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July 16, 2020

Ms. Tanowa M. Troupe
Director, Office of Administration
Ohio Power Siting Board
180 East Broad Street
Columbus, Ohio 43215

Re: Case No. 19-1555-GA-AIS

In the Matter of the Application of Columbia Gas of Ohio, Inc. for Authority to Issue, Sell, or Enter into Debt Transactions.

Dear Ms. Troupe:

By Finding and Order issued on December 18, 2019, the Commission authorized Columbia Gas of Ohio, Inc. ("Columbia") to issue and sell long-term promissory notes in an aggregate principal amount of \$300,000,000. Columbia offers the following report on its exercise of authority granted by the Commission.

On June 30, 2020, Columbia issued to NiSource Inc. a thirty-year unsecured promissory note in the aggregate amount of \$300,000,000. The promissory note, a copy of which is attached hereto, contains an interest rate of 3.1742% per annum. Interest is payable on the first business day in June and December, beginning December 1, 2020. With this issuance, Columbia does not retain any remaining issuance authority pursuant to the Commission's Finding and Order in this proceeding.

The proceeds will be used for construction expenditures required for the acquisition of property and for the construction, completion, extension, and improvement of Columbia's facilities, including continuation of Columbia's infrastructure replacement program, capital expenditure program, and to fund other corporate purposes permitted by law.

A 30-year term was selected for the note issuance to take advantage of the current interest rate environment, where long-term interest rates are near historic lows. Choosing the 30-year term "locks-in" a favorable rate of financing for Columbia for an extended period of time, eliminates interest rate risk during the financial term, and also appropriately matches Columbia's long-term liabilities with its long-term assets.

The interest rate for the note of 3.1742% was determined using the methodology discussed in the Application filed in this proceeding. The interest rate of 3.1742% is the interest rate on 30-year bonds for BBB+ rated utilities as of June 30, 2020, as shown on the attached Bloomberg screen C03830Y in the row labeled Tu 06/30/20 and the column labeled Mid Yield. Finally, there were no issuance costs, discounts, or premiums with this long-term debt issuance.

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

Respectfully submitted,

/s/ Joseph M. Clark

Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
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SN 918028 EDT GMT+4:00 H941-4836-0 16-Jul-2020 07:46:53

\$300,000,000

PROMISSORY NOTE
COPY

Issue Date: June 30, 2020

Due Date: June 30, 2050

FOR VALUE RECEIVED, the undersigned, Columbia Gas of Ohio, Inc., an Ohio corporation ("Borrower"), hereby unconditionally promises to pay to NiSource Inc., a Delaware corporation ("Lender"), at such place as Lender may from time to time designate in writing, in lawful money of the United States of America, the principal sum of Three Hundred Million Dollars (\$300,000,000) together with interest on the principal balance hereof from time to time outstanding at the rate of 3.1742% per annum from the date such principal is advanced until payment in full thereof. The principal indebtedness evidenced hereby shall be payable on June 30, 2050. Borrower may prepay the principal amount hereof in whole or in part, without premium or penalty, at any time after the first anniversary of the date hereof. Any payment on this Note shall be applied first to accrued but unpaid interest until paid in full and second to the unpaid principal amount hereof.

Interest shall be payable semi-annually in arrears on the first business day of June and December (commencing on December 1, 2020) and on the date on which the principal balance hereof is paid in full. Interest shall be calculated on the basis of a 365 day year for the actual number of days elapsed. Notwithstanding the foregoing, in no contingency or event whatsoever shall interest charged hereunder, however such interest may be characterized or computed, exceed the highest rate permissible under any law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that such a court determines that Lender has received interest hereunder in excess of the highest rate applicable hereto, Lender shall promptly refund such excess interest to Borrower.

Borrower shall be in default hereunder if: (a) any amount payable to Lender under this Note is not paid within five (5) business days of the date it is due, (b) Borrower shall make any assignment for the benefit of creditors, or (c) there shall be commenced any bankruptcy or insolvency proceedings by or against Borrower. Upon and after the occurrence of a default hereunder, this Note may, at the option of Lender, and without demand, notice or legal process of any kind, be declared, and thereupon immediately shall become, due and payable in full.

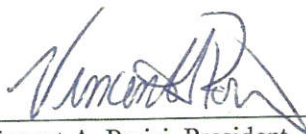
Presentment, protest and notice of nonpayment and protest are hereby waived by Borrower.

This Note has been delivered at and shall be deemed to have been made at Merrillville, Indiana, and shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the laws of the State of Indiana without giving effect to conflict of laws rules or principles. Whenever possible each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provisions of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note. Whenever in this Note reference is made to Lender or Borrower, such reference shall be deemed to include their respective representatives, successors and assigns. Notwithstanding anything herein to the contrary, Borrower may not assign or otherwise transfer any of its rights or obligations under this Note without the prior written consent of Lender.

IN WITNESS WHEREOF, the undersigned has executed this Note on the issue date set forth above.

COLUMBIA GAS OF OHIO, INC.

By:


Vincent A. Parisi, President

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

7/16/2020 8:48:56 AM

in

Case No(s). 19-1555-GA-AIS

Summary: Report Amended of Long-Term Debt Issuance of Columbia Gas of Ohio, Inc.
electronically filed by Ms. Melissa L. Thompson on behalf of Columbia Gas of Ohio, Inc.