payment for benefits from the Plan. The Compensation Committee or the Board shall have the authority to amend the Plan. The Compensation Committee or the Board shall have the exclusive authority to amend the Plan regarding eligibility for the Plan, the amount or level of benefits awarded under the Plan, and the time and form of payments for benefits from the Plan. In addition, the Compensation Committee or the Board shall also have the exclusive authority to make amendments that constitute a material increase in compensation, any change requiring action or consent by a committee of the Board pursuant to the rules of the Securities and Exchange Commission, the New York Stock Exchange or other applicable law, or such other material changes to the Plan such that approval of the Board is required. Unless otherwise determined by the Compensation Committee, the Benefits Committee shall have the authority to amend the Plan in all respects that are not exclusively reserved to the Compensation Committee or the Board.

All amendments to the Plan must be made by written instrument, notice of which is given to all Participants and to Beneficiaries. Notwithstanding the preceding sentence, no amendment shall impair or alter such right to a benefit accrued under the Plan as of the effective date of such amendment to or with respect to any Employee who has become a Participant in the Plan before the effective date of such amendment or with respect to his or her Beneficiary.

8.2 **Plan Termination.** The Compensation Committee or the Company may terminate the Plan at any time provided that termination of the Plan shall not impair or alter such right to a benefit accrued under the Plan as of the effective date of such termination to or with respect to any Employee who has become a Participant in the Plan before the effective date of such termination or with respect to his or her Beneficiary

Upon termination of the Plan, distribution of Plan benefits shall be made to Participants, surviving spouses and beneficiaries in the manner and at the time described in Article VI of the Plan. No additional benefits shall be earned after termination of the Plan other than the crediting of Interest until the date of distribution of a Participant's Supplemental Savings Account.

ARTICLE IX.

MISCELLANEOUS PROVISIONS

9.1 **Unsecured General Creditor.** Participants and Beneficiaries shall be unsecured general creditors, with no secured or preferential right to any assets of the Company, any other Employer, or any other party for payment of benefits under the Plan. Obligations of the Company and each other Employer under the Plan shall be an unfunded and unsecured promise to pay money in the future.

9.2 **Income Tax Payout.** In the event that the Internal Revenue Service prevails in its claim that any amount of a Participant's benefit payable pursuant to the Plan and held in the general assets of the Company or any other Employer constitutes taxable income under Code Section 409A, and guidance and regulations thereunder, to a Participant or his or her Beneficiary for any taxable year prior to the taxable year in which such amount is distributed to him or her, or in the event that legal counsel satisfactory to the Company and the applicable Participant or his or her Beneficiary renders an opinion that the Internal Revenue Service would likely prevail in such a claim, the amount of such benefit held in the general assets of the Company or any other Employer, to the extent constituting such taxable income, shall be immediately distributed to the Participant or his or her Beneficiary. For purposes of this Section, the Internal Revenue Service shall be deemed to have prevailed in a claim if such claim is upheld by a court of final jurisdiction, or if the Participant or Beneficiary, based upon an opinion of legal counsel satisfactory to the Company and the Participant or his or her Beneficiary, fails to appeal a decision of the Internal Revenue Service, or a court of applicable jurisdiction, with respect to such claim, to an appropriate Internal Revenue Service appeals authority or to a court of higher jurisdiction within the appropriate time period.

9.3 **General Conditions.** Except as otherwise expressly provided herein, all terms and conditions of a Basic Plan applicable to a Basic Plan benefit shall also be applicable to a benefit payable hereunder. Any Basic Plan benefit shall be paid solely in accordance with the terms and conditions of the applicable Basic Plan and nothing in the Plan shall operate or be construed in any way to modify, amend or affect the terms and provisions of the Basic Plan. Defined terms used in the Plan that are not defined in this Plan but are defined in the Basic Plans shall have the meanings assigned to them in the Basic Plans.

9.4 **No Guaranty of Benefits.** Nothing contained in the Plan shall constitute a guaranty by the Company or any other Employer or any other entity or person that the assets of the Company or any other Employer will be sufficient to pay any benefit hereunder.

9.5 **No Enlargement of Employee Rights.** No Participant or Beneficiary shall have any right to a benefit under the Plan except in accordance with the terms of the Plan. Establishment of the Plan shall not be construed to give any Participant or Beneficiary the right to be retained in the service of the Company or any Affiliate.

9.6 **Nonalienation of Benefits.** No interest of any person or entity in, or right to receive a benefit under, the Plan shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment, or other alienation or encumbrance of any kind; nor may such interest or

right to receive a benefit be taken, either voluntarily or involuntarily, for the satisfaction of the debts of, or other obligations or claims against, such person or entity, including claims for alimony, support, separate maintenance, and claims in bankruptcy proceedings.

Notwithstanding the preceding paragraph, the benefit of any Participant shall be subject to and payable in the amount determined in accordance with any qualified domestic relations order, as that term is defined in ERISA Section 206(d)(3). The Plan Administrator shall provide for payment of such benefit to an alternate payee (as defined in ERISA Section 206(d)(3)) as soon as administratively possible following receipt of such order. Any federal, state or local income tax associated with such payment shall be the responsibility of the alternate payee. The benefit that is subject to any qualified domestic relations order shall be reduced by the amount of any payment made pursuant to such order.

9.7 **Applicable Law.** The Plan shall be construed and administered under the laws of the State of Indiana, except to the extent preempted by applicable federal law.

9.8 **Incapacity of Recipient.** If any person entitled to a benefit payment under the Plan is deemed by the Plan Administrator to be incapable of personally receiving and giving a valid receipt for such payment, then, unless and until claim therefore shall have been made by a duly appointed guardian or other legal representative of such person, the Plan Administrator may provide for such payment or any part thereof to be made to any other person or institution then contributing toward or providing for the care and maintenance of such person. Any such payment shall be a payment for the account of such person and a complete discharge of any liability of the Company, any other Employer, the Plan Administrator and the Plan therefore.

9.9 **Unclaimed Benefit.** Each Participant shall keep the Plan Administrator informed of his or her current address and the current address of his or her Beneficiaries. The Plan Administrator shall not be obligated to search for the whereabouts of any person. If the location of a Participant is not made known to the Plan Administrator within three years after the date on which payment of the Participant's benefit may first be made, payment may be made as though the Participant had died at the end of the three-year period. If, within one additional year after such three-year period has elapsed, or, within three years after the actual death of a Participant, the Plan Administrator is unable to locate any Beneficiary of the Participant, then the Plan Administrator shall have no further obligation to pay any benefit hereunder to such Participant, Beneficiary, or any other person and such benefit shall be irrevocably forfeited.

9.10 **Limitations on Liability.** Notwithstanding any of the preceding provisions of the Plan, none of the Company, any other Employer, any member of the Benefits Committee or the Compensation Committee or any delegate of such committees, or any individual acting as an employee, or agent at the direction of the Company or any other Employer, or any member of the Benefits Committee or the Compensation Committee or any delegate of such committees, shall be liable to any Participant, former Participant, Beneficiary, or any other person for any claim, loss, liability or expense incurred in connection with the Plan.

[Signature block follows on next page]

IN WITNESS WHEREOF, NiSource Inc. has caused this amended and restated Pension Restoration Plan for NiSource Inc. and Affiliates to be executed in its name, by its duly authorized officer, effective as of November 1, 2020.

NISOURCE INC.

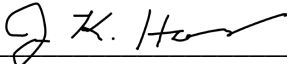
By: 
Its: Director of Benefits
Date: 10/20/2020

EXHIBIT A

History of the Plan

The Columbia Gas System, Inc. adopted The Pension Restoration Plan for The Columbia Gas System, Inc., as amended and restated effective March 1, 1997. The Plan was amended and restated, effective January 1, 2002, by Columbia Energy Group, successor to Columbia Gas System, Inc., and renamed the Pension Restoration Plan for the Columbia Energy Group. Effective January 1, 2004, NiSource Inc., the parent company of Columbia Energy Group, assumed sponsorship of the Pension Restoration Plan for Columbia Energy Group, renamed the Plan the Pension Restoration Plan for NiSource Inc. and Affiliates, and broadened the Plan to allow participation by employees of NiSource Inc. and Affiliated Companies from and after January 1, 2004. The Plan was further amended and restated, effective January 1, 2005, to comply with Internal Revenue Code Section 409A with respect to benefits earned under the Plan. The Plan was amended and restated again, effective January 1, 2008, to revise certain election procedures. The Plan was further amended and restated, effective January 1, 2010, to clarify the calculation of benefits under the Plan and to reflect Plan benefits parallel to the benefit structures under applicable Basic Plans, including the AB Benefit. The Plan was amended and restated again, effective May 13, 2011 to transfer all administrative authority with respect to the Plan (including the authority to render decisions on claims and appeals and make administrative or ministerial amendments) from the Compensation Committee to the Benefits Committee. The Plan was amended and restated again, effective August 10, 2017, to revise the procedures for determining Disability under the Plan.

The Plan is amended and restated again, effective November 1, 2020 to clarify matters relating to the Compensation Committee and certain other matters.

EXHIBIT B

Basic Plans

NiSource Salaried Pension Plan

NiSource Subsidiary Pension Plan

Columbia Energy Group Pension Plan

Bay State Gas Company Pension Plan

NISOURCE INC.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
As Amended and Restated Effective November 1, 2020

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NISOURCE INC.

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

As Amended and Restated Effective November 1, 2020

ARTICLE I

BACKGROUND AND PURPOSE

1.1 **Background.** The NiSource Inc. Supplemental Executive Retirement Plan is maintained to provide deferred compensation for a select group of management or highly compensated employees of NiSource Inc. and participating affiliates. The history of the Plan's amendments and restatements is attached as Exhibit A.

1.2 **Purpose.** The purpose of the Plan is to provide selected key executives and employees with additional security in order to aid the Company (as defined herein and including its predecessors) in retaining its present management and, should circumstances require it, to aid the Company in attracting additions to management. The Company, by providing such additional benefits, expects such key executives and employees to be available for consulting assignments to the Company after retirement, at the Company's request.

It is intended that the Plan be exempt from the reporting and disclosure requirements of Title I of the Employee Retirement Income Security Act of 1974 because it is an unfunded plan maintained by an employer for the purpose of providing benefits for a select group of management or highly compensated employees.

ARTICLE II

DEFINITIONS

For the purposes of the Plan, the following terms shall have the meanings indicated, unless the context clearly indicates otherwise. Except when otherwise required by the context, any masculine terminology in this document shall include the feminine, and any singular terminology shall include the plural. The headings of Articles and Sections are included solely for convenience, and if there is any conflict between such headings and the text of the Plan, the text shall control.

2.1 **Affiliate.** Any corporation that is a member of a controlled group of corporations (as defined in Code Section 414(b)) that includes the Company; any trade or business (whether or not incorporated) that is under common control (as defined in Code Section 414(c)) with the Company; any organization (whether or not incorporated) that is a member of an affiliated service group (as defined in Code Section 414(m)) that includes the Company; any leasing organization, to the extent that its employees are required to be treated as if they were employed by the Company pursuant to Code Section 414(n) and the regulations thereunder; and any other entity required to be aggregated with the Company pursuant to regulations under Code Section 414(o). An entity shall be an Affiliate only with respect to the existing period as described in the preceding sentence.

- 2.2 Benefits Committee. The NiSource Benefits Committee.
- 2.3 Board. The Board of Directors of NiSource Inc.
- 2.4 Code. The Internal Revenue Code of 1986, as amended.
- 2.5 Company. NiSource Inc. and its subsidiaries and affiliates that adopt the Plan for the benefit of key employees, or its successor or successors.
- 2.6 Compensation. As defined in the NiSource Pension Plan, but disregarding the definition of Taxable Compensation and the limitations required by Code Section 401(a)(17), or any successor Section. In addition, for purposes of the Plan, bonuses shall be considered in full as Compensation and not limited to 50% of base pay.
- 2.7 Compensation Committee. The Compensation Committee of the Board, which has certain specific duties with respect to the Plan.
- 2.8 Disability or Disabled. A Participant has a Disability or is Disabled if he or she has a condition that (a) causes a Participant, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, to receive income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company or an Affiliate or (b) causes a Participant to be eligible to receive Social Security disability payments.
- 2.9 Early Retirement. Separation from Service for reasons other than death or Disability after the Participant has both attained age 55 and completed at least 10 years of Service, but before the Participant's Normal Retirement, except as otherwise provided.
- 2.10 Effective Date. November 1, 2020, the date on which the provisions of this amended and restated Plan become effective, except as otherwise provided herein. The original Effective Date of the Plan was December 23, 1982.
- 2.11 Final Average Compensation. The result obtained by dividing the total Compensation paid to a Participant during a considered period by the number of months for which such Compensation was received. The considered period shall be the 60 consecutive calendar months within the last 120 months of service that produces the highest result.
- 2.12 NiSource Pension Plan. The NiSource Salaried Pension Plan, as amended from time to time.
- 2.13 Normal Retirement. Separation from Service for reasons other than death or Disability after a Participant has: (1) attained age 62; or (2) attained age 60 and completed at least 25 years of Service, except as otherwise provided.
- 2.14 Participant. An employee or retiree participating in the Plan in accordance with the provisions of Article III.

2.15 Pension Restoration Plan. Pension Restoration Plan for NiSource Inc. and Affiliates, as amended from time to time.

2.16 Plan. NiSource Inc. Supplemental Executive Retirement Plan.

2.17 Plan Administrator. The Benefits Committee, or such delegate of the Benefits Committee delegated to carry out the administrative functions of the Plan.

2.18 Post-2004 Benefit. The portion of a Participant's Supplemental Retirement Pension or Supplemental Retirement Account, as applicable, equal to the present value, determined as of a Participant's date of separation from Service after December 31, 2004, of the excess of such benefit or account balance to which a Participant would be entitled under the Plan if he or she voluntarily separated from Service without cause after December 31, 2004 over his or her Pre-2005 Benefit and received a full payment of benefits from the Plan on the earliest possible date allowed under the Plan following the separation from Service, pursuant to Articles IV and V, calculated from and after January 1, 2005 to the date of separation from Service.

2.19 Pre-2005 Benefit. The portion of a Participant's Supplemental Retirement Pension or Supplemental Retirement Account, as applicable, equal to the present value of the benefit or account balance, determined as of December 31, 2004, to which a Participant would be entitled under the Plan if he or she voluntarily separated from Service without cause on December 31, 2004 and received a full payment of benefits from the Plan on the earliest possible date allowed under the Plan following separation from Service, pursuant to Articles IV and V, calculated as of December 31, 2004.

2.20 Primary Social Security Benefit. The monthly amount available to a Participant at age 65 (or at Retirement, if later) under the provisions of Title II of the Social Security Act in effect at the time of separation from Service, assuming the following:

- (a) The Participant attained age 65 in the year of Retirement, and
- (b) The Participant earned maximum taxable wages under Code Section 3121(a)(1) in all years prior to the year of Retirement. A Participant's Primary Social Security Benefit will be deducted in accordance with Article IV, even though he or she may not be receiving or may not be eligible to receive Social Security benefits.

2.21 Qualified Pension Plan. The NiSource Pension Plan and any other tax-qualified defined benefit pension plan maintained by the Company or any Affiliate.

2.22 Retirement. A Participant's Normal or Early Retirement.

2.23 Service. A Participant's or employee's employment or service with the Company, as defined in the NiSource Pension Plan, or such other employment or service date as determined by the Board.

ARTICLE III

ELIGIBILITY AND PARTICIPATION

The Compensation Committee shall select which key employees of the Company will be eligible to participate in the Plan. In accordance with Article I, it is intended that officers and certain other employees be eligible for participation.

After the Compensation Committee approves participation for an individual, the Company or the Benefits Committee shall provide the individual with a notice of participation in the Plan and a description of the Plan.

ARTICLE IV

SUPPLEMENTAL RETIREMENT PENSION

4.1 **Applicability.** This Article IV shall apply to each Participant or former Participant who first participated in the Plan prior to January 23, 2004.

4.2 **Supplemental Retirement Pension.** Upon Normal Retirement, a Participant shall receive a monthly Supplemental Retirement Pension calculated on a single-life basis equal to the larger of (a) or (b) below, reduced in each case by the accrued benefit (stated in the form of a single-life pension and excluding any supplements related to eligibility for a Social Security benefit) the Participant is eligible to receive under (1) either the FAP Benefit or the AB I or AB II Benefit Option, as applicable, of the NiSource Pension Plan or other Qualified Pension Plan (as such terms are defined in the respective plan) and (2) the Pension Restoration Plan.

- (a) The sum of:
 - (i) 1.7% of the Participant's Final Average Compensation multiplied by the Participant's Service to a maximum of 30 years; plus
 - (ii) 0.6% of the Participant's Final Average Compensation multiplied by the Participant's Service in excess of 30 years.

- (b) The sum of:
 - (i) 3% of the Participant's Final Average Compensation multiplied by the Participant's Service to a maximum of 20 years; plus
 - (ii) 0.5% of the Participant's Final Average Compensation multiplied by the Participant's Service in excess of 20 years, to a maximum of 30 years;
 - (iii) less 5% of the Participant's Primary Social Security Benefit, multiplied by the Participant's Service to a maximum of 20 years.

Upon Early Retirement, a Participant shall receive a monthly Supplemental Retirement Pension in a reduced amount (as described in Section 4.3 below).

4.3 Reduction for Early Retirement. A Participant who experiences a separation from Service prior to Normal Retirement, but after Early Retirement, shall receive a monthly Supplemental Retirement Pension in an amount determined in accordance with Section 4.2 above, but reduced as follows: (1) by 6% for each of the first two (2) years and 4% for each of the next five years that commencement of the Participant's Supplemental Retirement Pension precedes the date that the Participant would attain age 62; or (2) if the Participant had completed 25 years of Service at the time of his or her separation, by 6% for the first year and 4% for each of the next four years that commencement of the Participant's Supplemental Retirement Pension precedes the date that the Participant would attain age 60, with a pro rata reduction for any fraction of a year.

Payment of the Participant's monthly reduced Supplemental Retirement Pension shall normally commence within 45 days following a separation from Service, or, if later, within such timeframe permitted under Code Section 409A, and guidance and regulations thereunder. Notwithstanding the preceding sentence, a Participant may elect to defer the commencement of the portion of his or her reduced Supplemental Retirement Pension that constitutes the Pre-2005 Benefit to any date between Early Retirement and attainment of age 62 by a written election delivered to the Plan Administrator on or before the last day of the calendar year preceding the calendar year of Early Retirement. A Participant may elect to defer the commencement of the portion of his or her reduced Supplemental Retirement Pension that constitutes the Post-2004 Benefit to any date between Early Retirement and attainment of age 62 by a written election delivered to the Plan Administrator only if such election (i) constitutes a delay in payment or change in the form of payment, (ii) does not take effect until at least 12 months after the date on which the election is made, (iii) defers the first payment with respect to which such new election is effective for a period of not less than five years from the date such payment would otherwise have been made, and (iv) is not made less than 12 months prior to the date of the first scheduled payment.

4.4 Separation from Service Prior to Early Retirement. Upon separation from Service prior to Early Retirement, a Participant shall receive a monthly Supplemental Retirement Pension, calculated on a single-life basis equal to the excess, if any, of the single-life pension the Participant would be eligible to receive under either the FAP Benefit option or the Account Balance Option of the NiSource Pension Plan, or any other Qualified Pension Plan, if the limitations required by Code Sections 401(a)(17) and 415, or any other limitation imposed by the Code, the limitation on bonuses to 50% of base pay and the potential limitations relating to Taxable Compensation were not applied, reduced by the single-life pension the Participant is eligible to receive under (1) either such option of the NiSource Pension Plan, or any other Qualified Pension Plan and (2) the Pension Restoration Plan.

Payment of the Pre-2005 Benefit to a Participant or his or her beneficiary in accordance with this Section shall commence on the same date as the pension under the NiSource Pension Plan or any other Qualified Pension Plan. Payment of the Post-2004 Benefit to a Participant or his or her beneficiary in accordance with this Section, shall commence within 45 days after (i) the Participant attains (or would have attained) age 62, if the Participant has not completed at least 25 years of Service, or (ii) if the Participant has completed at least 25 years of Service, the Participant attains (or would have attained) age 60, or, if later, within such timeframe permitted under Code Section 409A, and guidance and regulations thereunder.

4.5 Supplemental Disability Pension. If a Participant becomes Disabled while in the active employment of the Company prior to age 65, the Participant shall be eligible for a monthly Supplemental Disability Pension commencing on the date the Disability begins and continuing to the first to occur of the Participant's death or attainment of age 65, calculated on a single-life basis, and equal to the larger of (a) or (b) below, reduced in each case by the basic benefit the Participant is eligible to receive under the long-term group disability insurance coverage provided under any long term disability plan maintained by the Company or any Affiliate.

- (a) The sum of:
 - (i) 1.7% of the Participant's Final Average Compensation multiplied by the Participant's Service to a maximum of 30 years, plus
 - (ii) 0.6% of the Participant's Final Average Compensation multiplied by the Participant's Service in excess of 30 years.

- (b) The sum of:
 - (i) 3% of the Participant's Final Average Compensation multiplied by the Participant's Service to a maximum of 20 years; plus
 - (ii) 0.5% of the Participant's Final Average Compensation multiplied by the Participant's Service in excess of 20 years, to a maximum of 30 years; less
 - (iii) 5% of the Participant's Primary Social Security Benefit, multiplied by the Participant's Service to a maximum of 20 years.

After age 65, the Participant shall be eligible for a monthly Supplemental Retirement Pension in accordance with Section 4.2, based on Service the Participant would have had if the Participant had continued working for the Company or an Affiliate to age 65, the Participant's Final Average Compensation at the time he or she became Disabled, the Primary Social Security Benefit determined at the time the Participant became Disabled, and the single-life pension the Participant is entitled to receive at age 65 from the NiSource Pension Plan, or any other Qualified Pension Plan, and the Pension Restoration Plan, determined at the time he or she became Disabled.

4.6 Supplemental Spouse Pension. Upon the death of a Participant in active employment or while receiving a Supplemental Disability Pension, his or her surviving spouse, if any, shall be eligible to receive a monthly Supplemental Spouse Pension equal to the greater of:

- (a) 25% of the Participant's Final Average Compensation; or
- (b) the monthly amount that would have been payable to such surviving spouse if the Participant had elected payment of his or her monthly Supplemental Retirement Pension in the form of a reduced 50% joint and survivor Pension, with his or her spouse as the contingent annuitant, terminated employment (on the date of his or her actual death) and then died immediately prior to the commencement of payments.

The Supplemental Spouse Pension shall commence in the month next following the month of the Participant's death and continue for the life of such spouse. In the event that the Supplemental Spouse Pension calculated under option (a) of this Section will provide a greater benefit to the spouse immediately following the Participant's death, but option (b) of this Section will provide a greater monthly benefit as of the date the Participant would have attained age 55, the amount of monthly Supplemental Spouse Pension payable to the surviving spouse shall be: (1) calculated and payable under option (a) during the period immediately following the Participant's death; and (2) recalculated and payable according to option (b) beginning on the date the Participant would have attained age 55. Beginning on the earliest date that the surviving spouse could have begun receiving a benefit under the NiSource Pension Plan, or any other Qualified Pension Plan, the Supplemental Spouse Pension payable under this Section shall be reduced by the amount of benefit under the NiSource Pension Plan, or any other Qualified Pension Plan, and the Pension Restoration Plan that the spouse is (or would have been) entitled to receive.

4.7 Retiree Death Benefit. Upon the death of a Participant who has reached Retirement (including a former Participant who reached Retirement and was paid his or her benefits under this Plan), a lump sum death benefit equal to 50% of his or her retiree group life insurance coverage shall be paid to such Participant's spouse or other beneficiaries designated with respect to such coverage. The benefit shall be paid in the month next following the month of the Participant's death.

4.8 Cost of Living Adjustment. For Participants in the FAP Benefit of the NiSource Pension Plan, the benefits payable under Sections 4.2 through 4.7 shall be increased in the same percentage and at the same time as cost of living adjustments are made to the pensions of salaried employees of the Company or an Affiliate under the NiSource Pension Plan, or any other Qualified Pension Plan.

4.9 Separate Agreement. Notwithstanding prior provisions pertaining to Compensation and Service, each Participant who first becomes eligible to participate in the Plan on and after January 1, 2004 and prior to January 23, 2004 shall have his or her Supplemental Retirement Pension determined based upon his or her Service and Compensation as set forth in a separate, written agreement, if any, between the Company and such Participant.

ARTICLE V

SUPPLEMENTAL RETIREMENT ACCOUNT

5.1 Applicability. This Article V shall apply to each Participant who first participates in the Plan on and after January 23, 2004.

5.2 Supplemental Retirement Account. A Participant's Supplemental Retirement Account is a notional account equal to the sum of his or her Compensation Credits, Supplemental Credits, if any, and Interest Credits. Compensation Credits shall be credited to a Participant's Supplemental Retirement Account as of the last day of each Plan Year beginning on or after January 1, 2004 equal to five percent of the Participant's Compensation for such Plan Year. Supplemental Credits, if any, shall be credited pursuant to Section 5.3. Interest Credits shall be calculated in the same manner and shall be credited to a Participant's Supplemental Retirement

Account at the same time as provided under the NiSource Pension Plan or any other Qualified Pension Plan.

5.3 Supplemental Credits. The Compensation Committee, subject to approval of the Board, may authorize Supplemental Credits to a Participant's Supplemental Retirement Account in such amounts and at such times, and subject to such specific terms and provisions, as authorized by the Compensation Committee.

5.4 Separation from Service. Upon separation from Service, for any reason other than death, with five or more years of Service, unless a shorter period is provided in a separate, written agreement between the Company and the Participant and approved by the Plan Administrator, a Participant shall receive the balance of his or her Supplemental Retirement Account distributed in accordance with Sections 6.1 and 6.2 within 45 days after such separation from Service, or, if later, within such timeframe permitted under Code Section 409A, and guidance and regulations thereunder.

5.5 Death. Upon the death of a Participant prior to final distribution of his or her Supplemental Retirement Account after completing five or more years of Service, unless a shorter period is provided in a separate, written agreement between the Company and the Participant and approved by the Board, the Participant's beneficiary, designated in such manner as provided by the Plan Administrator, shall receive the balance of the Participant's Supplemental Retirement Account distributed in accordance with Sections 6.1 and 6.2. Such payment shall be made or commence within 45 days after such death.

ARTICLE VI

DISTRIBUTIONS

6.1 Pre-2005 Benefit. This Section 6.1 applies only to a Pre-2005 Benefit.

- (a) Form of Payment. Notwithstanding Sections 4.2, 4.3 and 4.4, a Participant shall receive distribution of his or her Pre-2005 Benefit, pursuant to Articles IV or V, in the same form as his or her distribution under the NiSource Pension Plan, computed in the same manner as in the NiSource Pension Plan, or under any other Qualified Pension Plan, computed in the same manner as in such Qualified Pension Plan. Any election under the NiSource Pension Plan or any other Qualified Pension Plan shall apply to his or her Pre-2005 Benefit pursuant to the preceding sentence only if it is made by written instrument delivered to the Plan Administrator at least 30 days prior to the date of such distribution. If such election is not so made at least 30 days prior to the date of distribution of his or her Pre-2005 Benefit, the Participant's Pre-2005 Benefit shall be paid as a 50% joint and survivor Pension if such Participant is married, or as a single-life Pension if such Participant is unmarried. If a Participant who makes an election pursuant to this subsection 6.1(a) at least 30 days prior to the date of distribution dies prior to distribution pursuant to such election, such election shall be revoked and the provisions of Article IV and subsection 6.1(b) shall apply.

- (b) Small Benefit Amounts. At the discretion of the Plan Administrator, the present value of any Pre-2005 Benefit payable under the Plan that does not exceed \$5,000 may be paid to the Participant or his or her surviving spouse or other designated beneficiary in quarterly, semi-annual or annual installments, or in a single lump sum.

6.2 Post-2004 Benefit. This Section 6.2 applies only to a Post-2004 Benefit.

- (a) Form of Payment. The Post-2004 Benefit shall be payable in a form available under the NiSource Pension Plan, computed in the same manner as in the NiSource Pension Plan, or under any other Qualified Pension Plan, computed in the same manner as in such Qualified Pension Plan, as elected by a Participant by written notice delivered to the Plan Administrator on or before December 31, 2005. Notwithstanding the preceding sentence, in the case of an employee who first becomes a Participant on or after January 1, 2005, the aforementioned election with respect to a Post-2004 Benefit shall be made by written notice delivered to the Plan Administrator within 30 days after the date the Participant first becomes eligible to participate in the Plan and such election shall be effective with respect to Compensation related to services to be performed subsequent to the election; provided, however, that a Participant shall not be considered first eligible if, on the date he or she becomes a Participant, he or she participates in any other nonqualified plan of the same category (account balance or nonaccount balance, as applicable), which is subject to Code Section 409A, maintained by the Company or any Affiliate. If payment in the form of an annuity is elected, the annuity type shall be elected by the Participant at the time he or she makes the election described in the first or second sentence of this paragraph from among those annuities available at that time under the NiSource Pension Plan or under any other Qualified Pension Plan. If a Participant fails to timely elect a form of distribution, the Participant's Post-2004 Benefit shall be payable in a lump sum.

If a Participant who makes an election pursuant to this subsection 6.2(a) dies prior to distribution pursuant to such election, such election shall be revoked and the provisions of Article IV and subsection 6.2(b) shall apply.

Any change in an election of a form of distribution available under the NiSource Pension Plan or any other Qualified Pension Plan shall apply to his or her Post-2004 Benefit pursuant to the preceding paragraph only if it is made by written instrument delivered to the Plan Administrator and if (i) such new election does not take effect until at least 12 months after the date on which the election is made, (ii) the first payment with respect to which such new election is effective is deferred for a period of not less than five (5) years from the date such payment would otherwise have been made, and (iii) such new election is not made less than 12 months prior to the date of the first scheduled payment; provided, however, that an election to change from one type of annuity payment to a different, actuarially equivalent, type of annuity payment shall not be considered a change to the method of payment for purposes of applying the restrictions in clauses (i), (ii) and (iii).

Notwithstanding the preceding paragraph of this Section 6.2(a), a Participant may change an election with respect to the form of payment of a Post-2004 Benefit, without regard to the restrictions imposed under the preceding paragraph, on or before December 31, 2006; provided that such election (i) applies only to amounts that would not otherwise be payable in calendar year 2006, and (ii) shall not cause an amount to be paid in calendar year 2006 that would not otherwise be payable in such year. Additionally, a Participant may change an election with respect to the form of payment of a Post-2004 Benefit, without regard to the restrictions imposed under the preceding paragraph, on or before December 31, 2007; provided that such election (i) applies only to amounts that would not otherwise be payable in calendar year 2007, and (ii) shall not cause an amount to be paid in calendar year 2007 that would not otherwise be paid in such year. Additionally, a Participant may change an election with respect to the form of payment of a Post-2004 Benefit, without regard to the restrictions imposed by the preceding paragraph, on or before December 31, 2008; provided that such election (i) applies only to amounts that would not otherwise be payable before January 1, 2009, and (ii) shall not cause an amount to be paid in calendar year 2007 or 2008 that would not otherwise be paid in such years.

- (b) Specified Employees. Notwithstanding any other provision of the Plan, in no event can a payment of a Post-2004 Benefit, pursuant to Article IV or Section 5.4, to a Participant who is a Specified Employee of the Company or an Affiliate, at a time during which the Company's capital stock or capital stock of an Affiliate is publicly traded on an established securities market, in the calendar year of his or her separation from Service be made before the date that is six months after the date of the Participant's separation from Service with the Company and all Affiliates, unless such separation is due to his or her death.

A Participant shall be deemed to be a Specified Employee for purposes of this paragraph (b) if he or she is in job category C2 or above with respect to the Company or any Affiliate that employs him or her; provided that if at any time the total number of employees in job category C2 and above is less than 50, a Specified Employee shall include any person who meets the definition of Key Employee set forth in Code Section 416(i) without reference to paragraph (5). A Participant shall be deemed to be a Specified Employee with respect to a calendar year if he or she is a Specified Employee on September 30th of the preceding calendar year. If a Specified Employee will receive payments hereunder in the form of installments or an annuity, the first payment made as of the date six months after the date of the Participant's separation from Service with the Company and all Affiliates shall be a lump sum, paid as soon as practicable after the end of such six-month period, that includes all payments that would otherwise have been made during such six-month period. From and after the end of such six month period, any such installment or annuity payments shall be made pursuant to the terms of the applicable installment or annuity form of payment.

ARTICLE VII

CHANGE IN CONTROL

7.1 Change in Control. A “Change in Control” shall be deemed to take place on the occurrence of either a “Change in Ownership,” “Change in Effective Control” or a “Change of Ownership of a Substantial Portion of Assets,” as defined below:

- (a) Change in Ownership. A Change in Ownership of the Company occurs on the date that any one person, or more than one Person Acting as a Group (as defined below), acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company. However, if any one person or more than one Person Acting as a Group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons is not considered to cause a Change in Ownership of the Company, as applicable (or to cause a Change in Effective Control of the Company). An increase in the percentage of stock owned by any one person, or Persons Acting as a Group, as a result of a transaction in which the Company acquires its stock in exchange for property s be treated as an acquisition of stock. This paragraph (a) applies only when there is a transfer of stock of the Company (or issuance of stock of the Company) and stock in the Company remains outstanding after the transaction.
- (b) Change in Effective Control. A Change in Effective Control of the Company occurs on the date that either —
 - (i) Any one person, or more than one Person Acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 35% or more of the total voting power of the stock of the Company; or
 - (ii) a majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election,

In the absence of an event described in paragraph (i) or (ii), a Change in Effective Control of the Company will not have occurred.

Acquisition of additional control. If any one person, or more than one Person Acting as a Group, is considered to effectively control the Company, the acquisition of additional control of the Company by the same person or persons is not considered to cause a Change in Effective Control of the Company (or to cause a Change in Ownership of the Company).

- (c) Change of Ownership of a Substantial Portion of Assets. A Change of Ownership of a Substantial Portion of Assets occurs on the date that any one person, or more

than one Person Acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

Transfers to a related person. There is no Change in Control when there is a transfer to an entity that is controlled by the shareholders of the Company immediately after the transfer. A transfer of assets by the Company is not treated as a Change of Ownership of a Substantial Portion of Assets if the assets are transferred to —

- (i) A shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock;
- (ii) An entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company;
- (iii) A person, or more than one Person Acting as a Group, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company; or
- (iv) An entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a person described in paragraph (iii).

A person's status is determined immediately after the transfer of the assets. For example, a transfer to a corporation in which the Company has no ownership interest before the transaction, but which is a majority-owned subsidiary of the Company after the transaction is not treated as a Change of Ownership of a Substantial Portion of Assets of the Company.

- (d) Persons Acting as a Group. Persons shall not be considered to be acting as a group solely because they purchase or own stock of the same corporation at the same time or as a result of the same public offering. However, persons shall be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. If a person, including an entity, owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a group with other shareholders in a corporation prior to the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

7.2 Potential Change in Control. A "Potential Change in Control" shall include any of the following:

- (a) The delivery to the Company by any “person,” as defined in Section 13(d)(3) of The Securities Exchange Act of 1934 (the “Act”), of a statement containing the information required by Schedule 13-D under the Act, or any amendment to any such statement, that shows that such person has acquired, directly or indirectly, the beneficial ownership of (1) more than twenty percent (20%) of any class of equity security of the Company entitled to vote as a class in the election or removal from office of directors, or (2) more than twenty percent (20%) of the voting power of any group of classes of equity securities of the Company entitled to vote as a single class in the election or removal from office of directors.
- (b) The Company becomes aware that preliminary or definitive copies of a proxy statement and information statement or other information have been filed with the Securities and Exchange Commission pursuant to Rule 14a-6, Rule 14c-5 or Rule 14f-1 under the Act relating to a proposed change in control of the Company.
- (c) The delivery to the Company pursuant to Rule 14d-3 under the Act of a Tender Offer Statement relating to equity securities of the Company.
- (d) The Board adopts a resolution to the effect that for purposes of the Plan a Potential Change in Control has occurred.

7.3 Additional Service and Compensation Upon Change in Control. With respect to a Participant who, pursuant to contract with the Company, is entitled to compensation from the Company for an additional 36 months in the event that after a Change in Control the Participant’s employment is terminated by the Company or an Affiliate under circumstances described in the contract, such Participant’s years of Service under Article II, and Supplemental Retirement Pension under Section 4.2 or Supplemental Retirement Account under Section 5.2, as applicable, shall be calculated as if the Participant had continued in employment with the Company for an additional 36 months at the rate of Compensation in effect immediately prior to his or her employment termination; provided that, in no event shall the counting of a Participant’s Compensation during this 36-month period reduce his or her Final Average Compensation figure below its highest level prior to the Participant’s separation from Service.

7.4 Waiver of Service and Age Requirements Upon Change in Control. A Participant who separates from service within 24 months following a Change in Control for any reason other than a termination by the Company for Good Cause, but prior to Early Retirement, shall be eligible for the Supplemental Retirement Pension specified in Section 4.2, rather than the Supplemental Retirement Pension specified in Section 4.4, commencing at Normal Retirement. Notwithstanding the previous sentence, such a Participant may elect to begin receiving the portion of his or her Supplemental Retirement Pension that constitutes his or her Pre-2005 Benefit pursuant to this Section 7.4 at any time after attaining age 55 years, subject to the reduction specified in Section 4.3. Such election shall have no effect on the distribution of his or her Post-2004 Benefit at his or her Normal Retirement Date.

7.5 Funding of Plan Benefits Upon Potential Change in Control. Upon a Potential Change in Control, the Plan Administrator shall identify the amount by which the present value of all benefits earned to date under the Plan (after offsets) exceeds the then fair market value of the

applicable Trust assets, calculated using the Pension Benefit Guaranty Corporation immediate annuity interest rate as of the date of the Potential Change in Control, the 1983 GAM mortality tables, and the most valuable optional payment form (the "Full Funding Amount"), and the Company shall contribute such Full Funding Amount to the Trust. Each Participant's benefits for purposes of calculating present value shall be the highest benefit the Participant would have under the Plan within the six months following a Potential Change in Control, assuming that the Participant's employment continues for six months at the same rate of Compensation, and that the Participant receives any benefit enhancement provided by the Plan, or any other agreement, upon a Change in Control.

7.6 Plan Administration and Amendment Upon a Change in Control. Upon and after a Change in Control, the Company no longer shall have the power to appoint or remove members of the Benefits Committee or Compensation Committee, nor the power to approve legal counsel or actuaries employed by such committees. Upon and after a Change in Control, only the respective committee members shall have the power to appoint or remove members. If, at any time after a Change in Control, all members of the Benefits Committee or Compensation Committee have been removed or resigned, then all of the powers, rights and duties vested in such committee by Article IX below shall be vested in the trustee of the Trust.

7.7 Plan Administrator Discretion to Pay Lump Sum After a Change in Control. Upon and after a Change in Control, the Plan Administrator may, in its sole discretion, distribute, or cause the trustee under the Trust to distribute, to a Participant or a surviving spouse, the present value (determined in accordance with the assumptions in Section 12.11) of the Participant's Pre-2005 Benefit, or the portion of Supplemental Disability Pension or the surviving spouse's Supplemental Spouse Pension attributable to his or her Pre-2005 Benefit, payable under the Plan in a lump sum payment. The Plan Administrator shall distribute, or cause the trustee under the Trust to distribute, the present value of the Participant's Post-2004 Benefit.

7.8 Lump Sum Election. Each calendar year, a Participant shall have the right to elect to receive the present value (determined in accordance with the assumptions in Section 12.11) of the portion of the Participant's Supplemental Retirement Pension, the balance of the Participant's Supplemental Retirement Account, or the Participant's Supplemental Disability Pension that constitutes the Participant's Pre-2005 Benefit, in a lump sum if:

- (a) a Change in Control occurs in the calendar year subsequent to the calendar year in which the election is made; and
- (b) (1) within 24 months following the Change in Control any one of the payment triggering conditions set forth in the Change in Control and Termination Agreement between the Company and the Participant shall have occurred; or
 - (i) if no Change in Control and Termination Agreement is in effect between the Company and the Participant on the date of the Change in Control and within 24 months following the Change in Control the employment of the Participant with the Company is terminated by the Company for any reason other than Good Cause or the Participant terminates his or her employment with the Company for Good Reason.

Such election shall be irrevocable for the calendar year to which it applies. A distribution pursuant to this Section shall be made as soon as practicable following the Participant's separation from Service. Notwithstanding the preceding provisions of this Section, a Participant had the right to make the election set forth in this Section at any time during the first three (3) months of calendar year 2003 with respect to a Change in Control that occurred during the last nine (9) months of calendar year 2003. Any such election was irrevocable for calendar year 2003 and was subject to the other provisions of this Section.

7.9 Definitions.

- (a) "Good Cause" shall be deemed to exist if, and only if:
 - (i) the Participant engages in acts or omissions constituting dishonesty, intentional breach of fiduciary obligation or intentional wrongdoing or malfeasance, in each case that results in substantial harm to the Company; or
 - (ii) the Participant is convicted of a criminal violation involving fraud or dishonesty.
- (b) "Good Reason" shall be deemed to exist if, and only if:
 - (i) there is a significant change in the nature or the scope of the Participant's authorities or duties;
 - (ii) there is a significant reduction in the Participant's monthly rate of base salary, his or her opportunity to earn a bonus under an incentive bonus compensation plan maintained by the Company or his or her benefits; or
 - (iii) the Company changes by 100 miles or more the principal location in which the Participant is required to perform services.

ARTICLE VIII

BENEFICIARY DESIGNATION

8.1 Beneficiary Designation. Each Participant shall have the right, at any time, to designate one or more persons or an entity as Beneficiary (both primary as well as secondary) to whom benefits under the Plan shall be paid in the event of the Participant's death prior to complete distribution of the Participant's interest under the Plan. Each Beneficiary designation shall be in a written form prescribed by the Benefits Committee and shall be effective only when filed with the Benefits Committee during the Participant's lifetime.

If the Participant designates multiple beneficiaries, he or she shall designate the percentage, in whole numbers, allocated to each such beneficiary.

8.2 Changing Beneficiary. Any Beneficiary designation may be changed by a Participant without the consent of the previously named Beneficiary by the filing of a new

designation with the Benefits Committee. The filing of a new designation shall cancel all designations previously filed.

8.3 No Beneficiary Designation. If any Participant fails to designate a beneficiary in the manner provided above, if the designation is void or if the beneficiary designated by a deceased Participant dies before the Participant or before complete distribution of the Participant's benefits, the Participant's beneficiary shall be the person in the first of the following classes in which there is a survivor:

- (a) The Participant's spouse;
- (b) The Participant's children in equal shares, except that if any of the children predeceases the Participant but leaves issue surviving, then such issue shall take, by right of representation, the share the parent would have taken if living;
- (c) The Participant's estate.

ARTICLE IX

PLAN ADMINISTRATION

9.1 Allocation of Duties to Committees. The Plan shall be administered by the Benefits Committee, as delegated by the Compensation Committee. The Benefits Committee shall have the authority to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of the Plan and decide or resolve any and all questions, including interpretations of the Plan, as may arise in such administration, except as otherwise reserved to the Compensation Committee herein, or by resolution or charter of the respective committees. Members of the Benefits Committee may be Participants under the Plan.

In its discretion, the Plan Administrator may delegate to any division or department of the Company the discretionary authority to make decisions regarding Plan administration, within limits and guidelines from time to time established by the Plan Administrator. The delegated discretionary authority shall be exercised by such division or department's senior officer, or his/her delegate. Within the scope of the delegated discretionary authority, such officer or person shall act in the place of the Plan Administrator and his/her decisions shall be treated as decisions of the Plan Administrator.

9.2 Agents. The Plan Administrator may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Company.

9.3 Information Required by Plan Administrator. The Company shall furnish the Plan Administrator with such data and information as the Plan Administrator may deem necessary or desirable in order to administer the Plan. The records of the Company as to an employee's or Participant's period or periods of employment, separation from Service and the reason therefore, reemployment and Compensation will be conclusive on all persons unless determined to the Plan Administrator's satisfaction to be incorrect. Participants and other persons entitled to benefits

under the Plan also shall furnish the Plan Administrator with such evidence, data or information as the Plan Administrator considers necessary or desirable to administer the Plan.

9.4 Binding Effect of Decisions. Subject to applicable law, and the provisions of Article X, any interpretation of the provisions of the Plan and any decision on any matter within the discretion of the Benefits Committee and/or the Compensation Committee (or any duly authorized delegate of either such committee) and made in good faith shall be binding on all persons.

ARTICLE X

CLAIMS PROCEDURE

10.1 Claim. Claims for benefits under the Plan shall be made in writing to the Plan Administrator. The Plan Administrator shall establish rules and procedures to be followed by Participants and Beneficiaries in filing claims for benefits, and for furnishing and verifying proof necessary to establish the right to benefits in accordance with the Plan, consistent with the remainder of this Article.

10.2 Review of Claim. The Plan Administrator shall review all claims for benefits. Upon receipt by the Plan Administrator of such a claim, it shall determine all facts that are necessary to establish the right of the claimant to benefits under the provisions of the Plan and the amount thereof as herein provided within 90 days of receipt of such claim. If prior to the expiration of the initial 90 day period, the Plan Administrator determines additional time is needed to come to a determination on the claim, the Plan Administrator shall provide written notice to the Participant, Beneficiary or other claimant of the need for the extension, not to exceed a total of 180 days from the date the application was received. If the Plan Administrator fails to notify the claimant in writing of the denial of the claim within 90 days after the Plan Administrator receives it, the claim shall be deemed denied.

10.3 Notice of Denial of Claim. If the Plan Administrator wholly or partially denies a claim for benefits, the Plan Administrator shall, within a reasonable period of time, but no later than 90 days after receiving the claim (unless extended as provided above), notify the claimant in writing of the denial of the claim. Such notification shall be written in a manner reasonably expected to be understood by such claimant and shall in all respects comply with the requirements of ERISA, including but not limited to inclusion of the following:

- (a) the specific reason or reasons for denial of the claim;
- (b) a specific reference to the pertinent Plan provisions upon which the denial is based;
- (c) a description of any additional material or information necessary for the claimant to perfect the claim, together with an explanation of why such material or information is necessary; and
- (d) an explanation of the Plan's review procedure.

10.4 Reconsideration of Denied Claim. Within 60 days of the receipt by the claimant of the written notice of denial of the claim, or within 60 days after the claim is deemed denied as set forth above, if applicable, the claimant or duly authorized representative may file a written request with the Benefits Committee that it conduct a full and fair review of the denial of the claimant's claim for benefits. If the claimant or duly authorized representative fails to request such a reconsideration within such 60 day period, it shall be conclusively determined for all purposes of the Plan that the denial of such claim by the Benefits Committee is correct. In connection with the claimant's appeal of the denial of his or her benefit, the claimant may review documents relevant to the benefit claim and may submit issues and comments in writing.

The Benefits Committee shall render a decision on the claim appeal promptly, but not later than 60 days after receiving the claimant's request for review, unless, in the discretion of the Benefits Committee, special circumstances require an extension of time for processing, in which case the 60-day period may be extended to 120 days. The Benefits Committee shall notify the claimant in writing of any such extension. The notice of decision shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Plan provisions on which the decision is based. If the decision on review is not furnished within the time period set forth above, the claim shall be deemed denied on review.

If such determination is favorable to the claimant, it shall be binding and conclusive. If such determination is adverse to such claimant, it shall be binding and conclusive unless the claimant or his duly authorized representative notifies the Benefits Committee within 90 days after the mailing or delivery to the claimant by the Benefits Committee of its determination that claimant intends to institute legal proceedings challenging the determination of the Benefits Committee and actually institutes such legal proceedings within 180 days after such mailing or delivery.

ARTICLE XI

PLAN AMENDMENT AND TERMINATION

11.1 Plan Amendment. The Compensation Committee or the Board shall have the authority to amend the Plan. The Compensation Committee or the Board shall have the exclusive authority to amend the Plan regarding eligibility for the Plan, the amount or level of benefits awarded under the Plan, and the time and form of payments for benefits from the Plan. In addition, the Compensation Committee or the Board shall also have the exclusive authority to make amendments that constitute a material increase in compensation, any change requiring action or consent by a committee of the Board pursuant to the rules of the Securities and Exchange Commission, the New York Stock Exchange or other applicable law, or such other material changes to the Plan such that approval of the Board is required. Unless otherwise determined by the Compensation Committee, the Benefits Committee shall have the authority to amend the Plan in all respects that are not exclusively reserved to the Compensation Committee or the Board.

The respective committee may at any time amend the Plan by written instrument, notice of which is given to all Participants, and to Beneficiaries receiving installment payments. Notwithstanding the preceding sentence, no amendment shall reduce the amount accrued in any Account prior to the date such notice of the amendment is given.

11.2 Plan Termination. The Compensation Committee or the Company may terminate the Plan at any time, except that any benefits that are payable due to a Retirement, death, Disability, or other separation from Service occurring prior to the amendment or termination shall not be reduced or discontinued. No amendment or termination of the Plan shall directly or indirectly deprive any current or former Participant (or surviving spouse) of all or any portion of any Supplemental Retirement Benefit, Supplemental Disability Pension, Supplemental Spouse Pension, or Supplemental Retirement Account, the payment of which has commenced prior to the effective date of such amendment or termination, or which would be payable if the Participant experienced a separation from Service for any reason on such effective date.

ARTICLE XII

MISCELLANEOUS

12.1 Plan Financing. Except as set forth below in this Section and in Section 7.5, benefits under the Plan shall be paid from the general assets of the Company. To the extent any Participant or surviving spouse or other designated beneficiary acquires a right to receive payments hereunder, such right shall be no greater than the right of any other unsecured creditor of the Company. Notwithstanding the foregoing, the Company has entered into a trust agreement (“Trust Agreement”) whereby the Company agrees to contribute to a trust (“Trust”) for the purpose of accumulating assets to assist the Company in fulfilling its obligations to Participants and surviving spouses or other designated beneficiaries hereunder. Such Trust includes the provision that all assets of the Trust shall be subject to the creditors of the Company in the event of its insolvency.

12.2 Non-Compete and Related Provisions. Benefits under the Plan may be forfeited if:

- (a) A Participant, while employed by the Company or within a period of three years after the Participant’s separation from Service for any reason, including Retirement (the “Restrictive Period”), engages in activity or employment that directly or indirectly competes with the business of the Company or its Affiliates, including, but not by way of limitation, by directly or indirectly owning, managing, operating, controlling, financing, or by directly or indirectly serving as an employee, officer or director of or consultant to, or by soliciting or inducing, or attempting to solicit or induce, any employee or agent of the Company or its Affiliates to terminate employment with the Company or its Affiliates, and become employed by, any person, firm, partnership, corporation, trust or other entity that provides commodities, products or services to customers of the Company or its Affiliates of the same type as commodities, products or services provided by the Company or its Affiliates (the “Restrictive Covenant”). The foregoing Restrictive Covenant shall not prohibit a Participant from owning directly or indirectly capital stock or similar securities which are listed on a securities exchange or quoted on the National Association of Securities Dealers Automated Quotation System which do not represent more than 1% of the outstanding capital stock of any such entity; or
- (b) A Participant performs any action or makes any statement that is detrimental to the Company or its Affiliates, unless such action or statement is retracted to the

Company's satisfaction after the Participant is notified regarding such action or statement.

12.3 Nonguarantee of Employment. Participation in the Plan does not limit the right of the Company or an Affiliate to discharge any individual with or without cause.

12.4 Nonalienation of Benefits. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage, or otherwise encumber, transfer, hypothecate, or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof or rights to, which are expressly declared to be unassignable and nontransferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony, or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

Notwithstanding the preceding paragraph, the benefit of any Participant shall be subject to and payable in the amount determined in accordance with any qualified domestic relations order, as that term is defined in Section 206(d)(3) of ERISA. The Plan Administrator shall provide for payment in a lump sum from a Participant's benefit to an alternate payee (as defined in Code Section 414(p)(8)) as soon as administratively practicable following receipt of such order. Any federal, state or local income tax associated with such payment shall be the responsibility of the alternate payee. The balance of a benefit that is subject to any qualified domestic relations order shall be reduced by the amount of any payment made pursuant to such order.

12.5 Indemnification.

- (a) Limitation of Liability. Notwithstanding any other provision of the Plan or the Trust, none of the Company, any member of the Benefits Committee or Compensation Committee, nor an individual acting as an employee or agent of any of them, shall be liable to any Participant or former Participant, or any surviving spouse or other designated beneficiary of any Participant or former Participant, for any claim, loss, liability or expense incurred in connection with the Plan or the Trust, except when the same shall have been judicially determined to be due to the willful misconduct of such person.
- (b) Indemnity. The Company shall indemnify and hold harmless each member of the Benefits Committee and the Compensation Committee, or any employee of the Company or any individual acting as an employee or agent of either of them (to the extent not indemnified or saved harmless under any liability insurance or any other indemnification arrangement with respect to the Plan or the Trust) from any and all claims, losses, liabilities, costs and expenses (including attorneys' fees) arising out of any actual or alleged act or failure to act made in good faith pursuant to the provisions of the Plan, including expenses reasonably incurred in the defense of any claim relating thereto with respect to the administration of the Plan or the Trust, except that no indemnification or defense shall be provided to any person with respect to any conduct that has been judicially determined, or agreed by the parties, to have constituted willful misconduct on the part of such person, or to have resulted

in his or her receipt of personal profit or advantage to which he or she is not entitled. In connection with the indemnification provided by the preceding sentence, expenses incurred in defending a civil or criminal action, suit or proceeding, or incurred in connection with a civil or criminal investigation, may be paid by the Company in advance of the final disposition of such action, suit, proceeding, or investigation, as authorized by the Plan Administrator in the specific case, upon receipt of an undertaking by or on behalf of the party to be indemnified to repay such amount unless it shall ultimately be determined that the person is entitled to be indemnified by the Company pursuant to this paragraph.

12.6 Severability. Each of the Sections contained in the Plan, and each provision in each Section, shall be enforceable independently of every other Section or provision in the Plan, and the invalidity or unenforceability of any Section or provision shall not invalidate or render unenforceable any other Section or provision contained herein. If any Section or provision in a Section is found invalid or unenforceable, it is the intent of the parties that a court of competent jurisdiction shall reform the Section or provision to produce its nearest enforceable economic equivalent.

12.7 Action by Company. Any action required of, or permitted by, the Company under the Plan shall be by resolution of the respective committee identified herein, or by a person or persons authorized by resolution of the such committee.

12.8 Protective Provisions. A Participant shall cooperate with the Company by furnishing any and all information requested by the Company and its Affiliates in order to facilitate the payment of benefits hereunder, and by taking such physical examinations as the Company and its Affiliates may deem necessary and taking such other action as may be requested by the Company and its Affiliates.

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

12.10 Notice. Any notice required or permitted under the Plan shall be sufficient if in writing and hand delivered or sent by registered or certified mail. Such notice shall be deemed as given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Mailed notice to the Plan Administrator shall be directed to the Company's address. Mailed notice to a Participant, a surviving spouse or other designated beneficiary shall be directed to the individual's last known address in the Company's records.

12.11 Successors. The provisions of the Plan shall bind and inure to the benefit of the Company, its Affiliates and their successors and assigns. The term successors as used herein shall include any corporate or other business entity that shall, whether by merger, consolidation, purchase, or otherwise, acquire all or substantially all of the business and assets of the Company, and successors of any such corporation or other business entity.

12.12 Actuarial Assumptions. Unless otherwise provided in the Plan, all actuarial adjustments necessary to determine the amount, form or timing of any distribution shall be based

on the same actuarial assumptions used for the pension a Participant is eligible to receive under the NiSource Pension Plan.

12.13 Tax Savings.

- (a) Notwithstanding anything to the contrary contained in the Plan, (1) in the event that the Internal Revenue Service prevails in its claim that benefits under the Plan constitute taxable income to a Participant, his or her spouse or other designated beneficiary, for any taxable year, prior to the taxable year in which such benefits are distributed to him or her, or (2) in the event that legal counsel satisfactory to the Company and the applicable Participant, his or her spouse or other designated beneficiary, renders an opinion that the Internal Revenue Service would likely prevail in such a claim, the Pre-2005 Benefit, to the extent constituting taxable income, shall be immediately distributed to the Participant, his or her spouse or other designated beneficiary. For purposes of this Section, the Internal Revenue Service shall be deemed to have prevailed in a claim if such claim is upheld by a court of final jurisdiction, or, if based upon an opinion of legal counsel satisfactory to the Company and the Participant, his or her spouse or other designated beneficiary, the Plan fails to appeal a decision of the Internal Revenue Service, or a court of applicable jurisdiction, with respect to such claim to an appropriate Internal Revenue Service appeals authority or to a court of higher jurisdiction within the appropriate time period.
- (b) Notwithstanding anything to the contrary contained in the Plan, (1) in the event that the Internal Revenue Service prevails in its claim that benefits under the Plan constitute taxable income under Code Section 409A, and guidance and regulations thereunder, to a Participant, his or her spouse or other designated beneficiary, for any taxable year prior to the taxable year in which such benefits are distributed to him or her, or (2) in the event that legal counsel satisfactory to the Company and the applicable Participant, his or her spouse or other designated beneficiary, renders an opinion that the Internal Revenue Service would likely prevail in such a claim, the Post-2004 Benefit or Supplemental Spouse Pension, to the extent constituting taxable income, shall be immediately distributed to the Participant, his or her spouse or other designated beneficiary. For purposes of this Section, the Internal Revenue Service shall be deemed to have prevailed in a claim if such claim is upheld by a court of final jurisdiction, or, if based upon an opinion of legal counsel satisfactory to the Company and the Participant, his or her spouse or other designated beneficiary, the Plan fails to appeal a decision of the Internal Revenue Service, or a court of applicable jurisdiction, with respect to such claim to an appropriate Internal Revenue Service appeals authority or to a court of higher jurisdiction within the appropriate time period.

[signature block follows on next page]

IN WITNESS WHEREOF, the Company has caused this amendment and restatement of the NiSource Inc. Supplemental Executive Retirement Plan to be executed in its name by its duly authorized officer, effective as of November 1, 2020.

NISOURCE INC.

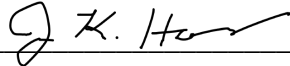
By: 
Its: Director of Benefits
Date: 10/20/2020

EXHIBIT A

History of the Plan

Northern Indiana Public Service Company adopted the Northern Indiana Public Service Company Supplemental Executive Retirement Plan effective as of December 23, 1982. The Plan was amended as of January 1, 1989. The Plan was subsequently adopted by NIPSCO Industries, Inc., the successor to Northern Indiana Public Service Company, effective as of January 1, 1991. The Plan was amended and restated, effective January 1, 1993 and September 1, 1994. Effective June 1, 2002, NiSource Inc., the parent company of NIPSCO Industries, Inc., assumed sponsorship of the Plan and the Plan was further amended and restated to make administrative and technical changes. The Plan was further amended, effective January 1, 2004, to reflect changes in the structure of benefits under the Plan. The Plan was again amended and restated, effective January 1, 2005, to comply with Internal Revenue Code Section 409A with respect to benefits earned under the Plan from and after January 1, 2005. Benefits under the Plan earned and vested prior to January 1, 2005 shall be administered without giving effect to Code Section 409A, and guidance and regulations thereunder. The Plan was again amended and restated, effective January 1, 2008, to incorporate special transition relief under Internal Revenue Service Notice 2007-86 to allow Participants to elect to change the time and form of payment of certain Post-2004 Benefits. The Plan was further amended and restated, effective January 1, 2010, to clarify how certain supplemental death benefits will be paid to Participants who have reached Retirement. The Plan was further amended and restated effective May 13, 2011 to transfer all administrative authority with respect to the Plan (including the authority to render decisions on claims and appeals and make administrative or ministerial amendments) from the Compensation Committee to the Benefits Committee. The Plan was amended and restated again, effective August 10, 2017, to revise the procedures for determining Disability under the Plan.

The Plan is amended and restated again, effective November 1, 2020 to clarify matters relating to the Compensation Committee and certain other matters.



Statement Date: 12-29-2020



My Source for HR™

<http://www.mysourceforhr.com>

Pension Restoration Plan of NiSource Inc. and Affiliates Nonqualified Pension Plan Early Election

You are receiving this notice because you are eligible to participate in the Pension Restoration Plan for NiSource Inc. and Affiliates. Eligibility or participation is not something that you must choose. The Pension Restoration Plan for NiSource Inc. and Affiliates makes participants whole for any benefits restricted under NiSource's qualified pension plan(s) due to Internal Revenue Service (IRS) qualified plan limitations.

IRS regulations require that participants in a nonqualified plan make their choices about how they want to receive their benefit (payment form) and when they want to receive their benefit (payment timing) once they participate in the plan and before they earn any benefits. This statement provides information to help you make your choices of payment form and timing. There are no similar restrictions on your regular pension benefit, so you will receive information about your regular pension choices when you are able to start your benefit.

In the Pension Restoration Plan of NiSource Inc. and Affiliates, the start of your payment will always be the first of the month following your termination date if you are early retirement eligible, otherwise the later of your termination date and age 65. Please note that as a result of IRS rules, there may be a delay of up to six months on when you can receive your first payment.

Plan Information

Why does NiSource provide a nonqualified plan? This plan is designed to allow your full eligible earnings to be used in your retirement benefit calculation regardless of IRS qualified plan limits. The effect, if you're covered by this plan at retirement, is that your retirement benefit calculation will be done using the same formula as the qualified pension plan except part of your benefit will be paid from the Pension Restoration Plan of NiSource Inc. and Affiliates.

Please note that, although today it appears a portion of your NiSource retirement benefit may be payable through the Pension Restoration Plan of NiSource Inc. and Affiliates, the IRS limitations in effect at the time of your retirement will determine whether or not your full benefit can be provided through NiSource's qualified pension plan(s).

What You Need to Do

- **Review the Enclosed Pension Options Description statement.**

This statement will describe all the optional form choices available for your benefit from the Pension Restoration Plan of NiSource Inc. and Affiliates.

Please note that, depending on whether you are a "specified employee" under IRS rules when you leave NiSource, there may be delays on when you can receive your first payment.

- **Make Your Choices**

To make your choice for payment form, call MySource toll free at 1-888-640-3320.

You must make your choices by **January 31, 2021**. If you don't make your choices by this date, your payment will be made using the plan defaults of a Lump Sum payment paid on the your termination date if you are early retirement eligible, otherwise the later of the first of the month following your termination date and age 65.

Important Information

Your payment choices are restricted by IRS limitations, just as your qualified benefit amount is limited.

After you make your choice for form of your nonqualified benefit, or after January 31, 2021, if you don't make any choice, your ability to change your choices is limited. You can only change your choices if you do so 12 or more months before your previously elected or defaulted start date. Also, if you change your choices in the future, the earliest you can receive your payments would be five years after your previously selected or defaulted payment start date. These restrictions do not apply if you change from one annuity to a different actuarially equivalent annuity.

Other Considerations

Nonqualified plan payments aren't eligible for rollover treatment. These payments are subject to federal and state income tax withholding.

In addition to income tax withholding, the entire present value of your nonqualified plan payment may be subject to Social Security and Medicare taxes (commonly referred to as FICA tax). These taxes are required by the IRS and will be taken from your paycheck(s) with your nonqualified pension payments once they begin.

For More Information



Online
MySource for HR™
<http://www.mysourceforhr.com>



Phone
1-888-640-3320, between 8:00 a.m. and 6:00 p.m., Eastern Time, Monday through Friday.



Statement Date: 12-29-2020



My Source for HR™

<http://www.mysourceforhr.com>



Pension Restoration Plan of NiSource Inc. and Affiliates Account Balance Option Pension Option Descriptions

The following describes the payment options available to you:

Single Life Annuity

This is the normal payment form if you are single, unless you elect otherwise.

Your monthly payments for this option are larger than those under the 50% Joint and Survivor Annuity. However, all benefit payments stop when you die. If you are married and your spouse lives after your death, he or she receives no payments. If you are married and elect this option, you will need to obtain your spouse's notarized consent to your election.

50% Joint and Survivor Pop up Annuity

This option provides a monthly benefit until your death. In addition, you select monthly benefits of 50%, of the amount you receive to be payable after your death to your designated beneficiary as long as he or she lives. Under this method, the amount payable during your lifetime is less than the amount you would receive under the Single Life Annuity. The amount of the reduction depends upon the age of both you and your beneficiary and on the percentage to be continued after your death. If you are married and elect a form of payment other than the normal form with your spouse as your beneficiary, you will need to obtain your spouse's notarized consent to your election. If you are married and choose any Joint and Survivor Annuity, but choose someone other than your spouse as the beneficiary, you will need to obtain your spouse's notarized consent. If you choose this option and your designated beneficiary dies within five years after the date you commence your pension benefit, your payment will be converted (increased) to reflect a Single Life Annuity.

Joint and Survivor Annuities

This option provides a monthly benefit until your death. In addition, you select monthly benefits of 33-1/3%, 50%, 66-2/3%, 75%, or 100% of the amount you receive to be payable after your death to your designated beneficiary as long as he or she lives. Under this method, the amount payable during your lifetime is less than the amount you would receive under the Single Life Annuity. The amount of the reduction depends upon the age of both you and your beneficiary and on the percentage to be continued after your death. If you are married and elect a form of payment other than the normal form with your spouse as your beneficiary, you will need to obtain your spouse's notarized consent to your election. If you are married and choose any Joint and Survivor Annuity, but choose someone other than your spouse as the beneficiary, you will need to obtain your spouse's notarized consent.

If you choose the 50% Joint and Survivor Annuity and your designated beneficiary dies within five years after the date you commence your pension benefit, your payment will be converted (increased) to reflect a Single Life Annuity.

5 or 10 Year Certain and Life Annuities

This option provides a monthly payment until your death. If you die before you receive payments for 5 or 10 years, whichever you select, your beneficiary will receive the remaining payments. If you and all of your beneficiaries die before the selected payment period ends, the estate of the last survivor will receive a single lump sum payment based on the value of the remaining payments. If you die after the selected payment period ends, no further benefits will be paid to any beneficiary. If you're married and elect this option, your spouse must consent to your election.

Pension Option Descriptions

Lump Sum Option

This option provides a single payment of the value of your entire benefit. The Lump Sum option represents a full and FINAL settlement.

For More Information



Online

MySource for HR™
<http://www.mysourceforhr.com>

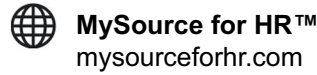


Phone

1-888-640-3320, between 8:30 a.m. and 4:30 p.m., Eastern Time, Monday through Friday.



Statement Date: February 18, 2021



A000847

Columbia Energy Group Pension Plan Account Balance Option Account Statement

Your Account Summary From 01-01-2020 to 12-31-2020

	Qualified Account Balance	Nonqualified Account Balance	Total
Account Balance on 01-01-2020	\$448,825.80	\$11,256.68	\$460,082.48
Interest Credits	\$17,953.03	\$450.27	\$18,403.30
Pay Credits	\$19,261.50	\$4,434.18	\$23,695.68
Account Balance on 12-31-2020	\$486,040.33	\$16,141.13	\$502,181.46

Interest credits were credited to your beginning account balance at an annualized rate of 4.00%.

Personal Information

Birth Date	08-03-1962
Vesting Service (Years)	34.825
Point Service (Years)	34.833

Your pension account includes a benefit under the Pension Restoration Plan for NiSource Inc. and Affiliates. This non-qualified retirement plan is designed to restore benefits limited by the IRS. Pay credits are credited to this Plan after your plan year eligible pay exceeds the IRS pay limits.



For More Information



Online
MySource for HR™
mysourceforhr.com



Phone
1-888-640-3320, between 8:00 a.m. and 6:00 p.m. Eastern Time, Monday through Friday.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Provide the actuarial studies for the years 2019 and 2020 used to record i) Columbia Kentucky Generally Accepted Accounting Principles ("GAAP") pension costs and ii) Columbia Kentucky GAAP other post-employment benefit ("OPEB") costs, iii) NCSC GAAP pension costs subject to allocation to Columbia Kentucky and iv) NCSC GAAP OPEB costs subject to allocation to Columbia Kentucky.

Response:

- i) See attached KY PSC Case No 2021-00183, AG 1-169, Attachment A for 2019 and KY PSC Case No 2021-00183, AG 1-169, Attachment B for 2020.
- ii) See attached KY PSC Case No 2021-00183, AG 1-169, Attachment C for 2019 and KY PSC Case No 2021-00183, AG 1-169, Attachment D for 2020.
- iii) and iv) See attached KY PSC Case No 2021-00183, AG 1-169, Attachment E for 2019 and KY PSC Case No 2021-00183, AG 1-169, Attachment F for 2020. Both Attachments E and F contain redactions of information related to NiSource affiliates unresponsive to this request.

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**NiSource Inc.
Qualified Pension Plans - Total
2020 Expense by Company**

	Service Cost	Interest Cost	Expected Return on Plan Assets	Amort. of Transitional Obligation	Amort. of Prior Service Cost	Amort. of Actuarial (Gain) Loss	Total
NiSource Gas Distribution							
Columbia Gas of Kentucky	\$ 433,639	\$ 628,100	\$ (1,437,739)	\$ 0	\$ (271)	\$ 401,604	\$ 25,333
Columbia Gas of Ohio	██████████	██████████	██████████	█	██████████	██████████	██████████
Columbia Gas of Maryland	██████████	██████████	██████████	█	██████████	██████████	██████████
Columbia Gas of Pennsylvania	██████████	██████████	██████████	█	██████████	██████████	██████████
Columbia Gas of Virginia	██████████	██████████	██████████	█	██████████	██████████	██████████
Columbia Gas of Massachusetts	██████████	██████████	██████████	█	██████████	██████████	██████████
Columbia Gas of Massachusetts - Union	██████████	██████████	██████████	█	██████████	██████████	██████████
Columbia Gas of Massachusetts - Nonunion	██████████	██████████	██████████	█	██████████	██████████	██████████
	\$ 8,575,929	\$ 12,631,587	\$ (28,795,592)	\$ 0	\$ 545,997	\$ 8,617,703	\$ 1,575,624
Northern Indiana Energy							
NIPSCO - Union	\$ ██████████	█ ██████████	█ ██████████	█	█ ██████████	█ ██████████	█ ██████████
NIPSCO - Nonunion	██████████	██████████	██████████	█	██████████	██████████	██████████
	\$ 18,335,218	\$ 34,101,230	\$ (70,464,880)	\$ 0	\$ 220,918	\$ 20,883,715	\$ 3,076,201
Corp/Other							
Company 12	\$ 5,090,973	\$ 6,385,091	\$ (13,963,657)	\$ 0	\$ 3,090	\$ 4,131,040	\$ 1,646,537
Primary Energy	██████████	██████████	██████████	█	██████████	██████████	██████████
Energy Technology	██████████	██████████	██████████	█	██████████	██████████	██████████
NiSource Divested	██████████	██████████	██████████	█	██████████	██████████	██████████
	\$ 5,090,973	\$ 6,595,115	\$ (14,406,877)	\$ 0	\$ 3,993	\$ 4,290,361	\$ 1,573,565
Total	\$ 32,002,120	\$ 53,327,932	\$ (113,667,349)	\$ 0	\$ 770,908	\$ 33,791,779	\$ 6,225,390

**NiSource Inc.
Nonqualified Pension Plans
2020 Expense by Company**

	Service Cost	Interest Cost	Expected Return on Plan Assets	Amort. of Transitional Obligation	Amort. of Prior Service Cost	Amort. of Actuarial (Gain) Loss	Total
NiSource Gas Distribution							
Columbia Gas of Kentucky	\$ 1,354	\$ 1,583	\$ 0	\$ 0	\$ 0	\$ 962	\$ 3,899
Columbia Gas of Ohio							
Columbia Gas of Maryland							
Columbia Gas of Pennsylvania							
Columbia Gas of Virginia							
Columbia Gas of Massachusetts							
Columbia Gas of Massachusetts - Union							
Columbia Gas of Massachusetts - Nonunion	\$ 17,508	\$ 55,900	\$ 0	\$ 0	\$ 0	\$ 116,995	\$ 190,403
Northern Indiana Energy							
NIPSCO - Union	\$	\$	\$	\$	\$	\$	\$
NIPSCO - Nonunion	\$ 22,376	\$ 13,800	\$ 0	\$ 0	\$ 0	\$ 8,383	\$ 44,559
Corp/Other							
Company 12	\$ 170,019	\$ 702,503	\$ 0	\$ 0	\$ 0	\$ 796,552	\$ 1,669,074
Primary Energy							
Energy Technology							
NiSource Divested	\$ 170,019	\$ 702,689	\$ 0	\$ 0	\$ 0	\$ 796,665	\$ 1,669,373
Total	\$ 209,903	\$ 772,389	\$ 0	\$ 0	\$ 0	\$ 922,043	\$ 1,904,335

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**NiSource Inc.
 Pre-65 Retiree Medical Plan
 2020 Expense by Company**

	Service Cost	Interest Cost	Expected Return on Plan Assets	Amort. of Transitional Obligation	Amort. of Prior Service Cost	Amort. of Actuarial (Gain) Loss	Total
NiSource Gas Distribution							
Columbia Gas of Kentucky	\$ 72,919	\$ 92,424	\$ (158,693)	\$ 0	\$ 22,479	\$ 72,718	\$ 101,847
Columbia Gas of Ohio							
Columbia Gas of Maryland							
Columbia Gas of Pennsylvania							
Columbia Gas of Virginia							
Columbia Gas of Massachusetts							
Columbia Gas of Massachusetts - Union							
Columbia Gas of Massachusetts - Nonunion							
	\$ 1,565,033	\$ 1,372,474	\$ (3,528,509)	\$ 0	\$ 311,573	\$ 133,190	\$ (146,239)
Northern Indiana Energy							
NIPSCO - Union							
NIPSCO - Nonunion							
	\$ 1,830,824	\$ 1,256,900	\$ (460,583)	\$ 0	\$ (1,319,927)	\$ 1,595,948	\$ 2,903,162
Corp/Other							
Company 12	\$ 501,461	\$ 460,352	\$ (393,280)	\$ 0	\$ 120,038	\$ 258,489	\$ 947,060
Primary Energy							
Energy Technology							
NiSource Divested							
	\$ 501,461	\$ 461,052	\$ (393,280)	\$ 0	\$ 119,823	\$ 269,968	\$ 959,024
Settled Group	\$	\$	\$	\$	\$	\$	\$
Total	\$ 3,897,318	\$ 3,106,942	\$ (4,415,467)	\$ 0	\$ (888,531)	\$ 2,070,040	\$ 3,770,302

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**NiSource Inc.
 Post-65 Retiree Medical Plan
 2020 Expense by Company**

	Service Cost	Interest Cost	Expected Return on Plan Assets	Amort. of Transitional Obligation	Amort. of Prior Service Cost	Amort. of Actuarial (Gain) Loss	Total
NiSource Gas Distribution							
Columbia Gas of Kentucky	\$ 40,648	\$ 152,521	\$ (221,087)	\$ 0	\$ 14,452	\$ (21,611)	\$ (35,077)
Columbia Gas of Ohio							
Columbia Gas of Maryland							
Columbia Gas of Pennsylvania							
Columbia Gas of Virginia							
Columbia Gas of Massachusetts							
Columbia Gas of Massachusetts - Union							
Columbia Gas of Massachusetts - Nonunion							
	\$ 759,379	\$ 2,933,283	\$ (6,099,459)	\$ 0	\$ 503,101	\$ 225,889	\$ (1,677,807)
Northern Indiana Energy							
NIPSCO - Union							
NIPSCO - Nonunion							
	\$ 1,158,254	\$ 5,715,152	\$ (316,315)	\$ 0	\$ (1,770,965)	\$ 1,414,737	\$ 6,200,863
Corp/Other							
Company 12	\$ 326,154	\$ 802,960	\$ (765,816)	\$ 0	\$ 107,250	\$ 151,292	\$ 621,840
Primary Energy							
Energy Technology							
NiSource Divested							
	\$ 326,154	\$ 899,689	\$ (782,498)	\$ 0	\$ 135,071	\$ 174,782	\$ 753,198
Settled Group	\$	\$	\$	\$	\$	\$	\$
Total	\$ 2,243,787	\$ 9,590,168	\$ (7,538,741)	\$ 0	\$ (1,132,793)	\$ 1,796,257	\$ 4,958,678

**NiSource Inc.
Retiree Life Insurance Plans
2020 Expense by Company**

	Service Cost	Interest Cost	Expected Return on Plan Assets	Amort. of Transitional Obligation	Amort. of Prior Service Cost	Amort. of Actuarial (Gain) Loss	Total
NiSource Gas Distribution							
Columbia Gas of Kentucky	\$ 6,268	\$ 88,925	\$ (164,892)	\$ 0	\$ 0	\$ 64,263	\$ (5,436)
Columbia Gas of Ohio							
Columbia Gas of Maryland							
Columbia Gas of Pennsylvania							
Columbia Gas of Virginia							
Columbia Gas of Massachusetts							
Columbia Gas of Massachusetts - Union							
Columbia Gas of Massachusetts - Nonunion	\$ 171,029	\$ 1,216,322	\$ (2,061,270)	\$ 0	\$ 49,307	\$ 836,924	\$ 212,312
Northern Indiana Energy							
NIPSCO - Union							
NIPSCO - Nonunion	\$ 268,349	\$ 1,079,095	\$ 0	\$ 0	\$ 136,416	\$ (37,839)	\$ 1,446,021
Corp/Other							
Company 12	\$ 51,659	\$ 386,022	\$ (400,327)	\$ 0	\$ 0	\$ 245,971	\$ 283,325
Primary Energy							
Energy Technology							
NiSource Divested	\$ 51,659	\$ 403,311	\$ (400,717)	\$ 0	\$ 0	\$ 249,472	\$ 303,725
Total	\$ 491,037	\$ 2,698,728	\$ (2,461,987)	\$ 0	\$ 185,723	\$ 1,048,557	\$ 1,962,058

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Retirement and Investment

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**NiSource Inc.
Qualified Pension Plans
2019 Expense by Company**

	Service Cost	Interest Cost	Expected Return on Plan Assets	Amort. of Transitional Obligation	Amort. of Prior Service Cost	Amort. of Actuarial (Gain) Loss	Total
NiSource Gas Distribution							
Columbia Gas of Kentucky	\$ 409,396	\$ 879,416	\$ (1,374,625)	\$ 0	\$ (26,968)	\$ 627,687	\$ 514,906
Columbia Gas of Ohio	██████████	██████████	██████████	██████████	██████████	██████████	██████████
Columbia Gas of Maryland	██████████	██████████	██████████	██████████	██████████	██████████	██████████
Columbia Gas of Pennsylvania	██████████	██████████	██████████	██████████	██████████	██████████	██████████
Columbia Gas of Virginia	██████████	██████████	██████████	██████████	██████████	██████████	██████████
Columbia Gas of Massachusetts	██████████	██████████	██████████	██████████	██████████	██████████	██████████
Columbia Gas of Massachusetts - Union	██████████	██████████	██████████	██████████	██████████	██████████	██████████
Columbia Gas of Massachusetts - Nonunion	██████████	██████████	██████████	██████████	██████████	██████████	██████████
	\$ 8,093,993	\$ 17,709,447	\$ (27,643,169)	\$ 0	\$ 114,061	\$ 13,252,674	\$ 11,527,006
Northern Indiana Energy							
NIPSCO - Union	\$ ██████████	██████████	██████████	██████████	██████████	██████████	██████████
NIPSCO - Nonunion	██████████	██████████	██████████	██████████	██████████	██████████	██████████
	\$ 15,692,065	\$ 45,026,159	\$ (67,406,250)	\$ 0	\$ 224,970	\$ 25,559,584	\$ 19,096,528
Corp/Other							
Company 12	\$ 5,033,804	\$ 8,624,838	\$ (13,220,700)	\$ 0	\$ (113,552)	\$ 5,775,275	\$ 6,099,665
Primary Energy	██████████	██████████	██████████	██████████	██████████	██████████	██████████
Energy Technology	██████████	██████████	██████████	██████████	██████████	██████████	██████████
NiSource Divested	██████████	██████████	██████████	██████████	██████████	██████████	██████████
	\$ 5,033,804	\$ 8,903,600	\$ (13,639,788)	\$ 0	\$ (112,186)	\$ 5,982,018	\$ 6,167,448
Total	\$ 28,819,862	\$ 71,639,206	\$ (108,689,207)	\$ 0	\$ 226,845	\$ 44,794,276	\$ 36,790,982

**NiSource Inc.
 Nonqualified Pension Plans
 2019 Expense by Company**

	Service Cost	Interest Cost	Expected Return on Plan Assets	Amort. of Transitional Obligation	Amort. of Prior Service Cost	Amort. of Actuarial (Gain) Loss	Total
NiSource Gas Distribution							
Columbia Gas of Kentucky	\$ 2,818	\$ 1,930	\$ 0	\$ 0	\$ 0	\$ 271	\$ 5,019
Columbia Gas of Ohio							
Columbia Gas of Maryland							
Columbia Gas of Pennsylvania							
Columbia Gas of Virginia							
Columbia Gas of Massachusetts							
Columbia Gas of Massachusetts - Union							
Columbia Gas of Massachusetts - Nonunion							
	\$ 20,797	\$ 85,084	\$ 0	\$ 0	\$ 0	\$ 95,642	\$ 201,523
Northern Indiana Energy							
NIPSCO - Union	\$						
NIPSCO - Nonunion	\$ 42,722	\$ 18,771	\$ 0	\$ 0	\$ 0	\$ 2,631	\$ 64,124
Corp/Other							
Company 12	\$ 211,325	\$ 992,994	\$ 0	\$ 0	\$ 0	\$ 594,059	\$ 1,798,378
Primary Energy							
Energy Technology							
NiSource Divested	\$ 211,325	\$ 993,210	\$ 0	\$ 0	\$ 0	\$ 594,089	\$ 1,798,624
Total	\$ 274,844	\$ 1,097,065	\$ 0	\$ 0	\$ 0	\$ 692,362	\$ 2,064,271

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 Retirement and Investment

**NiSource Inc.
 Pre-65 Retiree Medical Plan
 2019 Expense by Company**

	Service Cost	Interest Cost	Expected Return on Plan Assets	Amort. of Transitional Obligation	Amort. of Prior Service Cost	Amort. of Actuarial (Gain) Loss	Total
NiSource Gas Distribution							
Columbia Gas of Kentucky	\$ 47,416	\$ 112,436	\$ (131,870)	\$ 0	\$ 13,618	\$ 43,160	\$ 84,760
Columbia Gas of Ohio							
Columbia Gas of Maryland							
Columbia Gas of Pennsylvania							
Columbia Gas of Virginia							
Columbia Gas of Massachusetts							
Columbia Gas of Massachusetts - Union							
Columbia Gas of Massachusetts - Nonunion	\$ 1,050,805	\$ 1,503,477	\$ (3,107,283)	\$ 0	\$ 101,896	\$ (84,813)	\$ (535,918)
Northern Indiana Energy							
NIPSCO - Union	\$						
NIPSCO - Nonunion	\$ 1,083,727	\$ 1,548,090	\$ (402,074)	\$ 0	\$ (1,763,001)	\$ 804,766	\$ 1,271,508
Corp/Other							
Company 12	\$ 318,560	\$ 437,803	\$ (368,891)	\$ 0	\$ 4,474	\$ 3,865	\$ 395,811
Primary Energy							
Energy Technology							
NiSource Divested	\$ 318,560	\$ 439,853	\$ (368,891)	\$ 0	\$ 4,259	\$ 12,899	\$ 406,680
Settled Group	\$						
Total	\$ 2,453,092	\$ 3,514,882	\$ (3,898,261)	\$ 0	\$ (1,656,846)	\$ 791,836	\$ 1,204,713

Proprietary and Confidential

Aon
 Retirement and Investment

**NiSource Inc.
 Post-65 Retiree Medical Plan
 2019 Expense by Company**

	Service Cost	Interest Cost	Expected Return on Plan Assets	Amort. of Transitional Obligation	Amort. of Prior Service Cost	Amort. of Actuarial (Gain) Loss	Total
NiSource Gas Distribution							
Columbia Gas of Kentucky	\$ 34,875	\$ 198,051	\$ (183,319)	\$ 0	\$ 18,660	\$ (6,391)	\$ 61,876
Columbia Gas of Ohio							
Columbia Gas of Maryland							
Columbia Gas of Pennsylvania							
Columbia Gas of Virginia							
Columbia Gas of Massachusetts							
Columbia Gas of Massachusetts - Union							
Columbia Gas of Massachusetts - Nonunion	\$ 652,510	\$ 3,916,257	\$ (5,065,518)	\$ 0	\$ 654,815	\$ 306,916	\$ 464,980
Northern Indiana Energy							
NIPSCO - Union	\$						
NIPSCO - Nonunion	\$ 944,312	\$ 7,018,308	\$ (276,133)	\$ 0	\$ (2,548,749)	\$ 222,559	\$ 5,360,297
Corp/Other							
Company 12	\$ 292,010	\$ 985,071	\$ (614,309)	\$ 0	\$ 130,757	\$ 44,381	\$ 837,910
Primary Energy							
Energy Technology							
NiSource Divested	\$ 292,010	\$ 1,123,463	\$ (633,379)	\$ 0	\$ 161,107	\$ 56,135	\$ 999,336
Settled Group	\$						
Total	\$ 1,888,832	\$ 12,124,162	\$ (6,267,924)	\$ 0	\$ (1,732,827)	\$ 591,142	\$ 6,603,385

Aon
Retirement and Investment

Proprietary and Confidential

**NiSource Inc.
Retiree Life Insurance Plans
2019 Expense by Company**

	Service Cost	Interest Cost	Expected Return on Plan Assets	Amort. of Transitional Obligation	Amort. of Prior Service Cost	Amort. of Actuarial (Gain) Loss	Total
NiSource Gas Distribution							
Columbia Gas of Kentucky	\$ 4,940	\$ 101,435	\$ (132,769)	\$ 0	\$ 0	\$ 73,296	\$ 46,902
Columbia Gas of Ohio	█	█	█	█	█	█	█
Columbia Gas of Maryland	█	█	█	█	█	█	█
Columbia Gas of Pennsylvania	█	█	█	█	█	█	█
Columbia Gas of Virginia	█	█	█	█	█	█	█
Columbia Gas of Massachusetts	█	█	█	█	█	█	█
Columbia Gas of Massachusetts - Union	█	█	█	█	█	█	█
Columbia Gas of Massachusetts - Nonunion	█	█	█	█	█	█	█
	\$ 135,064	\$ 1,387,693	\$ (1,660,425)	\$ 0	\$ 52,570	\$ 923,406	\$ 838,308
Northern Indiana Energy							
NIPSCO - Union	\$ █	█	█	█	█	█	█
NIPSCO - Nonunion	█	█	█	█	█	█	█
	\$ 93,185	\$ 1,285,272	\$ 0	\$ 0	\$ 136,416	\$ (129,211)	\$ 1,485,662
Corp/Other							
Company 12	\$ 46,805	\$ 439,249	\$ (328,139)	\$ 0	\$ 0	\$ 217,992	\$ 375,907
Primary Energy	█	█	█	█	█	█	█
Energy Technology	█	█	█	█	█	█	█
NiSource Divested	█	█	█	█	█	█	█
	\$ 46,805	\$ 461,161	\$ (328,825)	\$ 0	\$ 0	\$ 219,145	\$ 398,286
Total	\$ 375,054	\$ 3,134,126	\$ (1,989,250)	\$ 0	\$ 188,986	\$ 1,013,340	\$ 2,722,256



2020 Year-End Disclosure Information

NiSource Inc.

Postretirement Welfare Plans

As of December 31, 2020

Introduction

This report documents the results of the December 31, 2020 actuarial valuation of the Postretirement Welfare Plans for the plan sponsor and for NiSource. The information provided in this report is intended strictly for documenting:

- Postretirement welfare benefit cost for the 2021 fiscal year
- Information relating to company and plan disclosure and reporting requirements

In calculating projected year-end disclosure results and 2021 expense, we have measured liabilities as of December 31, 2020. In calculating 2020 expense, we have measured liabilities as of December 31, 2019.

Determinations for purposes other than financial accounting may be significantly different from the results in this report. Thus, the use of this report for purposes other than those expressed here may not be appropriate.

This valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. In addition, the valuation results are based on our understanding of the financial accounting and reporting requirements under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715, including any guidance or interpretations provided by the Company and reviewed by its auditors prior to the issuance of this report. The information in this report is not intended to supersede or supplant the advice and interpretations of the Company's auditors.

A valuation model was used to develop the liabilities for the December 31, 2020 valuation. The valuation model relies on ProVal software, which was developed by Winklevoss Technologies, LLC. Experts within Aon selected this software and determined it is appropriate for performing valuations. We coded and reviewed the software for the provisions, assumptions, methods, and data of the Postretirement Welfare Plans.

Models are used to estimate underlying per capita medical and drug claims costs, subsequently utilized as assumption inputs for valuation models used to develop the liabilities for the 2020 and future valuations. Models are used to develop underlying future trend rates. The Aon consulting team leveraged expertise of Health experts within Aon as it relates to reviewing the models for development of the per capita claims costs and future trend rates.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to (but not limited to) such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions
- Changes in economic or demographic assumptions
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period)
- Changes in plan provisions or applicable law

Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

Funded status measurements shown in this report are determined based on various measures of plan assets and liabilities. For company and plan disclosure and reporting purposes, funded status is determined using plan assets measured at market value. Plan liabilities are measured based on the interest rates and other assumptions summarized in the Actuarial Assumptions and Methods section of this report.

These funded status measurements may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations, and funded status measurements for company and plan disclosure and reporting purposes may not be appropriate for assessing the need for or the amount of future contributions.


In determining information relating to plan disclosure and reporting requirements, Aon may be assisting the appropriate plan fiduciary as it performs tasks that are required for the administration of an employee benefit plan. Aon also may be consulting with the employer/plan sponsor (NiSource) as it considers alternative strategies for funding the plan, or as it evaluates information relating to employer reporting requirements. Thus, Aon potentially will be providing assistance to NiSource (and/or certain of its employees) acting in a fiduciary capacity (for the benefit of plan participants and beneficiaries) and to NiSource (and/or its executives) acting in a settlor capacity (for the benefit of the employer sponsoring the postretirement welfare plans).

In conducting the valuation, we have relied on personnel, plan design, health care claim cost, and asset information supplied by NiSource and its health plans. While we cannot verify the accuracy of all of the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we do not doubt the substantial accuracy or completeness of the information and we believe that it has produced appropriate results.

The actuarial assumptions and methods used in this valuation are described in the Actuarial Assumptions and Methods section of this report. All assumptions used in this actuarial valuation, other than the 2021 expected return on assets assumption, represent, in our opinion, a reasonable expectation of anticipated experience under the plan. The 2021 expected return on assets assumption was prescribed by NiSource and is at the upper end of the range we would consider to be reasonable based on Aon's forward looking capital market assumptions.

The undersigned are familiar with the near-term and long-term aspects of postretirement valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. The information provided in this report is dependent upon various factors as documented throughout this report, which may be subject to change. Each section of this report is an integral part of the actuarial opinions.

To our knowledge, no colleague of Aon providing services to NiSource has any direct financial interest or indirect material interest in NiSource. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this actuarial report for NiSource.


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January 26, 2021

Actuarial Assumptions and Methods

Discount Rate	The AA Above Median Curve as of December 31, 2020 with sample rates as follows: Duration 0.5–0.28% Duration 5.5–1.03% Duration 10.5–1.98% Duration 15.5–2.57% Duration 20.5–2.93% Duration 25.5–3.16% Duration 30.5–3.32%
Expected 2021 Long-Term Rate of Return on Assets	
Pre-65 Medical	4.70%, reflects 0.26% UBIT reduction
Post-65 Medical	5.85%, reflects 0.78% UBIT reduction
Other Life Insurance	5.99%, reflects 0.69% UBIT reduction
Health Care Cost Trend Rates	The trend rates of incurred claims represent the rate of increase in employer claim payments and administrative costs. They are based on national average information from a variety of sources, including S&P Healthcare Economic Index, NHCE data, plan renewal data, and vendor Rx reports, with adjustments based on the provisions of the benefits sponsored by NiSource. See Table 1.
Retiree Contribution Increases	Equal to health care cost trend rates (except as noted with employer subsidy cap)
Mortality Rates (Healthy)	Amounts-weighted aggregate rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2020 as adjusted through 2023 to reflect anticipated slow recovery from COVID-19
Mortality Rates (Survivor)	Amounts-weighted aggregate contingent survivor rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2020 as adjusted through 2023 to reflect anticipated slow recovery from COVID-19
Mortality Rates (Disabled)	Amounts-weighted disabled retiree rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2020 as adjusted through 2023 to reflect anticipated slow recovery from COVID-19
Retirement Age	Based on pension plan participation as follows:
NiSource Pension Plan (Account Balance Participants)	See Table 2.
Columbia, Bay State Nonunion and Bay State Union Pension Plans	See Table 3.

Withdrawal Rates

NiSource Pension Plan (Nonunion Participants)	See Table 4.
NiSource Pension Plan (Union Participants)	See Table 5.
Columbia Pension Plan	See Table 6.
Bay State Nonunion and Bay State Union Pension Plans (Union Participants)	See Table 7.
Bay State Nonunion Pension Plan (Nonunion Participants)	See Table 8.

Disability Rates Rates not used. Only current disabled employees have been included.

Active Employee Dependent Coverage 75% of male participants and 40% of female participants are assumed to be married and elect coverage for their spouses. Wives are assumed to be three years younger than their husbands.

Future Retiree Coverage Elections Election of future pre-65 retiree health care plan is based on current election patterns for recent retirees. For future post-65 coverage, NIPSCO Union participants are assumed to elect NIPSCO Union Medicare Supplement, BSU Brockton Physical and BSU Lawrence participants are assumed to elect BSG Med Supp, and BSU Brockton C/T, BSU Northampton, BSU Springfield Physical, and BSU Northampton C/T are assumed to elect BSG Med Supp (Med Only). All other participants are assumed to elect the Medicare Supplement Plan.

Future Retiree Medical Participation Percentage (Excluding employees who transferred to Eversource)

Retirees with Defined Dollar Subsidy	Years of Service		
	Retire In	10–19	20–29
2006–2021	50%	75%	90%
2022–2031	50%	65%	80%
2032+	50%	55%	70%

RBPs 821A, 822A, 825A, 825B16, 826A, 827A, 827B, 828A, 828B14 and 829A 95%

Future Retiree Medical Participation Percentage
(Only employees who transferred to Eversource)

Participants Retirement Eligible at Close Participation rates above apply to the portion of the population assumed to return to elect NiSource coverage.
100% assumed to return to elect NiSource Pre-65 coverage
80% assumed to return to elect NiSource Post-65 coverage.

Participants Not Retirement Eligible at Close 0%

Retiree Medical Lapse Rates
(Excluding employees who transferred to Eversource)

RBPs 101A, 101B, 101C, 101M, 101N, None
221, 221Y05, 221Y14, 821A, 822A,
823A, 824A, 825A, 826A, 827A, 828A,
and 829A

RBPs 825B, 825B13, 825B16, 827B, 20% of retirees are assumed to lapse coverage at
828B, 828B13, and 828B14 age 65

RBPs 101I, 101J, 101K, 101L, and 101O None

RBPs 101D, 101E, 101F, 101H, Approximately 3% of retirees do not re-elect coverage
621A, 621B, 621C, 621E, and 622C per year for pre-65 retiree medical, and 4% of retirees do
not re-elect coverage per year for post-65 retiree
medical. In addition, 30% of retirees are assumed to
lapse coverage at age 65.

Retirees with Defined Dollar Subsidy Approximately 2% of retirees do not re-elect coverage
per year for pre-65 retiree medical, and 2% of retirees do
not re-elect coverage per year for post-65 retiree
medical. In addition, 20% of retirees are assumed to
lapse coverage at age 65.

Retiree Medical Lapse Rates
(Only employees who transferred to Eversource)

Retiree medical lapse rates above apply plus an
additional 20% of retirees are assumed to lapse at age
65 to switch to Eversource coverage

Aging	<u>Attained Age</u>	<u>Annual Increases</u>
	40–44	3.3%
	45–49	3.8%
	50–54	4.3%
	55–59	4.4%
	60–64	3.8%
	65–69	3.1%
	70–74	2.1%
	75–79	1.4%
	80–84	1.3%
	85–89	0.6%
	90+	0.0%

Aging affects medical and drug claim costs and administration costs implicit to fully insured premiums.

Actuarial Cost Method Unit credit (prorated on service) cost method. Costs are prorated over the attribution period, which is defined as the period from date of hire to the full eligibility date.

Administrative Expenses Included in per capita claim costs.

Health Care Claim Amounts See health care claims development section.

Measurement Date December 31

Employees Included All active and disabled participants who are eligible to eventually receive postretirement welfare benefits, and all retirees and dependents currently covered are included.

Full Eligibility Date

Health Care

Participants without Defined Dollar Age 55 with 10 years of service

Participants with Defined Dollar Assumed retirement age, because benefit accrues with service

Life Insurance Age 55 with 10 years of service

Market-Related Value of Assets Equal to the market value of assets on December 31

Retiree Life Insurance Administrative Cost Load 10%

Amortization schedule

Prior Service Cost Amortization over average remaining service

Unrecognized Net (Gains)/Losses Gains or losses in excess of 10% corridor are amortized over average remaining service.

Changes in Methods/Assumptions Since the Prior Year

Method Changes

The financial accounting valuation reflects no method changes from the prior year.

Assumption Changes

The financial accounting valuation reflects the following assumption changes from the prior year:

- A change from the December 31, 2019 Aon AA Above Median Yield Curve to the December 31, 2020 Aon AA Above Median Yield Curve.
- A change in the healthy mortality assumption from the amounts-weighted aggregate rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019 to the amounts-weighted aggregate rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2020 as adjusted through 2023 to reflect anticipated slow recovery from COVID-19.
- A change in the survivor mortality assumption from the amounts-weighted aggregate contingent survivor rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019 to the amounts-weighted aggregate contingent survivor rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2020 as adjusted through 2023 to reflect anticipated slow recovery from COVID-19.
- A change in the disabled mortality assumption from the amounts-weighted disabled retiree rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019 to the amounts-weighted disabled retiree rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2020 as adjusted through 2023 to reflect anticipated slow recovery from COVID-19.
- A change in the health care trend assumption.
- Changes to the expected long-term rates of return on assets for each of the funded plans.
- A change in the withdrawal rate assumption for nonunion participants in the NiSource pension plan.
- A change in the marriage assumption from 80% to 75% for males.

The rationales for selecting each of the assumptions used in the financial accounting valuation and for the assumption changes summarized above are described in more detail in the document entitled 2020 Actuarial Valuation Results and Year-End Planning, dated December 3, 2020.

Table 1

Composite Trend Rates¹

Year	Pre-65	Post-65
2020	6.23%	6.85%
2021	6.23%	6.85%
2022	6.02%	6.56%
2023	5.80%	6.27%
2024	5.59%	5.98%
2025	5.37%	5.69%
2026	5.15%	5.39%
2027	4.93%	5.10%
2028	4.72%	4.80%
2029+	4.50%	4.50%

¹ Plus additional increase to reflect anti-selection due to assumed lapse

Table 2

Retirement Rates—NiSource Pension Plan (Including former Subsidiary and Kokomo Union)

Age	Final Average Pay Participants			Account Balance Participants
	<25 Years	25+ Years	85+ Points	
55	5.00%	5.00%	10.00%	4.00%
56	5.00%	5.00%	10.00%	4.00%
57	5.00%	5.00%	10.00%	4.00%
58	5.00%	5.00%	10.00%	4.00%
59	5.00%	5.00%	10.00%	4.00%
60	5.00%	20.00%	20.00%	10.00%
61	5.00%	20.00%	20.00%	10.00%
62	25.00%	25.00%	25.00%	15.00%
63	10.00%	20.00%	20.00%	15.00%
64	10.00%	20.00%	20.00%	15.00%
65	35.00%	35.00%	35.00%	20.00%
66	35.00%	35.00%	35.00%	20.00%
67	35.00%	35.00%	35.00%	20.00%
68	35.00%	35.00%	35.00%	20.00%
69	35.00%	35.00%	35.00%	20.00%
70+	100.00%	100.00%	100.00%	100.00%

Table 3

Retirement Rates — Columbia, Bay State Nonunion and Bay State Union Pension Plans

Age	All Participants
55	5.00%
56	5.00%
57	5.00%
58	5.00%
59	10.00%
60	10.00%
61	15.00%
62	20.00%
63	20.00%
64	20.00%
65	30.00%
66	30.00%
67	30.00%
68	30.00%
69	30.00%
70+	100.00%

Table 4

Withdrawal Rates — NiSource Pension Plan (Nonunion Participants)

Age	Nonunion Rates
≤34	8.00%
35	7.90%
36	7.40%
37	6.90%
38	6.50%
39	6.00%
40	5.60%
41	5.20%
42	4.90%
43	4.50%
44	4.20%
45	3.90%
46	3.60%
47	3.40%
48	3.10%
49	2.90%
50	2.70%
51	2.60%
52	2.40%
53	2.30%
54	2.20%
55+	4.00%

Table 5

Withdrawal Rates — NiSource Pension Plan (Union Participants)

Age	Years of Service			
	0	1	2	3+
≤19	4.80%	4.80%	4.80%	4.80%
20	4.80%	4.80%	4.80%	4.80%
21	4.80%	4.80%	4.80%	4.80%
22	4.50%	4.50%	4.50%	4.50%
23	4.30%	4.30%	4.30%	4.30%
24	4.00%	4.00%	4.00%	4.00%
25	4.00%	3.80%	3.80%	3.80%
26	4.00%	3.60%	3.60%	3.60%
27	4.00%	3.30%	3.30%	3.30%
28	4.00%	3.10%	3.10%	3.10%
29	4.00%	3.00%	2.90%	2.90%
30	4.00%	3.00%	2.80%	2.80%
31	4.00%	3.00%	2.60%	2.60%
32	4.00%	3.00%	2.50%	2.40%
33	4.00%	3.00%	2.50%	2.20%
34	4.00%	3.00%	2.50%	2.10%
35	4.00%	3.00%	2.50%	1.90%
36	4.00%	3.00%	2.50%	1.80%
37	4.00%	3.00%	2.50%	1.70%
38	4.00%	3.00%	2.50%	1.60%
39	4.00%	3.00%	2.50%	1.50%
40	4.00%	3.00%	2.50%	1.40%
41	4.00%	3.00%	2.50%	1.30%
42	4.00%	3.00%	2.50%	1.20%
43	4.00%	3.00%	2.50%	1.20%
44	4.00%	3.00%	2.50%	1.10%
45	4.00%	3.00%	2.50%	1.10%
46	4.00%	3.00%	2.50%	1.00%
47	4.00%	3.00%	2.50%	1.00%
48	4.00%	3.00%	2.50%	1.00%
49	4.00%	3.00%	2.50%	1.00%
50+	4.00%	3.00%	2.50%	1.00%

Table 6

Withdrawal Rates — Columbia Pension Plan

Age	All Participants
≤34	4.00%
35	3.95%
36	3.70%
37	3.45%
38	3.25%
39	3.00%
40	2.80%
41	2.60%
42	2.45%
43	2.25%
44	2.10%
45	1.95%
46	1.80%
47	1.70%
48	1.55%
49	1.45%
50	1.35%
51	1.30%
52	1.20%
53	1.15%
54	1.10%
55	1.10%
56	1.05%
57	1.05%
58	1.00%
59	1.00%
60	0.95%
61	0.95%
62	0.90%
63	0.85%
64	0.80%
65+	0.75%

Table 7

Withdrawal Rates — Bay State Nonunion and Bay State Union Pension Plans (Union Participants)

Age	Union Rates
≤19	14.40%
20	14.40%
21	14.40%
22	13.50%
23	12.90%
24	12.00%
25	11.40%
26	10.80%
27	9.90%
28	9.30%
29	8.70%
30	8.40%
31	7.80%
32	7.20%
33	6.60%
34	6.30%
35	5.70%
36	5.40%
37	5.10%
38	4.80%
39	4.50%
40	4.20%
41	3.90%
42	3.60%
43	3.60%
44	3.30%
45	3.30%
46	3.00%
47	3.00%
48	3.00%
49	3.00%
50+	3.00%

Table 8

Withdrawal Rates — Bay State Nonunion Pension Plan (Nonunion Participants)

Age	Nonunion Rates
≤34	12.00%
35	11.85%
36	11.10%
37	10.35%
38	9.75%
39	9.00%
40	8.40%
41	7.80%
42	7.35%
43	6.75%
44	6.30%
45	5.85%
46	5.40%
47	5.10%
48	4.65%
49	4.35%
50	4.05%
51	3.90%
52	3.60%
53	3.45%
54	3.30%
55	3.30%
56	3.15%
57	3.15%
58	3.00%
59	3.00%
60	2.85%
61	2.85%
62	2.70%
63	2.55%
64	2.40%
65+	2.25%

Actuarial Assumptions and Methods

Discussion of Actuarial Assumptions and Methods

NiSource selected the economic, demographic, and health care claim cost assumptions and prescribed them for use for purposes of compliance with ASC 715. For all assumptions other than the 2021 expected return on assets assumption, Aon provided guidance with respect to these assumptions and it is our belief that they represent reasonable expectations of anticipated plan experience. The 2021 expected rate of return on assets assumption was prescribed by NiSource and is at the upper end of the range we would consider to be reasonable based on Aon's forward-looking capital market assumptions. The actuarial cost method used is prescribed by ASC 715. While the method used to value assets is prescribed by NiSource, Aon provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for financial accounting purposes.

Calculation of Normal Costs and Liabilities

The method used to calculate the service cost and accumulated postretirement benefit obligation is the projected unit credit cost method. Under this method, the present value of projected benefits is estimated at each decrement age, taking into account the value of future increases in health claims and/or pay and the effect of retiree contributions and Medicare reimbursement, as applicable. The liability is determined as the present value of the projected benefit based on service at the valuation date. The service cost is the amount of the present value of projected benefits attributable to the valuation year.

Accounting Information under ASC 715

Benefit obligations and cost/(income) are calculated under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715.

The accumulated postretirement benefit obligation represents the actuarial present value of benefits based on service earned through the measurement date reflecting the effect of assumed future pay increases on ultimate benefit amounts.

The service cost is the present value of projected benefits that are attributed to the fiscal year, reflecting the effect of assumed future health care claim costs. The service cost includes interest to the end of the measurement period.

Interest cost and service cost are calculated by applying the individual spot rates in the yield curve to each of the discounted cash flows as of the measurement date.

The net periodic postretirement cost/(income) is the annual amount to be recognized in the income statement as the cost of benefits for this plan for the fiscal year.

Certain special events can result in additional cost/(income) recognized in the income statement during the fiscal year. Settlement cost/(income) is the accelerated recognition of gains and losses due to certain actions that irrevocably relieve the plan sponsor of significant plan liabilities. Curtailment cost/(income) is an accelerated recognition of certain amounts due to actions that significantly reduce the future years of expected service credited under the plan to existing participants. Special termination benefit cost is an immediate recognition of the liability associated with certain one-time benefits that may be provided in conjunction with participants' separation from service.

Health Care Claims Development

The self-funded average medical and Rx per capita claims costs (except for Medigap (Rx Only)) were developed from actual claims experience and enrollment for the two-year period January 1, 2018 through December 31, 2019. Claims and enrollment information was provided by NiSource's health care vendors. The annualized paid claims experience for each respective historical base period was adjusted to an incurred basis by assuming claim lag of one month for medical and zero months for prescription drugs.

Claims experience was adjusted for differences in plan design and contract arrangements between the historical periods and the projection period using plan design relative values from Aon's actuarial models. Adjustment was made as needed for large claims. The average medical and Rx per capita claims costs from each respective historical base period as developed were trended to the mid-point of calendar 2020 and should be trended to 2021 for use in projections.

To improve the credibility of a single projection estimate, a combination of estimates from the distinct historical periods was used, placing varying credibility on the periods depending on the group. Finally, average medical and Rx per capita claims costs were then age-adjusted based on the demographics of the population, and the assumed health care aging.

Administration, stop-loss premiums, and PCORI fees were developed and added onto the per capita claims cost assumptions using information supplied by NiSource. The administrative costs were based on actual 2020 per employee (subscriber) rates. Per subscriber stoploss premium rates were converted from an aggregate stoploss premium to a per subscriber basis using the most recent self-funded enrollment counts provided by the NiSource. Per subscriber PCORI fees were converted from a per person per year amount to a per subscriber basis using the subscriber and member enrollment counts for each product line. For 2020 administration, \$538 annually per subscriber was added for pre65 and post65 coverage. \$375 annually per subscriber was added for the Valuation basis only for pre65 stop-loss coverage. \$2.45 per person (member) annually was converted to a subscriber basis and added for all bases for pre65 coverage and for post65 coverage.

Due to low enrollment, the self-funded Medigap (Rx Only) average per capita claims cost assumption was the prior year assumption trended one year at 6.5%. The HMO fully insured average medical/Rx per capita claims costs were developed from 2020 composite active and pre65 retiree calendar year premium rates of the plan. Premium rates were provided by NiSource.

The self-funded Medigap (Rx Only) and HMO average medical/Rx per capita claims costs were centered at the mid-point of calendar 2020 and should be trended to 2021 for use in projections. Average medical/Rx per capita claims costs were age-adjusted based on the demographics of the population to split the composite rates into active only and pre65 only, using the assumed health care aging factors shown in the table in the assumptions section of this report. Per capita administrative costs were assumed to be implicit in the fully insured premium rates.

The OPEB valuation also incorporates the company's expected government subsidies related to eligible drug claims under the Medicare Part D program. Projected subsidies reduce the company's OPEB liability because it lowers the cash flow required to fund retiree medical benefits. A Medicare Part D retiree drug subsidy per enrolled member eligible for Medicare was projected for 2020 by applying a 5% annual pharmacy trend to actual average per person subsidies for the period, January 2018 to December 2019.

2020 Health Care Claims

The annual per capita claim costs for 2020 are as follows at age 61.6 for pre-65 retirees and age 76 for post-65 retirees:

	Pre-65 Active/Retiree Blended ¹	Pre-65 Retiree Only ²
Aetna	\$15,288	\$20,367
Health New England HMO	\$8,352	\$14,666
High Deductible PPO 1	\$6,047	\$10,663
High Deductible PPO 2	\$5,360	\$9,375
NIPSCO PPO	\$14,557	\$16,379
PPO (Non-Union)	\$13,983	\$15,717
PPO (Union)	\$13,737	\$15,457
Tufts HMO	\$11,931	\$19,096

	Post-65	Part D Reimbursement
Medicare Supplement—Flex	\$2,310	N/A
Medicare Supplement—NIPSCO	\$2,436	N/A
MAP	\$3,133	\$341
MAP (Medical Only)	\$1,732	N/A
BSG Med Supp Multi Union	\$2,257	N/A
BSG Med Supp	\$6,348	\$618
BSG Med Supp (Medical Only)	\$2,379	N/A
Medigap Supplement (Rx Only)	\$3,247	N/A
Highmark	\$4,500	N/A

¹ Defined dollar subsidy applied against this amount.

² Excess of this amount over active/retiree blended amount is provided by NiSource.

Plan Provisions

Summary of Pre-65 Retiree Medical Plan Provisions

This section highlights the key pre-65 retiree medical plan provisions reflected in the December 31, 2020 measurement.

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 ¹	NIPSCO Union PPO Nonunion PPO PPO HD PPO 1 HD PPO 2 Various HMOs by location
Medical Plan Options	See table below.
Cost Sharing	See table below.

¹ For detail on specific plan benefit provisions, see applicable NiSource plan documents.

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
101	Exempt FT hired or rehired before 01/01/2010 and retired on or after 02/01/2004 and before 02/01/2006 and Nonunion Non-Exempt FT hired or rehired before 01/01/2013 and retired on or after 02/01/2004	Nonunion PPO	Defined Dollar
		HD PPO 1 HD PPO 2 HMOs for Service Area	\$225 x service retiree \$170 x service spouse
101Y21	NiSource Non-Union Full Time (Non-Exempt hired before 01/01/2013 and Exempt Hired before 01/01/2010) and retired through CMA Bridging on or after 10/09/2020	Nonunion PPO	Defined Dollar
		HD PPO 1 HD PPO 2 HMOs for Service Area	\$225 x service retiree \$170 x service spouse
101A	Bay State Nonunion FT retired on or before 01/01/2002	Nonunion PPO	80% of "You Only" premium and 50% of premium for all other tiers until age 60, then 100% of premium (all active/pre65 blended)
		HD PPO 1 HD PPO 2 Tufts HMO Anthem BCBS NH-ME HMO	
101B	Bay State Nonunion FT hired before 09/01/1990, age 45 or older as of 01/01/1992, retired after 01/01/2002, elected retiree medical coverage and waived special saving plans match	Nonunion PPO	100% of premium
		HD PPO 1 HD PPO 2 HMOs for Service Area	
101C	Bay State Nonunion FT retired after 01/01/2002 and before 02/01/2004	Nonunion PPO	85% of premium (active/pre-65 for HMOs), not to exceed 103% of prior year's subsidy
		HD PPO 1 HD PPO 2 HMOs for Service Area	
101D	CEG Nonunion FT retired before 01/01/1993	Nonunion PPO	100% of premium
		HD PPO 1 HD PPO 2 HMOs for Service Area	
101E	CEG Nonunion FT hired before 01/01/1993 and retired on or after 01/01/1993 and before 02/01/2004	Nonunion PPO	100% of premium
		HD PPO 1 HD PPO 2 HMOs for Service Area	
101F	CEG Nonunion FT hired on or after 01/01/1993 and retired on or after 01/01/1993 and before 02/01/2004	Nonunion PPO	50% of active/pre-65 premium
		HD PPO 1 HD PPO 2 HMOs for Service Area	

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
101G	Columbia Nonunion FT—2002 ERW/VSP Age 50–52 (Salary continuation)	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$225 x service retiree \$170 x service spouse
101H	Columbia Nonunion FT—2002 ERW/VSP 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 on or before 01/01/2002	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
101J	Kokomo Nonunion FT retired after 01/01/2002 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
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)
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 on or 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

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
1010	NIFL FT retired after 01/01/2002 and 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	Exempt PT hired or rehired before 01/01/2010 and retired on or after 02/01/2004 and before 02/01/2006 and Nonunion Non-Exempt PT hired or rehired before 01/01/2013 and retired on or after 02/01/2004	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$225 x service retiree \$170 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 \$225 x service retiree \$170 x service spouse
104	Exempt FT hired or rehired before 01/01/2010 and retired on or after 02/01/2006	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$225 x service retiree \$170 x service spouse
105	Exempt PT hired or rehired before 01/01/2010 and retired on or after 02/01/2006	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$225 x service retiree \$170 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 \$225 x service retiree \$170 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

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
221Y14	NIPSCO Union FT hired on or after 06/01/2004 and before 06/01/2009 and retired before 01/01/2015	NIPSCO Union PPO HD PPO 1 HD PPO 2	70% of active/pre-65 premium
221Y15	NIPSCO Union FT hired before 06/01/2004 and retired on or after 01/01/2015 and before 02/01/2017	NIPSCO Union PPO HD PPO 1 HD PPO 2	Choice between: (a) Defined Dollar \$225 x service retiree \$170 x service spouse (b) 77% of active/pre-65 premium
221Y17	NIPSCO Union FT hired before 06/01/2004 and retired on or after 02/01/2017	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$225 x service retiree \$170 x service spouse
225Y15	NIPSCO Union FT hired on or after 06/01/2004 and before 06/01/2009 and retired on or after 01/01/2015 and before 02/01/2017	NIPSCO Union PPO HD PPO 1 HD PPO 2	Choice between: (a) Defined Dollar \$225 x service retiree \$170 x service spouse (b) 70% of active/pre-65 premium
225Y17	NIPSCO Union FT hired on or after 06/01/2004 and before 06/01/2009 and retired on or after 02/01/2017	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$225 x service retiree \$170 x service spouse
226Y19	NIPSCO Union FT hired on or after 06/01/2009 and retired on or after 06/01/2019	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$225 x service retiree \$170 x service spouse
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 \$225 x service retiree \$170 x service spouse
321Y12	NIFL Union FT hired before 01/01/2012 and retired on or after 01/01/2012 and before 01/01/2015	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$225 x service retiree \$170 x service spouse

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
321Y15	NIFL Union FT hired before 01/01/2012 and retired on or after 01/01/2015	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$225 x service retiree \$170 x service spouse
621	CEG Union FT hired before 01/01/2013 and retired after 01/01/2004	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$225 x service retiree \$170 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 hired before 01/01/1993 and retired after 01/01/1993 and before 02/01/2004	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	100% of premium
621C	CEG Union FT hired after 01/01/1993 and retired after 01/01/1993 and before 02/01/2004	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	50% of active/pre-65 premium
621D	CEG Union FT—2002 ERW/VSP Group Age 50–52 (Salary Continuation)	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$225 x service retiree \$170 x service spouse
621E	CEG Union FT—2002 ERW/VSP 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 hired before 01/01/2013 and retired after 02/01/2004	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$225 x service retiree \$170 x service spouse

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
622C	CEG Union PT hired after 01/01/1993 and retired after 01/01/1993 and before 02/01/2004	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 \$225 x service retiree \$170 x service spouse
721Y12	Kokomo Union FT hired before 01/01/2012 and retired on or after 01/01/2012 and before 01/01/2015	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$225 x service retiree \$170 x service spouse
721Y15	Kokomo Union FT hired before 01/01/2012 and retired on or after 01/01/2015	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$225 x service retiree \$170 x service spouse
821	Bay State Union Brockton Operating FT hired before 01/01/2013, retired on or before 01/01/2017, and does not meet requirements of 821A	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$225 x service retiree \$170 x service spouse
821Y17	Bay State Union Brockton Operating FT hired before 01/01/2013 and retired on or after 02/01/2017; and does not meet requirements of 821A	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$225 x service retiree \$170 x service spouse
821Y21	Bay State Union Brockton Operating FT hired before 01/01/2013 and retired through CMA Bridging on or after 10/09/2020	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$225 x service retiree \$170 x service spouse
821A	Bay State Union Brockton Operating 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

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
822	Bay State Union Brockton C/T FT hired before 06/01/2013, retired before 05/01/2013 and does not meet requirements of 822A	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$190 x service retiree ¹ \$135 x service spouse ²
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 but before 4/1/2018	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$190 x service retiree ¹ \$135 x service spouse ²
822Y18	Bay State Union Brockton C/T FT hired before 06/01/2013 and retired on or after 04/01/2018	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$190 x service retiree ¹ \$135 x service spouse ²
822Y21	Bay State Union Brockton C/T FT and PT hired before 06/01/2013 and retired through CMA Bridging on or after 10/09/2020	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$190 x service retiree ¹ \$135 x service spouse ²
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

¹ Defined Dollar increase to \$225 x service effective 01/01/2021.

² Defined Dollar increase to \$170 x service effective 01/01/2021.

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 and retired on or after 01/01/2013 and before 07/01/2017	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$225 x service retiree \$170 x service spouse
824Y17	Bay State Union Lawrence FT hired before 01/01/2013 and retired on or after 07/01/2017	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$225 x service retiree \$170 x service spouse
824Y21	Bay State Union Lawrence FT hired before 01/01/2013 and retired through CMA Bridging on or after 10/09/2020	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$225 x service retiree \$170 x service spouse
825	Bay State Union Northampton FT hired after 06/18/1999 but before 01/01/2011 and retired before 01/01/2016	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 retired between 01/01/2013 and 12/31/2015	PPO HD PPO 1 HD PPO 2 Health New England HMO	Up to \$1,100 per month

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
825B16	Bay State Union Northampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retired on or after 01/01/2016	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
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 Operating FT hired after 05/14/1999 and retired before 05/15/2013	COBRA Active Medical	None
828A	Bay State Union Springfield Operating 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 Operating 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

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
828B13	Bay State Union Springfield Operating 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 Operating 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 Operating FT hired after 05/14/1999 and retired on or after 05/15/2013	COBRA Active Medical	None
828B21	Bay State Union Springfield Operating FT hired before 05/14/1999 and retired through CMA Bridging on or after 10/09/2020	PPO HD PPO 1 HD PPO 2 Health New England HMO	Up to \$1,100 per month
829	Bay State Union Springfield C/T FT retired after 01/01/2004 and 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 \$225 x service retiree \$170 x service spouse
829Y11	Bay State Union Springfield C/T FT hired before 01/01/2011 and retired on or after 01/01/2011 and before 01/01/2016 and does not meet the requirements of 829A	PPO HD PPO 1 HD PPO 2 Health New England HMO Tufts HMO	Defined Dollar \$225 x service retiree \$170 x service spouse

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
829Y16	Bay State Union Springfield C/T FT hired before 01/01/2011 and retired on or after 01/01/2016 and does not meet the requirements of 829Y11	PPO	Defined Dollar
		HD PPO 1	\$225 x service retiree
		HD PPO 2	\$170 x service spouse
		Health New England HMO Tufts HMO	
829Y21	Bay State Union Springfield (C/T) FT hired before 01/01/2011 and retired through CMA Bridging on or after 10/09/2020	PPO	Defined Dollar
		HD PPO 1	\$225 x service retiree
		HD PPO 2	\$170 x service spouse
		Health New England HMO Tufts HMO	

Active Programs That Will Not Receive Retiree Benefits

Active Benefit Program	Group
106	All Nonunion Exempt FT hired or rehired on or after 01/01/2010
107	All Nonunion Exempt PT hired or rehired on or after 01/01/2010
108	All Nonunion Non-Exempt FT hired or rehired on or after 01/01/2013
109	All Nonunion Non-Exempt PT hired or rehired on or after 01/01/2013
222	NIPSCO Union PT
223	NIPSCO Union TMP
224	NIPSCO Union TWF
623	CEG Union FT hired or rehired on or after 01/01/2013
624	CEG Union PT hired or rehired on or after 01/01/2013
830	Bay State Union Springfield C/T PT hired before 01/01/2011
831	Bay State Union Brockton Operating FT hired on or after 01/01/2013
832	Bay State Union Brockton C/T FT hired or rehired on or after 06/01/2013 and retired after 05/01/2013
834	Bay State Union Brockton C/T PT hired on or before 05/31/2013
835	Bay State Union Northampton FT hired or rehired on or after 01/01/2011
838	Bay State Union Springfield Operating FT hired or rehired on or after 01/01/2014
839	Bay State Union Springfield C/T FT hired or rehired on or after 01/01/2011
840	Bay State Union Springfield C/T PT hired or rehired on or after 01/01/2011
844	Bay State Union Brockton C/T PT hired or rehired on or after 06/01/2013
854	Bay State Union Lawrence FT hired or rehired on or after 01/01/2013

Summary of Post-65 Medical Plan Provisions

This section highlights the key post-65 medical plan provisions reflected in the December 31, 2020 measurement.

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 ¹	Medicare Supplement NIPSCO Union Medicare Supplement MAP MAP (Medical Only) BSG Med Supp BSG Med Supp (Medical Only) BSG Med Supp Multiunion Medigap Supplement Highmark Medicare Advantage
Medical Plan Options	See table below.
Cost Sharing	See table below.

¹ 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	Exempt FT hired or rehired before 01/01/2010 and retired on or after 02/01/2004 and before 02/01/2006 and Nonunion Non-Exempt FT hired or rehired before 01/01/2013 and retired on or after 02/01/2004	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	N/A
101Y21	NiSource Non-Union Full Time (Non-Exempt hired before 01/01/2013 and Exempt Hired before 01/01/2010) and retired through CMA Bridging on or after 10/09/2020	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	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 after 01/01/2002 and before 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	\$144.60 ¹ monthly for retiree only	N/A	N/A
101E	CEG Nonunion FT hired before 01/01/1993 and retired on or after 01/01/1993 and before 02/01/2004	MAP MAP—Med Only Highmark Medicare Advantage	50% of premium (0% of premium for Highmark)	\$144.60 ¹ monthly for retiree only	N/A	N/A

¹ Adjusted annually by CMS to equal 25% of the estimated Part B program cost. \$148.50 for 2021.

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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
101F	CEG Nonunion FT hired on or after 01/01/1993 and retired on or after 01/01/1993 and before 02/01/2004	MAP MAP—Med Only	50% of premium	\$144.60 ¹ monthly for retiree only	N/A	N/A
101G	Columbia Nonunion FT—2002 ERW/VSP Age 50–52 (Salary continuation)	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	N/A
101H	Columbia Nonunion FT—2002 ERW/VSP Group Age 53–55, retired on or after 02/01/2004	Medicare Supplement MAP MAP—Med Only	50% of premium	\$144.60 ¹ monthly for retiree only	N/A	N/A
101I	Kokomo Nonunion FT retired on or before 01/01/2002	Medicare Supplement	100% of premium	N/A	N/A	N/A
101J	Kokomo Nonunion FT retired after 01/01/2002 and before 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 on or 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 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

¹ Adjusted annually by CMS to equal 25% of the estimated Part B program cost. \$148.50 for 2021.

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
102	Exempt PT hired or retired before 01/01/2010 and retired on or after 02/01/2004 and before 02/01/2006 and Nonunion Non-Exempt PT hired or retired before 01/01/2013 and retired on or after 02/01/2004	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	N/A
102D	Columbia Nonunion PT—2002 ERW/VSP Age 50–52	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	N/A
104	Exempt FT hired or retired before 01/01/2010 and retired on or after 02/01/2006	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	N/A
105	Exempt PT hired or retired before 01/01/2010 and retired on or after 02/01/2006	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	N/A
132	Special 4 th Quarter FT VSP retired before 02/01/2004	Medicare Supplement	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A
221	NIPSCO Union FT retired before 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 hired on or after 06/01/2004 and before 06/01/2009 and retired before 01/01/2015	NIPSCO Union Medicare Supplement	70% of premium	N/A	N/A	\$40 per month for retiree only

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
221Y15	NIPSCO Union FT hired before 06/01/2004 and retired on or after 01/01/2015 and before 02/01/2017	NIPSCO Union Medicare Supplement	Choice between: (a) Defined Dollar \$65 x service retiree \$45 x service spouse (b) 77% of premium	N/A	\$475 annually for retiree only (if elect Defined Dollar)	\$40 per month for retiree only
221Y17	NIPSCO Union FT hired before 06/01/2004 and retired on or after 02/01/2017	NIPSCO Union Medicare Supplement	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	\$40 per month for retiree only
225Y15	NIPSCO Union FT hired on or after 06/01/2004 and before 06/01/2009 and retired on or after 01/01/2015 and before 02/01/2017	NIPSCO Union Medicare Supplement	Choice between: (a) Defined Dollar \$65 x service retiree \$45 x service spouse (b) 70% of premium	N/A	\$475 annually for retiree only (if elect Defined Dollar)	\$40 per month for retiree only
225Y17	NIPSCO Union FT hired on or after 06/01/2004 and before 06/01/2009 and retired on or after 02/01/2017	NIPSCO Union Medicare Supplement	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	\$40 per month for retiree only
226Y19	NIPSCO Union FT hired on or after 06/01/2009 and retired on or after 06/01/2019	NIPSCO Union Medicare Supplement	Defined Dollar \$65 x service retiree \$45 x service spouse	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 MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	N/A
321Y12	NIFL Union FT hired before 01/01/2012 and retired on or after 01/01/2012 and before 01/01/2015	NIPSCO Union Medicare Supplement	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	\$40 per month for retiree only
321Y15	NIFL Union FT hired before 01/01/2012 and retired on or after 01/01/2015	NIPSCO Union Medicare Supplement	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	\$40 per month for retiree only

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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
621	CEG Union FT hired before 01/01/2013 and retired after 01/01/2004	Medicare Supplement MAP MAP—Med Only Highmark Medicare Advantage	Defined Dollar \$65 x service retiree \$45 x service spouse (100% of premium for Highmark)	N/A	\$475 annually for retiree only	N/A
621A	CEG Union FT retired before 01/01/1993	MAP MAP—Med Only Highmark Medicare Advantage	50% of premium (100% of premium for Highmark)	\$144.60 ¹ monthly for retiree only	N/A	N/A
621B	CEG Union FT hired before 01/01/1993 and retired after 01/01/1993 and before 02/01/2004	MAP MAP—Med Only Highmark Medicare Advantage	50% of premium (100% of premium for Highmark)	\$144.60 ¹ monthly for retiree only	N/A	N/A
621C	CEG Union FT hired after 01/01/1993 and retired after 01/01/1993 and before 02/01/2004	MAP MAP—Med Only	50% of premium	\$144.60 ¹ monthly for retiree only	N/A	N/A
621D	CEG Union FT—2002 ERW/VSP Group Age 50–52 (Salary Continuation)	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	N/A
621E	CEG Union FT—2002 ERW/VSP Group Age 53–55, retired on or after 02/01/2004	MAP MAP—Med Only	50% of premium	\$144.60 ¹ monthly for retiree only	N/A	N/A
622	CEG Union PT hired before 01/01/2013 and retired after 02/01/2004	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	N/A
622C	CEG Union PT hired after 01/01/1993 and retired after 01/01/1993 and before 02/01/2004	MAP MAP—Med Only	50% of premium	\$144.60 ¹ 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 \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A

¹ Adjusted annually by CMS to equal 25% of the estimated Part B program cost. \$148.50 for 2021.

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
721Y12	Kokomo Union FT hired before 01/01/2012 and retired on or after 01/01/2012 and before 01/01/2015	NIPSCO Union Medicare Supplement	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	\$40 per month for retiree only
721Y15	Kokomo Union FT hired before 01/01/2012 and retired on or after 01/01/2015	NIPSCO Union Medicare Supplement	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	\$40 per month for retiree only
821	Bay State Union Brockton Operating FT hired before 01/01/2013, retired on or before 01/01/2017, and does not meet requirements of 821A	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A
821Y17	Bay State Union Brockton Operating FT hired before 01/01/2013 and retired on or after 02/01/2017; and does not meet requirements of 821A	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A
821Y21	Bay State Union Brockton Operating FT hired before 01/01/2013 and retired through CWA Bridging on or after 10/09/2020	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A
821A	Bay State Union Brockton Operating 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 hired before 06/01/2013, retired before 05/01/2013 and does not meet requirements of 822A	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 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

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
822Y13	Bay State Union Brockton C/T FT hired before 06/01/2013 and retired on or after 05/01/2013 and before 4/1/2018	BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A
822Y18	Bay State Union Brockton C/T FT hired before 06/01/2013 and retired on or after 04/01/2018	BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A
822Y21	Bay State Union Brockton C/T FT and PT hired before 06/01/2013 and retired through CWA Bridging on or after 10/09/2020	BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 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
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 and before 07/01/2017	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A
824Y17	Bay State Union Lawrence FT hired before 01/01/2013 and retired on or after 07/01/2017	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
824Y21	Bay State Union Lawrence FT hired before 01/01/2013 and retired through CMA Bridging on or after 10/09/2020	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A
825	Bay State Union Northampton FT hired after 06/18/1999 but before 01/01/2011 and retired before 01/01/2016	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A
825A	Bay State Union Northampton 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 Northampton 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 Northampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retired between 01/01/2013 and 12/31/2015	BSG Med Supp (Med Only)	Up to \$225 per month	N/A	N/A	N/A
825B16	Bay State Union Northampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retired on or after 01/01/2016	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

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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 Operating 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 Operating 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 Operating 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 Operating 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 Operating 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 Operating 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

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
828B21	Bay State Union Springfield Operating FT hired before 05/14/1999 and retired through CMA Bridging on or after 10/09/2020	BSG Med Supp (Med Only)	Up to \$225 per month	N/A	N/A	N/A
829	Bay State Union Springfield CT FT retired after 01/01/2004 and 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 CT 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 CT 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 \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A
829Y11	Bay State Union Springfield CT FT hired before 01/01/2011 and retired on or after 01/01/2011 and before 01/01/2016 and does not meet the requirements of 829A	BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A
829Y16	Bay State Union Springfield CT FT hired before 01/01/2011 and retired after 01/01/2016 and does not meet the requirements of 829Y11	BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A
829Y21	Bay State Union Springfield (C/T) FT hired before 01/01/2011 and retired through CMA Bridging on or after 10/09/2020	BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A

Active Programs That Will Not Receive Retiree Benefits

Active Benefit Program	Group
106	All Nonunion Exempt FT hired or rehired on or after 01/01/2010
107	All Nonunion Exempt PT hired or rehired on or after 01/01/2010
108	All Nonunion Non-Exempt FT hired or rehired on or after 01/01/2013
109	All Nonunion Non-Exempt PT hired or rehired on or after 01/01/2013
222	NIPSCO Union PT
223	NIPSCO Union TMP
224	NIPSCO Union TWF
623	CEG Union FT hired or rehired on or after 01/01/2013
624	CEG Union PT hired or rehired on or after 01/01/2013
830	Bay State Union Springfield C/T PT hired before 01/01/2011
831	Bay State Union Brockton Operating FT hired or rehired on or after 01/01/2013
832	Bay State Union Brockton C/T FT hired or rehired on or after 06/01/2013 and retired after 05/01/2013
834	Bay State Union Brockton C/T PT hired on or before 05/31/2013
835	Bay State Union Northampton FT hired or rehired on or after 01/01/2011
838	Bay State Union Springfield Operating FT hired or rehired on or after 01/01/2014
839	Bay State Union Springfield C/T FT hired or rehired on or after 01/01/2011
840	Bay State Union Springfield C/T PT hired or rehired on or after 01/01/2011
844	Bay State Union Brockton C/T PT hired or rehired on or after 06/01/2013
854	Bay State Union Lawrence FT hired or rehired on or after 01/01/2013

Summary of NIPSCO Union Life Insurance Plan Provisions

This section highlights the key NIPSCO union life insurance plan provisions reflected in the December 31, 2020 measurement.

Eligibility for Participation Immediate.

Eligibility for Benefits Age 55 and 10 years of service.

Available Coverage

Retiree Benefit Program (RBP)	Group	Retiree Life Insurance¹ (Maximum if Noted; No Reduction)
221	NIPSCO Union FT retired prior to 01/01/2005	Amount of insurance is the sum of the retiree's gift and optional insurance at the time of retirement, subject to a \$10,000 maximum.
221Y05	NIPSCO Union FT hired before 06/01/2004 and retired on or after 01/01/2005 and before 01/01/2015	Amount of insurance is the sum of the retiree's gift and optional insurance at the time of retirement, subject to a \$10,000 maximum
221Y14	NIPSCO Union FT hired on or after 06/01/2004 and before 06/01/2009 and retired before 01/01/2015	Amount of insurance is the sum of the retiree's gift and optional insurance at the time of retirement, subject to a \$10,000 maximum.
221Y15	NIPSCO Union FT hired before 06/01/2004 and retired on or after 01/01/2015 and before 02/01/2017	\$15,000
221Y17	NIPSCO Union FT hired before 06/01/2004 and retired on or after 02/01/2017	\$15,000
225Y15	NIPSCO Union FT hired on or after 06/01/2004 and before 06/01/2009 and retired on or after 01/01/2015 and before 02/01/2017	\$15,000
225Y17	NIPSCO Union FT hired on or after 06/01/2004 and before 06/01/2009 and retired on or after 02/01/2017	\$15,000
226Y19	NIPSCO Union FT hired on or after 06/01/2009 and retired on or after 06/01/2019	Amount of insurance is the sum of the retiree's gift and optional insurance at the time of retirement, subject to a \$15,000 maximum
321	NIFL Union FT retired on or after 01/01/2006 and before 01/01/2012	\$25,000

¹ Provisions noted are generally applicable to eligible retirees. Certain retirees may have grandfathered or NiSource-approved retiree life insurance, as on file with Aon.

Retiree Benefit Program (RBP)	Group	Retiree Life Insurance¹ (Maximum if Noted; No Reduction)
321Y12	NIFL Union FT hired before 01/01/2012 and retired on or after 01/01/2012 and before 01/01/2015	\$10,000
321Y15	NIFL Union FT hired before 01/01/2012 and retired on or after 01/01/2015	\$15,000
721Y05	Kokomo Union FT Outside (majority) retired after 01/01/2005 and before 01/01/2012	No Coverage
721Y12	Kokomo Union FT hired before 01/01/2012 and retired on or after 01/01/2012 and before 01/01/2015	\$10,000
721Y15	Kokomo Union FT hired before 01/01/2012 and retired on or after 01/01/2015	\$15,000

¹ Provisions noted are generally applicable to eligible retirees. Certain retirees may have grandfathered or NiSource-approved retiree life insurance, as on file with Aon.

Active Programs That Will Not Receive Retiree Benefits

Active Benefit Program	Group
222	NIPSCO Union PT
223	NIPSCO Union TMP
224	NIPSCO Union TWF

Retiree Benefit Program (RBP)	Group	Retiree Life Insurance¹ (Maximum if Noted; No Reduction)
101I	Kokomo Nonunion FT retired on or before 01/01/2002	No coverage
101J	Kokomo Nonunion FT retired after 01/01/2002 and before 02/01/2004	50% of Annual Salary
101K	NiSource Nonunion FT retired on or before 02/01/1997	50% of Annual Salary
101L	NiSource Nonunion FT retired after 02/01/1997 and before 02/01/2004	50% of Annual Salary
101M	NIFL Nonunion FT retired on or before 01/01/2002	No coverage
101N	NIFL Nonunion FT retired after 01/01/2002 and prior to 02/01/2004; retirement eligible as of 12/31/2001	50% of Annual Salary
101O	NIFL Nonunion FT retired after 01/01/2002 and prior to 02/01/2004 and not retirement eligible as of 01/01/2002	50% of Annual Salary
102	Exempt PT hired or rehired before 01/01/2010 and retired on or after 02/01/2004 and before 02/01/2006 and Nonunion Non-Exempt PT hired or rehired before 01/01/2013 and retired on or after 02/01/2004	\$25,000
102D	Columbia Nonunion PT—2002 ERW/VSP Age 50–52	\$25,000
104	Exempt FT hired or rehired before 01/01/2010 and retired on or after 02/01/2006	\$10,000
105	Exempt PT hired or rehired before 01/01/2010 and retired on or after 02/01/2006	\$10,000
132	Special 4th Quarter FT/VSP retired before 02/01/2004	No coverage
621	CEG Union FT hired before 01/01/2013 and retired after 01/01/2004	\$25,000
621A	CEG Union FT retired before 01/01/1993	Amount from the Schedule of Benefits shown below (approximately 80% of final base salary) Maximum \$80,000
621B	CEG Union FT hired before 01/01/1993 and retired after 01/01/1993 and before 02/01/2004	Amount from the Schedule of Benefits shown below (approximately 80% of final base salary) Maximum \$80,000
621C	CEG Union FT hired after 01/01/1993 and retired after 01/01/1993 and before 02/01/2004	50% of pay of final base salary Maximum \$50,000
621D	CEG Union FT—2002 ERW/VSP Group Age 50–52 (Salary Continuation)	\$25,000
621E	CEG Union FT—2002 ERW/VSP Group Age 53–55, retired on or after 02/01/2004	80% of pay of final base salary Maximum \$80,000
622	CEG Union PT hired before 01/01/2013 and retired after 02/01/2004	\$25,000

Retiree Benefit Program (RBP)	Group	Retiree Life Insurance¹ (Maximum if Noted; No Reduction)
622C	CEG Union PT hired after 01/01/1993 and retired after 01/01/1993 and before 02/01/2004	50% of pay of final base salary Maximum \$50,000
821	Bay State Union Brockton Operating FT hired before 01/01/2013, retired on or before 01/01/2017, and does not meet requirements of 821A	\$5,000
821Y17	Bay State Union Brockton Operating FT hired before 01/01/2013 and retired on or after 02/01/2017; and does not meet requirements of 821A	\$10,000
821Y21	Bay State Union Brockton Operating FT hired before 01/01/2013 and retired through CMA Bridging on or after 10/09/2020	No coverage
821A	Bay State Union Brockton Operating FT hired before 03/01/1991 and age 45 on 09/01/1991	\$5,000
822	Bay State Union Brockton C/T FT hired before 06/01/2013, retired before 05/01/2013 and does not meet requirements of 822A	\$5,000
822A	Bay State Union Brockton C/T FT hired before 10/01/1990 and age 45 by 01/01/1992	\$5,000
822Y13	Bay State Union Brockton C/T FT hired before 06/01/2013 and retired on or after 05/01/2013 and before 4/1/2018	\$5,000
822Y18	Bay State Union Brockton C/T FT hired before 06/01/2013 and retired on or after 04/01/2018	\$10,000
822Y21	Bay State Union Brockton C/T FT and PT hired before 06/01/2013 and retired through CMA Bridging on or after 10/09/2020	No coverage
823	Bay State Union Granite FT retired after 01/01/2004	\$5,000
823A	Bay State Union Granite FT hired before 05/01/1991 and age 45 by 05/01/1991 and retired before 01/01/2004	\$5,000
824	Bay State Union Lawrence FT retired after 01/01/2004 and before 01/01/2013 and does not meet requirements of 824A	\$5,000
824A	Bay State Union Lawrence FT hired before 01/01/1994 and age 45 by 01/01/1994 and retired before 01/01/2013	\$5,000
824Y13	Bay State Union Lawrence FT hired before 01/01/2013 and retired on or after 01/01/2013 and before 07/01/2017	\$5,000
824Y17	Bay State Union Lawrence FT hired before 01/01/2013 and retired on or after 07/01/2017	\$10,000
824Y21	Bay State Union Lawrence FT hired before 01/01/2013 and retired through CMA Bridging on or after 10/09/2020	No coverage

Retiree Benefit Program (RBP)	Group	Retiree Life Insurance¹ (Maximum if Noted; No Reduction)
825	Bay State Union Northampton FT hired after 06/18/1999 but before 01/01/2011 and retired before 01/01/2016	\$5,000
825A	Bay State Union Northampton FT hired before 06/18/1999 and at least age 45 on 01/01/1993	\$5,000
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	\$5,000
825B13	Bay State Union Northampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retired between 01/01/2013 and 12/31/2015	\$5,000
825B16	Bay State Union Northampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retired on or after 01/01/2016	\$10,000
826	Bay State Union Portland FT retired after 01/01/2004 and does not meet requirements of 826A	\$5,000
826A	Bay State Union Portland FT hired before 04/01/1991 and age 45 by 04/01/1991	\$5,000
827	Bay State Union Portsmouth FT hired after 06/04/1999	\$5,000
827A	Bay State Union Portsmouth FT hired before 06/04/1999 and age 45 on 01/01/1993	\$5,000
827B	Bay State Union Portsmouth FT hired before 06/04/1999 and not age 45 on 01/01/1993	\$5,000
828	Bay State Union Springfield Operating FT hired after 05/14/1999 and retired before 05/15/2013	\$5,000
828A	Bay State Union Springfield Operating FT hired before 05/14/1999 and at least age 45 on 01/01/1993	\$5,000
828B	Bay State Union Springfield Operating FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired before 05/15/2013	\$5,000
828B13	Bay State Union Springfield Operating FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired between 05/15/2013 and 12/31/2013	\$10,000
828B14	Bay State Union Springfield Operating FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retired on or after 01/01/2014	\$10,000
828Y13	Bay State Union Springfield Operating FT hired after 05/14/1999 and retired on or after 05/15/2013	\$10,000
828B21	Bay State Union Springfield Operating FT hired before 05/14/1999 and retired through CMA Bridging on or after 10/09/2020	No coverage
829	Bay State Union Springfield C/T retired after 01/01/2004 and on or before 01/01/2008 and does not meet the requirements of 829A	\$5,000

Retiree Benefit Program (RBP)	Group	Retiree Life Insurance¹ (Maximum if Noted; No Reduction)
829A	Bay State Union Springfield C/T FT hired before 10/01/1990 and age 45 by 01/01/1992	\$5,000
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	\$5,000
829Y11	Bay State Union Springfield C/T FT hired before 01/01/2011 and retired on or after 01/01/2011 and before 01/01/2016 and does not meet the requirements of 829A	\$5,000
829Y16	Bay State Union Springfield C/T FT hired before 01/01/2011 and retired on or after 01/01/2016 and does not meet the requirements of 829Y11	\$10,000
829Y21	Bay State Union Springfield (C/T) FT hired before 01/01/2011 and retired through CMA Bridging on or after 10/09/2020	No coverage

Schedule of Benefits for Retiree Benefit Programs 101D, 101E, 621A and 621B

Basic Annual Salary	Amount	Basic Annual Salary	Amount
\$12,000 to \$13,570	\$10,000	\$56,250 to \$58,750	\$46,000
\$13,750 to \$16,250	\$12,000	\$58,750 to \$61,250	\$48,000
\$16,250 to \$18,750	\$14,000	\$61,250 to \$63,650	\$50,000
\$18,750 to \$21,250	\$16,000	\$63,650 to \$66,250	\$52,000
\$21,250 to \$23,750	\$18,000	\$66,250 to \$68,750	\$54,000
\$23,750 to \$26,250	\$20,000	\$68,750 to \$71,250	\$56,000
\$26,250 to \$28,750	\$22,000	\$71,250 to \$73,750	\$58,000
\$28,750 to \$31,250	\$24,000	\$73,750 to \$76,250	\$60,000
\$31,250 to \$33,750	\$26,000	\$76,250 to \$78,750	\$62,000
\$33,750 to \$36,250	\$28,000	\$78,750 to \$81,250	\$64,000
\$36,250 to \$38,750	\$30,000	\$81,250 to \$83,750	\$66,000
\$38,750 to \$41,250	\$32,000	\$83,750 to \$86,250	\$68,000
\$41,250 to \$43,750	\$34,000	\$86,250 to \$88,750	\$70,000
\$43,750 to \$46,250	\$36,000	\$88,750 to \$91,250	\$72,000
\$46,250 to \$48,750	\$38,000	\$91,250 to \$93,750	\$74,000
\$48,750 to \$51,250	\$40,000	\$93,750 to \$96,250	\$76,000
\$51,250 to \$53,750	\$42,000	\$96,250 to \$98,750	\$78,000
\$53,750 to \$56,250	\$44,000	\$98,750+	\$80,000

Active Benefit Programs That Will Not Receive Retiree Benefits

Active Benefit Program	Group
106	All Nonunion Exempt FT hired or rehired on or after 01/01/2010
107	All Nonunion Exempt PT hired or rehired on or after 01/01/2010
108	All Nonunion Non-Exempt FT hired or rehired on or after 01/01/2013
109	All Nonunion Non-Exempt PT hired or rehired on or after 01/01/2013
623	CEG Union FT hired or rehired on or after 01/01/2013
624	CEG Union PT hired or rehired on or after 01/01/2013
830	Bay State Union Springfield C/T PT hired before 01/01/2011
831	Bay State Union Brockton Operating FT hired or rehired on or after 01/01/2013
832	Bay State Union Brockton C/T FT hired or rehired on or after 06/01/2013 and retired after 05/01/2013
834	Bay State Union Brockton C/T PT hired on or before 05/31/2013
835	Bay State Union Northampton FT hired or rehired on or after 01/01/2011
838	Bay State Union Springfield Operating FT hired or rehired on or after 01/01/2014
839	Bay State Union Springfield C/T FT hired or rehired on or after 01/01/2011
840	Bay State Union Springfield C/T PT hired or rehired on or after 01/01/2011
844	Bay State Union Brockton C/T PT hired or rehired on or after 06/01/2013
854	Bay State Union Lawrence FT hired or rehired on or after 01/01/2013

Plan Changes since the Prior Year

The financial accounting valuation reflects the following plan changes:

- Active employees transferring to Eversource who were not retirement eligible at close were granted medical eligibility upon reaching age 55.
- Active union employees transferring to Eversource were granted additional service through the end of their union contract period.



2019 Year-End Disclosure Information

NiSource Inc.

Postretirement Welfare Plans

As of December 31, 2019

Introduction

This report documents the results of the December 31, 2019 actuarial valuation of the Postretirement Welfare Plans for the plan sponsor and for NiSource. The information provided in this report is intended strictly for documenting:

- Postretirement welfare benefit cost for the 2020 fiscal year
- Information relating to company and plan disclosure and reporting requirements

In calculating projected year-end disclosure results and 2020 expense, we have measured liabilities as of December 31, 2019. In calculating 2019 expense, we have measured liabilities as of December 31, 2018.

Determinations for purposes other than financial accounting may be significantly different from the results in this report. Thus, the use of this report for purposes other than those expressed here may not be appropriate.

This valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. In addition, the valuation results are based on our understanding of the financial accounting and reporting requirements under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715, including any guidance or interpretations provided by the Company and reviewed by its auditors prior to the issuance of this report. The information in this report is not intended to supersede or supplant the advice and interpretations of the Company's auditors.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to (but not limited to) such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions
- Changes in economic or demographic assumptions
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period)
- Changes in plan provisions or applicable law

Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

Funded status measurements shown in this report are determined based on various measures of plan assets and liabilities. For company and plan disclosure and reporting purposes, funded status is determined using plan assets measured at market value. Plan liabilities are measured based on the interest rates and other assumptions summarized in the Actuarial Assumptions and Methods section of this report.

These funded status measurements may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations, and funded status measurements for company and plan disclosure and reporting purposes may not be appropriate for assessing the need for or the amount of future contributions.

In determining information relating to plan disclosure and reporting requirements, Aon may be assisting the appropriate plan fiduciary as it performs tasks that are required for the administration of an employee benefit plan. Aon also may be consulting with the employer/plan sponsor (NiSource) as it considers alternative strategies for funding the plan, or as it evaluates information relating to employer reporting requirements. Thus, Aon potentially will be providing assistance to NiSource (and/or certain of its employees) acting in a fiduciary capacity (for the benefit of plan participants and beneficiaries) and to NiSource (and/or its executives) acting in a settlor capacity (for the benefit of the employer sponsoring the postretirement welfare plans).

In conducting the valuation, we have relied on personnel, plan design, health care claim cost, and asset information supplied by NiSource and its health plans. While we cannot verify the accuracy of all of the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we do not doubt the substantial accuracy or completeness of the information and we believe that it has produced appropriate results.

The actuarial assumptions and methods used in this valuation are described in the Actuarial Assumptions and Methods section of this report. All assumptions used in this actuarial valuation, other than the 2020 Pre-65 Medical Plan Long-Term Rate of Return on Assets, represent, in our opinion, a reasonable expectation of anticipated experience under the plan. The 2020 Pre-65 Medical Plan Long-Term Rate of Return on Assets was prescribed by NiSource and is at the upper end of the range we would consider to be reasonable based on Aon's forward looking capital market assumptions.

The undersigned are familiar with the near-term and long-term aspects of postretirement valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. The information provided in this report is dependent upon various factors as documented throughout this report, which may be subject to change. Each section of this report is an integral part of the actuarial opinions.

To our knowledge, no colleague of Aon providing services to NiSource has any direct financial interest or indirect material interest in NiSource. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this actuarial report for NiSource.


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January 24, 2020

Actuarial Assumptions and Methods

Discount Rate	The AA Above Median Curve as of December 31, 2019 with sample rates as follows: Duration 0.5–1.87% Duration 5.5–2.32% Duration 10.5–2.88% Duration 15.5–3.25% Duration 20.5–3.49% Duration 25.5–3.64% Duration 30.5–3.75%
Expected 2020 Long-Term Rate of Return on Assets	
Pre-65 Medical	5.20%, reflects 0.26% UBIT reduction
Post-65 Medical	5.87%, reflects 0.78% UBIT reduction
Other Life Insurance	6.00%, reflects 0.70% UBIT reduction
Health Care Cost Trend Rates	The trend rates of incurred claims represent the rate of increase in employer claim payments and administrative costs. They are based on national average information from a variety of sources, including S&P Healthcare Economic Index, NHCE data, plan renewal data, and vendor Rx reports, with adjustments based on the provisions of the benefits sponsored by NiSource. See Table 1.
Retiree Contribution Increases	Equal to health care cost trend rates (except as noted with employer subsidy cap)
Mortality Rates (Healthy)	Amounts-weighted aggregate rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019
Mortality Rates (Survivor)	Amounts-weighted aggregate contingent survivor rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019
Mortality Rates (Disabled)	Amounts-weighted disabled retiree rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019
Retirement Age	Based on pension plan participation as follows:
NiSource Pension Plan (Account Balance Participants)	See Table 2.
Columbia, Bay State Nonunion and Bay State Union Pension Plans	See Table 3.

Withdrawal Rates

NiSource Pension Plan (Nonunion Participants)	See Table 4.
NiSource Pension Plan (Union Participants)	See Table 5.
Columbia Pension Plan	See Table 6.
Bay State Nonunion and Bay State Union Pension Plans (Union Participants)	See Table 7.
Bay State Nonunion Pension Plan (Nonunion Participants)	See Table 8.

Disability Rates Rates not used. Only current disabled employees have been included.

Active Employee Dependent Coverage 80% of male participants and 40% of female participants are assumed to be married and elect coverage for their spouses. Wives are assumed to be three years younger than their husbands.

Future Retiree Coverage Elections Election of future pre-65 retiree health care plan is based on current election patterns for recent retirees. For future post-65 coverage, NIPSCO Union participants are assumed to elect NIPSCO Union Medicare Supplement, BSU Brockton Physical and BSU Lawrence participants are assumed to elect BSG Med Supp, and BSU Brockton C/T, BSU Northampton, BSU Springfield Physical, and BSU Northampton C/T are assumed to elect BSG Med Supp (Med Only). All other participants are assumed to elect the Medicare Supplement Plan.

Future Retiree Medical Participation Percentage
 Retirees with Defined Dollar Subsidy

Retire In	Years of Service		
	10–19	20–29	30+
2006–2021	50%	75%	90%
2022–2031	50%	65%	80%
2032+	50%	55%	70%

RBPs 221Y14 90%

RBPs 821A, 822A, 825A, 825B16, 826A, 827A, 827B, 828A, 828B14 and 829A 95%

Retiree Medical Lapse Rates

RBPs 101A, 101B, 101C, 101M, 101N, 221, 221Y05, 221Y14, 821A, 822A, 823A, 824A, 825A, 826A, 827A, 828A, and 829A None

RBPs 825B, 825B13, 825B16, 827B, 828B, 828B13, and 828B14 20% of retirees are assumed to lapse coverage at age 65

RBPs 101I, 101J, 101K, 101L, and 101O	None																								
RBPs 101D, 101E, 101F, 101H, 621A, 621B, 621C, 621E, and 622C	Approximately 3% of retirees do not re-elect coverage per year for pre-65 retiree medical, and 4% of retirees do not re-elect coverage per year for post-65 retiree medical. In addition, 30% of retirees are assumed to lapse coverage at age 65.																								
Retirees with Defined Dollar Subsidy	Approximately 2% of retirees do not re-elect coverage per year for pre-65 retiree medical, and 2% of retirees do not re-elect coverage per year for post-65 retiree medical. In addition, 20% of retirees are assumed to lapse coverage at age 65.																								
Aging	<table border="0"> <thead> <tr> <th style="text-align: left;">Attained Age</th> <th style="text-align: right;">Annual Increases</th> </tr> </thead> <tbody> <tr><td>40–44</td><td style="text-align: right;">3.3%</td></tr> <tr><td>45–49</td><td style="text-align: right;">3.8%</td></tr> <tr><td>50–54</td><td style="text-align: right;">4.3%</td></tr> <tr><td>55–59</td><td style="text-align: right;">4.4%</td></tr> <tr><td>60–64</td><td style="text-align: right;">3.8%</td></tr> <tr><td>65–69</td><td style="text-align: right;">3.1%</td></tr> <tr><td>70–74</td><td style="text-align: right;">2.1%</td></tr> <tr><td>75–79</td><td style="text-align: right;">1.4%</td></tr> <tr><td>80–84</td><td style="text-align: right;">1.3%</td></tr> <tr><td>85–89</td><td style="text-align: right;">0.6%</td></tr> <tr><td>90+</td><td style="text-align: right;">0.0%</td></tr> </tbody> </table> <p>Aging affects medical and drug claim costs and administration costs implicit to fully insured premiums.</p>	Attained Age	Annual Increases	40–44	3.3%	45–49	3.8%	50–54	4.3%	55–59	4.4%	60–64	3.8%	65–69	3.1%	70–74	2.1%	75–79	1.4%	80–84	1.3%	85–89	0.6%	90+	0.0%
Attained Age	Annual Increases																								
40–44	3.3%																								
45–49	3.8%																								
50–54	4.3%																								
55–59	4.4%																								
60–64	3.8%																								
65–69	3.1%																								
70–74	2.1%																								
75–79	1.4%																								
80–84	1.3%																								
85–89	0.6%																								
90+	0.0%																								
Actuarial Cost Method	Unit credit (prorated on service) cost method. Costs are prorated over the attribution period, which is defined as the period from date of hire to the full eligibility date.																								
Administrative Expenses	Included in per capita claim costs.																								
Health Care Claim Amounts	See health care claims development section.																								
Health Care Reform Excise Tax	The Further Consolidated Appropriations Act, 2020 was signed into law on December 20, 2019. It included a permanent repeal of the excise tax on high-cost plans (a.k.a “the Cadillac tax”), originally imposed by the Affordable Care Act in 2010. As a result, there is no impact for the excise tax.																								
Measurement Date	December 31																								
Employees Included	All active and disabled participants who are eligible to eventually receive postretirement welfare benefits, and all retirees and dependents currently covered are included.																								

Full Eligibility Date	
Health Care	
Participants without Defined Dollar	Age 55 with 10 years of service
Participants with Defined Dollar	Assumed retirement age, because benefit accrues with service
Life Insurance	Age 55 with 10 years of service
Market-Related Value of Assets	Equal to the market value of assets on December 31
Retiree Life Insurance Administrative Cost Load	10%
Amortization schedule	
Prior Service Cost	Amortization over average remaining service
Unrecognized Net (Gains)/Losses	Gains or losses in excess of 10% corridor are amortized over average remaining service.

Changes in Methods/Assumptions Since the Prior Year

Method Changes

The financial accounting valuation reflects the following method changes from the prior year:

- An update to the retiree contribution methodology to better reflect coverage tiers.
- An update to per capita claims methodology to be consistent with current enrollment distribution.

Assumption Changes

The financial accounting valuation reflects the following assumption changes from the prior year:

- A change from the December 31, 2018 Aon Hewitt AA Above Median Yield Curve to the December 31, 2019 Aon Hewitt AA Above Median Yield Curve.
- A change in the healthy mortality assumption from the amounts-weighted aggregate 2006 base rates from the RP-2014 mortality study projected generationally from 2006 with Scale MP-2018 to the amounts-weighted aggregate rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019.
- A change in the survivor mortality assumption from the amounts-weighted aggregate 2006 base rates from the RP-2014 mortality study projected generationally from 2006 with Scale MP-2018 to the amounts-weighted aggregate contingent survivor rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019.
- A change in the disabled mortality assumption from the amounts-weighted 2006 disabled rates from the RP-2014 mortality study projected generationally from 2006 with Scale MP-2018 to the amounts-weighted disabled retiree rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019.
- A change in the health care trend assumption, including an additional increase to reflect anti-selection due to assumed lapse.
- Changes to the expected long-term rates of return on assets for each of the funded plans.

- Removal of the excise tax increase assumption because the Further Consolidated Appropriations Act, 2020 was signed into law on December 20, 2019, which included a permanent repeal of the excise tax on high-cost plans (a.k.a “the Cadillac tax”).

The rationales for selecting each of the assumptions used in the financial accounting valuation and for the assumption changes summarized above are described in more detail in the document entitled 2019 Actuarial Valuation Results and Year-End Planning, dated December 12, 2019.

Table 1

Composite Trend Rates¹

Year	Pre-65	Post-65
2019	6.23%	6.85%
2020	6.23%	6.85%
2021	6.02%	6.56%
2022	5.80%	6.27%
2023	5.59%	5.98%
2024	5.37%	5.69%
2025	5.15%	5.39%
2026	4.93%	5.10%
2027	4.72%	4.80%
2028+	4.50%	4.50%

¹ Plus additional increase to reflect anti-selection due to assumed lapse

Table 2

Retirement Rates—NiSource Pension Plan (Including former Subsidiary and Kokomo Union)

Age	Final Average Pay Participants			Account Balance Participants
	<25 Years	25+ Years	85+ Points	
55	5.00%	5.00%	10.00%	4.00%
56	5.00%	5.00%	10.00%	4.00%
57	5.00%	5.00%	10.00%	4.00%
58	5.00%	5.00%	10.00%	4.00%
59	5.00%	5.00%	10.00%	4.00%
60	5.00%	20.00%	20.00%	10.00%
61	5.00%	20.00%	20.00%	10.00%
62	25.00%	25.00%	25.00%	15.00%
63	10.00%	20.00%	20.00%	15.00%
64	10.00%	20.00%	20.00%	15.00%
65	35.00%	35.00%	35.00%	20.00%
66	35.00%	35.00%	35.00%	20.00%
67	35.00%	35.00%	35.00%	20.00%
68	35.00%	35.00%	35.00%	20.00%
69	35.00%	35.00%	35.00%	20.00%
70+	100.00%	100.00%	100.00%	100.00%

Table 3

Retirement Rates — Columbia, Bay State Nonunion and Bay State Union Pension Plans

Age	All Participants
55	5.00%
56	5.00%
57	5.00%
58	5.00%
59	10.00%
60	10.00%
61	15.00%
62	20.00%
63	20.00%
64	20.00%
65	30.00%
66	30.00%
67	30.00%
68	30.00%
69	30.00%
70+	100.00%

Table 4

Withdrawal Rates — NiSource Pension Plan (Nonunion Participants)

Age	Nonunion Rates
≤34	6.00%
35	5.93%
36	5.55%
37	5.18%
38	4.88%
39	4.50%
40	4.20%
41	3.90%
42	3.68%
43	3.38%
44	3.15%
45	2.93%
46	2.70%
47	2.55%
48	2.33%
49	2.18%
50	2.03%
51	1.95%
52	1.80%
53	1.73%
54	1.65%
55	1.65%
56	1.58%
57	1.58%
58	1.50%
59	1.50%
60	1.43%
61	1.43%
62	1.35%
63	1.28%
64	1.20%
65+	1.13%

Table 5

Withdrawal Rates — NiSource Pension Plan (Union Participants)

Age	Years of Service			
	0	1	2	3+
≤19	4.80%	4.80%	4.80%	4.80%
20	4.80%	4.80%	4.80%	4.80%
21	4.80%	4.80%	4.80%	4.80%
22	4.50%	4.50%	4.50%	4.50%
23	4.30%	4.30%	4.30%	4.30%
24	4.00%	4.00%	4.00%	4.00%
25	4.00%	3.80%	3.80%	3.80%
26	4.00%	3.60%	3.60%	3.60%
27	4.00%	3.30%	3.30%	3.30%
28	4.00%	3.10%	3.10%	3.10%
29	4.00%	3.00%	2.90%	2.90%
30	4.00%	3.00%	2.80%	2.80%
31	4.00%	3.00%	2.60%	2.60%
32	4.00%	3.00%	2.50%	2.40%
33	4.00%	3.00%	2.50%	2.20%
34	4.00%	3.00%	2.50%	2.10%
35	4.00%	3.00%	2.50%	1.90%
36	4.00%	3.00%	2.50%	1.80%
37	4.00%	3.00%	2.50%	1.70%
38	4.00%	3.00%	2.50%	1.60%
39	4.00%	3.00%	2.50%	1.50%
40	4.00%	3.00%	2.50%	1.40%
41	4.00%	3.00%	2.50%	1.30%
42	4.00%	3.00%	2.50%	1.20%
43	4.00%	3.00%	2.50%	1.20%
44	4.00%	3.00%	2.50%	1.10%
45	4.00%	3.00%	2.50%	1.10%
46	4.00%	3.00%	2.50%	1.00%
47	4.00%	3.00%	2.50%	1.00%
48	4.00%	3.00%	2.50%	1.00%
49	4.00%	3.00%	2.50%	1.00%
50+	4.00%	3.00%	2.50%	1.00%

Table 6

Withdrawal Rates — Columbia Pension Plan

<u>Age</u>	<u>All Participants</u>
≤34	4.00%
35	3.95%
36	3.70%
37	3.45%
38	3.25%
39	3.00%
40	2.80%
41	2.60%
42	2.45%
43	2.25%
44	2.10%
45	1.95%
46	1.80%
47	1.70%
48	1.55%
49	1.45%
50	1.35%
51	1.30%
52	1.20%
53	1.15%
54	1.10%
55	1.10%
56	1.05%
57	1.05%
58	1.00%
59	1.00%
60	0.95%
61	0.95%
62	0.90%
63	0.85%
64	0.80%
65+	0.75%

Table 7

Withdrawal Rates — Bay State Nonunion and Bay State Union Pension Plans (Union Participants)

Age	Union Rates
≤19	14.40%
20	14.40%
21	14.40%
22	13.50%
23	12.90%
24	12.00%
25	11.40%
26	10.80%
27	9.90%
28	9.30%
29	8.70%
30	8.40%
31	7.80%
32	7.20%
33	6.60%
34	6.30%
35	5.70%
36	5.40%
37	5.10%
38	4.80%
39	4.50%
40	4.20%
41	3.90%
42	3.60%
43	3.60%
44	3.30%
45	3.30%
46	3.00%
47	3.00%
48	3.00%
49	3.00%
50+	3.00%

Table 8

Withdrawal Rates — Bay State Nonunion Pension Plan (Nonunion Participants)

Age	Nonunion Rates
≤34	12.00%
35	11.85%
36	11.10%
37	10.35%
38	9.75%
39	9.00%
40	8.40%
41	7.80%
42	7.35%
43	6.75%
44	6.30%
45	5.85%
46	5.40%
47	5.10%
48	4.65%
49	4.35%
50	4.05%
51	3.90%
52	3.60%
53	3.45%
54	3.30%
55	3.30%
56	3.15%
57	3.15%
58	3.00%
59	3.00%
60	2.85%
61	2.85%
62	2.70%
63	2.55%
64	2.40%
65+	2.25%

Actuarial Assumptions and Methods

Discussion of Actuarial Assumptions and Methods

NiSource selected the economic, demographic, and health care claim cost assumptions and prescribed them for use for purposes of compliance with ASC 715. For all assumptions other than the 2020 Pre-65 Medical Plan Long-Term Rate of Return on Assets, Aon provided guidance with respect to these assumptions and it is our belief that they represent reasonable expectations of anticipated plan experience. The 2020 Pre-65 Medical Plan Long-Term Rate of Return on Assets was prescribed by NiSource and is at the upper end of the range we would consider to be reasonable based on Aon's forward-looking capital market assumptions. The actuarial cost method used is prescribed by ASC 715. While the method used to value assets is prescribed by NiSource, Aon provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for financial accounting purposes.

Calculation of Normal Costs and Liabilities

The method used to calculate the service cost and accumulated postretirement benefit obligation is the projected unit credit cost method. Under this method, the present value of projected benefits is estimated at each decrement age, taking into account the value of future increases in health claims and/or pay and the effect of retiree contributions and Medicare reimbursement, as applicable. The liability is determined as the present value of the projected benefit based on service at the valuation date. The service cost is the amount of the present value of projected benefits attributable to the valuation year.

Accounting Information under ASC 715

Benefit obligations and cost/(income) are calculated under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715.

The accumulated postretirement benefit obligation represents the actuarial present value of benefits based on service earned through the measurement date reflecting the effect of assumed future pay increases on ultimate benefit amounts.

The service cost is the present value of projected benefits that are attributed to the fiscal year, reflecting the effect of assumed future health care claim costs. The service cost includes interest to the end of the measurement period.

Interest cost and service cost are calculated by applying the individual spot rates in the yield curve to each of the discounted cash flows as of the measurement date.

The net periodic postretirement cost/(income) is the annual amount to be recognized in the income statement as the cost of benefits for this plan for the fiscal year.

Certain special events can result in additional cost/(income) recognized in the income statement during the fiscal year. Settlement cost/(income) is the accelerated recognition of gains and losses due to certain actions that irrevocably relieve the plan sponsor of significant plan liabilities. Curtailment cost/(income) is an accelerated recognition of certain amounts due to actions that significantly reduce the future years of expected service credited under the plan to existing participants. Special termination benefit cost is an immediate recognition of the liability associated with certain one-time benefits that may be provided in conjunction with participants' separation from service.

Health Care Claims Development

The self-funded average medical and Rx per capita claims costs (except for Medigap (Rx Only)) were developed from actual claims experience and enrollment for the two-year period January 1, 2017 through December 31, 2018. Claims and enrollment information was provided by NiSource's health care vendors. The annualized paid claims experience for each respective historical base period was adjusted to an incurred basis by assuming claim lag of one month for medical and zero months for prescription drugs.

Claims experience was adjusted for differences in plan design and contract arrangements between the historical periods and the projection period using plan design relative values from Aon's actuarial models. Adjustment was made to reflect the company's stop-loss policy that covers claims over \$500,000. The average medical and Rx per capita claims costs from each respective historical base period were trended to the mid-point of the annual period following the valuation date.

To improve the credibility of a single projection estimate, a combination of estimates from the distinct historical periods was used, placing varying credibility on the periods depending on the group. Finally, average medical and Rx per capita claims costs were then age-adjusted based on the demographics of the population, and the assumed health care aging.

Administration and stop-loss premium costs were developed and added onto the per capita claims cost assumptions using information supplied by NiSource. These assumed administrative and stop-loss costs were based on actual 2019 per employee (subscriber) rates, which were converted from a per employee basis to a per member basis using the most recent census file rates provided by the NiSource. For 2019 administration, \$538 annually per employee was added for pre-65 and post-65 coverage, while \$356 per retiree was added for pre-65 stop-loss coverage.

Due to low enrollment, the self-funded Medigap (Rx Only) average per capita claims cost assumption was set to the prior year assumption trended one year at 8%. The fully insured average medical/Rx per capita claims costs were developed from 2019 calendar year premium rates of the plan. Premium rates were provided by NiSource. The average medical/Rx per capita claims costs were already centered at the mid-point of the annual period following the valuation date. Average medical/Rx per capita claims costs were then age-adjusted based on the demographics of the population, and the assumed health care aging factors shown in the table below. Per capita administrative costs were assumed to be implicit in the fully insured premium rates.

The OPEB valuation also incorporates the company's expected government subsidies related to eligible drug claims under the Medicare Part D program. Projected subsidies reduce the company's OPEB liability because they lower the cash flow required to fund retiree medical benefits. A Medicare Part D retiree drug subsidy per person was projected for 2019 by applying a 5% annual pharmacy trend to actual average per person subsidies for the period, January 2017 to December 2018.

2019 Health Care Claims

The annual per capita claim costs for 2019 are as follows at age 61 for pre-65 retirees and age 76 for post-65 retirees:

	Pre-65 Active/Retiree Blended ¹	Pre-65 Retiree Only ²
Aetna	\$11,935	\$17,862
Health New England HMO	\$7,733	\$14,211
High Deductible PPO 1	\$5,711	\$9,558
High Deductible PPO 2	\$5,113	\$8,423
NIPSCO PPO	\$14,541	\$17,940
PPO (Non-Union)	\$13,452	\$17,232
PPO (Union)	\$13,497	\$16,907
Tufts HMO	\$10,659	\$17,867

	Post-65	Part D Reimbursement
Medicare Supplement—Flex	\$2,332	N/A
Medicare Supplement—NIPSCO	\$2,334	N/A
MAP	\$3,101	\$355
MAP (Medical Only)	\$1,602	N/A
BSG Med Supp Multi Union	\$2,240	N/A
BSG Med Supp	\$6,192	\$643
BSG Med Supp (Medical Only)	\$2,362	N/A
Medigap Supplement (Rx Only)	\$3,049	N/A
Highmark	\$5,484	N/A

¹ Defined dollar subsidy applied against this amount.

² Excess of this amount over active/retiree blended amount is provided by NiSource.

Plan Provisions

Summary of Pre-65 Medical Plan Provisions

This section highlights the key pre-65 medical plan provisions reflected in the December 31, 2019 measurement.

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 ¹	NIPSCO Union PPO Nonunion PPO PPO HD PPO 1 HD PPO 2 Various HMOs by location
Medical Plan Options	See table below.
Cost Sharing	See table below.

¹ 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 retiring 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 \$190 x service retiree ¹ \$135 x service spouse ²
101A	Bay State Nonunion FT retired on or before 01/01/2002	Nonunion PPO HD PPO 1 HD PPO 2 Tufts HMO Anthem BCBS NH-ME 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
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

¹ Defined Dollar increases to \$225 x service effective 01/01/2020.

² Defined Dollar increases to \$170 x service effective 01/01/2020.

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
101G	Columbia Nonunion FT—2002 ERW/VSP Age 50–52 (Salary continuation)	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$190 x service retiree ¹ \$135 x service spouse ²
101H	Columbia Nonunion FT—2002 ERW/VSP 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)
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

¹ Defined Dollar increases to \$225 x service effective 01/01/2020.

² Defined Dollar increases to \$170 x service effective 01/01/2020.

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
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 retiring 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 \$190 x service retiree ¹ \$135 x service spouse ²
102D	Columbia Nonunion PT—2002 ERW/VSP Age 50–52	Nonunion PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$190 x service retiree ¹ \$135 x service spouse ²
104	All Nonunion Exempt FT retiring 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 \$190 x service retiree ¹ \$135 x service spouse ²
105	All Nonunion Exempt PT retiring 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 \$190 x service retiree ¹ \$135 x service spouse ²
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 \$190 x service retiree ¹ \$135 x service spouse ²

¹ Defined Dollar increases to \$225 x service effective 01/01/2020.

² Defined Dollar increases to \$170 x service effective 01/01/2020.

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
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
221Y15	NIPSCO Union FT hired before 06/01/2004 and retired on or after 01/01/2015 and before 01/02/2017	NIPSCO Union PPO HD PPO 1 HD PPO 2	Choice between: (a) Defined Dollar \$225 x service retiree \$170 x service spouse (b) 77% of active/pre-65 premium
221Y17	NIPSCO Union FT hired before 06/01/2004, and retiring on or after 01/02/2017	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$225 x service retiree \$170 x service spouse
225Y15	NIPSCO Union FT retired on or after 01/01/2015 and before 01/02/2017, and hired on or after 06/01/2004 and before 06/01/2009	NIPSCO Union PPO HD PPO 1 HD PPO 2	Choice between: (a) Defined Dollar \$225 x service retiree \$170 x service spouse (b) 70% of active/pre-65 premium
225Y17	NIPSCO Union FT retiring on or after 01/02/2017, and hired on or after 06/01/2004 and before 06/1/2009	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$225 x service retiree \$170 x service spouse
226Y19	NIPSCO Union FT hired on or after 06/01/2009 and retiring on or after 06/01/2019	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$225 x service retiree \$170 x service spouse

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
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 \$225 x service retiree \$170 x service spouse
321Y12	NIFL Union FT retired on or after 01/01/2012 but before 01/01/2015 and hired before 01/01/2012	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$225 x service retiree \$170 x service spouse
321Y15	NIFL Union FT retiring on or after 01/01/2015 and hired before 01/01/2012	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$225 x service retiree \$170 x service spouse
621	CEG Union FT retiring after 01/01/2004 and hired before 01/01/2013	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$190 x service retiree ¹ \$135 x service spouse ²
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

¹ Defined Dollar increases to \$225 service effective 01/01/2020.

² Defined Dollar increases to \$170 service effective 01/01/2020.

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
621D	CEG Union FT—2002 ERW/VSP Group Age 50–52 (Salary Continuation)	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$190 x service retiree ¹ \$135 x service spouse ²
621E	CEG Union FT—2002 ERW/VSP 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 retiring after 02/01/2004 and hired before 01/01/2013	PPO HD PPO 1 HD PPO 2 HMOs for Service Area	Defined Dollar \$190 x service retiree ¹ \$135 x service spouse ²
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 HMOs for Service Area	Defined Dollar \$225 x service retiree \$170 x service spouse
721Y12	Kokomo Union FT retired on or after 01/01/2012 but before 01/01/2015 and hired before 01/01/2012	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$225 x service retiree \$170 x service spouse
721Y15	Kokomo Union FT retiring on or after 01/01/2015 and hired before 01/01/2012	NIPSCO Union PPO HD PPO 1 HD PPO 2	Defined Dollar \$225 x service retiree \$170 x service spouse
821	Bay State Union Brockton Physical FT hired before 01/01/2013, retired on or before 01/01/2017, and does not meet requirements of 821A	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$190 x service retiree ¹ \$135 x service spouse ²

¹ Defined Dollar increases to \$225 service effective 01/01/2020.

² Defined Dollar increases to \$170 service effective 01/01/2020.

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
821Y17	Bay State Union FT Brockton Physical hired before 01/01/2013 and retiring on or after 02/01/2017 and does not meet requirements of 821A	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$190 x service retiree ¹ \$135 x service spouse ²
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 \$190 x service retiree ³ \$135 x service spouse ⁴
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 but before 4/1/2018	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$180 x service retiree ³ \$125 x service spouse ⁴
822Y18	Bay State Union Brockton C/T FT hired before 06/01/2013 and retiring on or after 04/01/2018	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$180 x service retiree ³ \$125 x service spouse ⁴
823	Bay State Union Granite FT retired after 01/01/2004	COBRA Active Medical	None

¹ Defined Dollar increases to \$225 x service effective 01/01/2020.
² Defined Dollar increases to \$170 x service effective 01/01/2020.
³ Defined Dollar increases to \$225 x service effective 01/01/2021.
⁴ Defined Dollar increases to \$170 x service effective 01/01/2021.

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
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
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 and before 07/01/2017	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$190 x service retiree ¹ \$135 x service spouse ²
824Y17	Bay State Union Lawrence FT hired before 01/01/2013 and retiring on or after 07/01/2017	PPO HD PPO 1 HD PPO 2 Tufts HMO	Defined Dollar \$190 x service retiree ¹ \$135 x service spouse ²
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

¹ Defined Dollar increases to \$225 x service effective 01/01/2020.

² Defined Dollar increases to \$170 x service effective 01/01/2020.

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
825B13	Bay State Union Northampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retired between 01/01/2013 and 12/31/2015	PPO HD PPO 1 HD PPO 2 Health New England HMO	Up to \$1,100 per month
825B16	Bay State Union Northampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retiring on or after 01/01/2016	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
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

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
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 retiring 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 retiring on or after 05/15/2013	COBRA Active Medical	None
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 \$225 x service retiree \$170 x service spouse
829Y11	Bay State Union Springfield C/T FT hired before 01/01/2011 and retired between 01/01/2011 and 12/31/2015 and does not meet the requirements of 829A	PPO HD PPO 1 HD PPO 2 Health New England HMO Tufts HMO	Defined Dollar \$225 x service retiree \$170 x service spouse

Retiree Benefit Program (RBP)	Group	Pre-Medicare Medical Options	Company Subsidy
829Y16	Bay State Union Springfield C/T FT hired before 01/01/2011 and retiring on or after 01/01/2016 and does not meet the requirements of 829Y11	PPO HD PPO 1 HD PPO 2 Health New England HMO Tufts HMO	Defined Dollar \$225 x service retiree \$170 x service spouse

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 Northampton 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
840	Bay State Union Springfield C/T PT 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

Summary of Post-65 Medical Plan Provisions

This section highlights the key post-65 medical plan provisions reflected in the December 31, 2019 measurement.

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 ¹	Medicare Supplement NIPSCO Union Medicare Supplement MAP MAP (Medical Only) BSG Med Supp BSG Med Supp (Medical Only) BSG Med Supp Multiunion Medigap Supplement Highmark Medicare Advantage
Medical Plan Options	See table below.
Cost Sharing	See table below.

¹ For detail on specific plan benefit provisions, see applicable NiSource plan documents.

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 retiring on or after 02/01/2004 and hired before 01/01/2013	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 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	\$135.50 ¹ 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 Highmark Medicare Advantage	50% of premium (0% of premium for Highmark)	\$135.50 ¹ 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	\$135.50 ¹ monthly for retiree only	N/A	N/A
101G	Columbia Nonunion FT—2002 ERW/VSP Age 50–52 (Salary continuation)	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	N/A

¹ Adjusted annually by CMS to equal 25% of the estimated Part B program cost. \$144.60 for 2020.

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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
101H	Columbia Nonunion FT—2002 ERW/VSP Group Age 53–55, retired on or after 02/01/2004	Medicare Supplement MAP MAP—Med Only	50% of premium	\$135.50 ¹ monthly for retiree only	N/A	N/A
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 retiring on or after 02/01/2004 and hired before 01/01/2013	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	N/A
102D	Columbia Nonunion PT—2002 ERW/VSP Age 50–52	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	N/A

¹ Adjusted annually by CMS to equal 25% of the estimated Part B program cost. \$144.60 for 2020.

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
104	All Nonunion Exempt FT retiring on or after 02/01/2006 and hired before 01/01/2010	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	N/A
105	All Nonunion Exempt PT retiring on or after 02/01/2006 and hired before 01/01/2010	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	N/A
132	Special 4 th Quarter FT VSP retired before 02/01/2004	Medicare Supplement	Defined Dollar \$65 x service retiree \$45 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 retired on or after 01/01/2015 and before 01/02/2017	NIPSCO Union Medicare Supplement	Choice between: (a) Defined Dollar \$65 x service retiree \$45 x service spouse (b) 77% of premium	N/A	\$475 annually for retiree only (if elect Defined Dollar)	\$40 per month for retiree only
221Y17	NIPSCO Union FT hired before 06/01/2004, and retiring on or after 01/02/2017	NIPSCO Union Medicare Supplement	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	\$40 per month for retiree only

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 retired after 01/01/2015 and before 01/02/2017, and hired on or after 06/01/2004 and before 06/01/2009	NIPSCO Union Medicare Supplement	Choice between: (a) Defined Dollar \$65 x service retiree \$45 x service spouse (b) 70% of premium	N/A	\$475 annually for retiree only (if elect Defined Dollar)	\$40 per month for retiree only
225Y17	NIPSCO Union FT retiring after 01/02/2017, and hired on or after 06/01/2004 and before 06/01/2009	NIPSCO Union Medicare Supplement	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	\$40 per month for retiree only
226Y19	NIPSCO Union FT hired on or after 06/01/2009 and retiring on or after 06/01/2019	NIPSCO Union Medicare Supplement	Defined Dollar \$65 x service retiree \$45 x service spouse	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 MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	N/A
321Y12	NIFL Union FT retired on or after 01/01/2012 and before 01/01/2015 and hired before 01/01/2012	NIPSCO Union Medicare Supplement	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	\$40 per month for retiree only
321Y15	NIFL Union FT retiring on or after 01/01/2015 and hired before 01/01/2012	NIPSCO Union Medicare Supplement	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	\$40 per month for retiree only
621	CEG Union FT retiring after 01/01/2004 but hired before 01/01/2013	Medicare Supplement MAP MAP—Med Only Highmark Medicare Advantage	Defined Dollar \$65 x service retiree \$45 x service spouse (100% of premium for Highmark)	N/A	\$475 annually for retiree only	N/A

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 Highmark Medicare Advantage	50% of premium (100% of premium for Highmark)	\$135.50 ¹ 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 Highmark Medicare Advantage	50% of premium (100% of premium for Highmark)	\$135.50 ¹ 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	\$135.50 ¹ monthly for retiree only	N/A	N/A
621D	CEG Union FT—2002 ERW/VSP Group Age 50–52 (Salary Continuation)	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	N/A
621E	CEG Union FT—2002 ERW/VSP Group Age 53–55, retired on or after 02/01/2004	MAP MAP—Med Only	50% of premium	\$135.50 ¹ monthly for retiree only	N/A	N/A
622	CEG Union PT retiring after 02/01/2004 and hired before 01/01/2013	Medicare Supplement MAP MAP—Med Only	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 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	\$135.50 ¹ 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 \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A

¹ Adjusted annually by CMS to equal 25% of the estimated Part B program cost. \$144.60 for 2020.

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
721Y12	Kokomo Union FT retired on or after 01/01/2012 and before 01/01/2015 and hired before 01/01/2012	NIPSCO Union Medicare Supplement	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	\$475 annually for retiree only	\$40 per month for retiree only
721Y15	Kokomo Union FT retiring on or after 01/01/2015 and hired before 01/01/2012	NIPSCO Union Medicare Supplement	Defined Dollar \$65 x service retiree \$45 x service spouse	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, retired on or before 01/01/2017 and does not meet requirements of 821A	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A
821Y17	Bay State Union FT Brockton Physical hired before 01/01/2013 and retiring on or after 02/01/2017 and does not meet requirements of 821A	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 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 \$65 x service retiree \$45 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 and before 4/1/2018	BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
822Y18	Bay State Union Brockton C/T FT hired before 06/01/2013 and retiring on or after 04/01/2018	BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 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
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 and before 07/01/2017	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A
824Y17	Bay State Union Lawrence FT hired before 01/01/2013 and retiring on or after 07/01/2017	BSG Med Supp BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A
825	Bay State Union Northampton 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 Northampton 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

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
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	BSG Med Supp BSG Med Supp (Med Only)	Up to \$225 per month	N/A	N/A	N/A
825B13	Bay State Union Northampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retired between 01/01/2013 and 12/31/2015	BSG Med Supp (Med Only)	Up to \$225 per month	N/A	N/A	N/A
825B16	Bay State Union Northampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retiring on or after 01/01/2016	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
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

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
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 retiring 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 retiring on or after 05/15/2013	COBRA Active Medical, if retired after Medicare eligibility date	None	N/A	N/A	N/A
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 \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A

Retiree Benefit Program (RBP)	Group	Medicare Medical Options	Company Subsidy	Medicare Part B Reimbursement	NISource Part B Reimbursement	NIPSCO Medicare Part D Reimbursement
829Y11	Bay State Union Springfield C/T FT hired before 01/01/2011 and between 01/01/2011 and 12/31/2015 and does not meet the requirements of 829A	BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A
829Y16	Bay State Union Springfield C/T FT hired before 01/01/2011 and retiring after 01/01/2016 and does not meet the requirements of 829Y11	BSG Med Supp (Med Only)	Defined Dollar \$65 x service retiree \$45 x service spouse	N/A	N/A	N/A

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 Northampton 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
840	Bay State Union Springfield C/T PT 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

Retiree Benefit Program (RBP)	Group	Retiree Life Insurance¹ (Maximum if Noted; No Reduction)
321Y12	NIFL Union FT retired on or after 01/01/2012 and before 01/01/2015 and hired before 01/01/2012	\$10,000
321Y15	NIFL Union FT retiring on or after 01/01/2015 and hired before 01/01/2012	\$15,000
721Y05	Kokomo Union FT Outside (majority) retired after 01/01/2005 and before 01/01/2012	No Coverage
721Y12	Kokomo Union FT retired on or after 01/01/2012 and before 01/01/2015 and hired before 01/01/2012	\$10,000
721Y15	Kokomo Union FT retiring on or after 01/01/2015 and hired before 01/01/2012	\$15,000

¹ Provisions noted are generally applicable to eligible retirees. Certain retirees may have grandfathered or NiSource-approved retiree life insurance, as on file with Aon.

Active Programs That Will Not Receive Retiree Benefits

Active Benefit Program	Group
222	NIPSCO Union PT
223	NIPSCO Union TMP
224	NIPSCO Union TWF

Retiree Benefit Program (RBP)	Group	Retiree Life Insurance¹ (Maximum if Noted; No Reduction)
101J	Kokomo Nonunion FT retired between 01/01/2002 and 02/01/2004	50% of Annual Salary
101K	NiSource Nonunion FT retired on or before 02/01/1997	50% of Annual Salary
101L	NiSource Nonunion FT retired after 02/01/1997 and before 02/01/2004	50% of Annual Salary
101M	NIFL Nonunion FT retired before 01/01/2002	No coverage
101N	NIFL Nonunion FT retired after 01/01/2002 and prior to 02/01/2004; retirement eligible as of 12/31/2001	50% of Annual Salary
101O	NIFL Nonunion FT retired after 01/01/2002 and retired prior to 02/01/2004 and not retirement eligible as of 01/01/2002	50% of Annual Salary
102	All Nonunion Exempt PT retired on or after 02/01/2004 and before 02/01/2006 and Non-Exempt PT retiring on or after 02/01/2004 and hired before 01/01/2013	\$25,000
102D	Columbia Nonunion PT—2002 ERW/VSP Age 50–52	\$25,000
104	All Nonunion Exempt FT retiring on or after 02/01/2006 and hired before 01/01/2010	\$10,000
105	All Nonunion Exempt PT retiring on or after 02/01/2006 and hired before 01/01/2010	\$10,000
132	Special 4th Quarter FT VSP retired before 02/01/2004	No coverage
621	CEG Union FT retiring after 01/01/2004 and hired before 01/01/2013	\$25,000
621A	CEG Union FT retired before 01/01/1993	Amount from the Schedule of Benefits shown below (approximately 80% of final base salary) Maximum \$80,000
621B	CEG Union FT retired after 01/01/1993 and before 02/01/2004 and hired before 01/01/1993	Amount from the Schedule of Benefits shown below (approximately 80% of final base salary) Maximum \$80,000
621C	CEG Union FT retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/1993	50% of pay of final base salary Maximum \$50,000
621D	CEG Union FT—2002 ERW/VSP Group Age 50–52 (Salary Continuation)	\$25,000
621E	CEG Union FT—2002 ERW/VSP Group Age 53–55, retired on or after 02/01/2004	80% of pay of final base salary Maximum \$80,000
622	CEG Union PT retiring after 02/01/2004 and hired before 01/01/2013	\$25,000

¹ Provisions noted are generally applicable to eligible retirees. Certain retirees may have grandfathered or NiSource-approved retiree life insurance, as on file with Aon.

Retiree Benefit Program (RBP)	Group	Retiree Life Insurance¹ (Maximum if Noted; No Reduction)
622C	CEG Union PT retired after 01/01/1993 and before 02/01/2004 and hired after 01/01/2003	50% of pay of final base salary Maximum \$50,000
821	Bay State Union Brockton Physical FT hired before 01/01/2013, retired on or before 01/01/2017, and does not meet requirements of 821A	\$5,000
821Y17	Bay State Union FT Brockton Physical hired before 01/01/2013 and retiring on or after 02/01/2017 and does not meet requirements of 821A	\$10,000
821A	Bay State Union Brockton Physical FT hired before 03/01/1991 and age 45 on 09/01/1991	\$5,000
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	\$5,000
822A	Bay State Union Brockton C/T FT hired before 10/01/1990 and age 45 by 01/01/1992	\$5,000
822Y13	Bay State Union Brockton C/T FT hired before 06/01/2013 and retired on or after 05/01/2013 and before 4/1/2018	\$5,000
822Y18	Bay State Union Brockton C/T FT hired before 06/01/2013 and retiring on or after 04/01/2018	\$10,000
823	Bay State Union Granite FT retired after 01/01/2004	\$5,000
823A	Bay State Union Granite FT hired before 05/01/1991 and age 45 by 05/01/1991 and retired before 01/01/2004	\$5,000
824	Bay State Union Lawrence FT retired after 01/01/2004 and retired before 01/01/2013 and does not meet requirements of 824A	\$5,000
824A	Bay State Union Lawrence FT hired before 01/01/1994 and age 45 by 01/01/1994 and retired before 01/01/2013	\$5,000
824Y13	Bay State Union Lawrence FT hired before 01/01/2013 and retired on or after 01/01/2013 and before 07/01/2017	\$5,000
824Y17	Bay State Union Lawrence FT hired before 01/01/2013 and retiring on or after 07/01/2017	\$10,000
825	Bay State Union Northampton FT hired after 06/18/1999 and before 01/01/2011	\$5,000
825A	Bay State Union Northampton FT hired before 06/18/1999 and at least age 45 on 01/01/1993	\$5,000
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	\$5,000

¹ Provisions noted are generally applicable to eligible retirees. Certain retirees may have grandfathered or NiSource-approved retiree life insurance, as on file with Aon.

Retiree Benefit Program (RBP)	Group	Retiree Life Insurance¹ (Maximum if Noted; No Reduction)
825B13	Bay State Union Northampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retired between 01/01/2013 and 12/31/2015	\$5,000
825B16	Bay State Union Northampton FT hired before 06/18/1999 and not age 45 on 01/01/1993 and retiring on or after 01/01/2016	\$10,000
826	Bay State Union Portland FT retired after 01/01/2004 and does not meet requirements of 826A	\$5,000
826A	Bay State Union Portland FT hired before 04/01/1991 and age 45 by 04/01/1991	\$5,000
827	Bay State Union Portsmouth FT hired after 06/04/1999	\$5,000
827A	Bay State Union Portsmouth FT hired before 06/04/1999 and age 45 on 01/01/1993	\$5,000
827B	Bay State Union Portsmouth FT hired before 06/04/1999 and not age 45 on 01/01/1993	\$5,000
828	Bay State Union Springfield Physical FT hired after 05/14/1999 and retired before 05/15/2013	\$5,000
828A	Bay State Union Springfield Physical FT hired before 05/14/1999 and at least age 45 on 01/01/1993	\$5,000
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	\$5,000
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	\$10,000
828B14	Bay State Union Springfield Physical FT hired before 05/14/1999 and not age 45 on 01/01/1993 and retiring on or after 01/01/2014	\$10,000
828Y13	Bay State Union Springfield Physical FT hired after 05/14/1999 and retiring on or after 05/15/2013	\$10,000
829	Bay State Union Springfield C/T retired after 01/01/2004 and retired on or before 01/01/2008 and does not meet the requirements of 829A	\$5,000
829A	Bay State Union Springfield C/T FT hired before 10/01/1990 and age 45 by 01/01/1992	\$5,000
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	\$5,000
829Y11	Bay State Union Springfield C/T FT hired before 01/01/2011 and retired between 01/01/2011 and 01/01/2016 and does not meet the requirements of 829A	\$5,000

¹ Provisions noted are generally applicable to eligible retirees. Certain retirees may have grandfathered or NiSource-approved retiree life insurance, as on file with Aon.

Retiree Benefit Program (RBP)	Group	Retiree Life Insurance¹ (Maximum if Noted; No Reduction)
829Y16	Bay State Union Springfield C/T FT hired before 01/01/2011 and retiring on or after 01/01/2016 and does not meet the requirements of 829Y11	\$10,000

¹ Provisions noted are generally applicable to eligible retirees. Certain retirees may have grandfathered or NiSource-approved retiree life insurance, as on file with Aon.

Schedule of Benefits for Retiree Benefit Programs 101D, 101E, 621A and 621B

Basic Annual Salary	Amount	Basic Annual Salary	Amount
\$12,000 to \$13,570	\$10,000	\$56,250 to \$58,750	\$46,000
\$13,750 to \$16,250	\$12,000	\$58,750 to \$61,250	\$48,000
\$16,250 to \$18,750	\$14,000	\$61,250 to \$63,650	\$50,000
\$18,750 to \$21,250	\$16,000	\$63,650 to \$66,250	\$52,000
\$21,250 to \$23,750	\$18,000	\$66,250 to \$68,750	\$54,000
\$23,750 to \$26,250	\$20,000	\$68,750 to \$71,250	\$56,000
\$26,250 to \$28,750	\$22,000	\$71,250 to \$73,750	\$58,000
\$28,750 to \$31,250	\$24,000	\$73,750 to \$76,250	\$60,000
\$31,250 to \$33,750	\$26,000	\$76,250 to \$78,750	\$62,000
\$33,750 to \$36,250	\$28,000	\$78,750 to \$81,250	\$64,000
\$36,250 to \$38,750	\$30,000	\$81,250 to \$83,750	\$66,000
\$38,750 to \$41,250	\$32,000	\$83,750 to \$86,250	\$68,000
\$41,250 to \$43,750	\$34,000	\$86,250 to \$88,750	\$70,000
\$43,750 to \$46,250	\$36,000	\$88,750 to \$91,250	\$72,000
\$46,250 to \$48,750	\$38,000	\$91,250 to \$93,750	\$74,000
\$48,750 to \$51,250	\$40,000	\$93,750 to \$96,250	\$76,000
\$51,250 to \$53,750	\$42,000	\$96,250 to \$98,750	\$78,000
\$53,750 to \$56,250	\$44,000	\$98,750+	\$80,000

Active Benefit 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
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 Northampton 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
840	Bay State Union Springfield C/T PT 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

Plan Changes since the Prior Year

The financial accounting valuation reflects the following plan changes:

- For nonunion employees, pre-65 Defined Dollar multipliers for retiree medical are increased to \$225/\$170 as of January 1, 2020.



2020 Year-End Disclosure Information

NiSource Inc.

Qualified and Nonqualified Pension Plans

As of December 31, 2020

Introduction

This report documents the results of the December 31, 2020 actuarial valuation of the NiSource Qualified and Nonqualified Pension Plans for the plan sponsor and for NiSource. The information provided in this report is intended strictly for documenting:

- Pension cost for the 2021 fiscal year pending any special events
- Information relating to company and plan disclosure and reporting requirements

In calculating projected year-end disclosure results and 2021 expense, we have measured liabilities as of December 31, 2020. In calculating 2020 expense, we have measured liabilities as of December 31, 2019 with the exception of the Columbia, Bay State Union and Bay State Nonunion qualified pension plans. For the Columbia plan, we have measured liabilities as of December 31, 2019 in calculating expense from January 1, 2020 to August 31, 2020 and then measured liabilities as of August 31, 2020 in calculating expense from September 1, 2020 to December 31, 2020. For the Bay State Union and Bay State Nonunion plans, we have measured liabilities as of December 31, 2019 in calculating expense from January 1, 2020 to September 30, 2020 and then measured liabilities as of September 30, 2020 in calculating expense from October 1, 2020 to December 31, 2020.

Determinations for purposes other than the financial accounting requirements may be significantly different from the results in this report. Thus, the use of this report for purposes other than those expressed here may not be appropriate.

This valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. In addition, the valuation results are based on our understanding of the financial accounting and reporting requirements under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715, including any guidance or interpretations provided by the Company and reviewed by its auditors prior to the issuance of this report. The information in this report is not intended to supersede or supplant the advice and interpretations of the Company's auditors.

A valuation model was used to develop the liabilities for the 2020 valuation. The valuation model relies on ProVal software, which was developed by Winklevoss Technologies, LLC. Experts within Aon selected this software and determined it is appropriate for performing valuations. We coded and reviewed the software for the provisions, assumptions, methods, and data of the NiSource Qualified and Nonqualified Pension Plans. The undersigned relied on experts at Aon for the development of the capital market assumptions models underlying the discount rate and the expected rate of return.

Future actuarial measurements may differ significantly from the current measurements presented in this report due (but not limited to) to such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions
- Changes in actuarial methods or in economic or demographic assumptions
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status)
- Changes in plan provisions or applicable law

Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

Funded status measurements shown in this report are determined based on various measures of plan assets and liabilities. For company and plan disclosure and reporting purposes, funded status is determined using plan assets measured at market value. Plan liabilities are measured based on the interest rates and other assumptions summarized in the Actuarial Assumptions and Methods section of this report.

These funded status measurements may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations, and funded status measurements for company and plan disclosure and reporting purposes may not be appropriate for assessing the need for or the amount of future contributions.

In determining information relating to plan disclosure and reporting requirements, Aon may be assisting the appropriate plan fiduciary as it performs tasks that are required for the administration of an employee benefit plan. Aon also may be consulting with the employer/plan sponsor (NiSource) as it considers alternative strategies for funding the plan, or as it evaluates information relating to employer reporting requirements. Thus, Aon potentially will be providing assistance to NiSource (and/or certain of its employees) acting in a fiduciary capacity (for the benefit of plan participants and beneficiaries) and to NiSource (and/or its executives) acting in a settlor capacity (for the benefit of the employer sponsoring the qualified and nonqualified pension plans).

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by NiSource. While we cannot verify the accuracy of all of the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we do not doubt the substantial accuracy or completeness of the information and we believe that it has produced appropriate results.

The actuarial assumptions and methods used in this valuation are described in the Actuarial Assumptions and Methods section of this report. All assumptions used in this actuarial valuation other than the expected long-term rate of return on assets represent, in our opinion, a reasonable expectation of anticipated experience under the plan. The expected long-term rate of return on assets was prescribed by NiSource and is at the upper end of the range we would consider to be reasonable based on Aon's forward looking capital market assumptions for measurements on or after May 31, 2018.

The undersigned credentialed actuaries are familiar with the near-term and long-term aspects of pension valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. The information provided in this report is dependent upon various factors as documented throughout this report, which may be subject to change. Each section of this report is considered to be an integral part of the actuarial opinions.

To our knowledge, no colleague of Aon providing services to NiSource has any material direct or indirect financial interest in NiSource. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this actuarial report for NiSource.



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January 26, 2021

Actuarial Assumptions and Methods

Qualified Pension Plans

Discount Rate	The AA Above Median Curve as of December 31, 2020 with sample rates as follows: Duration 0.5–0.28% Duration 5.5–0.81% Duration 10.5–1.82% Duration 15.5–2.47% Duration 20.5–2.87% Duration 25.5–3.12% Duration 30.5–3.29%
Expected long-term rate of return on assets	5.20% for 2021 expense
Expected rate of future compensation increases	See Table 1
Account balance interest crediting rate	4.00%
Increase in IRC section 415 benefit limits and section 401(a)(17) compensation limit	2.50%
Social Security wage base increases	Future wage indices are based on a national wage increase of 3.00% per year.
Social Security COLA increases	2.50%
Optional payment form election percentage	See Table 2
Lump sum conversion interest rate	3.00% (subject to the 417(e) minimum)
Lump sum conversion mortality	Mortality basis in IRS revenue ruling 2001-62 (subject to the 417(e) minimum)
417(e) minimum interest rates	IRC section 417(e) market segment rates as of September 2020 0.51% 2.31% 3.15%
417(e) minimum mortality	Applicable mortality table under 417(e) projected to year of payment using the current IRS projection methodology as shown in the IRS regulations section 1.430(h)(3)-1.

Retirement age	
Active participants	
NiSource Plan	See Table 3
Columbia Plan	See Table 4
Terminated vested participants	
Final average pay participants	See Table 5
Account balance participants	See Table 6
Mortality rates	
Healthy participants	Amounts-weighted aggregate rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2020 as adjusted through 2023 to reflect anticipated slow recovery from COVID-19
Survivors	Amounts-weighted aggregate contingent survivor rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2020 as adjusted through 2023 to reflect anticipated slow recovery from COVID-19
Disabled participants	Amounts-weighted disabled retiree rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2020 as adjusted through 2023 to reflect anticipated slow recovery from COVID-19
Withdrawal rates	
NiSource – Nonunion Participants	See Table 7
NiSource – Union Participants	See Table 8
Columbia	See Table 9
Disability rates	See Table 10
Surviving spouse benefit	It is assumed that 80% of males and 80% of females have an eligible spouse, and that males are 3 years older than their spouses.
Benefit and compensation limits	Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$230,000 and the 401(a)(17) compensation limit of \$285,000.
Actuarial cost method	Projected unit credit cost method
Measurement date	December 31
Market-related value of assets	Equal to the market value of assets on December 31

Administrative Expenses Included in Service Cost	\$0 as the expected long-term rate of return on assets is net of both investment-related expenses and a 0.20% reduction for other administrative expenses charged to the trust.
Amortization schedule	
Prior service cost	Amortization over average remaining service
Unrecognized net (gains)/losses	Gains or losses in excess of 10% corridor are amortized over average remaining service.

Nonqualified Pension Plans

Discount Rate	<p>The AA Above Median Curve as of December 31, 2020 with sample rates as follows:</p> <p>Duration 0.5–0.28% Duration 5.5–0.81% Duration 10.5–1.82% Duration 15.5–2.47% Duration 20.5–2.87% Duration 25.5–3.12% Duration 30.5–3.29%</p>
Expected long-term rate of return on assets	N/A
Expected rate of future compensation increases NiSource SERP Restoration Plan Bay State SERP	N/A See Table 1 N/A
Account balance interest crediting rate Restoration Plan NiSource SERP, Bay State SERP	4.00% N/A
Increase in IRC section 415 benefit limits and section 401(a)(17) compensation limit	2.50%
Social Security wage base increases	Future wage indices are based on a national wage increase of 3.00% per year.
Social Security COLA increases	2.50%
Retirement rates Active participants Restoration Plan NiSource SERP, Bay State SERP	Same as those used for purposes of the respective qualified plan valuations N/A
Terminated vested participants Restoration Plan NiSource SERP Final average pay participants Account balance participants Bay State SERP	Age 65 Age 65 N/A N/A

Withdrawal rates	
Restoration Plan	Same as those used for purposes of the respective qualified plan valuations
NiSource SERP, Bay State SERP	N/A
Disability rates	
Restoration Plan	Same as those used for purposes of the respective qualified plan valuations
NiSource SERP, Bay State SERP	N/A
Actuarial cost method	Projected unit credit cost method
Measurement date	December 31
Market-related value of assets	N/A
Amortization schedule	
Prior service cost	
Restoration Plan	Amortized over average remaining service
NiSource SERP, Bay State SERP	N/A
Unrecognized net (gains)/losses	
Restoration Plan	Gains or losses in excess of 10% corridor are amortized over average remaining service.
NiSource SERP, Bay State SERP	Gains or losses in excess of 10% corridor are amortized over average remaining lifetime.
Other Actuarial Assumptions	
NiSource SERP	Same as those used for purposes of the NiSource qualified plan valuation
Restoration Plan	Same as those used for purposes of the respective qualified plan valuations
Bay State SERP	Same as those used for purposes of the Bay State Nonunion qualified plan valuation

Changes in ASC 715 Methods/Assumptions Since the Prior Year

Method Changes

There have been no changes in the financial accounting valuation since the prior year.

Assumption Changes

The financial accounting valuation reflects the following assumption changes from the prior year:

- A change from the December 31, 2019 Aon AA Above Median Yield Curve to the December 31, 2020 Aon AA Above Median Yield Curve.
- A change in the expected long-term rate of return on assets assumption to 5.20%.
- A change in the lump sum conversion rate to 3.00%.
- A change in the healthy participants mortality assumption from the amounts-weighted aggregate rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019 to the amounts-weighted aggregate rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2020 as adjusted through 2023 to reflect anticipated slow recovery from COVID-19.
- A change in the survivor mortality assumption from the amounts-weighted aggregate contingent survivor rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019 to the amounts-weighted aggregate contingent survivor rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2020 as adjusted through 2023 to reflect anticipated slow recovery from COVID-19.
- A change in the disabled participant mortality assumption from the amounts-weighted disabled retiree rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019 to the amounts-weighted disabled retiree rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2020 as adjusted through 2023 to reflect anticipated slow recovery from COVID-19.
- A change in the 417(e) minimum interest rates to the September 2020 rates of 0.51%, 2.31%, and 3.15%.
- A change in the withdrawal rate assumption for nonunion participants in the NiSource plan.

The rationales for selecting each of the assumptions used in the financial accounting valuation and for the assumption changes summarized above are described in more detail in the document entitled N5411_NiSource 2020 Valuation Results.pdf and dated December 3, 2020.

Table 1

Salary Merit Increase Rates

Age	Rate
20-29	6.50%
30-34	5.00%
35-39	4.50%
40-49	4.00%
50+	3.50%

Table 2

Optional Payment Form Election Percentage

Plan	Final average pay participants	Account balance participants
NiSource	Nonunion:	10% life annuity
	50% life annuity	90% lump sum
	50% joint and 50% survivor annuity	
	Union:	
	50% life annuity	
	50% joint and 50% survivor annuity with pop-up	
Columbia	20% life annuity	10% life annuity
	80% lump sum	90% lump sum
Bay State Nonunion, Bay State Union and Kokomo Union plans	50% life annuity	10% life annuity
	50% lump sum	90% lump sum
Subsidiary	50% life annuity	10% life annuity
	50% joint and 50% survivor annuity	90% lump sum

Table 3

Retirement Rates—NiSource Plan (Including former Subsidiary, Kokomo Union, Bay State Union, and Bay State Nounion)

Age	Final Average Pay Participants			Account Balance Participants
	<25 Years	25+ Years	85+ Points	
55	5.00%	5.00%	10.00%	4.00%
56	5.00%	5.00%	10.00%	4.00%
57	5.00%	5.00%	10.00%	4.00%
58	5.00%	5.00%	10.00%	4.00%
59	5.00%	5.00%	10.00%	4.00%
60	5.00%	20.00%	20.00%	10.00%
61	5.00%	20.00%	20.00%	10.00%
62	25.00%	25.00%	25.00%	15.00%
63	10.00%	20.00%	20.00%	15.00%
64	10.00%	20.00%	20.00%	15.00%
65	35.00%	35.00%	35.00%	20.00%
66	35.00%	35.00%	35.00%	20.00%
67	35.00%	35.00%	35.00%	20.00%
68	35.00%	35.00%	35.00%	20.00%
69	35.00%	35.00%	35.00%	20.00%
70+	100.00%	100.00%	100.00%	100.00%

Table 4

Retirement Rates—Columbia Plan

Age	All Participants
55	5.00%
56	5.00%
57	5.00%
58	5.00%
59	10.00%
60	10.00%
61	15.00%
62	20.00%
63	20.00%
64	20.00%
65	30.00%
66	30.00%
67	30.00%
68	30.00%
69	30.00%
70+	100.00%

Table 5

Retirement Rates—Terminated Vested Final Average Pay Participants

Age	NiSource Plan	Columbia Plan
≤54	0.00%	0.00%
55	2.00%	20.00%
56	2.00%	4.00%
57	2.00%	4.00%
58	2.00%	4.00%
59	2.00%	10.00%
60	2.00%	10.00%
61	2.00%	10.00%
62	2.00%	10.00%
63	2.00%	10.00%
64	50.00%	15.00%
65	50.00%	40.00%
66	50.00%	40.00%
67	50.00%	40.00%
68	50.00%	40.00%
69	50.00%	40.00%
70+	100.00%	100.00%

Table 6

Retirement Rates—Terminated Vested Account Balance Participants

Age	<u>NiSource Plan</u>		<u>Columbia Plan</u>	
	<u>Years Since Termination</u>		<u>Years Since Termination</u>	
	<1 Year	1+ Years	<1 Year	1+ Years
≤58	30.00%	4.00%	30.00%	5.00%
59	30.00%	4.00%	30.00%	10.00%
60	30.00%	10.00%	30.00%	10.00%
61	30.00%	10.00%	30.00%	15.00%
62	30.00%	15.00%	30.00%	20.00%
63	30.00%	15.00%	30.00%	20.00%
64	30.00%	15.00%	30.00%	20.00%
65	30.00%	20.00%	30.00%	30.00%
66	30.00%	20.00%	30.00%	30.00%
67	30.00%	20.00%	30.00%	30.00%
68	30.00%	20.00%	30.00%	30.00%
69	30.00%	20.00%	30.00%	30.00%
70+	100.00%	100.00%	100.00%	100.00%

Table 7

Withdrawal Rates — NiSource Plan (Nonunion Participants)

Age	Rates
≤34	8.00%
35	7.90%
36	7.40%
37	6.90%
38	6.50%
39	6.00%
40	5.60%
41	5.20%
42	4.90%
43	4.50%
44	4.20%
45	3.90%
46	3.60%
47	3.40%
48	3.10%
49	2.90%
50	2.70%
51	2.60%
52	2.40%
53	2.30%
54	2.20%
55+	4.00%

Table 8

Withdrawal Rates — NiSource Plan (Union Participants)

Age	Years of Service			
	0	1	2	3+
≤19	4.80%	4.80%	4.80%	4.80%
20	4.80%	4.80%	4.80%	4.80%
21	4.80%	4.80%	4.80%	4.80%
22	4.50%	4.50%	4.50%	4.50%
23	4.30%	4.30%	4.30%	4.30%
24	4.00%	4.00%	4.00%	4.00%
25	4.00%	3.80%	3.80%	3.80%
26	4.00%	3.60%	3.60%	3.60%
27	4.00%	3.30%	3.30%	3.30%
28	4.00%	3.10%	3.10%	3.10%
29	4.00%	3.00%	2.90%	2.90%
30	4.00%	3.00%	2.80%	2.80%
31	4.00%	3.00%	2.60%	2.60%
32	4.00%	3.00%	2.50%	2.40%
33	4.00%	3.00%	2.50%	2.20%
34	4.00%	3.00%	2.50%	2.10%
35	4.00%	3.00%	2.50%	1.90%
36	4.00%	3.00%	2.50%	1.80%
37	4.00%	3.00%	2.50%	1.70%
38	4.00%	3.00%	2.50%	1.60%
39	4.00%	3.00%	2.50%	1.50%
40	4.00%	3.00%	2.50%	1.40%
41	4.00%	3.00%	2.50%	1.30%
42	4.00%	3.00%	2.50%	1.20%
43	4.00%	3.00%	2.50%	1.20%
44	4.00%	3.00%	2.50%	1.10%
45	4.00%	3.00%	2.50%	1.10%
46	4.00%	3.00%	2.50%	1.00%
47	4.00%	3.00%	2.50%	1.00%
48	4.00%	3.00%	2.50%	1.00%
49	4.00%	3.00%	2.50%	1.00%
50+	4.00%	3.00%	2.50%	1.00%

Table 9

Withdrawal Rates — Columbia Plan

<u>Age</u>	<u>All Participants</u>
≤34	4.00%
35	3.95%
36	3.70%
37	3.45%
38	3.25%
39	3.00%
40	2.80%
41	2.60%
42	2.45%
43	2.25%
44	2.10%
45	1.95%
46	1.80%
47	1.70%
48	1.55%
49	1.45%
50	1.35%
51	1.30%
52	1.20%
53	1.15%
54	1.10%
55	1.10%
56	1.05%
57	1.05%
58	1.00%
59	1.00%
60	0.95%
61	0.95%
62	0.90%
63	0.85%
64	0.80%
65+	0.75%

Table 10

Disability Rates

Age	Male	Female	Age	Male	Female
20	0.052%	0.052%	50	0.413%	0.575%
21	0.053%	0.056%	51	0.463%	0.613%
22	0.054%	0.060%	52	0.513%	0.650%
23	0.055%	0.064%	53	0.563%	0.700%
24	0.056%	0.067%	54	0.625%	0.738%
25	0.057%	0.071%	55	0.688%	0.783%
26	0.058%	0.075%	56	0.762%	0.825%
27	0.059%	0.075%	57	0.856%	0.875%
28	0.060%	0.081%	58	0.975%	0.950%
29	0.061%	0.083%	59	1.075%	1.050%
30	0.062%	0.087%	60	1.175%	1.150%
31	0.064%	0.092%	61	1.325%	1.275%
32	0.065%	0.113%	62	1.500%	1.450%
33	0.067%	0.125%	63	1.665%	1.625%
34	0.069%	0.142%	64+	1.725%	1.725%
35	0.071%	0.158%			
36	0.073%	0.175%			
37	0.078%	0.194%			
38	0.083%	0.217%			
39	0.092%	0.238%			
40	0.100%	0.263%			
41	0.116%	0.283%			
42	0.131%	0.313%			
43	0.145%	0.338%			
44	0.170%	0.367%			
45	0.200%	0.400%			
46	0.244%	0.431%			
47	0.280%	0.463%			
48	0.325%	0.496%			
49	0.363%	0.533%			

Actuarial Assumptions and Methods

Discussion of Actuarial Assumptions and Methods

NiSource selected the economic and demographic assumptions and prescribed them for use for purposes of compliance with ASC 715. Aon provided guidance with respect to these assumptions, and it is our belief that all assumptions used in this actuarial valuation other than the expected return on assets represent a reasonable expectation of anticipated experience under the plan. The expected rate of return on plan assets was prescribed by NiSource and is at the upper end of the range we would consider to be reasonable based on Aon's forward looking capital market assumptions for measurements on or after May 31, 2018. The actuarial cost method used is prescribed by ASC 715. While the method used to value assets is prescribed by NiSource, Aon provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for financial accounting purposes.

Calculation of Normal Costs and Liabilities

The method used to calculate the service cost and projected benefit obligation for determining pension cost is the projected unit credit cost method. Under this method, benefits are estimated at each decrement age by crediting future accruals based on projected pay as applicable. The liability is determined as the present value of the projected benefit based on service at the valuation date. The service cost is the amount of the present value of projected benefits attributable to the valuation year.

Accounting Information Under ASC 715

Benefit obligations and cost/(income) are calculated under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715.

The accumulated benefit obligation represents the actuarial present value of benefits based on service and pay earned as of the measurement date. The projected benefit obligation represents the actuarial present value of benefits based on service earned through the measurement date reflecting the effect of assumed future pay increases on ultimate benefit amounts.

The service cost represents the actuarial present value of benefits that are attributed to the fiscal year, reflecting the effect of assumed future pay increases. The service cost includes interest to the end of the measurement period.

Interest cost and service cost are calculated by applying the individual spot rates in the yield curve to each of the discounted cash flows as of the measurement date.

Pending any special events, the net periodic pension cost/(income) is the annual amount to be recognized in the income statement as the cost of pension benefits for this plan for the fiscal year.

Certain special events can result in additional cost/(income) recognized in the income statement during the fiscal year. Settlement cost/(income) is the accelerated recognition of gains and losses due to certain actions that irrevocably relieve the plan sponsor of significant plan liabilities. Curtailment cost/(income) is an accelerated recognition of certain amounts due to actions that significantly reduce the future years of expected service credited under the plan to existing participants. Special termination benefit cost is an immediate recognition of the liability associated with certain one-time benefits that may be provided in conjunction with participants' separation from service.

Plan Provisions

Summary of Retirement Plan Provisions

This section highlights the key retirement plan provisions reflected in the December 31, 2020 measurement date. This is intended only as a summary. Accordingly, non-material provisions have been excluded, and material provisions have been generalized. This summary is not intended to alter or replace the provisions of the applicable plan documents. Reference should be made to the applicable plan documents for additional clarification and details.

NiSource Pension Plan (“NiSource Plan”)

Effective date	January 1, 1945, restated effective January 1, 2013
Eligibility for participation	<p>Exempt employees hired on or after January 1, 2010 and nonexempt nonunion employees hired on or after January 1, 2013 are not eligible for pension benefits. Any other person receiving remuneration for services rendered to Northern Indiana Public Service Company or certain other participating employers, and who is not covered by the NiSource Subsidiary Pension Plan or the Kokomo Union Pension Plan is eligible. Eligible employees participate on their date of hire.</p> <p>Effective December 31, 2012, the NiSource Subsidiary Pension Plan (“Subsidiary Plan”) and Kokomo Union Pension Plan (“Kokomo Union Plan”) were merged into the NiSource Plan. All employees who were eligible to participate under the Subsidiary Plan and the Kokomo Union Plan now participate in the NiSource Plan. The amount and terms of the benefits provided under the former plans are unchanged.</p>
Benefit Formula Eligibility Exempt participants	<p>Employees hired prior to January 1, 2002 received the nonunion final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2006 received the account balance I benefit. Effective January 1, 2006, the plan was amended to allow all participants a one-time choice between their existing final average pay or account balance I benefit and the account balance II benefit, and employees hired between January 1, 2006 and January 1, 2010 received the account balance II benefit. Effective January 1, 2011, all participants were moved to the account balance II benefit. Employees hired after January 1, 2010 do not participate in the plan.</p>

Nonexempt nonunion participants Employees hired prior to January 1, 2002 received the nonunion final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2008 received the account balance I benefit. Effective January 1, 2008, the plan was amended to provide that employees hired after January 1, 2008 received the account balance II benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after January 1, 2013 do not participate in the plan.

Union participants Employees hired prior to June 1, 2004 received the union final average pay benefit. Effective June 1, 2004, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit. Employees hired on or after June 1, 2004 receive the account balance I benefit.

Normal retirement

Eligibility Later of age 65 and fifth anniversary of participation

Benefit

Union Final Average Pay The sum of (a) and (b):

- (a) 0.575% of final five-year average compensation times years of credited service (maximum 30 years)
- (b) Years of credited service times applicable job class monthly benefit rate times 12.

For employees terminating on or after January 1, 2007, the applicable job class benefit rate is the following:

Job Classification	Rate
A	\$23.96
B	\$29.56
C	\$35.19
D	\$40.80
E	\$46.44

Benefit is subject to a minimum of \$4,200 per year.

Nonunion Final Average Pay The sum of (a) and (b):

- (a) 1.70% of final five-year average compensation times years of credited service (maximum 30 years)
- (b) 0.60% of final five-year average compensation times years of credited service over 30 years

Benefit is subject to a minimum of \$4,200 per year.

Account Balance I A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 45	5.0%	2.0%
45 – 59	6.5%	2.0%
60 – 74	8.0%	2.0%
75 or more	10.0%	2.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Account Balance II A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 50	4.0%	1.0%
50 – 69	5.0%	1.0%
70 or more	6.0%	1.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Early Retirement
 Eligibility

Age 55 and 10 years of service

Benefit

Union and nonunion final average pay benefit

A benefit equal to the normal retirement benefit based on years of credited service and final five-year average compensation at the date of termination. If payments begin before age 65, the payments are reduced by 6% per year for the first five years and 4% per year for the next five years.

If a participant retires with 25 years of service, there is no reduction at ages 60-64, payments are reduced by 6% at 59, and by 4% per year for each of the next four years. No reductions apply if a union participant retires with 85 age plus service points.

Account balance benefit

The participant is always entitled to their entire vested cash balance at termination or retirement.

Temporary supplemental benefit

Final average pay participants (and nonunion account balance I participants hired before January 1, 2002) retiring after age 60 with 25 years of service will receive a supplemental benefit until age 65 equal to the following:

Union participants: The amount varies depending on job classification according to the following table. Union participants may receive a reduced benefit prior to age 60 if retiring with 85 points.

Job Classification	Benefit
A	\$ 9,720
B	\$ 10,020
C	\$ 10,440
D	\$ 10,440
E	\$ 10,440

Nonunion participants: 80% of the maximum Social Security benefit payable to someone age 65, rounded to the next highest multiple of \$10. This benefit was frozen at its current level as of January 1, 2004 and is not available to employees who first become participants after January 1, 2002.

Account Balance II participants are not eligible for a supplement.

Vested termination
 Eligibility

Three years of service

Benefit

Final average pay benefit

A monthly benefit equal to the normal retirement benefit based on five-year average compensation and credited service at the date of termination, subject to a minimum of \$25 per month for each year of service up to 10 years. Payments may begin after the eligibility requirements for early retirement have been satisfied. Vested termination benefits that begin before normal retirement will be reduced based on the early retirement factors for a retiree with less than 25 years.

Account balance benefit

The participant is always entitled to their entire vested cash balance at termination or retirement.

Disability retirement
 Eligibility

Union participants

15 years of service (3 years if injured on the job)

Nonunion participants

Three years of service and disabled due to injury on the job

Benefit

Final average pay participants

A monthly benefit payable immediately based on five-year average compensation and credited service at the date of disability (or 25 years if greater and injury is on the job)

Account balance participants

The participant is entitled to their entire vested cash balance upon disability.

Other disability benefits
 Eligibility

Nonunion participants

Qualification for benefits under the employer's long-term disability plan

Benefit	
Final average pay benefit	Eligible employees are deemed to receive the same compensation as at the date of disability and continue to earn credited service as long as the disability continues.
Account balance benefit	Eligible employees continue to earn pay credits based on the same compensation as at the date of disability.
Preretirement death	
Eligibility	Three years of service
Benefit	
Final average pay participants	50% of normal retirement benefit as of the participant's date of death, reduced for 50% joint and survivor annuity, and reduced for payment at the participant's earliest retirement eligibility. Benefit payable only to eligible spouse.
Account balance participants	A life annuity actuarially equivalent to the account balance as of the date of death (non-spouse beneficiaries must receive as a lump sum and spousal-beneficiaries may elect to receive as a lump sum.)
Normal form of payment	
Without spouse	Life annuity
With spouse	50% joint and survivor annuity. Participant receives reduced lifetime benefit and, in event of participant's death, 50% of reduced benefit continued to surviving spouse. For any union participants and for any account balance II participants, if the spouse dies before participant and within 60 months after the annuity start date, benefit increases to life annuity value.
Optional forms of payment	
Final average pay participants	Life annuity; 100% or 75% joint and survivor annuity (if union, available only if married); 50% joint and survivor annuity (nonunion only)
Account balance participants	Lump sum; life annuity; 100%, 75%, 66 2/3%, 50% pop-up, 33 1/3% joint and survivor annuity; 5 or 10 year certain and life annuity.
Actuarial equivalence	Factors as provided in the plan document

Definitions

Credited service

Participants generally earn one month of credited service for each calendar month in which he/she is credited with at least one hour of service.

Compensation

Final average pay participants

Form W-2 compensation, including overtime, banked vacation, lump sum merit pay, and bonuses, before any reductions under IRC sections 125 and 401(k), excluding bonuses of salaried employees in excess of 50% of base pay and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).

Account balance participants

Base salary or wages including shift differential (included for Account Balance I participants only), performance-based pay, banked vacation, lump sum merit pay, and commissions, before any reductions under IRC sections 125 and 401(k), but excluding overtime and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).

Five-year average compensation

Union participants

Highest average annual compensation for any five consecutive calendar years; for participants retiring on or after age 65, shall not be less than the average for the 60 consecutive months immediately preceding normal retirement date

Nonunion participants

Highest average annual compensation for any 60 consecutive calendar months within the last 120 months of employment

NiSource Pension Plan – Former NiSource Subsidiary Pension Plan (“Subsidiary Plan”)

Effective date	January 1, 1962, restated effective January 1, 2011. As of December 31, 2012, the Subsidiary Pension Plan was merged into the NiSource Pension Plan.
Eligibility for participation	Exempt employees hired on or after January 1, 2010 and nonexempt employees hired on or after July 1, 2011 are not eligible for pension benefits. All other nonunion employees of Northern Indiana Public Service Company who were previously employed by Northern Indiana Fuel and Light Company, Inc. and Kokomo Gas and Fuel Company, Inc. as of June 30, 2011 are eligible. Union employees of USW Local 13796-01 as of June 30, 2011 are also eligible. Eligible employees participate on their date of hire.
Benefit Formula Eligibility Exempt participants	Employees hired prior to January 1, 2002 received the final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2006 received the account balance I benefit. Effective January 1, 2006, the plan was amended to allow all participants a one-time choice between their existing final average pay or account balance I benefit and the account balance II benefit, and employees hired between January 1, 2006 and January 1, 2010 received the account balance II benefit. Effective January 1, 2011, all participants were moved to the account balance II benefit. Employees hired after January 1, 2010 do not participate in the plan.
Nonexempt nonunion participants	Employees hired prior to January 1, 2002 received the final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2008 received the account balance I benefit. Effective January 1, 2008, the plan was amended to provide that employees hired after January 1, 2008 received the account balance II benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after June 30, 2011 do not participate in the plan.

Nonexempt union participants

Employees hired prior to January 1, 2002 received the final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2008 received the account balance I benefit. Effective January 1, 2008, the plan was amended to provide that employees hired after January 1, 2008 received the account balance II benefit. Effective July 1, 2011, the NIFL union merged with the NIPSCO union, and all account balance II participants were switched to account balance I (without temporary early retirement supplement). Final average pay participants were allowed a one-time choice of converting to account balance I (without temporary early retirement supplement) effective August 1, 2011. Existing NIFL union account balance I participants will convert to account balance I (without temporary early retirement supplement) effective May 1, 2015. Employees hired after June 30, 2011 do not participate in the plan.

Normal retirement

Eligibility

Later of age 65 and fifth anniversary of participation

Benefit

Final Average Pay

The sum of (a) and (b):

- (a) Benefits accrued as of December 31, 1993 under the prior plan, multiplied by a ratio of the final five-year average compensation as of the date of termination over the five-year average compensation as of December 31, 1993 (not less than 1.0)
- (b) 1.70% of the final five-year average compensation times years of credited service after December 31, 1993 (maximum 30 years) plus 0.60% of the final five-year average compensation times credited service after December 31, 1993 over 30 years

The benefit is subject to certain minimum and maximum benefit calculations.

Account Balance I

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 45	5.0%	2.0%
45 – 59	6.5%	2.0%
60 – 74	8.0%	2.0%
75 or more	10.0%	2.0%

If a participant moved from the final average pay benefit to this benefit, the participant’s accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Account Balance II

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 50	4.0%	1.0%
50 – 69	5.0%	1.0%
70 or more	6.0%	1.0%

If a participant moved from the final average pay benefit to this benefit, the participant’s accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Early retirement	
Eligibility	Age 55 and 10 years of service
Benefit	
Final average pay benefit	A benefit equal to the normal retirement benefit based on years of credited service and final five-year average compensation at the date of termination. If payments begin before age 65, the payments are reduced by 6% per year for the first five years and 4% per year for the next five years. If a participant has 25 years of service, there is no reduction at ages 60-64 and payments are reduced by 6% per year for each year payments begin before age 60.
Account balance benefit	The participant is always entitled to their entire vested cash balance at termination or retirement.
Temporary supplemental benefit	Any final average pay or account balance I participant retiring after age 60 with 25 years of service will receive a supplemental benefit until age 65 equal to 80% of the maximum Social Security benefit payable to someone age 65, rounded to the next highest multiple of \$10. This benefit was frozen at its current level as of January 1, 2004 and is not available to account balance I employees who first become participants after January 1, 2002. NIFL union participants who converted or will convert to the account balance I benefit are not eligible for a supplement. Account Balance II participants are not eligible for a supplement.
Vested termination	
Eligibility	Three years of service
Benefit	
Final average pay benefit	A monthly benefit equal to the normal retirement benefit based on five-year average compensation and credited service at the date of termination. Payments may begin after the eligibility requirements for early retirement have been satisfied. Vested termination benefits that begin before normal retirement will be reduced based on the early retirement factors for a retiree with less than 25 years.
Account balance benefit	The participant is always entitled to their entire vested cash balance at termination or retirement.

<p>Disability Eligibility</p>	<p>Qualification for benefits under the employer's long-term disability plan</p>
<p>Benefit Final average pay benefit</p>	<p>Eligible employees are deemed to receive the same compensation as at the date of disability and continue to earn credited service as long as the disability continues.</p>
<p>Account balance benefit</p>	<p>Eligible employees continue to earn pay credits based on the same compensation as at the date of disability.</p>
<p>Preretirement death Eligibility</p>	<p>Three years of service</p>
<p>Benefit Final average pay participants</p>	<p>50% of normal retirement benefit as of the participant's date of death, reduced for 50% joint and survivor annuity, and reduced for payment at the participant's earliest retirement eligibility. Benefits are payable only to eligible spouse.</p>
<p>Account balance participants</p>	<p>A life annuity actuarially equivalent to the account balance as of the date of death (non-spouse beneficiaries must receive as a lump sum, and spousal beneficiaries may elect to receive as a lump sum)</p>
<p>Normal form of payment Without spouse</p>	<p>Life annuity</p>
<p>With spouse</p>	<p>50% joint and survivor annuity. Participant receives reduced lifetime benefit and, in event of participant's death, 50% of reduced benefit continued to surviving spouse. For account balance II participants and certain account balance I participants, if the spouse dies before participant and within 60 months after the annuity start date, benefit increases to life annuity value.</p>
<p>Optional forms of payment</p>	<p>Life annuity; 100%, 75%, or 50% joint and survivor annuity (final average pay participants); 100%, 75%, 66 2/3%, 50% pop-up, or 33 1/3% joint and survivor annuity, 5 or 10 year certain and life annuity, or lump sum (account balance participants). Additional optional forms exist for prior plan benefit.</p>
<p>Actuarial equivalence</p>	<p>Factors as provided in the plan document</p>

Definitions

Credited service	Participants generally earn one month of credited service for each calendar month in which he/she is credited with at least one hour of service.
Compensation	
Final average pay participants	Form W-2 compensation, including overtime, banked vacation, lump sum merit pay, and bonuses, before any reductions under IRC sections 125 and 401(k), excluding bonuses in excess of 50% of base pay and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).
Account balance participants	Base salary or wages including shift differential (for account balance I only), performance-based pay, banked vacation, lump sum merit pay, and commissions, before any reductions under IRC sections 125 and 401(k), but excluding overtime and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).
Five-year average compensation	Highest average annual compensation for any 60 consecutive calendar months during the last 120 months of employment

NiSource Pension Plan – Former Kokomo Union Pension Plan (“Kokomo Union Plan”)

Effective Date	January 1, 1946, restated effective January 1, 2011. As of December 31, 2012, the Kokomo Union Pension Plan was merged into the NiSource Pension Plan.												
Eligibility for participation	All bargaining unit employees of Pace, Local 6-159: Paper, Allied-Industrial, Chemical and Energy Workers Union as of June 30, 2011 who transitioned to employment with Northern Indiana Public Service Company effective July 1, 2011 are eligible. Eligible employees participate on the earliest January 1 following the completion of age 20-1/2 and six months of eligibility service.												
Benefit Formula Eligibility	Employees hired prior to March 1, 2009 received the final average pay benefit. Employees hired between March 1, 2009 and July 1, 2011 received the account balance II benefit. Employees hired on or after July 1, 2011 do not participate in the plan.												
Normal retirement Eligibility	Age 65												
Final average pay benefit	The sum of (a) and (b): (a) 1.4% of final five-year average compensation times credited service (maximum 30 years) (b) 0.8% of final five-year average compensation times credited service in excess of 30 years Certain prior accrued benefits are guaranteed as minimum benefits.												
Account Balance II benefit	A cash balance benefit with pay credits based on the following schedule: <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Age Plus Service Points</th> <th style="text-align: left;">Percentage of Compensation</th> <th style="text-align: left;">Percentage of Compensation Above 1/2 Taxable Wage Base</th> </tr> </thead> <tbody> <tr> <td>Less than 50</td> <td>4.0%</td> <td>1.0%</td> </tr> <tr> <td>50 – 69</td> <td>5.0%</td> <td>1.0%</td> </tr> <tr> <td>70 or more</td> <td>6.0%</td> <td>1.0%</td> </tr> </tbody> </table> <p>The account balance is credited with interest equal to the greater of 4% or 30-year treasuries. Certain prior accrued benefits are guaranteed as minimum benefits.</p>	Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base	Less than 50	4.0%	1.0%	50 – 69	5.0%	1.0%	70 or more	6.0%	1.0%
Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base											
Less than 50	4.0%	1.0%											
50 – 69	5.0%	1.0%											
70 or more	6.0%	1.0%											
Early retirement Eligibility	Age 55 and 24 years of vesting service, or age 60 and 10 years of vesting service												

Final average pay benefit	A benefit equal to the normal retirement benefit based on years of credited service and final five-year average compensation at the date of termination. If payments begin before age 65, the payments are reduced. Reductions are applied from age 65 if a participant has less than 24 years, and from 61, if a participant has 24 years of service. No reductions are applied if a participant is at least age 58 and age plus service is at least 85.
Account balance benefit	The participant is always entitled to their entire vested cash balance at termination or retirement.
Temporary supplemental benefit	(a) or (b) (a) Final average pay participants retiring after age 60 and eligible for an unreduced benefit will receive a supplemental benefit until age 65 equal to \$500 per month. (b) Any outside construction final average pay participant retiring after age 55, but before age 60, with at least 85 age plus service points or any clerical participant retiring after age 58, but before age 60, with at least 85 age plus service points will receive a supplemental benefit equal to \$500 per month for 60 months on a prorated basis depending on the number of months retirement precedes age 60. Account Balance II participants are not eligible for a supplement.
Vested termination Eligibility	Three years of service
Final average pay benefit	A monthly benefit equal to the normal retirement benefit based on five-year average compensation and credited service at the date of termination. Payments may begin after the eligibility requirements for retirement have been satisfied.
Account balance benefit	The participant is always entitled to their entire vested cash balance at termination or retirement.
Disability Eligibility	Qualification for benefits under the employer's long-term disability plan
Final average pay benefit	Eligible employees are deemed to receive the same compensation as at the date of disability and continue to earn credited service as long as the disability continues.
Account balance benefit	Eligible employees continue to earn pay credits based on the same compensation as at the date of disability.
Preretirement death Eligibility	Three years of service

Final average pay benefit	50% of normal retirement benefit as of the participant's date of death, reduced for 50% joint and survivor annuity, and reduced for payment at the participant's earliest retirement eligibility
Account balance benefit	A life annuity actuarially equivalent to the account as of the date of death (non-spouse beneficiaries must receive as a lump sum, and spousal beneficiaries may elect to receive as a lump sum)
Normal form of payment	
Without spouse	Life annuity
With spouse	50% joint and survivor annuity. Participant receives reduced lifetime benefit and, in event of participant's death, 50% of reduced benefit continued to surviving spouse. For account balance participants, if the spouse dies before the participant and within 60 months after the annuity start date, the benefit increases to the life annuity value.
Optional forms of payment	
Account balance participants	Life annuity; 100%, 75%, 66 2/3%, 50% with pop-up or 33-1/3% joint and survivor annuity; 5 or 10 year certain and life annuity; lump sum.
Final average pay participants	Life annuity, 5 or 10 year certain and life annuity, 50%, 66 2/3%, 75% or 100% joint and survivor annuity, lump sum
Actuarial equivalence	
Mortality	1983 Group Annuity Mortality Table, weighted 50% male and 50% female
Interest	7.50% per year

Definitions

Credited service	Employees earn one year of credited service for any period in which he/she is credited with at least 1,000 hours of service.
Compensation	
Final average pay participants	Employee's fixed rate of pay before any reductions under IRC sections 125 and 401(k) plus certain inclusions and minus certain exclusions, as specified in the plan document. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).
Account balance participants	Base salary or wages including performance-based pay, commissions, and lump sum merit pay before any reductions under IRC sections 125 and 401(k), but excluding other special forms of compensation such as overtime, shift differentials, and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).
Five-year average compensation	Highest average annual compensation for any five consecutive compensation dates out of the ten latest compensation dates. "Compensation date" means March 1 for this purpose.

NiSource Pension Plan – Former Bay State Gas Company Pension Plan (“Bay State Nonunion Plan”)

Effective date	January 1, 1978, restated effective January 1, 2013
Eligibility for participation	Exempt employees hired on or after January 1, 2010, nonunion nonexempt employees hired on or after January 1, 2013, and Brockton Clerical/Technical bargaining unit employees hired on or after June 1, 2013 are not eligible for pension benefits. All other nonunion employees of Bay State Gas Company and all Brockton Clerical/Technical bargaining unit employees are eligible. Eligible employees participate on their date of hire.
Benefit Formula Eligibility Exempt participants	Employees hired prior to January 1, 2002 received the nonunion final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2006 received the account balance I benefit. Effective January 1, 2006, the plan was amended to allow all participants a one-time choice between their existing final average pay or account balance I benefit and the account balance II benefit, and employees hired between January 1, 2006 and January 1, 2010 received the account balance II benefit. Effective January 1, 2011, all participants were moved to the account balance II benefit. Employees hired after January 1, 2010 do not participate in the plan.
Nonexempt nonunion participants	Employees hired prior to January 1, 2002 received the nonunion final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2008 received the account balance I benefit. Effective January 1, 2008, the plan was amended to provide that employees hired after January 1, 2008 received the account balance II benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after January 1, 2013 do not participate in the plan.

Union participants Employees hired prior to January 1, 2008 received the union final average pay benefit. Effective January 1, 2008, the plan was amended to provide that employees hired after January 1, 2008 receive the account balance II benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after June 1, 2013 do not participate in the plan.

Normal retirement
 Eligibility

Age 65

Benefit

Nonunion Final Average Pay

The sum of (a), (b), and (c):

- (a) 1.4% of final three-year average compensation times years of credited service (maximum 25 years)
- (b) 0.475% of final three-year average compensation in excess of covered compensation times credited service (maximum 25 years)
- (c) 0.50% of final three-year average compensation times credited service over 25 years

This benefit is reduced by certain previously accrued benefits, and is subject to a minimum benefit calculation, as provided in the plan document.

Union Final Average Pay

1.25% of final three-year average compensation (not greater than \$70,000) times credited service (maximum 45 years)

This benefit is subject to certain minimum benefit calculations, as provided in the plan document.

Account Balance I

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 45	5.0%	2.0%
45 – 59	6.5%	2.0%
60 – 74	8.0%	2.0%
75 or more	10.0%	2.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Account Balance II

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 50	4.0%	1.0%
50 – 69	5.0%	1.0%
70 or more	6.0%	1.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Early retirement

Eligibility

Age 55 and 10 years of service, or age 60 and 5 years of service

Benefit

Final average pay benefit

A benefit equal to the normal retirement benefit based on years of credited service and final three-year average compensation at the date of termination. If payments begin before age 65, the payments are reduced by 3.6% per year. Reductions are applied beginning at age 62 if a participant retires with 25 years of service. A Brockton Clerical/Technical Union participant retiring at or after age 60 with 25 years of service receives an unreduced benefit.

Account balance benefit

The participant is always entitled to their entire vested cash balance at termination or retirement.

Temporary supplemental benefit	<p>Final average pay option employees and account balance I option employees who were participants as of January 1, 2002 are eligible for a temporary supplemental benefit. Any participant retiring after age 60 with 5 years of service will receive a supplemental benefit until age 62 equal to 2.0% of three-year average compensation (up to covered compensation) times credited service (maximum 25 years), not to exceed 100% of the Social Security benefit that would be payable at age 62.</p> <p>Account Balance II participants are not eligible for a supplement.</p>
Vested termination	
Eligibility	Three years of service
Benefit	
Final average pay benefit	A monthly benefit equal to the normal retirement benefit based on three-year average compensation and credited service at the date of termination. Payments may begin at any time following termination from service. Vested termination benefits that begin before normal retirement will be reduced by 6 2/3% per year that payments would be paid from age 55 until normal retirement date, and reduced on an actuarial equivalent basis for payments that precede age 55, subject to a minimum benefit calculation.
Account balance benefit	The participant is always entitled to their entire vested cash balance at termination or retirement.
Disability	
Eligibility	Qualification for benefits under the employer's long-term disability plan
Benefit	
Final average pay benefit	Eligible employees are deemed to receive the same compensation as at the date of disability and continue to earn credited service as long as the disability continues.
Account balance benefit	Eligible employees continue to earn pay credits based on the same compensation as at the date of disability.

Preretirement death	
Eligibility	Three years of service
Benefit	
Final average pay participants	50% of normal retirement benefit as of the participant's date of death, reduced for 50% joint and survivor annuity, and reduced for payment at the participant's earliest retirement eligibility. Benefits payable only to eligible spouse
Account balance participants	A life annuity actuarially equivalent to the account balance as of the date of death (non-spouse beneficiaries must receive as a lump sum and spousal beneficiaries may elect to receive as a lump sum)
Normal form of payment	
Without spouse	Life annuity
With spouse	50% joint and survivor annuity. Participant receives reduced lifetime benefit and, in event of participant's death, 50% of reduced benefit continued to surviving spouse. For Account Balance II participants, if the spouse dies before participant and within 60 months after the annuity start date, benefit increases to life annuity value.
Optional forms of payment	
Final average pay participants	Life annuity, lump sum, 5 or 10 year certain and life annuity, 50% pop-up joint and survivor annuity, 66 2/3%, 75%, or 100% joint and survivor annuity (only married participants may elect joint and survivor annuities);
Account balance participants	Life annuity, 100%, 75%, 66 2/3%, or 33 1/3% joint and survivor annuity, 50% pop-up joint and survivor annuity, 5 or 10 year certain and life annuity, or lump sum.
Actuarial equivalence	Factors as provided in the plan document

Definitions

Credited service	Participants earn one year of credited service for each year in which he/she completes at least 1,000 hours of service.
Compensation	
Final average pay participants	Straight time wages plus commissions, overtime up to a limit of 20% of base pay, lump sum merit pay, banked vacation, and Supplementary Incentive Compensation up to a limit of 20% of base pay, before any reductions under Sections 125 and 401(k). Certain exclusions apply as provided in the plan document. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).
Account balance participants	Base salary or wages including performance-based pay, commissions, lump sum merit pay, and banked vacation before any reductions under IRC sections 125 and 401(k), but excluding other special forms of compensation such as overtime or shift differentials. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).
Three-year average compensation	Highest average annual compensation for any 36 consecutive months during the last 120 months of employment
Covered compensation	35-year average of Social Security wage bases based on year-of-birth table.

NiSource Pension Plan – Former Bay State Union Pension Plan (“Bay State Union Plan”)

Effective date	January 1, 1981, restated effective January 1, 2013
Eligibility for participation	Springfield Clerical/Technical and Northampton employees hired on or after January 1, 2011, Brockton Physical and Lawrence employees hired on or after January 1, 2013, and Springfield Operating employees hired on or after January 1, 2014 are not eligible for pensions. All other bargaining unit employees of Bay State Gas Company except for Brockton Clerical/Technical are eligible. Eligible employees participate on their date of hire.
Benefit Formula Eligibility	
Brockton Physical and Lawrence participants	Employees hired prior to January 1, 2008 received the final average pay benefit. Employees hired between January 1, 2008 and January 1, 2013 receive the account balance II benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after January 1, 2013 do not participate in the plan.
Springfield Clerical/ Technical participants	Employees hired prior to January 1, 2011 received the final average pay benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after January 1, 2011 do not participate in the plan.
Northampton participants	Employees hired prior to January 1, 2011 received the final average pay benefit. Effective April 1, 2015, all participants were moved to the account balance II benefit. Employees hired after January 1, 2011 do not participate in the plan.
Springfield Operating participants	Employees hired prior to January 1, 2014 received the final average pay benefit. Effective January 1, 2014, all participants were moved to the account balance II benefit. Employees hired after January 1, 2014 do not participate in the plan.

Normal retirement
 Eligibility

Age 65

Benefit

Final average pay benefit

1.25% of three-year average compensation times credited service (maximum 45 years). Average compensation is limited to \$55,000 – \$75,000 per year, as shown in the following table:

Union	Highest Compensation Limit	Ultimate Compensation Limit
Brockton Physical	\$ 70,000	\$ 70,000
Lawrence	\$ 70,000	\$ 70,000
Northampton	\$ 70,000	\$ 70,000
Springfield Steel	\$ 75,000	\$ 75,000
Springfield Clerical/Technical	\$ 55,000	\$ 55,000

Certain prior accrued benefits are guaranteed as minimum benefits.

Account Balance II benefit

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 50	4.0%	1.0%
50 – 69	5.0%	1.0%
70 or more	6.0%	1.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Early retirement

Eligibility Age 55 and 10 years of service

Benefit

Final average pay benefit A benefit equal to the normal retirement benefit based on years of credited service and final three-year average compensation at the date of termination. If payments begin before age 65, the payments are reduced by 3.6% per year. Reductions are only applied from age 60 if a participant retires with 25 years of service.

Account balance benefit The participant is always entitled to their entire vested cash balance at termination or retirement.

Temporary supplemental benefit Final average pay participants of all unions who retire after age 60 and satisfy early retirement eligibility will receive a supplemental benefit payable until age 62 equal to 2.0% of three-year average compensation (subject to compensation limits) times credited service (maximum 25 years), not to exceed 100% of the Social Security benefit that would be payable at age 62.

Vested termination

Eligibility Three years of service

Benefit

Final average pay benefit A monthly benefit equal to the normal retirement benefit based on three-year average compensation and credited service at the date of termination. Payments may begin at any time following termination of service. Vested termination benefits that begin before normal retirement will be reduced by 6 2/3% per year that payments would be paid from age 55 until normal retirement date, and reduced on an actuarial equivalence basis for payments that precede age 55. Certain minimum benefit calculations may apply.

Account balance benefit The participant is always entitled to their entire vested cash balance at termination or retirement.

<p>Disability Eligibility</p>	<p>Qualification for benefits under the employer's long-term disability plan</p>
<p>Benefit Final average pay benefit</p>	<p>Eligible employees are deemed to receive the same compensation as at the date of disability and continue to earn credited service as long as the disability continues.</p>
<p>Account balance benefit</p>	<p>Eligible employees continue to earn pay credits based on the same compensation as at the date of disability.</p>
<p>Preretirement death Eligibility</p>	<p>Three years of service</p>
<p>Benefit Final average pay benefit</p>	<p>50% of normal retirement benefit as of the participant's date of death, reduced for 50% joint and survivor annuity, and reduced for payment at the participant's earliest retirement eligibility. Benefits payable only to eligible spouse.</p>
<p>Account balance benefit</p>	<p>A life annuity actuarially equivalent to the account balance as of the date of death (non-spouse beneficiaries must receive as lump sum, and spousal beneficiaries may elect to receive as a lump sum)</p>
<p>Normal form of payment Without spouse</p>	<p>Life annuity</p>
<p>With spouse</p>	<p>50% joint and survivor annuity. Participant receives reduced lifetime benefit and, in event of participant's death, 50% of reduced benefit continued to surviving spouse. For account balance participants, if the spouse dies before the participant and within 60 months after the annuity start date, the benefit increases to the life annuity value.</p>
<p>Optional forms of payment Final average pay participants</p>	<p>Life annuity, lump sum, 5 or 10 year certain and life annuity, 50% pop-up joint and survivor annuity, 66 2/3%, 75%, or 100% joint and survivor annuity (only married participants may elect joint and survivor annuities);</p>
<p>Account balance participants</p>	<p>Life annuity; lump sum, 100%, 75%, 66 2/3%, 50% with pop-up, or 33-1/3% joint and survivor annuity</p>
<p>Actuarial equivalence</p>	<p>Factors as provided in the plan document</p>
<p>Definitions Credited service</p>	<p>Employees earn one year of credited service for any period in which he/she is credited with at least 1,000 hours of service.</p>

Compensation

Final average pay participants

Straight time wages plus lump sum merit pay before any reductions under IRC sections 125 and 401(k) and excluding overtime, bonuses, other incentive pay, and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).

Account balance participants

Base salary or wages including performance-based pay, commissions, lump sum merit pay, and banked vacation before any reductions under IRC sections 125 and 401(k), but excluding other special forms of compensation such as overtime or shift differentials. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).

Three-year average compensation

Highest average annual compensation for any 36 consecutive months during the last 120 months of employment

Columbia Energy Group Pension Plan (“Columbia Plan”)

Effective date	January 1, 1943, restated effective January 1, 2013
Eligibility for participation	Exempt employees hired on or after January 1, 2010 and nonexempt employees hired on or after January 1, 2013 are not eligible for pension benefits. All other employees of the Columbia Energy Group are eligible. Eligible employees participate on their date of hire.
Benefit Formula Eligibility Exempt participants	Employees hired prior to January 1, 2000 received the final average pay benefit. Effective January 1, 2000, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2000 and January 1, 2006 received the account balance I benefit. Effective January 1, 2006, the plan was amended to allow all participants a one-time choice between their existing final average pay or account balance I benefit and the account balance II benefit, and employees hired between January 1, 2006 and January 1, 2010 received the account balance II benefit. Effective January 1, 2011, all participants were moved to the account balance II benefit. Employees hired after January 1, 2010 do not participate in the plan.
Nonexempt participants	Employees hired prior to January 1, 2000 received the final average pay benefit. Effective January 1, 2000 (January 1, 2004 for some union participants), the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2000 (January 1, 2004 for some union participants) and January 1, 2008 received the account balance I benefit. Effective January 1, 2008, the plan was amended to provide that employees hired after January 1, 2008 received the account balance II benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after January 1, 2013 do not participate in the plan.

Normal retirement

Eligibility

Later of Social Security normal retirement age and fifth anniversary of participation

Benefit

Final average pay benefit

The sum of (a), (b), and (c):

- (a) 1.15% of final three-year average compensation up to one-half of the Social Security wage base times years of credited service (maximum 30 years)
- (b) 1.50% of final three-year average compensation in excess of one-half of the Social Security wage base times years of credited service (maximum 30 years)
- (c) 0.50% of final three-year average compensation times years of credited service over 30 (maximum 10 years)

Account Balance I benefit

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 45	5.0%	2.0%
45 – 59	6.5%	2.0%
60 – 74	8.0%	2.0%
75 or more	10.0%	2.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Account Balance II benefit A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 50	4.0%	1.0%
50 – 69	5.0%	1.0%
70 or more	6.0%	1.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior benefits are guaranteed as minimum benefits.

Early retirement Eligibility Age 55 and 10 years of service, or age 60 and 5 years of service

Benefit
 Final average pay benefit A benefit equal to the normal retirement benefit based on years of credited service and final three-year average compensation at the date of termination. If payments begin more than three years prior to Social Security normal retirement age, the payments are reduced by 3% per year.

Account balance benefit The participant is always entitled to their entire vested cash balance at termination or retirement.

Temporary supplemental benefit Final average pay benefit participants who retire before age 62 receive a temporary supplemental benefit of \$5,760 per year until age 62, reduced pro rata for service less than 30 years.

Vested termination	
Eligibility	Three years of service
Benefit	
Final average pay benefit	A monthly benefit equal to the normal retirement benefit based on three-year average compensation and credited service at the date of termination. Payments may begin after the eligibility requirements for early retirement have been satisfied. Vested termination benefits that begin before normal retirement will be reduced based on the early retirement factors.
Account balance benefit	The participant is always entitled to their vested cash balance at termination or retirement.
Disability	
Eligibility	Qualification for benefits under the employer's long-term disability plan
Benefit	
Final average pay benefit	Eligible employees are deemed to receive the same compensation as at the date of disability and continue to earn credited service as long as the disability continues.
Account balance benefit	Eligible employees continue to earn pay credits based on the same compensation as at the date of disability.
Preretirement death	
Eligibility	Three years of service
Benefit	
Final average pay participants	75% of normal retirement benefit as of the participant's date of death, reduced by .25% for each full month in excess of 60 months by which the participant's age exceeded the spouse's age. If no surviving spouse, payment divided among surviving children under age 21.
Account balance participants	A life annuity actuarially equivalent to the account balance as of the date of death (non-spouse beneficiaries must receive as a lump sum and spousal-beneficiaries may elect to receive as a lump sum).

Normal form of payment	
Without spouse	Life annuity
With spouse	50% joint and survivor annuity actuarially equivalent to the retirement benefit payable for employee's lifetime. Participant receives reduced lifetime benefit and, in event of participant's death, 50% of reduced benefit continued to surviving spouse. If the spouse dies before participant and within 60 months after the annuity start date, benefit increases to life annuity value.
Optional forms of payment	Life annuity; 100%, 75%, 66 2/3%, 50% pop-up, or 33 1/3% joint and survivor annuity; lump sum. Account balance participants may also select a 5 or 10 year certain and life annuity.
Actuarial equivalence	
Mortality	1983 Group Annuity Mortality Table, set back one year for participants and five years for beneficiaries
Interest	8% per year
Definitions	
Service	Participants generally earn one month of credited service for each calendar month in which he/she is credited with at least one hour of service.
Compensation	
Final average pay participants	Base pay or wages, including commissions, before any reductions under IRC sections 125 and 401(k), excluding overtime, performance-based pay, and other exclusions specified in the plan document, but including banked vacation and lump sum merit pay. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).
Account balance participants	For purposes of determining a participant's pay credits, compensation also includes performance-based pay.
Three-year average compensation	Highest average annual compensation for any 36 months during the last 60 months of service

NiSource Supplemental Executive Retirement Plan (“NiSource SERP”)

There are no active participants in this plan. For additional clarification and details regarding provisions applicable to inactive participants, please refer to the plan document.

Pension Restoration Plan (“Restoration Plan”)

Retirement benefits

Eligibility

Columbia Plan employees participate upon their date of hire. Effective January 1, 2004, the plan was amended to include all other nonunion employees of NiSource Inc. and affiliated companies.

Benefit

Benefits are determined as the excess of (a) over (b):

(a) Benefit calculated under the provisions of the participant's qualified pension plan, but without regard to the limits of IRC section 415 and 401(a)(17), and without regard to deferrals under the NiSource Inc. Executive Deferred Compensation Plan.

(b) Benefit payable from the participant's qualified plan

Certain adjustments are made for participants who accrued a benefit under the applicable qualified plan before January 1, 2004. Further, effective for any participant terminating employment on or after January 1, 2011, the benefit payable under the Restoration Plan may never be less than a minimum protected benefit as described in the Plan.

Credited service

Columbia Plan participants generally earn one month of service for each calendar month in which he/she is credited with at least one hour of service. All other participants generally earn one month of service for each calendar month after December 31, 2003 in which he/she is credited with at least one hour of service.

Bay State Supplemental Executive Retirement Plan (“Bay State SERP”)

There are no active participants in this plan. For additional clarification and details regarding provisions applicable to inactive participants, please refer to the plan document.

Plan Changes Since the Prior Year

The financial accounting valuation reflects the following plan changes from the prior year:

- A change in 401(a)(17) maximum pay limit from \$280,000 to \$285,000.
- The Bay State Union and Bay State Nonunion plans were transferred to Eversource on October 8, 2020.
- The NiSource plan provisions were updated to reflect the provisions for former Bay State Union plan and Bay State Nonunion plan participants who transferred into the NiSource plan prior to the Eversource transfer.



2019 Year-End Disclosure Information

NiSource Inc.

Qualified and Nonqualified Pension Plans

As of December 31, 2019

Introduction

This report documents the results of the December 31, 2019 actuarial valuation of the NiSource Qualified and Nonqualified Pension Plans for the plan sponsor and for NiSource. The information provided in this report is intended strictly for documenting:

- Pension cost for the 2020 fiscal year pending any special events
- Information relating to company and plan disclosure and reporting requirements

In calculating projected year-end disclosure results and 2020 expense, we have measured liabilities as of December 31, 2019. In calculating 2019 expense, we have measured liabilities as of December 31, 2018 with the exception of the Bay State Union and Bay State Nonunion qualified pension plans. For the Bay State Union and Bay State Nonunion plans, we have measured liabilities as of December 31, 2018 in calculating expense from January 1, 2019 to August 31, 2019 and then measured liabilities as of August 31, 2019 in calculating expense from September 1, 2019 to December 31, 2019.

Determinations for purposes other than the financial accounting requirements may be significantly different from the results in this report. Thus, the use of this report for purposes other than those expressed here may not be appropriate.

This valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. In addition, the valuation results are based on our understanding of the financial accounting and reporting requirements under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715, including any guidance or interpretations provided by the Company and reviewed by its auditors prior to the issuance of this report. The information in this report is not intended to supersede or supplant the advice and interpretations of the Company's auditors.

Future actuarial measurements may differ significantly from the current measurements presented in this report due (but not limited to) to such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions
- Changes in actuarial methods or in economic or demographic assumptions
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status)
- Changes in plan provisions or applicable law

Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

Funded status measurements shown in this report are determined based on various measures of plan assets and liabilities. For company and plan disclosure and reporting purposes, funded status is determined using plan assets measured at market value. Plan liabilities are measured based on the interest rates and other assumptions summarized in the Actuarial Assumptions and Methods section of this report.

These funded status measurements may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations, and funded status measurements for

company and plan disclosure and reporting purposes may not be appropriate for assessing the need for or the amount of future contributions.

In determining information relating to plan disclosure and reporting requirements, Aon may be assisting the appropriate plan fiduciary as it performs tasks that are required for the administration of an employee benefit plan. Aon also may be consulting with the employer/plan sponsor (NiSource) as it considers alternative strategies for funding the plan, or as it evaluates information relating to employer reporting requirements. Thus, Aon potentially will be providing assistance to NiSource (and/or certain of its employees) acting in a fiduciary capacity (for the benefit of plan participants and beneficiaries) and to NiSource (and/or its executives) acting in a settlor capacity (for the benefit of the employer sponsoring the qualified and nonqualified pension plans).

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by NiSource. While we cannot verify the accuracy of all of the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we do not doubt the substantial accuracy or completeness of the information and we believe that it has produced appropriate results.

The actuarial assumptions and methods used in this valuation are described in the Actuarial Assumptions and Methods section of this report. All assumptions used in this actuarial valuation other than the expected long-term rate of return on assets represent, in our opinion, a reasonable expectation of anticipated experience under the plan. The expected long-term rate of return on assets was prescribed by NiSource and is at the upper end of the range we would consider to be reasonable based on Aon's forward looking capital market assumptions for measurements on or after May 31, 2018.

The undersigned credentialed actuaries are familiar with the near-term and long-term aspects of pension valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. The information provided in this report is dependent upon various factors as documented throughout this report, which may be subject to change. Each section of this report is considered to be an integral part of the actuarial opinions.

To our knowledge, no colleague of Aon providing services to NiSource has any material direct or indirect financial interest in NiSource. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this actuarial report for NiSource.



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January 24, 2020

Actuarial Assumptions and Methods

Qualified Pension Plans

Discount Rate	The AA Above Median Curve as of December 31, 2019 with sample rates as follows: Duration 0.5–1.87% Duration 5.5–2.32% Duration 10.5–2.88% Duration 15.5–3.25% Duration 20.5–3.49% Duration 25.5–3.64% Duration 30.5–3.75%
Expected long-term rate of return on assets	5.70% for 2020 expense
Expected rate of future compensation increases	See Table 1
Account balance interest crediting rate	4.00%
Increase in IRC section 415 benefit limits and section 401(a)(17) compensation limit	2.50%
Social Security wage base increases	Future wage indices are based on a national wage increase of 3.00% per year.
Social Security COLA increases	2.50%
Optional payment form election percentage	See Table 2
Lump sum conversion interest rate	3.50% (subject to the 417(e) minimum)
Lump sum conversion mortality	Mortality basis in IRS revenue ruling 2001-62 (subject to the 417(e) minimum)
417(e) minimum interest rates	IRC section 417(e) market segment rates as of September 2019 2.13% 3.07% 3.65%
417(e) minimum mortality	Applicable mortality table under 417(e) projected to year of payment using the current IRS projection methodology as shown in the IRS regulations section 1.430(h)(3)-1.

Retirement age	
Active participants	
NiSource Plan	See Table 3
Columbia, Bay State Nonunion and Bay State Union Plans	See Table 4
Terminated vested participants	
Final average pay participants	See Table 5
Account balance participants	See Table 6
Mortality rates	
Healthy participants	Amounts-weighted aggregate rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019
Survivors	Amounts-weighted aggregate contingent survivor rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019
Disabled participants	Amounts-weighted disabled retiree rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019
Withdrawal rates	
NiSource – Nonunion Participants	See Table 7
NiSource – Union Participants	See Table 8
Columbia	See Table 9
Bay State Union	See Table 10
Bay State Nonunion – Union Participants	See Table 10
Bay State Nonunion – Nonunion Participants	See Table 11
Disability rates	See Table 12
Surviving spouse benefit	It is assumed that 80% of males and 80% of females have an eligible spouse, and that males are 3 years older than their spouses.
Benefit and compensation limits	Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$225,000 and the 401(a)(17) compensation limit of \$280,000.
Actuarial cost method	Projected unit credit cost method
Measurement date	December 31
Market-related value of assets	Equal to the market value of assets on December 31

Administrative Expenses Included in Service Cost	\$0 as the expected long-term rate of return on assets is net of both investment-related expenses and a 0.20% reduction for other administrative expenses charged to the trust.
Amortization schedule	
Prior service cost	Amortization over average remaining service
Unrecognized net (gains)/losses	Gains or losses in excess of 10% corridor are amortized over average remaining service.

Nonqualified Pension Plans

Discount Rate	<p>The AA Above Median Curve as of December 31, 2019 with sample rates as follows:</p> <p>Duration 0.5–1.87% Duration 5.5–2.32% Duration 10.5–2.88% Duration 15.5–3.25% Duration 20.5–3.49% Duration 25.5–3.64% Duration 30.5–3.75%</p>
Expected long-term rate of return on assets	N/A
Expected rate of future compensation increases NiSource SERP Restoration Plan Bay State SERP	<p>N/A See Table 1 N/A</p>
Account balance interest crediting rate Restoration Plan NiSource SERP, Bay State SERP	<p>4.00% N/A</p>
Increase in IRC section 415 benefit limits and section 401(a)(17) compensation limit	2.50%
Social Security wage base increases	Future wage indices are based on a national wage increase of 3.00% per year.
Social Security COLA increases	2.50%
Retirement rates	
Active participants Restoration Plan NiSource SERP, Bay State SERP	<p>Same as those used for purposes of the respective qualified plan valuations</p> <p>N/A</p>
Terminated vested participants Restoration Plan NiSource SERP Final average pay participants Account balance participants Bay State SERP	<p>Age 65</p> <p>Age 65 N/A</p> <p>N/A</p>

Withdrawal rates	
Restoration Plan	Same as those used for purposes of the respective qualified plan valuations
NiSource SERP, Bay State SERP	N/A
Disability rates	
Restoration Plan	Same as those used for purposes of the respective qualified plan valuations
NiSource SERP, Bay State SERP	N/A
Actuarial cost method	Projected unit credit cost method
Measurement date	December 31
Market-related value of assets	N/A
Amortization schedule	
Prior service cost	
Restoration Plan	Amortized over average remaining service
NiSource SERP, Bay State SERP	N/A
Unrecognized net (gains)/losses	
Restoration Plan	Gains or losses in excess of 10% corridor are amortized over average remaining service.
NiSource SERP, Bay State SERP	Gains or losses in excess of 10% corridor are amortized over average remaining lifetime.
Other Actuarial Assumptions	
NiSource SERP	Same as those used for purposes of the NiSource qualified plan valuation
Restoration Plan	Same as those used for purposes of the respective qualified plan valuations
Bay State SERP	Same as those used for purposes of the Bay State Nonunion qualified plan valuation

Changes in ASC 715 Methods/Assumptions Since the Prior Year

Method Changes

There have been no changes in the financial accounting valuation since the prior year.

Assumption Changes

The financial accounting valuation reflects the following assumption changes from the prior year:

- A change from the December 31, 2018 Aon AA Above Median Yield Curve to the December 31, 2019 Aon AA Above Median Yield Curve.
- A change in the expected long-term rate of return on assets assumption to 5.70%.
- A change in the healthy participants mortality assumption from the amounts-weighted aggregate 2006 base rates from the RP-2014 mortality study projected generationally from 2006 with Scale MP-2018 to the amounts-weighted aggregate rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019.
- A change in the survivor mortality assumption from the amounts-weighted aggregate 2006 base rates from the RP-2014 mortality study projected generationally from 2006 with Scale MP-2018 to the amounts-weighted aggregate contingent survivor rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019.
- A change in the disabled participant mortality assumption from the amounts-weighted 2006 disabled rates from the RP-2014 mortality study projected generationally from 2006 with Scale MP-2018 to the amounts-weighted disabled retiree rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2019.
- A change in the form of payment for account balance participants to 90% lump sum and 10% annuity.
- A change in the 417(e) minimum interest rates to the September 2019 rates of 2.13%, 3.07%, and 3.65%.
- A change in the terminated vested retirement rates for the final average pay and account balance participants.

The rationales for selecting each of the assumptions used in the financial accounting valuation and for the assumption changes summarized above are described in more detail in the document entitled 20191211_NiSource 2019 Valuation Results.pdf and dated December 12, 2019.

Table 1

Salary Merit Increase Rates

Age	Rate
20-29	6.50%
30-34	5.00%
35-39	4.50%
40-49	4.00%
50+	3.50%

Table 2

Optional Payment Form Election Percentage

Plan	Final average pay participants	Account balance participants
NiSource	Nonunion:	10% life annuity
	50% life annuity	90% lump sum
	50% joint and 50% survivor annuity	
	Union:	
	50% life annuity	
	50% joint and 50% survivor annuity with pop-up	
Columbia	20% life annuity	10% life annuity
	80% lump sum	90% lump sum
Bay State Nonunion, Bay State Union and Kokomo Union plans	50% life annuity	10% life annuity
	50% lump sum	90% lump sum
Subsidiary	50% life annuity	10% life annuity
	50% joint and 50% survivor annuity	90% lump sum

Table 3

Retirement Rates—NiSource Plan (Including former Subsidiary and Kokomo Union)

Age	Final Average Pay Participants			Account Balance Participants
	<25 Years	25+ Years	85+ Points	
55	5.00%	5.00%	10.00%	4.00%
56	5.00%	5.00%	10.00%	4.00%
57	5.00%	5.00%	10.00%	4.00%
58	5.00%	5.00%	10.00%	4.00%
59	5.00%	5.00%	10.00%	4.00%
60	5.00%	20.00%	20.00%	10.00%
61	5.00%	20.00%	20.00%	10.00%
62	25.00%	25.00%	25.00%	15.00%
63	10.00%	20.00%	20.00%	15.00%
64	10.00%	20.00%	20.00%	15.00%
65	35.00%	35.00%	35.00%	20.00%
66	35.00%	35.00%	35.00%	20.00%
67	35.00%	35.00%	35.00%	20.00%
68	35.00%	35.00%	35.00%	20.00%
69	35.00%	35.00%	35.00%	20.00%
70+	100.00%	100.00%	100.00%	100.00%

Table 4

Retirement Rates—Columbia, Bay State Nonunion and Bay State Union Plans

Age	All Participants
55	5.00%
56	5.00%
57	5.00%
58	5.00%
59	10.00%
60	10.00%
61	15.00%
62	20.00%
63	20.00%
64	20.00%
65	30.00%
66	30.00%
67	30.00%
68	30.00%
69	30.00%
70+	100.00%

Table 5

**Retirement Rates—Terminated Vested Final Average Pay Participants
Plan**

Age	NiSource	Columbia	BSNU	BSU
≤54	0.00%	0.00%	1.00%	3.00%
55	2.00%	20.00%	1.00%	20.00%
56	2.00%	4.00%	1.00%	20.00%
57	2.00%	4.00%	1.00%	3.00%
58	2.00%	4.00%	1.00%	3.00%
59	2.00%	10.00%	1.00%	3.00%
60	2.00%	10.00%	1.00%	3.00%
61	2.00%	10.00%	1.00%	3.00%
62	2.00%	10.00%	1.00%	25.00%
63	2.00%	10.00%	1.00%	25.00%
64	50.00%	15.00%	50.00%	25.00%
65	50.00%	40.00%	50.00%	50.00%
66	50.00%	40.00%	50.00%	50.00%
67	50.00%	40.00%	50.00%	50.00%
68	50.00%	40.00%	50.00%	50.00%
69	50.00%	40.00%	50.00%	50.00%
70+	100.00%	100.00%	100.00%	100.00%

Table 6

Retirement Rates—Terminated Vested Account Balance Participants

Age	<u>NiSource Plan</u> <u>Years Since Termination</u>		<u>Columbia, BSNU, and BSU Plans</u> <u>Years Since Termination</u>	
	<1 Year	1+ Years	<1 Year	1+ Years
≤58	30.00%	4.00%	30.00%	5.00%
59	30.00%	4.00%	30.00%	10.00%
60	30.00%	10.00%	30.00%	10.00%
61	30.00%	10.00%	30.00%	15.00%
62	30.00%	15.00%	30.00%	20.00%
63	30.00%	15.00%	30.00%	20.00%
64	30.00%	15.00%	30.00%	20.00%
65	30.00%	20.00%	30.00%	30.00%
66	30.00%	20.00%	30.00%	30.00%
67	30.00%	20.00%	30.00%	30.00%
68	30.00%	20.00%	30.00%	30.00%
69	30.00%	20.00%	30.00%	30.00%
70+	100.00%	100.00%	100.00%	100.00%

Table 7

Withdrawal Rates — NiSource Plan (Nonunion Participants)

Age	Nonunion Rates
≤34	6.00%
35	5.93%
36	5.55%
37	5.18%
38	4.88%
39	4.50%
40	4.20%
41	3.90%
42	3.68%
43	3.38%
44	3.15%
45	2.93%
46	2.70%
47	2.55%
48	2.33%
49	2.18%
50	2.03%
51	1.95%
52	1.80%
53	1.73%
54	1.65%
55	1.65%
56	1.58%
57	1.58%
58	1.50%
59	1.50%
60	1.43%
61	1.43%
62	1.35%
63	1.28%
64	1.20%
65+	1.13%

Table 8

Withdrawal Rates — NiSource Plan (Union Participants)

Age	Years of Service			
	0	1	2	3+
≤19	4.80%	4.80%	4.80%	4.80%
20	4.80%	4.80%	4.80%	4.80%
21	4.80%	4.80%	4.80%	4.80%
22	4.50%	4.50%	4.50%	4.50%
23	4.30%	4.30%	4.30%	4.30%
24	4.00%	4.00%	4.00%	4.00%
25	4.00%	3.80%	3.80%	3.80%
26	4.00%	3.60%	3.60%	3.60%
27	4.00%	3.30%	3.30%	3.30%
28	4.00%	3.10%	3.10%	3.10%
29	4.00%	3.00%	2.90%	2.90%
30	4.00%	3.00%	2.80%	2.80%
31	4.00%	3.00%	2.60%	2.60%
32	4.00%	3.00%	2.50%	2.40%
33	4.00%	3.00%	2.50%	2.20%
34	4.00%	3.00%	2.50%	2.10%
35	4.00%	3.00%	2.50%	1.90%
36	4.00%	3.00%	2.50%	1.80%
37	4.00%	3.00%	2.50%	1.70%
38	4.00%	3.00%	2.50%	1.60%
39	4.00%	3.00%	2.50%	1.50%
40	4.00%	3.00%	2.50%	1.40%
41	4.00%	3.00%	2.50%	1.30%
42	4.00%	3.00%	2.50%	1.20%
43	4.00%	3.00%	2.50%	1.20%
44	4.00%	3.00%	2.50%	1.10%
45	4.00%	3.00%	2.50%	1.10%
46	4.00%	3.00%	2.50%	1.00%
47	4.00%	3.00%	2.50%	1.00%
48	4.00%	3.00%	2.50%	1.00%
49	4.00%	3.00%	2.50%	1.00%
50+	4.00%	3.00%	2.50%	1.00%

Table 9

Withdrawal Rates — Columbia Plan

Age	All Participants
≤34	4.00%
35	3.95%
36	3.70%
37	3.45%
38	3.25%
39	3.00%
40	2.80%
41	2.60%
42	2.45%
43	2.25%
44	2.10%
45	1.95%
46	1.80%
47	1.70%
48	1.55%
49	1.45%
50	1.35%
51	1.30%
52	1.20%
53	1.15%
54	1.10%
55	1.10%
56	1.05%
57	1.05%
58	1.00%
59	1.00%
60	0.95%
61	0.95%
62	0.90%
63	0.85%
64	0.80%
65+	0.75%

Table 10

Withdrawal Rates — Bay State Nonunion and Bay State Union Plans (Union Participants)

Age	Union Rates
≤19	14.40%
20	14.40%
21	14.40%
22	13.50%
23	12.90%
24	12.00%
25	11.40%
26	10.80%
27	9.90%
28	9.30%
29	8.70%
30	8.40%
31	7.80%
32	7.20%
33	6.60%
34	6.30%
35	5.70%
36	5.40%
37	5.10%
38	4.80%
39	4.50%
40	4.20%
41	3.90%
42	3.60%
43	3.60%
44	3.30%
45	3.30%
46	3.00%
47	3.00%
48	3.00%
49	3.00%
50+	3.00%

Table 11

Withdrawal Rates — Bay State Nonunion Plan (Nonunion Participants)

Age	Nonunion Rates
≤34	12.00%
35	11.85%
36	11.10%
37	10.35%
38	9.75%
39	9.00%
40	8.40%
41	7.80%
42	7.35%
43	6.75%
44	6.30%
45	5.85%
46	5.40%
47	5.10%
48	4.65%
49	4.35%
50	4.05%
51	3.90%
52	3.60%
53	3.45%
54	3.30%
55	3.30%
56	3.15%
57	3.15%
58	3.00%
59	3.00%
60	2.85%
61	2.85%
62	2.70%
63	2.55%
64	2.40%
65+	2.25%

Table 12

Disability Rates

Age	Male	Female	Age	Male	Female
20	0.052%	0.052%	50	0.413%	0.575%
21	0.053%	0.056%	51	0.463%	0.613%
22	0.054%	0.060%	52	0.513%	0.650%
23	0.055%	0.064%	53	0.563%	0.700%
24	0.056%	0.067%	54	0.625%	0.738%
25	0.057%	0.071%	55	0.688%	0.783%
26	0.058%	0.075%	56	0.762%	0.825%
27	0.059%	0.075%	57	0.856%	0.875%
28	0.060%	0.081%	58	0.975%	0.950%
29	0.061%	0.083%	59	1.075%	1.050%
30	0.062%	0.087%	60	1.175%	1.150%
31	0.064%	0.092%	61	1.325%	1.275%
32	0.065%	0.113%	62	1.500%	1.450%
33	0.067%	0.125%	63	1.665%	1.625%
34	0.069%	0.142%	64+	1.725%	1.725%
35	0.071%	0.158%			
36	0.073%	0.175%			
37	0.078%	0.194%			
38	0.083%	0.217%			
39	0.092%	0.238%			
40	0.100%	0.263%			
41	0.116%	0.283%			
42	0.131%	0.313%			
43	0.145%	0.338%			
44	0.170%	0.367%			
45	0.200%	0.400%			
46	0.244%	0.431%			
47	0.280%	0.463%			
48	0.325%	0.496%			
49	0.363%	0.533%			

Actuarial Assumptions and Methods

Discussion of Actuarial Assumptions and Methods

NiSource selected the economic and demographic assumptions and prescribed them for use for purposes of compliance with ASC 715. Aon provided guidance with respect to these assumptions, and it is our belief that all assumptions used in this actuarial valuation other than the expected return on assets represent a reasonable expectation of anticipated experience under the plan. The expected rate of return on plan assets was prescribed by NiSource and is at the upper end of the range we would consider to be reasonable based on Aon's forward looking capital market assumptions for measurements on or after May 31, 2018. The actuarial cost method used is prescribed by ASC 715. While the method used to value assets is prescribed by NiSource, Aon provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for financial accounting purposes.

Calculation of Normal Costs and Liabilities

The method used to calculate the service cost and projected benefit obligation for determining pension cost is the projected unit credit cost method. Under this method, benefits are estimated at each decrement age by crediting future accruals based on projected pay as applicable. The liability is determined as the present value of the projected benefit based on service at the valuation date. The service cost is the amount of the present value of projected benefits attributable to the valuation year.

Accounting Information Under ASC 715

Benefit obligations and cost/(income) are calculated under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715.

The accumulated benefit obligation represents the actuarial present value of benefits based on service and pay earned as of the measurement date. The projected benefit obligation represents the actuarial present value of benefits based on service earned through the measurement date reflecting the effect of assumed future pay increases on ultimate benefit amounts.

The service cost represents the actuarial present value of benefits that are attributed to the fiscal year, reflecting the effect of assumed future pay increases. The service cost includes interest to the end of the measurement period.

Interest cost and service cost are calculated by applying the individual spot rates in the yield curve to each of the discounted cash flows as of the measurement date.

Pending any special events, the net periodic pension cost/(income) is the annual amount to be recognized in the income statement as the cost of pension benefits for this plan for the fiscal year.

Certain special events can result in additional cost/(income) recognized in the income statement during the fiscal year. Settlement cost/(income) is the accelerated recognition of gains and losses due to certain actions that irrevocably relieve the plan sponsor of significant plan liabilities. Curtailment cost/(income) is an accelerated recognition of certain amounts due to actions that significantly reduce the future years of expected service credited under the plan to existing participants. Special termination benefit cost is an immediate recognition of the liability associated with certain one-time benefits that may be provided in conjunction with participants' separation from service.

Plan Provisions

Summary of Retirement Plan Provisions

This section highlights the key retirement plan provisions reflected in the December 31, 2019 measurement date. This is intended only as a summary. Accordingly, non-material provisions have been excluded, and material provisions have been generalized. This summary is not intended to alter or replace the provisions of the applicable plan documents. Reference should be made to the applicable plan documents for additional clarification and details.

NiSource Pension Plan (“NiSource Plan”)

Effective date	January 1, 1945, restated effective January 1, 2013
Eligibility for participation	<p>Exempt employees hired on or after January 1, 2010 and nonexempt nonunion employees hired on or after January 1, 2013 are not eligible for pension benefits. Any other person receiving remuneration for services rendered to Northern Indiana Public Service Company or certain other participating employers, and who is not covered by the NiSource Subsidiary Pension Plan or the Kokomo Union Pension Plan is eligible. Eligible employees participate on their date of hire.</p> <p>Effective December 31, 2012, the NiSource Subsidiary Pension Plan (“Subsidiary Plan”) and Kokomo Union Pension Plan (“Kokomo Union Plan”) were merged into the NiSource Plan. All employees who were eligible to participate under the Subsidiary Plan and the Kokomo Union Plan now participate in the NiSource Plan. The amount and terms of the benefits provided under the former plans are unchanged.</p>
Benefit Formula Eligibility Exempt participants	<p>Employees hired prior to January 1, 2002 received the nonunion final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2006 received the account balance I benefit. Effective January 1, 2006, the plan was amended to allow all participants a one-time choice between their existing final average pay or account balance I benefit and the account balance II benefit, and employees hired between January 1, 2006 and January 1, 2010 received the account balance II benefit. Effective January 1, 2011, all participants were moved to the account balance II benefit. Employees hired after January 1, 2010 do not participate in the plan.</p>

Nonexempt nonunion participants Employees hired prior to January 1, 2002 received the nonunion final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2008 received the account balance I benefit. Effective January 1, 2008, the plan was amended to provide that employees hired after January 1, 2008 received the account balance II benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after January 1, 2013 do not participate in the plan.

Union participants Employees hired prior to June 1, 2004 received the union final average pay benefit. Effective June 1, 2004, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit. Employees hired on or after June 1, 2004 receive the account balance I benefit.

**Normal retirement
 Eligibility**

Later of age 65 and fifth anniversary of participation

Benefit

Union Final Average Pay

The sum of (a) and (b):

- (a) 0.575% of final five-year average compensation times years of credited service (maximum 30 years)
- (b) Years of credited service times applicable job class monthly benefit rate times 12.

For employees terminating on or after January 1, 2007, the applicable job class benefit rate is the following:

Job Classification	Rate
A	\$23.96
B	\$29.56
C	\$35.19
D	\$40.80
E	\$46.44

Benefit is subject to a minimum of \$4,200 per year.

Nonunion Final Average Pay

The sum of (a) and (b):

- (a) 1.70% of final five-year average compensation times years of credited service (maximum 30 years)
- (b) 0.60% of final five-year average compensation times years of credited service over 30 years

Benefit is subject to a minimum of \$4,200 per year.

Account Balance I

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 45	5.0%	2.0%
45 – 59	6.5%	2.0%
60 – 74	8.0%	2.0%
75 or more	10.0%	2.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Account Balance II

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 50	4.0%	1.0%
50 – 69	5.0%	1.0%
70 or more	6.0%	1.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Early Retirement

Eligibility

Age 55 and 10 years of service

Benefit

Union and nonunion final average pay benefit

A benefit equal to the normal retirement benefit based on years of credited service and final five-year average compensation at the date of termination. If payments begin before age 65, the payments are reduced by 6% per year for the first five years and 4% per year for the next five years.

If a participant retires with 25 years of service, there is no reduction at ages 60-64, payments are reduced by 6% at 59, and by 4% per year for each of the next four years. No reductions apply if a union participant retires with 85 age plus service points.

Account balance benefit

The participant is always entitled to their entire vested cash balance at termination or retirement.

Temporary supplemental benefit

Final average pay participants (and nonunion account balance I participants hired before January 1, 2002) retiring after age 60 with 25 years of service will receive a supplemental benefit until age 65 equal to the following:

Union participants: The amount varies depending on job classification according to the following table. Union participants may receive a reduced benefit prior to age 60 if retiring with 85 points.

Job Classification	Benefit
A	\$ 9,720
B	\$ 10,020
C	\$ 10,440
D	\$ 10,440
E	\$ 10,440

Nonunion participants: 80% of the maximum Social Security benefit payable to someone age 65, rounded to the next highest multiple of \$10. This benefit was frozen at its current level as of January 1, 2004 and is not available to employees who first become participants after January 1, 2002.

Account Balance II participants are not eligible for a supplement.

Vested termination
 Eligibility

Three years of service

Benefit

Final average pay benefit

A monthly benefit equal to the normal retirement benefit based on five-year average compensation and credited service at the date of termination, subject to a minimum of \$25 per month for each year of service up to 10 years. Payments may begin after the eligibility requirements for early retirement have been satisfied. Vested termination benefits that begin before normal retirement will be reduced based on the early retirement factors for a retiree with less than 25 years.

Account balance benefit

The participant is always entitled to their entire vested cash balance at termination or retirement.

Disability retirement
 Eligibility

Union participants

15 years of service (3 years if injured on the job)

Nonunion participants

Three years of service and disabled due to injury on the job

Benefit

Final average pay participants

A monthly benefit payable immediately based on five-year average compensation and credited service at the date of disability (or 25 years if greater and injury is on the job)

Account balance participants

The participant is entitled to their entire vested cash balance upon disability.

Other disability benefits
 Eligibility

Nonunion participants

Qualification for benefits under the employer's long-term disability plan

Benefit	
Final average pay benefit	Eligible employees are deemed to receive the same compensation as at the date of disability and continue to earn credited service as long as the disability continues.
Account balance benefit	Eligible employees continue to earn pay credits based on the same compensation as at the date of disability.
Preretirement death Eligibility	Three years of service
Benefit	
Final average pay participants	50% of normal retirement benefit as of the participant's date of death, reduced for 50% joint and survivor annuity, and reduced for payment at the participant's earliest retirement eligibility. Benefit payable only to eligible spouse.
Account balance participants	A life annuity actuarially equivalent to the account balance as of the date of death (non-spouse beneficiaries must receive as a lump sum and spousal-beneficiaries may elect to receive as a lump sum.)
Normal form of payment	
Without spouse	Life annuity
With spouse	50% joint and survivor annuity. Participant receives reduced lifetime benefit and, in event of participant's death, 50% of reduced benefit continued to surviving spouse. For any union participants and for any account balance II participants, if the spouse dies before participant and within 60 months after the annuity start date, benefit increases to life annuity value.
Optional forms of payment	
Final average pay participants	Life annuity; 100% or 75% joint and survivor annuity (if union, available only if married); 50% joint and survivor annuity (nonunion only)
Account balance participants	Lump sum; life annuity; 100%, 75%, 66 2/3%, 50% pop-up, 33 1/3% joint and survivor annuity; 5 or 10 year certain and life annuity.
Actuarial equivalence	Factors as provided in the plan document

Definitions**Credited service**

Participants generally earn one month of credited service for each calendar month in which he/she is credited with at least one hour of service.

Compensation**Final average pay participants**

Form W-2 compensation, including overtime, banked vacation, lump sum merit pay, and bonuses, before any reductions under IRC sections 125 and 401(k), excluding bonuses of salaried employees in excess of 50% of base pay and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).

Account balance participants

Base salary or wages including shift differential (included for Account Balance I participants only), performance-based pay, banked vacation, lump sum merit pay, and commissions, before any reductions under IRC sections 125 and 401(k), but excluding overtime and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).

Five-year average compensation**Union participants**

Highest average annual compensation for any five consecutive calendar years; for participants retiring on or after age 65, shall not be less than the average for the 60 consecutive months immediately preceding normal retirement date

Nonunion participants

Highest average annual compensation for any 60 consecutive calendar months within the last 120 months of employment

NiSource Pension Plan – Former NiSource Subsidiary Pension Plan (“Subsidiary Plan”)

Effective date	January 1, 1962, restated effective January 1, 2011. As of December 31, 2012, the Subsidiary Pension Plan was merged into the NiSource Pension Plan.
Eligibility for participation	Exempt employees hired on or after January 1, 2010 and nonexempt employees hired on or after July 1, 2011 are not eligible for pension benefits. All other nonunion employees of Northern Indiana Public Service Company who were previously employed by Northern Indiana Fuel and Light Company, Inc. and Kokomo Gas and Fuel Company, Inc. as of June 30, 2011 are eligible. Union employees of USW Local 13796-01 as of June 30, 2011 are also eligible. Eligible employees participate on their date of hire.
Benefit Formula Eligibility Exempt participants	Employees hired prior to January 1, 2002 received the final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2006 received the account balance I benefit. Effective January 1, 2006, the plan was amended to allow all participants a one-time choice between their existing final average pay or account balance I benefit and the account balance II benefit, and employees hired between January 1, 2006 and January 1, 2010 received the account balance II benefit. Effective January 1, 2011, all participants were moved to the account balance II benefit. Employees hired after January 1, 2010 do not participate in the plan.
Nonexempt nonunion participants	Employees hired prior to January 1, 2002 received the final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2008 received the account balance I benefit. Effective January 1, 2008, the plan was amended to provide that employees hired after January 1, 2008 received the account balance II benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after June 30, 2011 do not participate in the plan.

Nonexempt union participants

Employees hired prior to January 1, 2002 received the final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2008 received the account balance I benefit. Effective January 1, 2008, the plan was amended to provide that employees hired after January 1, 2008 received the account balance II benefit. Effective July 1, 2011, the NIFL union merged with the NIPSCO union, and all account balance II participants were switched to account balance I (without temporary early retirement supplement). Final average pay participants were allowed a one-time choice of converting to account balance I (without temporary early retirement supplement) effective August 1, 2011. Existing NIFL union account balance I participants will convert to account balance I (without temporary early retirement supplement) effective May 1, 2015. Employees hired after June 30, 2011 do not participate in the plan.

Normal retirement

Eligibility

Later of age 65 and fifth anniversary of participation

Benefit

Final Average Pay

The sum of (a) and (b):

- (a) Benefits accrued as of December 31, 1993 under the prior plan, multiplied by a ratio of the final five-year average compensation as of the date of termination over the five-year average compensation as of December 31, 1993 (not less than 1.0)
- (b) 1.70% of the final five-year average compensation times years of credited service after December 31, 1993 (maximum 30 years) plus 0.60% of the final five-year average compensation times credited service after December 31, 1993 over 30 years

The benefit is subject to certain minimum and maximum benefit calculations.

Account Balance I

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 45	5.0%	2.0%
45 – 59	6.5%	2.0%
60 – 74	8.0%	2.0%
75 or more	10.0%	2.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Account Balance II

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 50	4.0%	1.0%
50 – 69	5.0%	1.0%
70 or more	6.0%	1.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Early retirement	
Eligibility	Age 55 and 10 years of service
Benefit	
Final average pay benefit	A benefit equal to the normal retirement benefit based on years of credited service and final five-year average compensation at the date of termination. If payments begin before age 65, the payments are reduced by 6% per year for the first five years and 4% per year for the next five years. If a participant has 25 years of service, there is no reduction at ages 60-64 and payments are reduced by 6% per year for each year payments begin before age 60.
Account balance benefit	The participant is always entitled to their entire vested cash balance at termination or retirement.
Temporary supplemental benefit	Any final average pay or account balance I participant retiring after age 60 with 25 years of service will receive a supplemental benefit until age 65 equal to 80% of the maximum Social Security benefit payable to someone age 65, rounded to the next highest multiple of \$10. This benefit was frozen at its current level as of January 1, 2004 and is not available to account balance I employees who first become participants after January 1, 2002. NIFL union participants who converted or will convert to the account balance I benefit are not eligible for a supplement. Account Balance II participants are not eligible for a supplement.
Vested termination	
Eligibility	Three years of service
Benefit	
Final average pay benefit	A monthly benefit equal to the normal retirement benefit based on five-year average compensation and credited service at the date of termination. Payments may begin after the eligibility requirements for early retirement have been satisfied. Vested termination benefits that begin before normal retirement will be reduced based on the early retirement factors for a retiree with less than 25 years.
Account balance benefit	The participant is always entitled to their entire vested cash balance at termination or retirement.

<p>Disability Eligibility</p>	<p>Qualification for benefits under the employer's long-term disability plan</p>
<p>Benefit Final average pay benefit</p>	<p>Eligible employees are deemed to receive the same compensation as at the date of disability and continue to earn credited service as long as the disability continues.</p>
<p>Account balance benefit</p>	<p>Eligible employees continue to earn pay credits based on the same compensation as at the date of disability.</p>
<p>Preretirement death Eligibility</p>	<p>Three years of service</p>
<p>Benefit Final average pay participants</p>	<p>50% of normal retirement benefit as of the participant's date of death, reduced for 50% joint and survivor annuity, and reduced for payment at the participant's earliest retirement eligibility. Benefits are payable only to eligible spouse.</p>
<p>Account balance participants</p>	<p>A life annuity actuarially equivalent to the account balance as of the date of death (non-spouse beneficiaries must receive as a lump sum, and spousal beneficiaries may elect to receive as a lump sum)</p>
<p>Normal form of payment Without spouse</p>	<p>Life annuity</p>
<p>With spouse</p>	<p>50% joint and survivor annuity. Participant receives reduced lifetime benefit and, in event of participant's death, 50% of reduced benefit continued to surviving spouse. For account balance II participants and certain account balance I participants, if the spouse dies before participant and within 60 months after the annuity start date, benefit increases to life annuity value.</p>
<p>Optional forms of payment</p>	<p>Life annuity; 100%, 75%, or 50% joint and survivor annuity (final average pay participants); 100%, 75%, 66 2/3%, 50% pop-up, or 33 1/3% joint and survivor annuity, 5 or 10 year certain and life annuity, or lump sum (account balance participants). Additional optional forms exist for prior plan benefit.</p>
<p>Actuarial equivalence</p>	<p>Factors as provided in the plan document</p>

Definitions

Credited service	Participants generally earn one month of credited service for each calendar month in which he/she is credited with at least one hour of service.
Compensation	
Final average pay participants	Form W-2 compensation, including overtime, banked vacation, lump sum merit pay, and bonuses, before any reductions under IRC sections 125 and 401(k), excluding bonuses in excess of 50% of base pay and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).
Account balance participants	Base salary or wages including shift differential (for account balance I only), performance-based pay, banked vacation, lump sum merit pay, and commissions, before any reductions under IRC sections 125 and 401(k), but excluding overtime and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).
Five-year average compensation	Highest average annual compensation for any 60 consecutive calendar months during the last 120 months of employment

NiSource Pension Plan – Former Kokomo Union Pension Plan (“Kokomo Union Plan”)

Effective Date January 1, 1946, restated effective January 1, 2011. As of December 31, 2012, the Kokomo Union Pension Plan was merged into the NiSource Pension Plan.

Eligibility for participation All bargaining unit employees of Pace, Local 6-159: Paper, Allied-Industrial, Chemical and Energy Workers Union as of June 30, 2011 who transitioned to employment with Northern Indiana Public Service Company effective July 1, 2011 are eligible. Eligible employees participate on the earliest January 1 following the completion of age 20-1/2 and six months of eligibility service.

Benefit Formula Eligibility Employees hired prior to March 1, 2009 received the final average pay benefit. Employees hired between March 1, 2009 and July 1, 2011 received the account balance II benefit. Employees hired on or after July 1, 2011 do not participate in the plan.

Normal retirement Eligibility Age 65

Final average pay benefit The sum of (a) and (b):
 (a) 1.4% of final five-year average compensation times credited service (maximum 30 years)
 (b) 0.8% of final five-year average compensation times credited service in excess of 30 years
 Certain prior accrued benefits are guaranteed as minimum benefits.

Account Balance II benefit A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 50	4.0%	1.0%
50 – 69	5.0%	1.0%
70 or more	6.0%	1.0%

The account balance is credited with interest equal to the greater of 4% or 30-year treasuries.
 Certain prior accrued benefits are guaranteed as minimum benefits.

Early retirement Eligibility Age 55 and 24 years of vesting service, or age 60 and 10 years of vesting service

Final average pay benefit	A benefit equal to the normal retirement benefit based on years of credited service and final five-year average compensation at the date of termination. If payments begin before age 65, the payments are reduced. Reductions are applied from age 65 if a participant has less than 24 years, and from 61, if a participant has 24 years of service. No reductions are applied if a participant is at least age 58 and age plus service is at least 85.
Account balance benefit	The participant is always entitled to their entire vested cash balance at termination or retirement.
Temporary supplemental benefit	(a) or (b) (a) Final average pay participants retiring after age 60 and eligible for an unreduced benefit will receive a supplemental benefit until age 65 equal to \$500 per month. (b) Any outside construction final average pay participant retiring after age 55, but before age 60, with at least 85 age plus service points or any clerical participant retiring after age 58, but before age 60, with at least 85 age plus service points will receive a supplemental benefit equal to \$500 per month for 60 months on a prorated basis depending on the number of months retirement precedes age 60. Account Balance II participants are not eligible for a supplement.
Vested termination Eligibility	Three years of service
Final average pay benefit	A monthly benefit equal to the normal retirement benefit based on five-year average compensation and credited service at the date of termination. Payments may begin after the eligibility requirements for retirement have been satisfied.
Account balance benefit	The participant is always entitled to their entire vested cash balance at termination or retirement.
Disability Eligibility	Qualification for benefits under the employer's long-term disability plan
Final average pay benefit	Eligible employees are deemed to receive the same compensation as at the date of disability and continue to earn credited service as long as the disability continues.
Account balance benefit	Eligible employees continue to earn pay credits based on the same compensation as at the date of disability.
Preretirement death Eligibility	Three years of service

Final average pay benefit	50% of normal retirement benefit as of the participant's date of death, reduced for 50% joint and survivor annuity, and reduced for payment at the participant's earliest retirement eligibility
Account balance benefit	A life annuity actuarially equivalent to the account as of the date of death (non-spouse beneficiaries must receive as a lump sum, and spousal beneficiaries may elect to receive as a lump sum)
Normal form of payment	
Without spouse	Life annuity
With spouse	50% joint and survivor annuity. Participant receives reduced lifetime benefit and, in event of participant's death, 50% of reduced benefit continued to surviving spouse. For account balance participants, if the spouse dies before the participant and within 60 months after the annuity start date, the benefit increases to the life annuity value.
Optional forms of payment	
Account balance participants	Life annuity; 100%, 75%, 66 2/3%, 50% with pop-up or 33-1/3% joint and survivor annuity; 5 or 10 year certain and life annuity; lump sum.
Final average pay participants	Life annuity, 5 or 10 year certain and life annuity, 50%, 66 2/3%, 75% or 100% joint and survivor annuity, lump sum
Actuarial equivalence	
Mortality	1983 Group Annuity Mortality Table, weighted 50% male and 50% female
Interest	7.50% per year

Definitions

Credited service	Employees earn one year of credited service for any period in which he/she is credited with at least 1,000 hours of service.
Compensation	
Final average pay participants	Employee's fixed rate of pay before any reductions under IRC sections 125 and 401(k) plus certain inclusions and minus certain exclusions, as specified in the plan document. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).
Account balance participants	Base salary or wages including performance-based pay, commissions, and lump sum merit pay before any reductions under IRC sections 125 and 401(k), but excluding other special forms of compensation such as overtime, shift differentials, and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).
Five-year average compensation	Highest average annual compensation for any five consecutive compensation dates out of the ten latest compensation dates. "Compensation date" means March 1 for this purpose.

Columbia Energy Group Pension Plan (“Columbia Plan”)

Effective date	January 1, 1943, restated effective January 1, 2013
Eligibility for participation	Exempt employees hired on or after January 1, 2010 and nonexempt employees hired on or after January 1, 2013 are not eligible for pension benefits. All other employees of the Columbia Energy Group are eligible. Eligible employees participate on their date of hire.
Benefit Formula Eligibility	
Exempt participants	Employees hired prior to January 1, 2000 received the final average pay benefit. Effective January 1, 2000, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2000 and January 1, 2006 received the account balance I benefit. Effective January 1, 2006, the plan was amended to allow all participants a one-time choice between their existing final average pay or account balance I benefit and the account balance II benefit, and employees hired between January 1, 2006 and January 1, 2010 received the account balance II benefit. Effective January 1, 2011, all participants were moved to the account balance II benefit. Employees hired after January 1, 2010 do not participate in the plan.
Nonexempt participants	Employees hired prior to January 1, 2000 received the final average pay benefit. Effective January 1, 2000 (January 1, 2004 for some union participants), the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2000 (January 1, 2004 for some union participants) and January 1, 2008 received the account balance I benefit. Effective January 1, 2008, the plan was amended to provide that employees hired after January 1, 2008 received the account balance II benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after January 1, 2013 do not participate in the plan.

Normal retirement
 Eligibility

Later of Social Security normal retirement age and fifth anniversary of participation

Benefit

Final average pay benefit

The sum of (a), (b), and (c):

- (a) 1.15% of final three-year average compensation up to one-half of the Social Security wage base times years of credited service (maximum 30 years)
- (b) 1.50% of final three-year average compensation in excess of one-half of the Social Security wage base times years of credited service (maximum 30 years)
- (c) 0.50% of final three-year average compensation times years of credited service over 30 (maximum 10 years)

Account Balance I benefit

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 45	5.0%	2.0%
45 – 59	6.5%	2.0%
60 – 74	8.0%	2.0%
75 or more	10.0%	2.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Account Balance II benefit A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 50	4.0%	1.0%
50 – 69	5.0%	1.0%
70 or more	6.0%	1.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior benefits are guaranteed as minimum benefits.

Early retirement Eligibility Age 55 and 10 years of service, or age 60 and 5 years of service

Benefit
 Final average pay benefit A benefit equal to the normal retirement benefit based on years of credited service and final three-year average compensation at the date of termination. If payments begin more than three years prior to Social Security normal retirement age, the payments are reduced by 3% per year.

Account balance benefit The participant is always entitled to their entire vested cash balance at termination or retirement.

Temporary supplemental benefit Final average pay benefit participants who retire before age 62 receive a temporary supplemental benefit of \$5,760 per year until age 62, reduced pro rata for service less than 30 years.

Vested termination	
Eligibility	Three years of service
Benefit	
Final average pay benefit	A monthly benefit equal to the normal retirement benefit based on three-year average compensation and credited service at the date of termination. Payments may begin after the eligibility requirements for early retirement have been satisfied. Vested termination benefits that begin before normal retirement will be reduced based on the early retirement factors.
Account balance benefit	The participant is always entitled to their vested cash balance at termination or retirement.
Disability	
Eligibility	Qualification for benefits under the employer's long-term disability plan
Benefit	
Final average pay benefit	Eligible employees are deemed to receive the same compensation as at the date of disability and continue to earn credited service as long as the disability continues.
Account balance benefit	Eligible employees continue to earn pay credits based on the same compensation as at the date of disability.
Preretirement death	
Eligibility	Three years of service
Benefit	
Final average pay participants	75% of normal retirement benefit as of the participant's date of death, reduced by .25% for each full month in excess of 60 months by which the participant's age exceeded the spouse's age. If no surviving spouse, payment divided among surviving children under age 21.
Account balance participants	A life annuity actuarially equivalent to the account balance as of the date of death (non-spouse beneficiaries must receive as a lump sum and spousal-beneficiaries may elect to receive as a lump sum).

Normal form of payment	
Without spouse	Life annuity
With spouse	50% joint and survivor annuity actuarially equivalent to the retirement benefit payable for employee's lifetime. Participant receives reduced lifetime benefit and, in event of participant's death, 50% of reduced benefit continued to surviving spouse. If the spouse dies before participant and within 60 months after the annuity start date, benefit increases to life annuity value.
Optional forms of payment	Life annuity; 100%, 75%, 66 2/3%, 50% pop-up, or 33 1/3% joint and survivor annuity; lump sum. Account balance participants may also select a 5 or 10 year certain and life annuity.
Actuarial equivalence	
Mortality	1983 Group Annuity Mortality Table, set back one year for participants and five years for beneficiaries
Interest	8% per year
Definitions	
Service	Participants generally earn one month of credited service for each calendar month in which he/she is credited with at least one hour of service.
Compensation	
Final average pay participants	Base pay or wages, including commissions, before any reductions under IRC sections 125 and 401(k), excluding overtime, performance-based pay, and other exclusions specified in the plan document, but including banked vacation and lump sum merit pay. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).
Account balance participants	For purposes of determining a participant's pay credits, compensation also includes performance-based pay.
Three-year average compensation	Highest average annual compensation for any 36 months during the last 60 months of service

Bay State Gas Company Pension Plan (“Bay State Nonunion Plan”)

Effective date	January 1, 1978, restated effective January 1, 2013
Eligibility for participation	Exempt employees hired on or after January 1, 2010, nonunion nonexempt employees hired on or after January 1, 2013, and Brockton Clerical/Technical bargaining unit employees hired on or after June 1, 2013 are not eligible for pension benefits. All other nonunion employees of Bay State Gas Company and all Brockton Clerical/Technical bargaining unit employees are eligible. Eligible employees participate on their date of hire.
Benefit Formula Eligibility Exempt participants	Employees hired prior to January 1, 2002 received the nonunion final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2006 received the account balance I benefit. Effective January 1, 2006, the plan was amended to allow all participants a one-time choice between their existing final average pay or account balance I benefit and the account balance II benefit, and employees hired between January 1, 2006 and January 1, 2010 received the account balance II benefit. Effective January 1, 2011, all participants were moved to the account balance II benefit. Employees hired after January 1, 2010 do not participate in the plan.
Nonexempt nonunion participants	Employees hired prior to January 1, 2002 received the nonunion final average pay benefit. Effective January 1, 2002, the plan was amended to allow participants a one-time choice between the final average pay benefit and the account balance I benefit, and employees hired between January 1, 2002 and January 1, 2008 received the account balance I benefit. Effective January 1, 2008, the plan was amended to provide that employees hired after January 1, 2008 received the account balance II benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after January 1, 2013 do not participate in the plan.

Union participants Employees hired prior to January 1, 2008 received the union final average pay benefit. Effective January 1, 2008, the plan was amended to provide that employees hired after January 1, 2008 receive the account balance II benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after June 1, 2013 do not participate in the plan.

Normal retirement
 Eligibility

Age 65

Benefit

Nonunion Final Average Pay

The sum of (a), (b), and (c):

- (a) 1.4% of final three-year average compensation times years of credited service (maximum 25 years)
- (b) 0.475% of final three-year average compensation in excess of covered compensation times credited service (maximum 25 years)
- (c) 0.50% of final three-year average compensation times credited service over 25 years

This benefit is reduced by certain previously accrued benefits, and is subject to a minimum benefit calculation, as provided in the plan document.

Union Final Average Pay

1.25% of final three-year average compensation (not greater than \$70,000) times credited service (maximum 45 years)

This benefit is subject to certain minimum benefit calculations, as provided in the plan document.

Account Balance I

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 45	5.0%	2.0%
45 – 59	6.5%	2.0%
60 – 74	8.0%	2.0%
75 or more	10.0%	2.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Account Balance II

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 50	4.0%	1.0%
50 – 69	5.0%	1.0%
70 or more	6.0%	1.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Early retirement

Eligibility

Age 55 and 10 years of service, or age 60 and 5 years of service

Benefit

Final average pay benefit

A benefit equal to the normal retirement benefit based on years of credited service and final three-year average compensation at the date of termination. If payments begin before age 65, the payments are reduced by 3.6% per year. Reductions are applied beginning at age 62 if a participant retires with 25 years of service. A Brockton Clerical/Technical Union participant retiring at or after age 60 with 25 years of service receives an unreduced benefit.

Account balance benefit

The participant is always entitled to their entire vested cash balance at termination or retirement.

Temporary supplemental benefit Final average pay option employees and account balance I option employees who were participants as of January 1, 2002 are eligible for a temporary supplemental benefit. Any participant retiring after age 60 with 5 years of service will receive a supplemental benefit until age 62 equal to 2.0% of three-year average compensation (up to covered compensation) times credited service (maximum 25 years), not to exceed 100% of the Social Security benefit that would be payable at age 62.

Account Balance II participants are not eligible for a supplement.

Vested termination
Eligibility

Three years of service

Benefit

Final average pay benefit

A monthly benefit equal to the normal retirement benefit based on three-year average compensation and credited service at the date of termination. Payments may begin at any time following termination from service. Vested termination benefits that begin before normal retirement will be reduced by 6 2/3% per year that payments would be paid from age 55 until normal retirement date, and reduced on an actuarial equivalent basis for payments that precede age 55, subject to a minimum benefit calculation.

Account balance benefit

The participant is always entitled to their entire vested cash balance at termination or retirement.

Disability
Eligibility

Qualification for benefits under the employer's long-term disability plan

Benefit

Final average pay benefit

Eligible employees are deemed to receive the same compensation as at the date of disability and continue to earn credited service as long as the disability continues.

Account balance benefit

Eligible employees continue to earn pay credits based on the same compensation as at the date of disability.

Preretirement death	
Eligibility	Three years of service
Benefit	
Final average pay participants	50% of normal retirement benefit as of the participant's date of death, reduced for 50% joint and survivor annuity, and reduced for payment at the participant's earliest retirement eligibility. Benefits payable only to eligible spouse
Account balance participants	A life annuity actuarially equivalent to the account balance as of the date of death (non-spouse beneficiaries must receive as a lump sum and spousal beneficiaries may elect to receive as a lump sum)
Normal form of payment	
Without spouse	Life annuity
With spouse	50% joint and survivor annuity. Participant receives reduced lifetime benefit and, in event of participant's death, 50% of reduced benefit continued to surviving spouse. For Account Balance II participants, if the spouse dies before participant and within 60 months after the annuity start date, benefit increases to life annuity value.
Optional forms of payment	
Final average pay participants	Life annuity, lump sum, 5 or 10 year certain and life annuity, 50% pop-up joint and survivor annuity, 66 2/3%, 75%, or 100% joint and survivor annuity (only married participants may elect joint and survivor annuities);
Account balance participants	Life annuity, 100%, 75%, 66 2/3%, or 33 1/3% joint and survivor annuity, 50% pop-up joint and survivor annuity, 5 or 10 year certain and life annuity, or lump sum.
Actuarial equivalence	Factors as provided in the plan document

Definitions

Credited service	Participants earn one year of credited service for each year in which he/she completes at least 1,000 hours of service.
Compensation	
Final average pay participants	Straight time wages plus commissions, overtime up to a limit of 20% of base pay, lump sum merit pay, banked vacation, and Supplementary Incentive Compensation up to a limit of 20% of base pay, before any reductions under Sections 125 and 401(k). Certain exclusions apply as provided in the plan document. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).
Account balance participants	Base salary or wages including performance-based pay, commissions, lump sum merit pay, and banked vacation before any reductions under IRC sections 125 and 401(k), but excluding other special forms of compensation such as overtime or shift differentials. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).
Three-year average compensation	Highest average annual compensation for any 36 consecutive months during the last 120 months of employment
Covered compensation	35-year average of Social Security wage bases based on year-of-birth table.

Bay State Union Pension Plan (“Bay State Union Plan”)

Effective date	January 1, 1981, restated effective January 1, 2013
Eligibility for participation	Springfield Clerical/Technical and Northampton employees hired on or after January 1, 2011, Brockton Physical and Lawrence employees hired on or after January 1, 2013, and Springfield Operating employees hired on or after January 1, 2014 are not eligible for pensions. All other bargaining unit employees of Bay State Gas Company except for Brockton Clerical/Technical are eligible. Eligible employees participate on their date of hire.
Benefit Formula Eligibility	
Brockton Physical and Lawrence participants	Employees hired prior to January 1, 2008 received the final average pay benefit. Employees hired between January 1, 2008 and January 1, 2013 receive the account balance II benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after January 1, 2013 do not participate in the plan.
Springfield Clerical/ Technical participants	Employees hired prior to January 1, 2011 received the final average pay benefit. Effective January 1, 2013, all participants were moved to the account balance II benefit. Employees hired after January 1, 2011 do not participate in the plan.
Northampton participants	Employees hired prior to January 1, 2011 received the final average pay benefit. Effective April 1, 2015, all participants were moved to the account balance II benefit. Employees hired after January 1, 2011 do not participate in the plan.
Springfield Operating participants	Employees hired prior to January 1, 2014 received the final average pay benefit. Effective January 1, 2014, all participants were moved to the account balance II benefit. Employees hired after January 1, 2014 do not participate in the plan.

Normal retirement
 Eligibility

Age 65

Benefit

Final average pay benefit

1.25% of three-year average compensation times credited service (maximum 45 years). Average compensation is limited to \$55,000 – \$75,000 per year, as shown in the following table:

Union	Highest Compensation Limit	Ultimate Compensation Limit
Brockton Physical	\$ 70,000	\$ 70,000
Lawrence	\$ 70,000	\$ 70,000
Northampton	\$ 70,000	\$ 70,000
Springfield Steel	\$ 75,000	\$ 75,000
Springfield Clerical/Technical	\$ 55,000	\$ 55,000

Certain prior accrued benefits are guaranteed as minimum benefits.

Account Balance II benefit

A cash balance benefit with pay credits based on the following schedule:

Age Plus Service Points	Percentage of Compensation	Percentage of Compensation Above 1/2 Taxable Wage Base
Less than 50	4.0%	1.0%
50 – 69	5.0%	1.0%
70 or more	6.0%	1.0%

If a participant moved from the final average pay benefit to this benefit, the participant's accrued benefit as of the conversion date was converted to an opening balance. The account balance is credited with interest equal to the greater of 4% or 30-year Treasuries.

Certain prior accrued benefits are guaranteed as minimum benefits.

Early retirement	
Eligibility	Age 55 and 10 years of service
Benefit	
Final average pay benefit	A benefit equal to the normal retirement benefit based on years of credited service and final three-year average compensation at the date of termination. If payments begin before age 65, the payments are reduced by 3.6% per year. Reductions are only applied from age 60 if a participant retires with 25 years of service.
Account balance benefit	The participant is always entitled to their entire vested cash balance at termination or retirement.
Temporary supplemental benefit	Final average pay participants of all unions who retire after age 60 and satisfy early retirement eligibility will receive a supplemental benefit payable until age 62 equal to 2.0% of three-year average compensation (subject to compensation limits) times credited service (maximum 25 years), not to exceed 100% of the Social Security benefit that would be payable at age 62.
Vested termination	
Eligibility	Three years of service
Benefit	
Final average pay benefit	A monthly benefit equal to the normal retirement benefit based on three-year average compensation and credited service at the date of termination. Payments may begin at any time following termination of service. Vested termination benefits that begin before normal retirement will be reduced by 6 2/3% per year that payments would be paid from age 55 until normal retirement date, and reduced on an actuarial equivalence basis for payments that precede age 55. Certain minimum benefit calculations may apply.
Account balance benefit	The participant is always entitled to their entire vested cash balance at termination or retirement.

Disability Eligibility	Qualification for benefits under the employer's long-term disability plan
Benefit	
Final average pay benefit	Eligible employees are deemed to receive the same compensation as at the date of disability and continue to earn credited service as long as the disability continues.
Account balance benefit	Eligible employees continue to earn pay credits based on the same compensation as at the date of disability.
Preretirement death Eligibility	Three years of service
Benefit	
Final average pay benefit	50% of normal retirement benefit as of the participant's date of death, reduced for 50% joint and survivor annuity, and reduced for payment at the participant's earliest retirement eligibility. Benefits payable only to eligible spouse.
Account balance benefit	A life annuity actuarially equivalent to the account balance as of the date of death (non-spouse beneficiaries must receive as lump sum, and spousal beneficiaries may elect to receive as a lump sum)
Normal form of payment Without spouse	Life annuity
With spouse	50% joint and survivor annuity. Participant receives reduced lifetime benefit and, in event of participant's death, 50% of reduced benefit continued to surviving spouse. For account balance participants, if the spouse dies before the participant and within 60 months after the annuity start date, the benefit increases to the life annuity value.
Optional forms of payment	
Final average pay participants	Life annuity, lump sum, 5 or 10 year certain and life annuity, 50% pop-up joint and survivor annuity, 66 2/3%, 75%, or 100% joint and survivor annuity (only married participants may elect joint and survivor annuities);
Account balance participants	Life annuity; lump sum, 100%, 75%, 66 2/3%, 50% with pop-up, or 33-1/3% joint and survivor annuity
Actuarial equivalence	Factors as provided in the plan document
Definitions	
Credited service	Employees earn one year of credited service for any period in which he/she is credited with at least 1,000 hours of service.

Compensation

Final average pay participants

Straight time wages plus lump sum merit pay before any reductions under IRC sections 125 and 401(k) and excluding overtime, bonuses, other incentive pay, and other exclusions specified in the plan document. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).

Account balance participants

Base salary or wages including performance-based pay, commissions, lump sum merit pay, and banked vacation before any reductions under IRC sections 125 and 401(k), but excluding other special forms of compensation such as overtime or shift differentials. Compensation considered for benefit purposes is limited based upon the provision of the IRC section 401(a)(17).

Three-year average compensation

Highest average annual compensation for any 36 consecutive months during the last 120 months of employment

NiSource Supplemental Executive Retirement Plan (“NiSource SERP”)

There are no active participants in this plan. For additional clarification and details regarding provisions applicable to inactive participants, please refer to the plan document.

Pension Restoration Plan (“Restoration Plan”)

Retirement benefits

Eligibility

Columbia Plan employees participate upon their date of hire. Effective January 1, 2004, the plan was amended to include all other nonunion employees of NiSource Inc. and affiliated companies.

Benefit

Benefits are determined as the excess of (a) over (b):

(a) Benefit calculated under the provisions of the participant's qualified pension plan, but without regard to the limits of IRC section 415 and 401(a)(17), and without regard to deferrals under the NiSource Inc. Executive Deferred Compensation Plan.

(b) Benefit payable from the participant's qualified plan

Certain adjustments are made for participants who accrued a benefit under the applicable qualified plan before January 1, 2004. Further, effective for any participant terminating employment on or after January 1, 2011, the benefit payable under the Restoration Plan may never be less than a minimum protected benefit as described in the Plan.

Credited service

Columbia Plan participants generally earn one month of service for each calendar month in which he/she is credited with at least one hour of service. All other participants generally earn one month of service for each calendar month after December 31, 2003 in which he/she is credited with at least one hour of service.

Bay State Supplemental Executive Retirement Plan (“Bay State SERP”)

There are no active participants in this plan. For additional clarification and details regarding provisions applicable to inactive participants, please refer to the plan document.

Plan Changes Since the Prior Year

The financial accounting valuation reflects the following plan changes from the prior year:

- A change in 401(a)(17) maximum pay limit from \$275,000 to \$280,000.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Provide a comprehensive explanation as to how the forecasted pension and OPEB costs were developed within the forecast period.

Response:

The forecasted pension and OPEB costs were developed based on information provided by Aon, a global human resource consulting firm that assists NiSource in actuarial analysis and administration of pension and OPEB.

**COLUMBIA GAS OF KENTUCKY, INC.
 RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
 DATED JULY 7, 2021**

With respect to pension costs, provide the following: i) pension costs incurred by Columbia Kentucky for the period 2018 – 2021 to date and ii) pension costs incurred and allocated by NCSC to Columbia Kentucky for the period 2018 – 2021 to date.

Response:

i) Pension expense incurred by Columbia Kentucky for the period 2018 – 2021:

Cost Type	Cost Element	TY 2018	TY 2019	TY 2020	YTD Jun 2021	Grand Total
Direct	Pension-Qualified	428,043	1,092,585	488,764	120,908	2,130,301
	Pension-SERP	4,319	5,019	3,899	5	13,242
	Transfer-Pension-Qualified	(171,906)	151,257)	190,943)	(92,218)	(606,324)
Columbia Kentucky Total		260,456	946,348	301,720	28,695	1,537,219

The Transfer amounts reflect the reduction to expense for the amounts capitalized.

ii) Pension expense incurred and allocated by NCSC to Columbia Kentucky for the period 2018 – 2021 to date:

Cost Type	Cost Element	TY 2018	TY 2019	TY 2020	YTD Jun 2021	Grand Total
Direct	Pension-Qualified	86,254	28,782	60,287	18,258	293,581
Direct Total		86,254	28,782	60,287	18,258	293,581
Allocated	Pension-Qualified	61,744	248,617	132,868	49,236	592,465
	Pension-SERP	58,069	58,447	57,402	33,478	207,397
	Transfer-Pension-Qualified	(37,223)	(35,967)	(39,706)	(16,979)	(129,875)
Allocated Total		182,591	271,097	150,563	65,736	669,987
NCSC Total		268,845	399,879	210,851	83,993	963,568

The Transfer amounts reflect the reduction to expense for the amounts capitalized.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Provide a comprehensive explanation of the implication on pension assets, pension funding status, and ongoing pension expense associated with the sale of Bay State Gas (Columbia-Massachusetts).

Response:

During 2020, NiSource and Columbia Gas of Massachusetts (CMA) entered into an Asset Purchase Agreement (APA) with Eversource. Based on the terms and subject to the conditions set forth in the APA, NiSource and CMA agreed to sell to Eversource, with certain additions and exceptions: (1) substantially all of the assets of CMA and (2) all of the assets held by any of CMA's affiliates that primarily relate to the Massachusetts Business, and Eversource agreed to assume certain liabilities of CMA and its affiliates. Under the terms of the APA, Eversource acquired both the qualified Bay State Management (Non-Union) and the qualified Bay State Union Pension Plans, in their entirety. Eversource did not acquire CMA's nonqualified pension plans.

Upon execution of the APA, while majority of the CMA employees and Pension plan participants were already a participant in one of the qualified Bay State pension plans, there were few CMA employees transferring to Eversource that were participating in other NiSource Pension plans. Prior to closing of the transaction, NiSource management worked with our Actuary and took the following steps to ensure all CMA pension plan participants who were moving to Eversource were placed in one of the Bay State plans transferring to the buyer:

- (a.) Transferred the present value of the assets and liabilities for approximately 23 employees who were in the Bay State Pension Plans, but will remain an employee of NiSource, to the NiSource Plan. While these employees were in one of the Bay State Plans, their expense was getting allocated to their respective companies (for example: a Columbia Gas of Ohio (COH) employee participating in Bay State Management (Non-Union) Plan with corresponding pension liability/asset balance and expense was being booked on COH). This transfer of employees within plans had no direct impact to Columbia Gas of Kentucky.
- (b.) Transferred the present value of the assets and liabilities for some employees who were in the NiSource Plans, but were to transfer to the buyer, to the Bay State Pension Plans. While these employees were participants in NiSource Pension Plans other than the Bay State Plans, their expense was being recorded on CMA's

books. This transfer of employees within plans had no direct impact to Columbia Gas of Kentucky.

Refer to KY PSC Case No. 2021-00183, AG-1-172, Attachment A for summary reports from the actuary detailing these transfers.

Subsequent to the execution of the transaction, NiSource will continue to have some a small amount of pension activity for CMA employees that did not transfer to Eversource. These pension balance sheet and expense activity will be recorded on a NiSource affiliate that carries other items not included in the transaction that remain with NiSource. These items will be separately maintained and will not impact Columbia Gas of Kentucky.



**NiSource Inc.
 Qualified Pension Plans
 9/30/2020 Funded Status and AOCI**

	<u>Discount Rate</u>	<u>Projected Benefit Obligation</u>	<u>Fair Value of Assets</u>	<u>Funded Status</u>	<u>Accum. Other Comprehensive Income (AOCI)</u>
Bay State Nonunion Plan	2.35%	41,759,250	39,740,000	2,019,250	11,473,513
Bay State Union Plan	2.35%	79,263,172	80,480,000	(1,216,828)	24,618,865



NiSource Inc.
Bay State Nonunion Plan
9/30/2020 Funded Status by Company

	Projected Benefit Obligation	Fair Value of Assets	Funded Status
Remaining in Bay State Nonunion Plan			
Columbia Gas of Massachusetts - Union	5,203,285	4,881,038	322,247
Columbia Gas of Massachusetts - Nonunion	22,582,197	21,183,648	1,398,549
Company 12	9,110,370	8,546,151	564,219
NiSource Divested	2,056,527	1,929,163	127,364
	38,952,379	36,540,000	2,412,379
Transfer from NiSource Plan to Bay State Nonunion Plan			
Company 12	355,243	404,999	(49,756)
NIPSCO - Nonunion	200,600	228,696	(28,096)
Columbia Gas of Massachusetts - Nonunion	2,212,863	2,522,794	(309,931)
Columbia Gas of Massachusetts - Union	38,166	43,511	(5,345)
	2,806,872	3,200,000	(393,128)
Bay State Nonunion Plan Total	41,759,251	39,740,000	2,019,251
Transfer from Bay State Nonunion Plan to NiSource Plan			
Company 12	2,679,445	2,339,381	340,064
Columbia Gas of Ohio	152,950	133,538	19,412
Columbia Gas of Virginia	22,457	19,607	2,850
Columbia Gas of Massachusetts - Nonunion	691,878	604,068	87,810
Columbia Gas of Massachusetts - Union	347,511	303,406	44,105
	3,894,241	3,400,000	494,241



**NiSource Inc.
 Bay State Union Plan
 9/30/2020 Funded Status by Company**

	Projected Benefit Obligation	Fair Value of Assets	Funded Status
Remaining in Bay State Union Plan			
Columbia Gas of Massachusetts - Union	78,182,841	79,383,084	(1,200,243)
NiSource Divested	1,080,331	1,096,916	(16,585)
	<u>79,263,172</u>	<u>80,480,000</u>	<u>(1,216,828)</u>
Bay State Union Plan Total	79,263,172	80,480,000	(1,216,828)
Transfer from Bay State Union Plan to NiSource Plan			
Columbia Gas of Massachusetts - Union	7,123,969	7,100,000	23,969
	<u>7,123,969</u>	<u>7,100,000</u>	<u>23,969</u>

KY PSC Case No. 2021-00183
Response to the Attorney General's Data Request Set One No. 173
Respondent: Jeff Gore; As to the Objection: Legal

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Provide all pension related accounting entries recorded on the books of NiSource associated with the sale of Bay State Gas (Columbia-Massachusetts), impacted by the change in employee mix associated with the sale. Provide the date of such entries.

Response:

Columbia objects as this data request is overbroad and unduly burdensome, and responsive information related to NiSource affiliates (e.g. any operating company, gas or electric, other than Columbia) is irrelevant to the issues of this case. Notwithstanding these objections, Columbia responds, only as the question relates to Columbia Gas of Kentucky, as follows:

As described in Columbia's Response to the Attorney General's First Set of Requests for Information, No. 172, there was no direct impact on Columbia Gas of Kentucky Pension balances/activity as a result of NiSource transferring plan sponsorship of Bay State Pension plans to Eversource. There were not any entries on the Company's books resulting from this transfer.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Provide all documentation, including reports, studies, and memorandums received from NiSource actuaries regarding the implication of the change in number of employees resulting from the sale of Bay State Gas (Columbia-Massachusetts) on NiSource pension assets, pension liabilities, and ongoing pension expense.

Response:

Refer to response to Columbia's Response to the Attorney General's First Set of Requests for Information, No. 172 for the pension impacts to NiSource. The Attachment to that data request quantifies the amounts for employees that are moving between pension plans.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

With respect to any i) early retirement or ii) severance programs provide the following information:

- a. Provide a comprehensive overview of the scope of the program, including identification of the number of employees impacted within each NiSource affiliate as well as the date such program costs were incurred.
- b. Identify the costs associated with each program direct charged or allocated to Columbia Kentucky, identified by: i) type of cost (i.e. payroll, pension, opeb, payroll taxes, etc.), ii) account charged, and iii) month/year charged.
- c. Provide a comprehensive explanation of how such costs were accounted for on the books of NCSC and Columbia Kentucky.
- d. If such costs were excluded from consideration of the NCSC and Columbia Kentucky forecasted test period, provide supporting evidence.

Response:

- a. Objection. Columbia objects as this data request is overbroad and unduly burdensome, and responsive information related to NiSource affiliates (e.g, any operating company, gas or electric, other than Columbia) is

irrelevant to the issues of this case. Notwithstanding these objections, Columbia responds as follows:

See Columbia's Response to Staff's First Set of Requests for Information No. 34 for an overview of the scope of a Voluntary Separation Program (VSP) that took place in 2020 as well as details on impacted Columbia Gas of Kentucky employees. There was not an early retirement program. See Table A-Number of VSP Employees by Company (below) for a list of impacted employees by NiSource affiliate. Expenses associated with the Voluntary Separation Program were recorded ratably over the service period of the employees as the benefits were contingent on their future service to the Company. The service period started once employees were accepted to the program and ended with their separation dates from their respective Company. See KY PSC Case No. 2021-00183, AG 1-175, Attachment A for the costs associated with each program direct charged or allocated to Columbia Kentucky, identified by: i) type of cost (i.e. payroll, pension, opeb, payroll taxes, etc.), ii) account charged, and iii) month/year charged. All severance payments were recorded to FERC account 920 and related payroll taxes to 408. FERC account 923 is for outside services. Remaining accounts are overheads.

Table A-Number of VSP Employees by Company

Company	Number of Employees
NCSC	145
Columbia Gas of Kentucky	2

- b. See part a. above.
- c. See parts a. and b. above.
- d. The costs were not included in the test period because all expenses ended June 30, 2021.

Cost Element (Multiple Items)
Fiscal Year (All)

Sum of Monetary Amount			YYYYMM										Grand Total
Work Order	Work Order Descr	FERC Account	202009	202010	202011	202012	202101	202102	202103	202104	202105	202106	
NINEXT1	NiSource Next - VSP	408		25,006									25,006
		920	145,606	44,852	51,537	(103,074)	38,344	49,584	49,584	336,157	(368,952)	38,653	282,291
	NiSource Next - VSP Total		145,606	69,858	51,537	(103,074)	38,344	49,584	49,584	336,157	(368,952)	38,653	307,297
NINEXT1 Total			145,606	69,858	51,537	(103,074)	38,344	49,584	49,584	336,157	(368,952)	38,653	307,297
NINEXT5	NiSource Next ISP	920							106,764				106,764
									106,764				106,764
NINEXT5 Total	NiSource Next ISP Total								106,764				106,764
Grand Total			145,606	69,858	51,537	(103,074)	38,344	49,584	156,349	336,157	(368,952)	38,653	414,061

Cost Element	7001
Fiscal Year	(All)

Sum of Monetary Amount				YYYYMM										
Work Order	Work Order Descr	FERC Account	Allocation Method	202009	202010	202011	202012	202101	202102	202103	202104	202105	202106	Grand Total
NINEXT1	NiSource Next - VSP	408	Direct		(0)	-	-	(0)	-					(0)
		920	Basis 20	(3,435)										(3,435)
			Direct	584,000	67,795	94,108	73,225	9,464	13,407	19,094	12,787	29,585	15,297	918,762
		923	Basis 11	6,757	3,604	1,735	6,953	3,065	3,163	951	2,606	808	808	30,450
			Direct		14,505	2,668	1,741	6,563	2,522		1,525			29,523
		925	Direct		(35)	(12)								(47)
		926	Direct		(1,615)	(538)								(2,153)
		931	Direct		(711)	(244)								(955)
	NiSource Next - VSP Total			587,322	83,544	97,717	81,918	19,092	19,092	20,044	16,917	30,393	16,106	972,145
NINEXT1 Total				587,322	83,544	97,717	81,918	19,092	19,092	20,044	16,917	30,393	16,106	972,145
NINEXT5	NiSource Next ISP	920	Basis 1							7,992		1,082	1,048	10,122
			Basis 10						6,759	3,058	(6,759)	5,476	5,300	13,834
			Basis 11							1,067		3,388	3,182	7,637
			Basis 20								5,231	6,674	6,459	18,364
			Basis 4									920	879	1,799
	NiSource Next ISP Total								6,759	17,348	(6,759)	17,541	16,868	51,757
NINEXT5 Total									6,759	17,348	(6,759)	17,541	16,868	51,757
Grand Total				587,322	83,544	97,717	81,918	19,092	25,851	37,393	10,159	47,934	32,973	1,023,902

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Identify all vendors whose 2020 costs were direct charged to Columbia Kentucky in excess of \$25,000 and provide the following information:

- a. A description of the services performed.
- b. Identify the amount and account(s) charged.
- c. An explanation of how such costs benefit Columbia Kentucky customers.
- d. If such costs were not incorporated into the forecast period expenses, provide the supporting evidence that such costs were explicitly excluded.

Response:

Objection. Columbia objects inasmuch as such a small threshold (\$25,000) is an overly broad request and unduly burdensome on Columbia to respond. Further, Columbia objects as the request to provide the descriptions, explanations, and forecast period details requested in this data request is overly broad and unduly burdensome on Columbia to respond. Finally, Columbia has no legal obligation to create the descriptions, explanations, and forecast period details requested in this data request to the extent those descriptions, explanations, and forecast period details do not already exist.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Identify all vendors whose 2020 costs were allocated to Columbia Kentucky in excess of \$25,000 and provide the following information:

- a. The amount and account(s) charged.
- b. A description of the services performed.
- c. An explanation of how such costs benefit Columbia Kentucky customers.
- a. If such costs were not incorporated into the forecast period expenses, provide the supporting evidence that such costs were explicitly excluded.

Response:

Objection. Columbia objects inasmuch as such a small threshold (\$25,000) is an overly broad request and unduly burdensome on Columbia to respond. Further, Columbia objects as the request to provide the descriptions, explanations, and forecast period details requested in this data request is overly broad and unduly burdensome on Columbia to respond. Finally, Columbia has no legal obligation to create the descriptions, explanations, and forecast period details requested in this data request to the extent those descriptions, explanations, and forecast period details do not already exist.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Provide the amount of 401k costs expended within the i) base Period and ii) forecast period related to employees who are covered under a defined benefit plan.

Response:

The 401k costs expended related to employees who are covered under a defined benefit plan are \$379,168 for the base period and \$377,643 in the forecast period. The following compares these amounts to the company total 401k expenses for the periods:

<u>Base Period</u>	<u>Total 401K</u>	<u>Defined Benefit Plan</u>
CKY Direct	551,525	218,955
NCSC Allocated	398,539	160,213
	<hr/> 950,064	<hr/> 379,168

<u>Forecast Period</u>	<u>Total 401K</u>	<u>Defined Benefit Plan</u>
CKY Direct	582,534	231,266
NCSC Allocated	364,123	146,377
	<hr/> 946,657	<hr/> 377,643

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the confidential response to Staff's First Request, Item 54, and specifically Tab F-

5. Provide the split of labor and non-labor costs associated with the base period and forecasted period costs for account 908, Customer Assistance. Provide a comprehensive explanation supporting the increase in these forecasted period costs.

Response:

The amount shown in account 908 on Tab F-5 for the base period and forecasted test period is expense related to miscellaneous revenue tracker. There is not a split of labor and non-labor costs. The increase in account 908 between the two periods is due to geography between actual and budget data. The budget portion of the base period and forecasted test period include budgeted expense associated with Energy Efficiency Conservation Program, Energy Assistance Program, research and development, and gas cost uncollectible tracker. The actual portion of the base period include expense associated with Energy Efficiency Conservation Program as recorded. Actual expenses associated with Energy Assistance Program and gas cost uncollectible tracker are recorded to account 904. There is no operating income impact to the forecasted test

period as Columbia has made subsequent ratemaking adjustment in WPD2-4e to ensure matching of tracker revenue and expense.

Please note a small portion of the NiSource Corporate Service bill was allocated to account 908 in the budget portion of the base period and forecasted test period. Columbia budgets by cost category and not based on FERC account. To arrive at a FERC account budget for the cost of service requirement, Columbia allocates the budget cost category to FERC account based on the most recent calendar year 2020.

Account 908	Base Period (Actual)	Base Period (Budget)	Total Base Period (Tab F-5)	Total Forecasted Test Period (Tab F-5)
Miscellaneous Revenue Tracker	\$ 52,720	\$ 683,007	\$ 735,727	\$ 1,483,985
NiSource Corporate Service Bill	\$ (9)	\$ 5,404	\$ 5,395	\$ 10,735
Total	\$ 52,711	\$ 688,411	\$ 741,122	\$ 1,494,720

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the confidential response to Staff's First Request, Item 54, and specifically Tab F-

4. Provide the justification for the increase in total employee expenses embedded in this worksheet.

Response:

The actual portion of the Base Period includes a level of employee expense lower than anticipated due to COVID-19 restrictions. It is expected that employee expense spend will return to normal as COVID-19 restrictions start to loosen.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the confidential response to Staff's First Request, Item 54, and specifically Tab WPD2.4f. Provide the calculation supporting the effective tax rate as reflected in Cell F19 related to the calculation of Property Tax Expense, which is embedded as a hard-coded number.

Response:

The Company computed the effective tax rate presented on WPD-2.4f, Line 6 by applying a 3.19% inflation factor to the effective tax rate from the 2020 Public Service Company Assessment (please see KY PSC Case No. 2021-00183, AG 1-224, Attachment A) received from the Kentucky Department of Revenue. The computation of the effective tax reflected on WPD-2.4f, Line 6 has been provided with this response as KY PSC Case No. 2021-00183, AG 1-181, Attachment A.

KY PSC Case No. 2021-00183
Response to the Attorney General's Data Request Set One No. 182
Respondent: Jennifer Harding

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Provide the monthly level of property tax expense for the period January 2018 through the most current month available.

Response:

The Company has provided the monthly level of property tax for the period January 2018 through June 2021 as presented on KY PSC Case No. 2021-00183, AG 1-182, Attachment A.

KY PSC Case No. 2021-00183
Response to the Attorney General's Data Request Set One No. 183
Respondent: Jennifer Harding; As to Objections: Legal

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to Schedule I-1 within Volume 8. Provide an annual split by year of Taxes-Other than Income by each account for the period 2016 through 2023.

Response:

Objection. Columbia's rate case is based upon a forecasted test period ending December 31, 2022 and, under applicable law, historical data that required to be filed is generally limited to the base period. Nevertheless, Columbia is providing historical information that predates the base period, up to and including the time following the expiration of the forecasted test year in the Company's 2016 rate case. To the extent that the question calls for additional information, the question is overly broad and seeks information that is very unlikely to be relevant to the issues of this case and Columbia therefore respectfully objects. Notwithstanding these objections, Columbia responds as follows:

Please see an annual break out of Taxes Other than Income depicted on Schedule I-1, Sheet 1, Line 11 by account for the period 2018 to 2022 in KY PSC Case No. 2021-00183, AG 1-183, Attachment A.

COLUMBIA GAS OF KENTUCKY, INC.
 KY PSC Case No. 2021-00183
 Response to the Attorney General's Data Request Set One No. 183
 Monthly Property Tax Expense January 2018 to June 2021

KY PSC Case No. 2021-00183
 AG 1-183
 Attachment A
 Page 1 of 1

Line No.	Description	2018	2019	2020	2021	2022
	(1)	(2)	(3)	(4)	(5)	(6)
1	Other Taxes	11	1,500	2,505	3,000	-
2	Property Tax	4,280,289	4,759,375	5,876,994	6,313,694	7,566,243
3	Gross Receipts Tax	-	73,177	-	-	-
4	Payroll Taxes	769,851	913,535	870,094	1,082,331	1,063,501
5	Total	<u>5,050,151</u>	<u>5,747,586</u>	<u>6,749,593</u>	<u>7,399,025</u>	<u>8,629,744</u>
6	Schedule I-1, Line 11	5,050,151	5,747,586	6,749,593	7,399,025	8,629,744
		-	-	-	-	-

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

With respect to accounting for property tax expense, provide a complete explanation of the underlying accounting, including a discussion identifying the year in which property is valued contrasted with when the associated expense tied to that value is reflected on the books of the Company.

Response:

Columbia Gas of Kentucky records the estimated property tax liability in December each year (based on lien date of 12/31/XX) and recognizes property tax expense pro rata on a monthly basis. The Company will pay the property tax liability when invoiced at beginning of the first quarter of the following year.

Example journal entries:

To record the annual property tax accrual based on 12/31/XX lien

Dr.	17403200	Miscellaneous Assets-Property Tax
Cr.	23603200	Accrued Property Tax

To record the pro rata monthly property tax expense (begin in January)

Dr.	40813200	Property Tax Expense
Cr.	17403200	Miscellaneous Assets - Property Tax

To record the property tax payment (beginning of first quarter of following year)

Dr.	23603200	Accrued Property Tax
Cr.	13100000	Cash

The annual valued posted to 17403200 – Miscellaneous Assets-Property Tax and 23603200 – Accrued Property Tax is an estimate based on the property as of December 31 of the current year (the year the property is valued). Then one twelve of this value is expensed over the course of the following year by debiting property tax expense (408013200) and crediting Miscellaneous Assets – Property Tax (17403200), beginning in January (the associated expense based on prior year value). Once the KY Department of Revenue issues an assessment of valuation (November / December) and the Company agrees to this assessment, the property tax estimate is trued up to agree to the assessment. The liability is paid (23603200) after the assessment has been finalized, generally the beginning in the first quarter of the following year.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the Confidential Schedule provided in response to Staff's First Request, Item 54.

Provide the following related to Account 923, Outside Services employed:

- a. Provide the monthly charges to account 923 for the period January 2018 – the most current month available.
- b. Provide all support for the proposed increase in forecasted outside service costs included within this filing.

Response:

- a. For the monthly charges to account 923 for the period January 2018 –the most current month available, see attached KY PSC Case No. 2021-00183, AG 1-185, Attachment A.
- b. Columbia's O&M budget is developed by department by cost category. These cost categories are internally developed and not based on FERC account. In actual, each cost category contains subsets of FERC account costs. To arrive at a FERC account budget for the cost of service requirement, Columbia takes the actual FERC account costs in correlation to the actual cost category for the most recent calendar year and, based on its weighted average, applies it accordingly to the

budgeted cost category. Based on this method, several cost categories would have been allocated to account 923 in the Forecasted Test Period. These categories are as follows:

Cost Category	Forecasted Test Period Account 923
Corporate Insurance	\$128
Corporate Service Bill	\$6,727,204
Employee Expenses	\$163
Materials & Supplies	\$33,821
Miscellaneous & Other	\$62,307
Labor	\$1,580
Audit Fees	\$152,077
Outside Services	\$548,800
Rents & Leases	<u>\$2,334</u>
Total	\$7,528,413

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Confirm that the Company has synchronized its employee benefits and payroll related taxes with its budgeted headcount and payroll costs as contained in the response to Staff's First Request, Item 36. If this is not confirmed, provide a comprehensive narrative explaining how the payroll costs and employee benefit costs of the forecast were developed.

Response:

The employee benefits and budgeted headcounts may not be perfectly aligned due to the timing of the benefits plan analysis and the budgeting process. Payroll taxes are mechanically calculated based on the budgeted payroll amount in the system.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Provide the labor capitalization rates by year for Columbia Kentucky for the period 2015 – 2021 as well as capitalization rate embedded within the forecasted period.

Response:

Objection. Columbia's rate case is based upon a forecasted test period ending December 31, 2022 and, under applicable law, historical data that required to be filed is generally limited to the base period. Nevertheless, Columbia is providing historical information that predates the base period, up to and including the time following the expiration of the forecasted test year in the Company's 2016 rate case. To the extent that the question calls for additional information, the question is overly broad and seeks information that is very unlikely to be relevant to the issues of this case and Columbia therefore respectfully objects. Notwithstanding these objections, Columbia responds as follows:

The labor capitalization rates are as follows:

2018 – 39.46%

2019 – 36.90%

2020 – 40.99%

Base Period – 41.31%

Forecasted Test Year - 43.55%

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to Volume 4, Form 2, page 355 2020 Form 2, which identifies \$111,069 of labor costs identified as Miscellaneous. Provide the 2020 account distribution associated with this amount.

Response:

The 2020 account distribution for the identified amount of \$111,069 (on page 355 of the 2020 FERC Form 2), is \$105,659.29 in account 14300290, and \$5,410.13 in account 14300395.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021**

Provide a comprehensive explanation supporting the rationale for the increase in actual O&M payroll in 2020 as reported in the Company's FERC Form 2 (page 137 of Tab 57 within Volume 4) of \$11,542,824, with the Base Period and Forecasted Period payroll O&M of \$14,290,690 and \$14,273,342 found on the Attachment to Tab 76 in Volume 8.

Response:

The Base Period and Forecasted Test Period total O&M payroll of \$14,290,690 and \$14,273,342 include short-term and long-term incentive compensation whereas the O&M payroll as reported in FERC Form 2 (page 137 of Tab 57) does not. The budget portion of the Base Period and Forecasted Test Period O&M payroll include salaries and wages for vacancies and a level of overtime based on the work to be completed.

	O&M Payroll	Short-term Incentive Compensation	Long-term Incentive Compensation	Total O&M Payroll
2020 FERC Form 2	\$11,542,824			
Base Period	\$12,843,537	\$1,078,331	\$368,822	\$14,290,690
Forecasted Test Period	\$12,969,689	\$966,157	\$337,495	\$14,273,342

KY PSC Case No. 2021-00183
Response to the Attorney General's Data Request Set One No. 190
Respondents: Chun Yi-Lai and Kimberly Cartella

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Provide an update for payroll costs in the format provided in response to Staff's First Request, Item 36 as new information becomes available.

Response:

Please see KY PSC Case No. 2021-00183, AG 1-190, Attachment A to this response for an update for payroll costs through June 2021.

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY

KY PSC Case No. 2021-00183
Response to the Attorney General's Data Request Set One No. 191
Respondents: Jeff Gore and Chun-Yi Lai

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Provide the monthly payroll distribution information by FERC Account for the years 2018 – 2020 as well as the forecasted labor by FERC Account.

Response:

See attached KY PSC Case No. 2021-00183, AG 1-191, Attachment A, for the monthly payroll distribution by FERC account for the years 2018-2020 and the forecasted test period.

Sum of Monetary Amount		Accounting Period												Grand Total
Fiscal Year	FERC	1	2	3	4	5	6	7	8	9	10	11	12	
2018	107	360,279.77	272,732.02	378,116.26	376,356.48	447,914.51	384,110.12	430,006.37	473,519.84	401,028.38	369,807.18	424,321.54	417,234.40	4,735,426.87
	108	17,413.87	20,678.60	85,605.64	43,638.02	28,600.14	24,989.51	45,011.01	27,362.63	37,777.96	31,498.09	25,060.66	33,960.76	421,596.89
	143	25,193.34	17,454.92	6,827.04	28,785.84	39,171.59	22,334.76	24,336.78	43,807.25	31,480.11	45,912.33	21,236.16	18,540.30	325,080.42
	146	25,130.40	26,713.06	19,099.94	19,227.50	23,064.28	15,615.78	11,000.08	9,182.80	87,108.19	581,454.89	426,018.35	37,691.27	1,281,306.54
	182	1,296.53	1,223.15	1,174.65	1,063.49	1,293.98	1,199.29	1,216.11	1,140.82	1,174.54	1,163.10			11,945.66
	183	(1,639.11)	404.22	0.46	7,484.48	7,680.78	5,421.40	(18,072.03)	(2,987.21)	11.24		1,033.26	(4,170.55)	(4,833.06)
	184	10,490.62	10,418.61	6,925.79	8,492.98	4,991.16	5,162.31	10,982.88	7,697.17	7,720.82	12,758.69	11,520.47	11,166.36	108,327.86
	186	(5,681.05)				279.35		2,547.99	10,712.18	8,319.88	13,487.09	7,952.27	4,523.85	42,141.56
	234	(24,403.84)	(23,584.88)	(14,752.69)	(22,078.48)	(20,805.24)	(16,244.75)	(19,673.93)	(19,136.14)	(24,089.55)	(14,837.36)	(217,494.47)	(14,839.32)	(431,940.65)
	242	(66,838.11)	5,924.42	(88,566.24)	(29,993.31)	(66,567.37)	(2,424.94)	6,198.89	(23,135.64)	(16,247.57)	(60,826.20)	(2,877.22)	(2,440.94)	(347,794.23)
	870	107,566.12	(98,199.45)	83,201.68	(83,584.58)	113,230.51	46,968.63	(45,826.24)	98,011.41	43,615.61	(49,248.03)	82,603.53	16,462.12	314,801.31
	871	7,474.40	10,551.34	3,246.77	1,286.77	998.55	1,249.41	426.22	2,096.10	335.19	1,631.14	151.69	1,934.97	31,382.55
	874	200,142.96	208,362.13	233,247.44	233,180.98	190,575.08	187,531.78	191,907.53	150,892.29	147,670.75	166,928.99	133,304.35	186,498.17	2,230,242.45
	875	6,755.18	10,647.98	6,341.64	8,364.36	5,502.82	3,835.17	6,701.95	2,008.26	2,009.10	9,521.92	13,932.09	13,174.09	88,794.56
	876	2,448.35	2,115.06	2,900.99	2,186.27	2,972.49	2,180.32	2,894.06	1,441.37	1,010.59	5,123.38	6,680.97	7,711.96	39,665.81
	878	103,217.89	120,848.12	97,787.92	102,247.15	85,251.02	84,651.56	102,920.21	93,794.59	81,259.94	135,788.06	118,775.49	108,854.11	1,235,396.06
	879	191,929.41	188,764.17	111,170.58	182,558.48	120,064.24	111,550.15	177,278.54	133,025.16	125,026.88	159,228.36	129,343.51	155,020.01	1,784,959.49
	880	50,083.94	68,994.64	65,440.23	61,048.55	31,856.17	27,712.47	55,298.73	45,387.04	44,018.33	38,845.91	30,296.85	47,306.41	566,289.27
	885	7,100.54	5,595.65	6,824.28	6,039.11	6,312.12	6,846.46	6,019.74	6,834.67	2,859.32	4,719.56	6,181.40	5,418.05	70,750.90
	886	312.41	146.31	302.14	1,114.46	1,657.33	1,513.15	207.36			168.52	22.80		5,444.48
	887	105,063.02	106,660.17	71,539.21	99,909.04	75,805.36	66,017.38	76,027.54	34,015.74	71,180.26	92,995.92	69,928.28	96,952.69	966,094.61
	889	8,476.97	12,066.08	12,372.07	33,720.60	22,567.59	25,225.09	20,066.52	12,901.96	15,281.90	17,452.42	(3,259.99)	2,492.92	179,364.13
	890	3,768.96	2,131.58	1,408.49	2,539.43	3,483.70	1,675.78	2,016.92	771.74	1,896.04	1,370.84	3,864.19	8,219.07	33,146.74
	892	43,166.55	49,641.07	39,757.75	34,220.88	41,220.76	33,059.84	46,088.02	48,280.10	31,946.69	34,897.12	35,284.38	42,121.98	479,685.14
	893	3,170.12	4,689.31	3,378.02	9,832.21	2,369.04	9,183.10	10,962.80	15,156.74	11,163.26	6,362.14	2,244.00	1,697.71	80,208.45
	894	36,830.64	35,559.02	8,388.62	7,992.31	3,061.95	14,485.44	4,911.35	7,343.68	7,281.61	9,034.64	8,788.59	19,243.48	162,921.33
	902	12,080.89	13,312.06	11,284.34	14,142.95	11,820.93	9,682.32	12,027.48	10,857.65	8,377.69	14,567.32	10,910.45	11,581.62	140,645.70
	903	52,815.72	54,784.34	56,263.55	65,047.10	57,649.85	59,358.06	53,917.73	47,396.93	40,341.28	69,382.52	59,052.36	41,963.24	657,972.68
	920	81,483.08	73,775.53	75,227.36	85,193.85	91,720.12	93,496.83	87,731.63	81,374.98	88,918.77	90,386.05	89,377.18	74,038.29	1,012,723.67
	923						895.17	799.84		3,736.86	75.02			5,506.89
2018 Total		1,365,129.57	1,202,409.23	1,284,513.93	1,300,016.92	1,333,742.81	1,227,281.59	1,305,932.08	1,319,754.11	1,262,214.07	1,789,649.61	1,494,253.14	1,342,357.02	16,227,254.08

Sum of Monetary Amount		Accounting Period												Grand Total
Fiscal Year	FERC	1	2	3	4	5	6	7	8	9	10	11	12	
2019	107	421,971.57	400,932.99	479,367.33	443,988.52	490,412.00	513,384.01	540,364.61	632,442.06	579,891.80	632,334.93	628,984.45	542,347.06	6,306,421.33
	108	30,348.71	28,028.73	33,354.15	46,208.73	34,054.96	20,350.61	31,307.05	38,622.89	37,575.54	23,875.28	18,141.93	38,739.14	380,607.72
	143	23,579.29	17,844.99	25,056.38	11,567.43	7,774.39	5,261.48	6,641.60	7,627.32	4,405.63	12,194.34	14,021.45	17,666.39	153,640.69
	146	12,281.02	16,034.25	14,220.09	17,249.46	15,064.29	14,722.96	20,887.30	13,092.00	27,209.62	50,861.13	31,758.35	2,360.95	235,741.42
	183		(114.13)	(656.32)				422.95	194.64		(1,505.63)	(32.93)	(1,380.07)	(3,071.49)
	184	17,274.18	21,321.70	9,497.44	14,565.48	12,526.46	17,659.16	7,015.86	14,391.01	11,820.12	7,686.79	14,450.79	16,061.51	164,270.50
	186	8,404.28	(1,713.53)	(2,519.19)	2,762.37	2,856.33	1,283.73	3,608.19	9,837.13	12,901.80	62,614.92	30,749.24	(20,427.55)	110,357.72
	228				12,780.37	(7,220.82)	(34,264.44)	(19,430.76)	(25,860.59)	35,316.43	-	(4,746.66)	(2,107.94)	(45,534.41)
	234	(17,638.99)	(11,628.90)	(8,418.63)	(23,949.07)	(12,343.28)	(12,155.48)	(30,059.27)	(3,230.19)	(2,873.95)	(11,916.87)	(75,331.42)	(13,277.56)	(222,823.61)
	242	(41,169.22)	(60,488.93)	(119,281.71)	(39,112.53)	(32,521.16)	(10,821.46)	(31,141.92)	(39,456.01)	1,166.80	(37,937.16)	(79,357.26)	88,121.74	(401,998.82)
	870	(7,442.48)	496.01	61,592.73	(84,263.90)	108,254.31	40,469.92	(7,108.02)	100,917.21	(64,616.80)	132,717.75	127,057.16	(28,072.94)	380,000.95
	871	13,743.03	12,547.27	1,543.58	1,244.07	4,789.14	2,406.96	5,830.75	5,192.03	468.69	1,798.71	5,650.32	24,510.80	79,725.35
	874	188,848.65	178,641.35	170,270.38	237,886.00	177,057.17	219,489.06	320,375.17	211,783.02	252,096.17	193,628.37	211,674.71	258,524.35	2,620,274.40
	875	12,227.81	6,643.76	13,598.10	5,228.71	8,070.80	6,687.46	10,508.84	10,359.75	9,995.75	16,453.63	39,854.29	26,035.60	165,664.50
	876	3,176.08	3,268.56	1,901.95	1,583.81	4,589.02	2,122.10	3,511.71	8,813.17	15,146.11	2,184.81	2,396.95	3,742.63	52,436.90
	878	116,186.18	97,765.26	118,179.59	125,489.70	93,344.45	90,962.39	115,123.03	107,499.76	120,495.44	113,670.12	156,644.85	120,679.88	1,376,040.65
	879	212,917.50	192,098.35	199,477.34	192,551.95	160,006.14	139,107.25	223,402.56	225,335.80	249,156.01	229,284.59	196,018.63	240,442.64	2,459,798.76
	880	61,144.98	83,531.87	50,511.90	52,705.55	56,265.87	49,136.21	60,052.17	54,332.52	48,804.95	42,729.53	43,495.51	49,515.70	652,226.76
	885	4,890.89	5,190.20	6,831.83	4,625.31	4,566.79	5,482.73	4,964.68	5,042.05	5,548.35	5,571.24	3,036.33	8,663.84	64,414.24
	886		1,032.17	1,360.13	192.33	2,135.21	1,558.61	409.26	328.20		1,342.03		0.51	8,358.45
	887	93,669.86	87,526.64	63,903.06	61,292.13	62,707.52	72,462.02	66,624.87	71,849.52	70,474.77	63,442.22	92,929.37	54,905.39	861,787.37
	889	11,691.60	12,560.98	12,709.59	38,848.15	20,890.36	25,371.96	38,483.19	26,509.61	25,231.99	14,187.17	21,098.49	23,550.10	271,133.19
	890	1,685.48	2,129.82	2,310.60	1,429.29	3,428.28	2,230.26	2,591.64	3,985.62	16,498.30	3,522.97	3,638.66	13,058.57	56,509.49
	892	49,419.31	41,073.59	34,105.54	29,271.85	30,968.79	23,983.56	31,610.12	29,395.87	43,213.26	43,388.35	37,460.02	47,425.22	441,315.48
	893	3,008.48	1,283.68	1,865.44	2,455.24	2,487.02	2,466.72	1,299.90	3,514.87	2,462.84	615.71	2,497.52	3,286.83	27,244.25
	894	22,189.60	13,612.51	17,380.44	14,673.35	8,310.87	10,193.88	18,733.15	5,119.75	8,361.22	9,616.04	12,017.41	17,994.31	158,202.53
	902	12,696.14	11,979.39	14,408.43	11,941.59	11,455.69	10,922.12	14,285.98	11,957.56	11,626.46	12,039.30	12,974.50	10,819.98	147,107.14
	903	57,106.24	51,743.00	61,125.81	68,812.95	52,322.20	61,269.44	57,618.82	49,943.52	55,384.76	67,164.27	65,400.12	41,819.82	689,710.95
	920	90,976.77	128,469.27	88,937.41	136,430.45	115,900.46	108,100.10	106,730.84	95,575.09	80,680.24	90,821.90	106,606.82	133,635.99	1,282,865.34
	921												4,508.50	4,508.50
	923							110.73	428.20	1,330.40			450.23	2,319.56
2019 Total		1,403,186.96	1,341,810.85	1,352,633.39	1,388,459.29	1,438,153.26	1,388,284.71	1,605,924.35	1,675,624.44	1,660,100.90	1,782,386.44	1,719,089.60	1,723,601.62	18,479,255.81

Fiscal Year	FERC	Accounting Period												Grand Total
		1	2	3	4	5	6	7	8	9	10	11	12	
2020	107	558,635.79	534,757.42	533,192.13	551,371.87	535,018.23	627,887.77	569,910.98	659,653.43	620,942.40	721,310.98	553,308.43	654,353.05	7,120,342.48
	108	50,186.01	24,827.85	80,439.58	96,383.44	124,599.64	49,781.70	41,255.18	57,283.39	64,170.65	40,570.95	62,391.20	55,426.68	747,316.27
	143	13,446.47	9,933.78	9,504.20	8,835.96	8,458.78	8,085.31	8,298.27	5,594.69	8,198.13	6,434.74	6,827.95	17,451.14	111,069.42
	146	1,124.22	633.75	1,365.28	544.81	837.70	13,088.82	6,945.67	4,284.02	1,097.10	173.46	971.87	4,268.83	35,335.53
	165												52,036.54	52,036.54
	183	(645.49)	1,528.72	2,028.89	(499.47)	1,187.67	(1,404.52)	1,536.25	1,584.54	237.94	230.85	1,081.88	327.90	7,195.16
	184	20,572.04	18,483.78	25,644.27	18,033.15	17,876.76	17,723.44	13,644.43	15,037.04	15,484.77	19,329.82	23,176.98	23,903.28	228,909.76
	186	11,285.52	21,984.77				26,521.18	154.01	8,043.17	(691.12)		(8,043.17)	(28,241.78)	31,012.58
	228						(68,030.45)							(68,030.45)
	234	(15,641.57)	(25,343.22)	(24,350.79)	(24,059.95)	(32,307.60)	(17,294.12)	(4,952.10)	(9,149.80)	(10,327.89)	(6,258.84)	(7,676.86)	(4,607.07)	(181,969.81)
	242	(87,299.23)	(91,850.72)	(82,695.84)	(100,420.23)	(82,972.41)	122,738.98	35,231.00	(6,926.49)	(59,754.70)	8,717.87	38,499.55	60,451.60	(246,280.62)
	870	135,788.54	60,459.03	(44,685.99)	112,369.71	(57,444.85)	37,259.14	47,525.88	44,194.79	51,980.77	57,043.83	50,206.56	60,983.04	555,680.45
	871	9,479.71	3,116.99	1,177.00	3,140.11	2,044.68	948.93	8,526.38	5,496.73	7,153.70	5,685.87	11,112.15	14,852.20	72,734.45
	874	226,626.24	221,362.47	273,757.78	216,089.28	217,487.21	149,779.50	146,214.05	134,343.30	165,248.52	192,235.96	162,895.31	194,584.66	2,300,624.28
	875	14,757.36	16,477.46	24,645.42	17,249.98	15,914.89	6,964.38	8,010.60	7,626.61	8,439.91	16,362.91	15,934.30	20,262.00	172,645.82
	876	3,118.63	2,358.30	6,470.47	15,316.60	10,288.56	1,858.06	2,137.11	2,127.85	3,249.67	2,324.82	8,380.62	2,981.33	60,612.02
	878	99,640.09	134,997.74	103,030.89	48,443.51	53,650.62	68,472.97	98,590.36	95,595.27	100,894.17	104,037.92	93,717.88	108,189.75	1,109,261.17
	879	182,058.86	167,559.74	205,894.05	165,223.56	201,993.65	153,465.12	198,262.50	171,318.86	188,471.32	197,015.23	144,612.97	250,925.37	2,226,801.23
	880	59,653.72	54,963.13	49,424.06	30,053.02	29,797.99	29,086.03	30,790.81	30,538.40	39,446.34	33,956.60	47,004.38	40,076.80	474,791.28
	885	6,355.22	6,394.43	5,880.48	5,639.28	5,755.79	5,379.54	5,929.05	5,933.97	5,404.10	6,714.87	4,492.83	7,593.03	71,472.59
	886			2,100.89	990.96	189.23	2,041.46		414.62	581.68		119.17		6,438.01
	887	85,475.74	74,155.31	92,209.37	82,919.07	71,297.76	64,945.09	80,848.01	94,764.98	80,004.16	84,901.44	72,482.09	95,688.28	979,691.30
	889	11,310.74	4,611.49	28,362.64	28,586.85	34,013.93	17,905.35	26,899.12	34,647.66	27,008.67	24,767.43	26,151.86	13,613.24	277,878.98
	890	2,298.29	2,243.20	4,246.97	3,943.20	1,538.48	3,484.25	3,853.65	2,261.69	2,436.58	1,606.84	9,560.04	10,936.78	48,409.97
	892	50,774.24	28,948.21	30,215.92	31,250.86	35,321.57	38,044.00	25,193.14	41,761.29	35,382.55	55,307.89	55,442.20	69,142.81	496,784.68
	893	370.66	870.47	604.13	928.59	1,098.49	1,004.49	141.95	273.98	277.95	658.41	482.93	2,949.31	9,661.36
	894	21,601.82	8,630.05	10,092.39	9,205.84	10,565.48	14,084.78	12,927.57	15,176.81	7,796.31	12,338.02	3,276.24	26,616.99	152,312.30
	902	6,722.51	6,197.16	8,713.86	5,645.98	7,612.18	6,144.63	6,476.70	5,925.07	7,206.05	6,634.87	7,038.39	6,995.05	81,312.45
	903	50,513.36	49,616.37	46,525.99	24,599.77	27,768.33	23,445.42	27,234.40	24,687.22	23,829.24	30,444.61	24,368.42	35,087.41	388,120.54
	920	148,240.49	133,576.15	207,502.95	222,525.87	202,382.65	171,694.74	172,252.29	174,354.70	220,196.86	102,562.54	189,792.51	86,615.53	2,031,697.28
	921	5,750.80	6,244.61	6,297.08	6,187.44									24,479.93
	923		1,413.34											1,413.34
2020 Total		1,672,200.78	1,479,151.78	1,607,594.07	1,580,499.06	1,443,975.41	1,575,105.99	1,573,837.26	1,626,847.79	1,614,365.83	1,725,109.89	1,597,608.68	1,883,463.75	19,379,760.29

Sum of Monetary Amount		Accounting Period												Grand Total
Fiscal Year	FERC	1	2	3	4	5	6	7	8	9	10	11	12	
2022	107	710,454.64	680,086.92	678,096.23	701,216.63	680,418.61	798,527.04	724,794.06	838,925.56	789,694.14	917,339.61	703,679.48	832,184.71	9,055,417.64
	108	63,824.92	31,575.24	102,300.42	122,577.29	158,461.73	63,310.73	52,466.98	72,851.13	81,610.12	51,596.80	79,347.08	70,489.83	950,412.28
	143	-	-	-	-	-	-	-	-	-	-	-	-	-
	146	-	-	-	-	-	-	-	-	-	-	-	-	-
	165	-	-	-	-	-	-	-	-	-	-	-	-	-
	183	-	-	-	-	-	-	-	-	-	-	-	-	-
	184	-	-	-	-	-	-	-	-	-	-	-	-	-
	186	-	-	-	-	-	-	-	-	-	-	-	-	-
	228	-	-	-	-	-	-	-	-	-	-	-	-	-
	234	-	-	-	-	-	-	-	-	-	-	-	-	-
	242	-	-	-	-	-	-	-	-	-	-	-	-	-
	870	50,190.55	48,478.60	53,990.30	61,344.28	54,156.52	56,370.76	56,287.97	52,342.93	52,624.54	51,601.17	41,257.90	42,643.91	621,289.43
	871	6,569.57	6,345.49	7,066.93	8,029.51	7,088.69	7,378.51	7,367.68	6,851.30	6,888.16	6,754.21	5,400.35	5,581.77	81,322.17
	874	207,798.54	200,710.75	223,530.25	253,977.14	224,218.43	233,385.84	233,043.05	216,709.83	217,875.77	213,638.81	170,815.68	176,554.00	2,572,258.09
	875	15,593.83	15,061.94	16,774.39	19,059.21	16,826.03	17,513.98	17,488.26	16,262.56	16,350.06	16,032.10	12,818.53	13,249.15	193,030.04
	876	5,474.64	5,287.91	5,889.11	6,691.26	5,907.24	6,148.76	6,139.73	5,709.42	5,740.13	5,628.51	4,500.29	4,651.47	67,768.47
	878	100,191.44	96,774.01	107,776.58	122,456.75	108,108.40	112,528.52	112,363.25	104,488.07	105,050.24	103,007.36	82,359.90	85,126.67	1,240,231.19
	879	201,130.65	194,270.29	216,357.55	245,827.46	217,023.65	225,896.89	225,565.11	209,755.99	210,884.51	206,783.51	165,334.50	170,888.69	2,489,718.80
	880	42,884.42	41,421.68	46,131.05	52,414.53	46,273.07	48,165.00	48,094.25	44,723.49	44,964.11	44,089.70	35,252.08	36,436.33	530,849.71
	885	6,455.60	6,235.40	6,944.33	7,890.21	6,965.71	7,250.51	7,239.86	6,732.44	6,768.66	6,637.03	5,306.66	5,484.93	79,911.34
	886	581.50	561.66	625.52	710.72	627.45	653.10	652.14	606.44	609.70	597.84	478.01	494.06	7,198.14
	887	88,488.34	85,470.09	95,187.49	108,152.90	95,480.54	99,384.36	99,238.39	92,283.10	92,779.60	90,975.34	72,739.66	75,183.25	1,095,363.06
	889	25,098.77	24,242.68	26,998.91	30,676.42	27,082.04	28,189.31	28,147.91	26,175.12	26,315.94	25,804.19	20,631.83	21,324.93	310,688.05
	890	4,372.52	4,223.38	4,703.55	5,344.21	4,718.03	4,910.93	4,903.72	4,560.03	4,584.56	4,495.41	3,594.32	3,715.07	54,125.73
	892	44,870.92	43,340.42	48,267.94	54,842.49	48,416.55	50,396.11	50,322.09	46,795.18	47,046.94	46,132.04	36,885.04	38,124.14	555,439.86
	893	872.64	842.88	938.70	1,066.56	941.59	980.09	978.65	910.06	914.96	897.17	717.33	741.43	10,802.06
	894	13,757.25	13,288.01	14,798.77	16,814.50	14,844.33	15,451.26	15,428.56	14,347.22	14,424.41	14,143.91	11,308.81	11,688.72	170,295.75
	902	7,344.36	7,093.85	7,900.37	8,976.48	7,924.70	8,248.71	8,236.59	7,659.32	7,700.52	7,550.77	6,037.25	6,240.06	90,912.98
	903	35,056.09	33,860.36	37,710.06	42,846.52	37,826.16	39,372.72	39,314.89	36,559.44	36,756.14	36,041.35	28,816.99	29,785.06	433,945.78
	920	188,205.11	181,785.63	202,453.47	230,029.51	203,076.76	211,379.77	211,069.31	196,276.15	197,332.15	193,494.70	154,709.38	159,906.63	2,329,718.57
	921	2,211.09	2,135.67	2,378.49	2,702.46	2,385.81	2,483.36	2,479.71	2,305.91	2,318.32	2,273.24	1,817.57	1,878.63	27,370.26
	923	127.66	123.30	137.32	156.03	137.74	143.38	143.17	133.13	133.85	131.24	104.94	108.46	1,580.22
	926	474.19	458.02	510.09	579.57	511.66	532.58	531.80	494.53	497.19	487.52	389.80	402.89	5,869.84
2022 Total		1,822,029.24	1,723,674.18	1,907,467.82	2,104,382.64	1,969,421.44	2,038,602.22	1,952,297.13	2,004,458.35	1,969,864.73	2,046,133.53	1,644,303.38	1,792,884.79	22,975,519.46

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Reconcile and provide a comprehensive explanation between the total labor distribution of \$19,559,759 found on page 137 of 164 within the 2020 FERC Form 2, contrasted with the 2020 total of \$19,409,998 as reflected within the 2020 tab of the response to Staff's First Request, Item 36.

Response:

The labor distribution presented in FERC Form 2 is based on general ledger data which is pay period reporting. The information presented in the response to Staff's First Request, Item 36 is from the payroll system reflecting payroll for each period end. Therefore, a reconciliation is not possible with these two data sets as they are two different data points of payroll.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the response to Staff's First Request, Item 36. Provide a comprehensive explanation supporting the \$2.3 million in overtime compensation budgeted for the fourth quarter 2021 as well as the \$2.4 million budgeted for the fourth quarter 2022.

Response:

The overtime compensation for 2021 and 2022 shown in Columbia's Response to Staff's First Request for Information, No. 36, represents the total overtime expected to occur in gas operations. The labor budget for Columbia Gas of Kentucky gas operations is built by aggregating up all of the work to be completed for the forecasted test period based upon what is known and measurable at that point in time (Projected Hours, Units & Cost per labor hour) and forecasts the cost of that planned work. If full headcount required to complete all work is not achieved, the required work will still need to be completed using other resources such as overtime or outside services, which in some instances, can be at a higher expense. Overtime is trended heavier in the fourth quarter due to seasonal work that occurs in the later part of the year.

KY PSC Case No. 2021-00183
Response to the Attorney General's Data Request Set One No. 194
Respondent: Kimberly Cartella

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Provide a listing of the job titles of Columbia Kentucky exempt employees as of December 31, 2018 and December 31, 2020, which tie back to the number of exempt employees identified within response to Staff's First Request, Item 36.

Response:

Please refer to KY PSC Case No. 2021-00183, AG 1-194, Attachment A for job titles of Columbia Kentucky exempt employees as of December 31, 2018 and December 31, 2020, which tie back to the number of exempt employees identified within Columbia's Response to Staff's First Request for Information, No. 36.

Job Titles for Exempt Employees as of 12/31/18

1. Assoc Field Eng 2
2. Coach On-The-Job Training
3. Coach On-The-Job Training
4. Communication Specialist
5. Compliance Specialist 2
6. Dir Comm & Community Affairs
7. Dir Regulatory Affairs
8. Field Engineer
9. Field Engineer
10. Ldr Field Damage Prevention
11. Leader Field Operations
12. Leader Field Operations
13. Leader Field Operations
14. Leader Field Operations
15. Leader Field Operations
16. Leader Field Operations
17. Leader Front Line Constr Serv
18. Leader Front Line Constr Serv
19. Leader Front Line Corr & Leak
20. Leader GPS Program Support
21. Leader M&R
22. Manager Systems Operations
23. Mgr Customer Programs
24. Mgr Field Engineering
25. Mgr Operations Center
26. President & COO
27. Sr Cust Relations Specialist
28. Sr Field Engineer
29. Sr Operations Support Spec
30. State Finance Director
31. VP & General Manager CKY
32. VP Ext & Customer Affairs CKY

Job Titles for Exempt Employees as of 12/31/20

1. Assoc Field Eng 1
2. Assoc Field Eng 1
3. Assoc Field Eng 2
4. Coach On-The-Job Training 2
5. Coach On-The-Job Training 2
6. Coach On-The-Job Training 3
7. Compliance Specialist 2
8. Dir Com Cust & Community Aff
9. Dir Gov & Regulatory Affairs
10. Dir Safety Cmplnce&Risk Mgmt
11. Field Engineer
12. Leader Field Operations
13. Leader Field Operations
14. Leader Field Operations
15. Leader Field Operations
16. Leader Field Operations
17. Leader Field Operations
18. Leader Front Line Constr Serv
19. Leader Front Line Constr Serv
20. Leader Front Line Constr Serv
21. Leader Front Line Corr & Leak
22. Leader Front Line Corrosion
23. Leader GPS Program Support
24. Leader M&R
25. Leader M&R
26. Major Accts & Economic Dev Mgr
27. Manager Regulatory
28. Manager Systems Operations
29. Mgr Construction
30. Mgr Customer Programs
31. Mgr Field Engineering
32. Mgr Operations Center
33. Mgr Operations Compliance
34. Mgr Operations Programs
35. Mgr Safety
36. President & COO
37. Project Specialist 2
38. Sr Comm Specialist
39. Sr Field Engineer
40. Sr Field Engineer
41. Sr Operations Support Spec
42. State Chief of Staff
43. State Finance Director
44. State SMS Lead
45. VP & General Manager CKY
46. VP Ext & Customer Affairs CKY

KY PSC Case No. 2021-00183
Response to the Attorney General's Data Request Set One No. 196
Respondents: Kimberly Cartella and Chun-Yi Lai

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Provide the number of employee vacancies at i) Columbia Kentucky and ii) NCSC at month end for the period December 31, 2017 through May 31, 2021.

Response:

Columbia and NCSC do not track vacancies by month.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the Chun-Yi Lai Testimony, page 13, Table 2. Reconcile the forecasted payroll costs of:

- a. \$12.97 million with the \$22.57 million of gross payroll costs found in the 2022 Tab within the attachment response to Staff 's First Request, Item 36.
- b. The 12.97 million found on Tab 2 as referenced above, with the forecasted net labor costs found on cell S15 within Schedule D.2.2 of the confidential response to Staff's First Request, Item 54.

Response:

- a. The \$22.57 million of payroll costs found in the 2022 tab within the attachment response to Staffs First Request, Item 26, combined with vacation accrual, represents total gross labor. This amount is then applied with an O&M factor to derive at the O&M labor of \$12.57 million.
- b. The O&M labor of \$12.57 million is then combined with the O&M amount for short-term corporate incentive of \$0.97 million and long-term incentive plans of \$0.33, deriving at the \$14.27 million as referenced in cell S15 on Schedule D-2.2 of the confidential response to Staff's First Request, Item 54.

Please see below for a reconciliation.

Item	Amount (Millions)
Total payroll from Staff's First Request, Item 36	\$22.57
Vacation Accrual	<u>\$0.41</u>
Total gross labor	\$22.98
O&M Factor	56%
Net Labor (O&M) – Total gross labor x O&M factor	\$12.97
Short-term corporate incentive (O&M)	\$0.97
Long-term incentive plan (O&M)	<u>\$0.33</u>
Schedule D-2.2, cell S15	\$14.27

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the confidential response to Staff's First Request, Item 54 and specifically Tab G-

2. Provide the calculations supporting the adjustment to base period compensation and benefit costs in arriving at the forecasted period costs for these employees. Provide an explanation of the assumptions incorporated into this adjustment.

Response:

The base period salary is calculated by aggregating actual salary paid between 9/1/20 - 5/31/21 and forecasted salary between 6/1/21 - 8/31/21. The forecasted period salary is calculated by forecasting annual 2022 salary which includes a 3% merit increase on 3/1/22.

Other allowances and compensation include annual incentive pay, vested long-term incentive awards, one time cash awards, and perquisites such as financial planning assistance and travel. Adjustments are calculated as the difference between forecasted and base periods, where applicable.

Pension costs in the base period and forecasted period reflect the Company's allocated portion of service and interest costs earned by the applicable employee. Other Benefits costs are reflected as an assumed 18.6 percent of salary which was based upon calendar

year 2020's active employee benefits as a percentage of base wages. Adjustments are calculated as the difference between forecasted and base periods, where applicable.

Total payroll taxes are a combination of Federal Insurance Contributions Act (FICA), and Federal and State Unemployment expensed to the Company during each measurement period. Forecasted assumptions include annual Federal and State Unemployment limits and Old Age, Survivors and Disability Insurance maximums. Adjustments are calculated as the difference between forecasted and base periods, where applicable.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the Cooper Testimony, page 6, lines 6 – 14. Assuming the SMRP qualifying capital expenditures are rolled into base rates within this rate proceeding, provide a comprehensive explanation of how Columbia ratepayers will be protected if such SMRP estimates are greater than actual investments, in light of the fact there would be no March 2023 balancing adjustment under the Company's proposal.

Response: As in past base rate cases, when a forward-looking test year is utilized as the test period for a general increase in rates, capital expenditures that would otherwise be eligible for inclusion in an annual SMRP (formerly AMRP) are included in the forward-looking test period and meld into the total plant in service. Ratepayers are protected in the same way they are protected in any rate case outcome. That is, in the Commission's ability to investigate and prescribe a just and reasonable rate to be followed in the future.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Explain whether Columbia Kentucky monetizes its customers' data derived from the Company's metering infrastructure, even if on a de-identified, aggregate basis.

Response:

Columbia Kentucky does not monetize its customers' data derived from company metering infrastructure.