

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbia       )  
Gas of Ohio, Inc. for Authority to Issue, Sell, or    )  
Enter into Debt Transactions.                               ) Case No. 14-1523-GA-AIS

FINDING AND ORDER

The Commission finds:

- (1) Columbia Gas of Ohio, Inc. (Applicant), is an Ohio corporation and a public utility, as defined in R.C. 4905.02, and is subject to the jurisdiction of this Commission.
- (2) On August 29, 2014, Applicant filed an application and exhibits, as amended on September 26, 2014 (Application), pursuant to the provisions of R.C. 4905.40 and 4905.41.
- (3) Applicant proposes, from time to time, from December 3, 2014, through November 30, 2015, to issue and sell long-term promissory notes (Notes) to NiSource Finance Corp. (NFC) in the aggregate principal amount of up to \$300 million, within the terms and conditions set forth in the Application.
- (4) The Notes will be unsecured and will have maturities of up to 30 years. The Notes will bear interest rates that correspond to the pricing being offered to comparable companies and will reflect market conditions at the time of issuance, as more fully described in the Application. The Notes will be financed through NFC.
- (5) Applicant proposes to use the proceeds from the Notes to finance the Applicant's capital expenditure program and for the organization or readjustment of its indebtedness and capitalization as described in the Application, pursuant to R.C. 4905.40.
- (6) The Commission finds that the proposed guidelines or parameters set forth in the Application are intended to facilitate the issuance of Notes on the best terms possible and at the lowest cost. Furthermore, the Commission finds that our authorization allowing Applicant to issue the Notes, within the

parameters set forth in the Application, in no way relieves Applicant of its responsibility to negotiate and obtain the best terms available.

- (7) The Commission finds that the effect on Applicant's revenue requirements resulting from the issuance of the Notes will be considered in the determination of required revenue in rate proceedings in which all factors affecting rates will be taken into account according to law.
- (8) Upon review of the Application, the Commission finds that the aggregate amount of the Notes, the terms thereof, and the probable cost to Applicant, within the parameters set forth in the Application, do not appear to be unjust or unreasonable. In addition, based on the information contained in the Application, the purposes to which the proceeds from the Notes shall be applied appear to be reasonably required by Applicant to meet its present and prospective obligations to provide utility service. Therefore, the Commission finds that the Application should be approved.

It is, therefore,

ORDERED, That the Application is approved subject to the conditions set forth in this Order. It is, further,

ORDERED, That Applicant shall apply the proceeds from the Notes for the purposes set forth in this Order, pursuant to the provisions of R.C. 4905.40. It is, further,

ORDERED, That after the Notes authorized by this Order are issued, Applicant shall report to the Commission, as soon as practicable, but in any event no less than 60 days after executing the Notes, the terms and full particulars regarding the issuances. It is, further,

ORDERED, That the authorization granted by this Order shall not be construed as limiting the Commission's determination of the appropriateness of the Notes for future ratemaking treatment. It is, further,

ORDERED, That nothing in this Order shall be construed to imply any guaranty or obligation by the Commission to assure completion of any specific construction project of the Applicant. It is, further,

ORDERED, That nothing in this Order shall be deemed to be binding upon the Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,


ORDERED, That nothing in this Order shall be construed to imply any guarantee or obligation as to the Notes on the part of the state of Ohio. It is, further,

ORDERED, That a copy of this Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Thomas W. Johnson, Chairman

  
Steven D. Lesser

  
Lynn Slaby

  
M. Beth Trombold

  
Asim Z. Haque

MJP:dmm

Entered in the Journal

**DEC 10 2014**



Barcy F. McNeal  
Secretary