

Columbia Gas[®]
of Kentucky

A NiSource Company

2001 Mercer Road
Lexington, KY 40511

RECEIVED

JAN 07 2009

PUBLIC SERVICE
COMMISSION

January 7, 2009

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

RE: Case No. 2000-129

Dear Sir,

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

On December 30, 2008, Columbia Gas of Kentucky issued a dividend to Columbia Energy Group in the amount of \$10,000,000. Columbia Energy Group then paid a dividend to NiSource Inc. for the same amount. A resolution declaring the dividend from the Board of Directors is attached.

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

Very truly yours,



Judy M. Cooper
Director, Regulatory Affairs

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

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

Dividend on Common Stock

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

RESOLVED, that a dividend of \$10,000,000 hereby is declared out of the surplus earnings of the Corporation, payable December 30, 2008 to shareholders of record as of December 12, 2008.

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

Dated and effective as of December 18, 2008.



Herbert A. Miller, Jr.



David A. Monte

Being all of the directors of the Corporation