

LARGE FILING SEPERATOR SHEET

CASE NUMBER: 08-72-GA-AIR
08-73-GA-ALT
08-74-GA-AAM
08-75-GA-AAM

FILE DATE:

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SECTION: 1

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DESCRIPTION OF DOCUMENT:

EXHIBITS - FOR E-FILED TRANSCRIPT

1 BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

2 - - -
3 In the Matter of the :
4 Application of Columbia :
5 Gas of Ohio, Inc. for :
6 Authority to Amend Filed : Case Nos. 08-72-GA-AIR
7 Tariffs to Increase the : 08-73-GA-ALT
8 Rates and Charges for Gas : 08-74-GA-AAM
9 Distribution Service, : 08-75-GA-AAM
10 for Approval of an :
11 Alternate Form of :
12 Regulation and for a :
13 Change in its Rates and :
14 Charges, for Approval to :
15 Change Accounting Methods, :
16 and for Authority to :
17 Revise its Depreciation :
18 Accrual Rates. :
19 - - -

20 PROCEEDINGS

21 before Mr. Paul Duffy, Hearing Examiner, at the
22 Public Utilities Commission of Ohio, 180 East Broad
23 Street, Room 11-G, Columbus, Ohio, called at 11:00
24 a.m. on Thursday, November 6, 2008.

25 11-7-08 Transcript docketed electronically

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COLUMBIA GAS OF OHIO, INC.
PUCO CASE NOS. 08-0072-GA-AIR, 08-0073-GA-ALT, 08-0074-GA-AAM
AND 08-0075-GA-AAM

COLUMBIA EXHIBIT LIST

<u>Exhibit Number</u>	<u>Exhibit Description</u>
Columbia Exhibit No. 1	Columbia Exhibit List
Columbia Exhibit No. 2	Proof of Legal Notice (Filing of Application) (Filed September 9, 2008)
Columbia Exhibit No.3	Proof of Legal Notice (Local Public Hearings) (To be a late-filed exhibit)
Columbia Exhibit No. 4	Notice of Intent (Filed February 1, 2008)
Columbia Exhibit No. 5	Application (Case No. 08-0075-GA-AAM) (Filed February 1, 2008)
Columbia Exhibit No. 6	Application (Case No. 08-0074-GA-AAM) (Filed February 1, 2008)
Columbia Exhibit No. 7	Application and Standard Requirements (Case Nos. 08-0072-GA-AIR, 08-0073-GA-ALT and 08-0074-GA-AAM), 3 volumes (Filed March 3, 2008)
Columbia Exhibit No. 8	Corrections to Standard Filing Requirements (pages replacing Schedules G-5 through G-7 of Section XIV of the Application) (Filed April 9, 2008)
Columbia Exhibit No. 9	Prepared Direct Testimony of John J. Spanos (Filed March 17, 2008)
Columbia Exhibit No. 10	Prepared Direct Testimony of Paul R. Moul (Filed March 17, 2008)
Columbia Exhibit No. 11	Prepared Supplemental Direct Testimony of Paul R. Moul (Filed September 25, 2008)
Columbia Exhibit No. 12	Prepared Direct Testimony of Steven Vitale (Filed March 17, 2008)

Columbia Exhibit No. 13	Prepared Direct Testimony of David A. Roy (Filed March 17, 2008)
Columbia Exhibit No. 14	Prepared Supplemental Direct Testimony of David A. Roy (Filed September 25, 2008)
Columbia Exhibit No. 15	Prepared Direct Testimony of John E. Skirtich (Filed March 17, 2008)
Columbia Exhibit No. 16	Prepared Direct Testimony of William J. Gresham (Filed March 17, 2008)
Columbia Exhibit No. 17	Prepared Direct Testimony of Panpilas W. Fischer (Filed March 17, 2008)
Columbia Exhibit No. 18	Prepared Direct Testimony of Heather Bauer (Filed March 17, 2008)
Columbia Exhibit No. 19	Prepared Direct Testimony of Joel Hoelzer (Filed March 17, 2008)
Columbia Exhibit No. 20	Prepared Direct Testimony of E. Brad Bohrer (Filed March 17, 2008)
Columbia Exhibit No. 21	Prepared Supplemental Direct Testimony of E. Brad Bohrer (Filed September 25, 2008)
Columbia Exhibit No. 22	Prepared Direct Testimony of Kenneth W. Lockhart (Filed March 17, 2008)
Columbia Exhibit No. 23	Prepared Supplemental Direct Testimony of Kenneth W. Lockhart (Filed September 25, 2008)
Columbia Exhibit No. 24	Prepared Direct Testimony of Suzanne K. Surface (Filed March 17, 2008)
Columbia Exhibit No. 25	Prepared Supplemental Direct Testimony of Suzanne K. Surface (Filed September 25, 2008)
Columbia Exhibit No. 26	Prepared Direct Testimony of Larry W. Martin (Filed March 17, 2008)
Columbia Exhibit No. 27	Prepared Supplemental Direct Testimony of Larry W. Martin (Filed September 25, 2008)

Columbia Exhibit No. 28	Prepared Direct Testimony of Stephanie D. Noel (Filed March 17, 2008)
Columbia Exhibit No. 29	Prepared Supplemental Direct Testimony of Stephanie D. Noel (Filed September 25, 2008)
Columbia Exhibit No. 30	Prepared Direct Testimony of Russell A. Feingold (Filed March 17, 2008)
Columbia Exhibit No. 31	Prepared Rebuttal Testimony of Russell A. Feingold (Filed October 17, 2008)
Columbia Exhibit No. 32	Prepared Direct Testimony of Thomas J. Brown, Jr. (Filed March 17, 2008)
Columbia Exhibit No. 33	Prepared Supplemental Direct Testimony of Thomas J. Brown, Jr. (Filed September 25, 2008)
Columbia Exhibit No. 34	Prepared Second Supplemental Direct Testimony of Thomas J. Brown, Jr. (Filed November 4, 2008)
Columbia Exhibit No. 35	Columbia's Supplemental Requirements and Workpapers, 2 volumes (dated March 3, 2008)

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbia Gas)
of Ohio, Inc. for Authority to Amend its Filed)
Tariffs to Increase the Rates and Charges for Gas)
Services and Related Matters)

Case No. 08-0072-GA-AIR

In the Matter of the Application of Columbia Gas)
of Ohio, Inc. for Approval of an Alternative Form)
Of Regulation and for a Change in its Rates and)
Charges)

Case No. 08-0073-GA-ALT

In the Matter of the Application of Columbia Gas)
of Ohio, Inc. for Approval to Change Accounting)
Methods)

Case No. 08-0074-GA-AAM

In the Matter of the Application of Columbia Gas)
of Ohio, Inc. for Authority to Revise its)
Depreciation Accrual Rates)

Case No. 08-0075-GA-AAM

SUPPLEMENTAL INFORMATION

AS PER RULE 4901-7-01 STANDARD FILING REQUIREMENTS,
APPENDIX A
CHAPTER II, PARAGRAPH (C)

COLUMBIA GAS OF OHIO, INC.

TABLE OF CONTENTS FOR SUPPLEMENTAL INFORMATION

Chapter II C (1) – Chapter C-(25)

Note Chapter II C (7) is in Volume 2

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(1)

The most recent federal regulatory agency's FERC audit report.

Response:

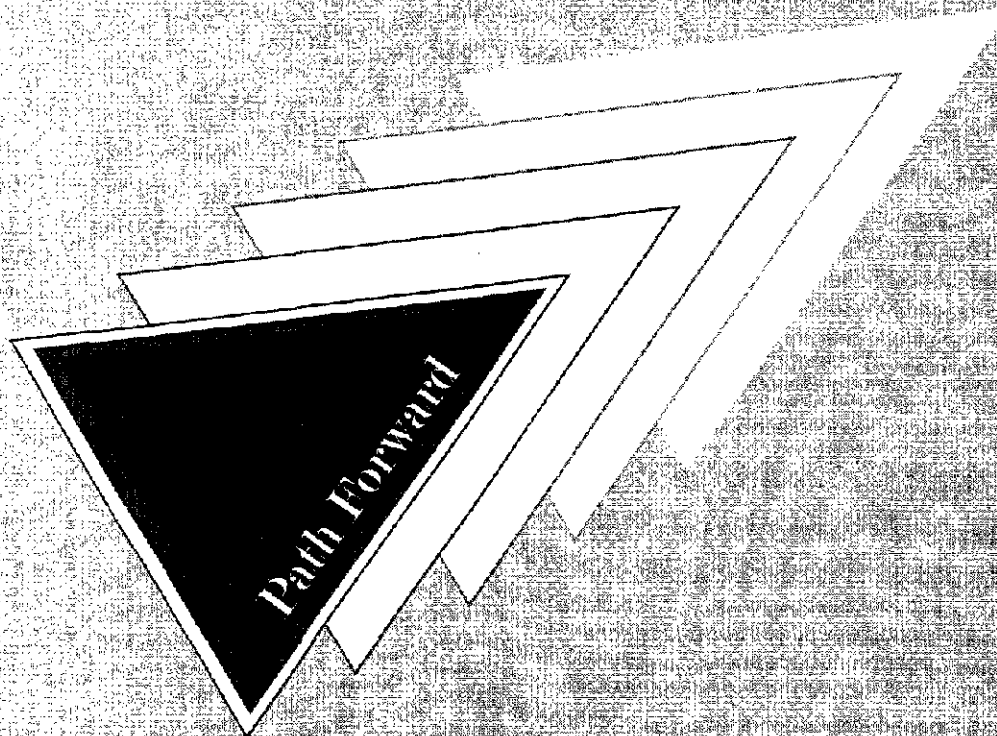
Not applicable since Columbia Gas of Ohio is not required to file a FERC report.

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(2)

The Utility's Current Annual Statistical Report.

Response:

See Attached.



2006 Statistical Summary

NISource®

The NiSource Portfolio

Gas

Gas Distribution

- 3.3 million customers in 9 states
- Approximately 58,000 miles of distribution pipeline
- Customer choice in all states
- Vertical integration with transmission/storage in major gas markets

Transmission & Storage

- Approximately 16,000 miles of pipeline in 19 jurisdictions
- One of the largest natural gas storage networks (Approx. 637 Bcf)
- Prime footprint to East Coast markets
- Current pipeline and storage projects include Millennium Pipeline, Hardy Storage, Eastern Market Expansion and Appalachian Basin Expansion.

Electric

Electric Distribution

- Approximately 450,000 customers in Northern Indiana
- Sales = Approximately 17,500 GWh annually

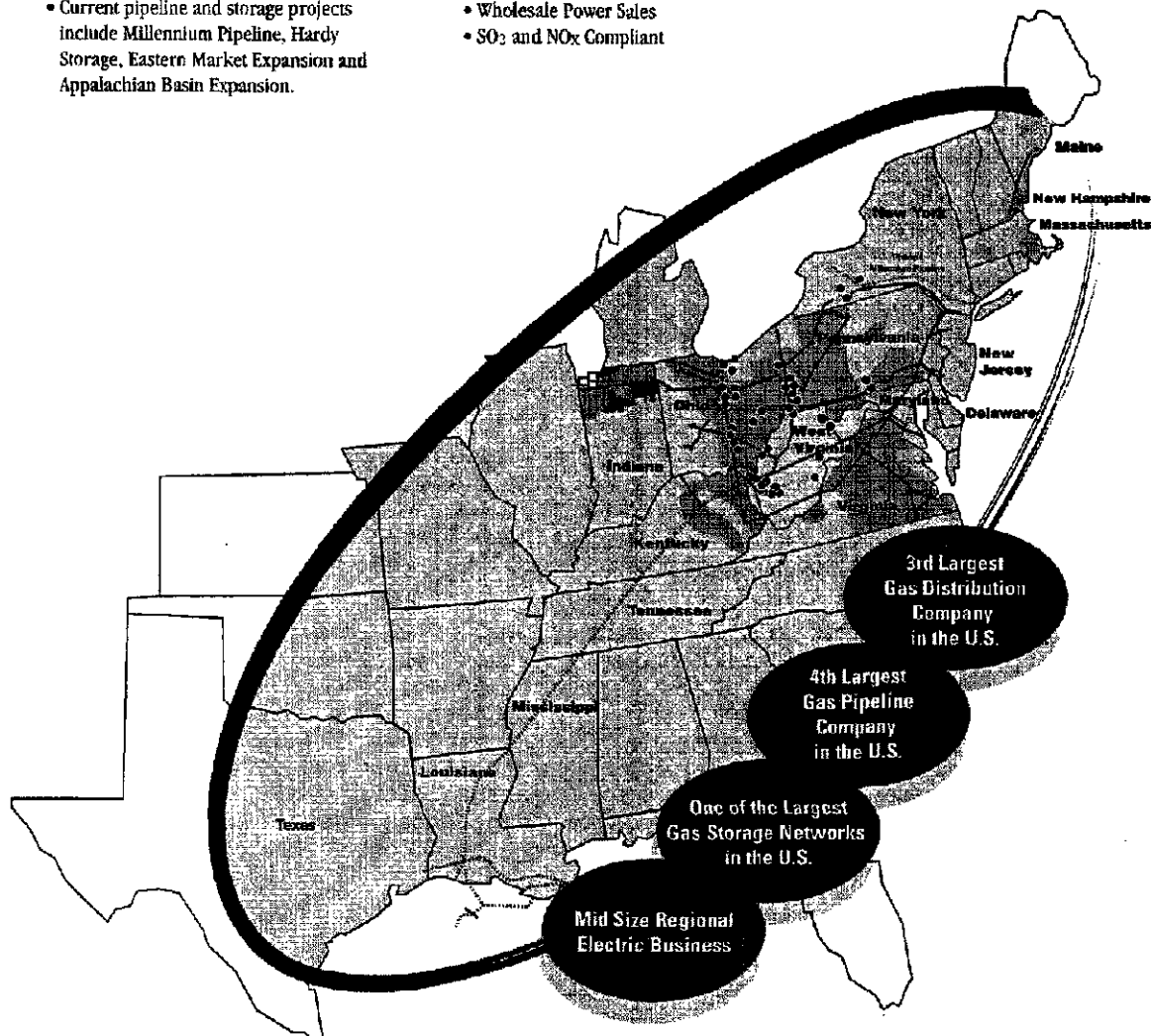
Generation

- Owns and has the ability to operate 3,392 MW of generation capacity
 - 3,059 MW coal-fired
 - 323 MW gas-fired
 - 10 MW hydroelectric
- Wholesale Power Sales
- SO₂ and NO_x Compliant

Other

Other Operations

- NiSource Energy Technologies (Distributed Generation)
- Whiting Clean Energy (525 MW combined-cycle cogeneration facility capable of producing 2.2M lbs./hr. of process steam)



NiSource Inc.

NiSource is an energy holding company whose subsidiaries provide natural gas, electricity and other products and services to approximately 3.8 million customers located within a corridor that runs from the Gulf Coast through the Midwest to New England.

NiSource's business segments are: Gas Distribution Operations; Gas Transmission and Storage Operations; Electric Operations; and Other Operations.

Business Segments

Gas Distribution Operations

NiSource's natural gas distribution operations serve more than 3.3 million customers in 9 states. Through its wholly owned subsidiary, Columbia, NiSource owns five distribution subsidiaries that provide natural gas to approximately 2.2 million residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky and Maryland. NiSource also distributes natural gas to approximately 800 thousand customers in northern Indiana through three subsidiaries: Northern Indiana, Kokomo Gas and Northern Indiana Fuel and Light. Additionally, NiSource's subsidiaries Bay State and Northern Utilities distribute natural gas to more than 340 thousand customers in Massachusetts, Maine and New Hampshire.

Gas Distribution Operations subsidiaries own and operate a total of 57,544 miles of pipelines and certain related facilities. This includes: (i) for the five distribution subsidiaries of its Columbia Energy Group system, 34,946 miles of pipelines, 1,350 reservoir acres of underground storage, eight storage wells and one compressor station with 800 horsepower (hp) of installed capacity, (ii) for its Northern Indiana system, 15,025 miles of pipelines, 27,129 reservoir acres of underground storage, 82 storage wells and two compressor stations with a total of 6,000 hp of installed capacity, (iii) for its Bay State Gas Company system, 5,823 miles of pipelines, (iv) for its Northern Indiana Fuel and Light system, 950 miles of pipelines, and (v) for its Kokomo Gas system 800 miles of pipelines. The physical properties of the NiSource gas utilities are located throughout Ohio, Indiana, Pennsylvania, Virginia, Kentucky, Maryland, Massachusetts, Maine and New Hampshire.

Gas Transmission and Storage Operations

NiSource's Gas Transmission and Storage Operations subsidiaries own and operate approximately 16 thousand miles of interstate pipelines and operate one of the nation's largest underground natural gas storage systems capable of storing approximately 637 Bcf of natural gas. Through its subsidiaries, Columbia Transmission, Columbia Gulf, Crossroads Pipeline and Granite State Gas, NiSource owns and operates an interstate pipeline network extending from offshore in the Gulf of Mexico to Lake Erie, New York and the eastern seaboard. Together, these companies serve customers in 19 northeastern, mid-Atlantic, midwestern and southern states and the District of Columbia.

Columbia Gas Transmission Corporation has 870,000 reservoir acres of underground storage, 3,533 storage wells, 11,407 miles of interstate pipelines and 85 compressor stations with 575,058 hp of installed capacity. These operations are located in Delaware, Kentucky, Maryland, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Virginia and West Virginia. Columbia Gulf has 3,836 miles of transmission pipelines and 13 compressor stations with 501,644 hp of installed capacity. Columbia Gulf's operations are located in Kentucky, Louisiana, Mississippi, Tennessee, Texas, Wyoming, and the offshore Gulf of Mexico. Granite State Gas has 87 miles of transmission pipeline with operations located in Maine, Massachusetts and New Hampshire. Crossroads Pipeline has 202 miles of transmission pipeline and one compressor station with 3,000 hp of installed capacity. Crossroads Pipeline's operations are located in Indiana and Ohio.

The Gas Transmission and Storage Operations subsidiaries are engaged in several projects that will expand their facilities and throughput. The largest such project is the Millennium Pipeline, which received FERC approval in December 2006. Targeted in-service date for the 186 mile Millennium Pipeline is November 2008. Another project is Hardy Storage, a Columbia Transmission partnership to develop a 12 Bcf storage field in West Virginia which will provide additional storage for the eastern United States. Hardy Storage received its FERC certificate in 2005 and began operations with its first gas injections April of 2007. Columbia Transmission held an open season for an additional project, the Eastern Market Expansion, and has signed precedent agreements with four East Coast customers. The Eastern Market Expansion is a combined storage and transportation project designed to meet core market growth in the mid-Atlantic region. Columbia Transmission currently anticipates filing appropriate regulatory applications for the Eastern Market Expansion Project during 2007.

Electric Operations

NiSource generates and distributes electricity through its subsidiary Northern Indiana to approximately 450 thousand customers in 21 counties in the northern part of Indiana and engages in wholesale and transmission transactions.

Northern Indiana owns and has the ability to operate four coal-fired electric generating stations with a net capability of 3,059 mw, six gas-fired generating units with a net capability of 323 mw and two hydroelectric generating plants with a net capability of 10 mw. These facilities provide for a total system net capability of 3,392 mw.

In January 2002, Northern Indiana indefinitely shut down its Mitchell Station. Northern Indiana now operates three coal-fired generation stations with a net capacity of 2,574 mw, six gas-fired generating units with a net capacity of 323 mw and two hydroelectric plants with a net capability of 10 mw. During the year ended December 31, 2006, Northern Indiana generated 81.1% and purchased 18.9% of its electric requirements.

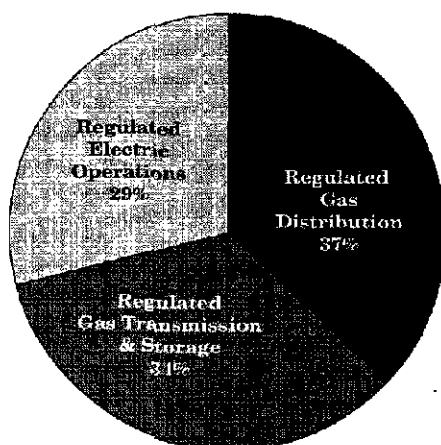
Northern Indiana has 293 substations with an aggregate transformer capacity of 23,474,500 kilovolt-amperes. Its transmission system, with voltages from 34,500 to 345,000 volts, consists of 3,192 circuit miles of line. Northern Indiana is interconnected with five neighboring electric utilities. The electric distribution system extends into 21 counties and consists of 7,821 circuit miles of overhead and 2,035 cable miles of underground primary distribution lines operating at various voltages from 2,400 to 12,500 volts. Northern Indiana has distribution transformers having an aggregate capacity of 12,160,384 kilovolt-amperes and 475,245 electric watt-hour meters.

Other Operations

The Other Operations segment participates in energy-related services including gas marketing, power and gas risk management and ventures focused on distributed power generation technologies, including a cogeneration facility, fuel cells and storage systems. PEI operates the Whiting Clean Energy project at BP's Whiting, Indiana refinery, which is a 525 mw cogeneration facility that uses natural gas to produce electricity for sale in the wholesale markets and also provides steam for industrial use. Additionally, the Other Operations segment is involved in real estate and other businesses.

Business Segments

2005 Operating Income



Primary Subsidiaries

- Bay State Gas Co.
- Columbia Gas of Kentucky
- Columbia Gas of Maryland
- Columbia Gas of Ohio
- Columbia Gas of Pennsylvania
- Columbia Gas of Virginia
- Columbia Gas Transmission
- Columbia Gulf Transmission
- Crossroads Pipeline
- Granite State Gas Transmission
- Kokomo Gas and Fuel Co.
- Northern Indiana Fuel & Light Co.
- Northern Indiana Public Service Co.
- Northern Utilities
- Whiting Clean Energy

Business Strategy

NiSource focuses its business strategy on its core, rate-regulated asset-based businesses with virtually 100% of its operating income generated from the rate-regulated businesses. With the nation's fourth largest natural gas pipeline, the largest natural gas distribution network east of the Rocky Mountains and one of the nation's largest natural gas storage networks, NiSource operates throughout the energy-intensive corridor that extends from the supply areas in the Gulf Coast through the consumption centers in the Midwest, Mid-Atlantic, New England and Northeast. This corridor includes over 40% of the nation's population and close to 50% of its natural gas consumption. NiSource continues to position its assets to meet the corridor's growing energy needs.

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Board of Directors and NiSource Executive Team	inside back cover
Shareholder Information/Contacts	back cover

Consolidated Financial Data and Ratios

Year Ended December 31, (in millions, except per share amounts)	2006	2005	2004	2003	2002
Return on average common equity	5.7%	6.3%	9.5%	2.0%	9.7%
Times interest earned (pre-tax)	2.18	2.16	2.53	2.31	2.04
Dividends paid per share	0.92	0.92	0.92	1.10	1.16
Dividend payout ratio (continuing operations)	80.0%	87.6%	56.1%	67.1%	61.4%
Market values during the year:					
High	24.80	25.50	22.82	21.97	24.99
Low	19.51	20.44	19.65	16.39	14.51
Close	24.10	20.86	22.78	21.94	20.00
Book value of common stock	18.32	18.09	17.69	16.81	16.77
Market-to-book ratio at year end	131.6%	115.3%	128.8%	130.5%	119.2%
Shares outstanding at the end of the year (in thousands)	273,654	272,623	270,625	262,630	248,860
Number of common shareholders	40,401	46,451	50,020	42,034	47,472
Number of employees	7,439	7,822	8,628	8,614	9,307
Operating Income (Loss)					
Gas Distribution Operations	\$ 290.0	\$ 368.2	\$ 441.2	\$ 506.4	\$ 459.1
Gas Transmission and Storage Operations	340.8	344.4	363.1	398.8	398.3
Electric Operations	310.4	293.3	309.5	267.5	322.3
Other Operations	(40.2)	(12.3)	(30.5)	(41.9)	(41.3)
Corporate	(21.0)	(41.0)	(5.3)	(8.5)	15.6
Consolidated	\$ 880.0	\$ 952.6	\$ 1,078.0	\$ 1,122.3	\$ 1,154.0
Depreciation and Amortization					
Gas Distribution Operations	\$ 231.4	\$ 224.6	\$ 194.6	\$ 190.2	\$ 189.2
Gas Transmission and Storage Operations	114.9	114.1	114.2	111.4	109.4
Electric Operations	187.3	185.9	178.1	175.1	172.2
Other Operations	9.8	10.5	10.5	9.9	8.9
Corporate	5.8	9.1	9.5	9.1	10.1
Consolidated	\$ 549.2	\$ 544.2	\$ 506.9	\$ 495.7	\$ 489.8
Assets					
Gas Distribution Operations	\$ 6,933.9	\$ 6,917.5	\$ 6,332.2	\$ 6,096.4	\$ 5,895.9
Gas Transmission and Storage Operations	3,414.4	3,082.3	3,053.3	2,920.4	2,940.1
Electric Operations	3,429.5	3,189.0	3,114.2	3,079.7	3,041.9
Other Operations	1,606.5	1,683.5	1,467.7	1,419.2	1,736.6
Corporate	2,772.2	3,086.2	3,020.4	3,108.3	4,327.3
Consolidated	\$18,156.5	\$17,958.5	\$16,987.8	\$16,624.0	\$17,941.8
Capitalization					
Common stockholders' equity	5,013.6	4,933.0	4,787.1	4,415.9	4,174.2
Preferred and preference stock	—	81.1	81.1	81.1	84.9
Company-obligated mandatorily redeemable preferred securities of subsidiary trust holding solely Company debentures	—	—	—	—	345.0
Long-term debt	5,146.2	5,271.2	4,835.9	5,993.4	4,849.5
Total Capitalization	10,159.8	10,285.3	9,704.1	10,490.4	9,453.6
Capital Expenditures					
Gas Distribution Operations	\$ 283.4	\$ 283.5	\$ 226.7	\$ 193.5	\$ 196.4
Gas Transmission and Storage Operations	197.1	153.7	130.4	126.7	128.0
Electric Operations	151.2	132.8	159.5	224.1	197.8
Other Operations	3.4	6.2	(8.2)	18.9	5.3
Corporate	2.3	14.2	8.6	11.0	4.4
Consolidated	\$ 637.4	\$ 590.4	\$ 517.0	\$ 574.2	\$ 531.9

Statements of Consolidated Income

Year Ended December 31, (in millions, except per share amounts)

	2006	2005	2004	2003	2002
Net Revenues					
Gas Distribution	\$4,189.3	\$4,600.4	\$3,801.8	\$3,554.5	\$2,890.4
Gas Transmission and Storage	1,033.2	1,000.0	1,013.4	1,033.5	1,014.1
Electric	1,299.2	1,248.6	1,121.0	1,115.9	1,103.6
Other products and services	968.3	1,046.8	721.0	538.1	304.3
Gross Revenues	7,490.0	7,895.8	6,657.2	6,242.0	5,312.4
Cost of Sales	4,365.4	4,749.2	3,609.7	3,185.6	2,248.8
Total Net Revenues	3,124.6	3,146.6	3,047.5	3,056.4	3,063.6
Operating Expenses					
Operation and maintenance	1,389.5	1,326.5	1,200.5	1,177.5	1,180.3
Depreciation and depletion	549.2	544.2	506.9	495.7	489.8
Loss (gain) on sale or impairment of assets	4.1	22.2	(3.1)	(24.9)	(27.5)
Other taxes	289.5	301.3	265.2	285.8	269.8
Total Operating Expenses	2,232.3	2,194.2	1,969.5	1,934.1	1,912.4
Equity Earnings (Loss) in Unconsolidated Affiliates	(12.3)	0.2	—	—	2.8
Operating Income	880.0	952.6	1,078.0	1,122.3	1,154.0
Other Income (Deductions)					
Interest expense, net	(387.4)	(420.1)	(401.1)	(464.7)	(516.4)
Minority interests	—	—	—	(2.5)	(20.4)
Preferred stock dividends of subsidiaries	(1.1)	(4.2)	(4.4)	(4.5)	(6.7)
Other, net	(6.5)	14.0	7.3	15.3	8.3
Loss on early extinguishment of long-term debt	—	(108.6)	(4.1)	(4.1)	—
Loss on early redemption of preferred stock	(0.7)	—	—	—	—
Total Other Income (Deductions)	(395.7)	(518.9)	(402.3)	(460.5)	(535.2)
Income From Continuing Operations Before Income Taxes					
and Cumulative Effect of Change in Accounting	484.3	433.7	675.7	661.8	618.8
Income Taxes	170.8	149.8	242.7	234.9	219.6
Income From Continuing Operations Before Cumulative Effect of Change in Accounting	313.5	284.1	433.0	426.9	399.2
Income (Loss) from Discontinued Operations — net of taxes	(31.7)	(20.8)	3.3	(1.7)	17.1
Gain (Loss) on Disposition of Discontinued Operations — net of taxes	—	43.5	—	(331.2)	(43.8)
Income Before Change in Accounting Principle	281.8	306.8	436.3	94.0	372.5
Cumulative Effect of Change in Accounting — net of taxes	0.4	(0.3)	—	(8.8)	—
Net Income	\$ 282.2	\$ 306.5	\$ 436.3	\$ 85.2	\$ 372.5
Basic Earnings (Loss) Per Share (\$)					
Continuing operations	\$ 1.15	\$ 1.05	\$ 1.64	\$ 1.64	\$ 1.89
Discontinued operations	(0.11)	0.08	0.01	(1.28)	(0.12)
Change in accounting principles	—	—	—	(0.03)	—
Basic Earnings Per Share	\$ 1.04	\$ 1.13	\$ 1.65	\$ 0.33	\$ 1.77
Diluted Earnings (Loss) Per Share (\$)					
Continuing operations	\$ 1.14	\$ 1.04	\$ 1.63	\$ 1.63	\$ 1.88
Discontinued operations	(0.11)	0.08	0.01	(1.27)	(0.13)
Change in accounting	—	—	—	(0.03)	—
Diluted Earnings Per Share	\$ 1.03	\$ 1.12	\$ 1.64	\$ 0.33	\$ 1.75
Basic Average Common Shares Outstanding (millions)	272.6	271.3	263.7	259.6	211.0
Diluted Average Common Shares (millions)	273.4	273.0	265.5	261.6	212.8

Consolidated Balance Sheets

As of December 31, (in millions)

2006

2005

2004

2003

2002

ASSETS
Property, Plant and Equipment

Utility Plant	\$17,194.9	\$16,684.4	\$16,194.1	\$15,977.3	\$15,579.7
Accumulated depreciation and amortization	(7,850.0)	(7,556.8)	(7,247.7)	(7,095.9)	(6,813.7)
Net utility plant	9,344.9	9,127.6	8,946.4	8,881.4	8,766.0
Other property, at cost, less accumulated depreciation	349.6	426.7	427.5	397.4	402.1
Net Property, Plant and Equipment	9,694.5	9,554.3	9,373.9	9,278.8	9,168.1

Investments and Other Assets

Assets of discontinued operations and assets held for sale	43.0	34.6	38.6	36.6	1,588.3
Unconsolidated affiliates	59.6	75.0	64.2	69.8	121.8
Other investments	116.1	114.2	113.0	114.8	50.9
Total Investments	218.7	223.8	215.8	221.2	1,761.0

Current Assets

Cash and cash equivalents	33.1	69.4	29.5	27.1	30.9
Restricted cash	142.5	33.9	56.3	22.8	24.2
Accounts receivable, net	866.3	1,254.6	889.1	814.0	850.4
Gas inventory	550.5	526.9	452.9	429.4	255.3
Underrecovered gas and fuel costs	163.2	421.8	293.8	203.2	206.1
Materials and supplies, at average cost	89.0	72.0	70.6	71.1	68.3
Electric production fuel, at average cost	63.9	24.9	29.2	29.0	39.0
Price risk management assets	237.7	183.1	61.1	74.3	66.4
Exchange gas receivable	252.3	169.8	169.6	174.8	120.1
Regulatory assets	272.7	195.0	136.2	114.5	99.5
Prepayments and other	111.7	109.3	96.1	101.7	111.7
Total Current Assets	2,782.9	3,060.7	2,284.4	2,061.9	1,871.9

Other Assets

Price risk management assets	49.9	192.9	148.3	114.4	115.1
Regulatory assets	1,127.3	586.3	568.4	575.5	608.8
Goodwill	3,677.3	3,677.3	3,687.2	3,687.2	3,722.1
Intangible assets	435.7	495.8	520.3	527.1	552.2
Deferred charges and other	170.2	167.4	189.5	157.9	142.6
Total Other Assets	5,460.4	5,119.7	5,113.7	5,062.1	5,140.8
Total Assets	\$18,156.5	\$17,958.5	\$16,987.8	\$16,624.0	\$17,941.8

Consolidated Balance Sheets

As of December 31, (in millions)

2006

2005

2004

2003

2002

CAPITALIZATION AND LIABILITIES**Capitalization**

Common stock equity

Common stock — \$0.01 par value, 400,000,000
 shares authorized; 273,654,180; 272,622,905; 270,625,370;
 262,630,409; and 248,860,178 shares issued
 and outstanding, respectively

\$ 2.7 \$ 2.7 \$ 2.7 \$ 2.6 \$ 2.5

Additional paid-in-capital, net of deferred stock

compensation

3,998.3 3,969.4 3,924.0 3,752.2 3,388.9

Retained earnings

1,012.9 981.6 925.4 731.3 930.8

Accumulated other comprehensive loss and other

common stock equity

20.9 (5.8) (51.5) (60.9) (141.1)

Treasury Stock

(21.2) (15.1) (13.5) (9.3) (6.9)

Total Common Stock Equity

5,013.6 4,933.0 4,787.1 4,415.9 4,174.2

Preferred Stocks —

Series without mandatory redemption provisions

— 81.1 81.1 81.1 81.1

Series with mandatory redemption provisions

— — — — 3.8

Company-obligated mandatorily redeemable preferred
 securities of subsidiary trust holding solely Company
 debentures

— — — — 345.0

Long-term debt, excluding amounts due within one year

5,146.2 5,271.2 4,835.9 5,993.4 4,849.5

Total Capitalization

10,159.8 10,285.3 9,704.1 10,490.4 9,453.6

Current Liabilities

Current portion of long-term debt

93.3 440.7 1,299.9 118.3 1,224.9

Short-term borrowings

1,193.0 898.0 307.6 685.5 913.1

Accounts payable

713.1 866.7 648.4 496.6 536.7

Dividends declared on common and preferred stocks

— 1.1 1.1 1.8 1.1

Customer deposits

108.4 101.9 92.2 80.4 65.2

Taxes accrued

196.0 217.5 160.9 210.8 222.8

Interest accrued

107.1 86.2 84.1 82.4 76.5

Overrecovered gas and fuel costs

126.7 25.8 15.5 29.2 13.1

Price risk management liabilities

259.4 72.3 46.9 36.5 39.7

Exchange gas payable

396.6 425.2 325.1 290.8 411.9

Current deferred revenue

55.9 51.3 31.5 28.2 17.5

Regulatory liabilities

40.7 46.3 30.2 73.7 13.5

Accrued liability for postretirement and postemployment
 benefits

4.7 61.1 57.7 64.3 48.9

Other accruals

526.3 549.1 478.3 417.9 391.7

Total Current Liabilities

3,821.2 3,843.2 3,579.4 2,616.4 3,976.6

Other Liabilities and Deferred Credits

Price risk management liabilities

38.2 22.2 5.5 0.2 3.2

Deferred income taxes

1,553.7 1,591.9 1,665.9 1,589.2 1,517.8

Deferred investment tax credits

61.5 69.9 78.4 87.3 96.3

Deferred credits

119.3 81.1 74.0 72.7 100.9

Noncurrent deferred revenue

21.9 60.4 86.9 112.9 130.1

Accrued liability for postretirement and postemployment
 benefits

799.5 511.0 440.7 406.9 419.2

Preferred stock liabilities with mandatory redemption
 provisions

11.9 — 0.6 2.4 959.9

Regulatory liabilities

1,253.8 1,196.2 1,168.6 1,061.6 1,073.2

Asset retirement obligations

131.6 119.8 9.3 11.4 —

Other noncurrent liabilities

184.1 177.5 174.4 172.6 210.9

Total Other Liabilities and Deferred Credits

4,175.5 3,830.0 3,704.3 3,517.2 4,511.6

Total Capitalization and Liabilities

\$18,156.5 \$17,958.5 \$16,987.8 \$16,624.0 \$17,941.8

Statements of Consolidated Cash Flows

Year Ended December 31, (in millions)

	2006	2005	2004	2003
Operating Activities				
Net income	\$ 282.2	\$ 306.5	\$ 436.3	\$ 85.2
Adjustments to reconcile net income to net cash from continuing operations:				
Loss on early redemption of preferred stock	0.7	—	—	—
Loss on early extinguishment of debt	—	108.6	4.1	4.1
Depreciation and amortization	549.2	544.2	506.9	495.7
Net changes in price risk management assets and liabilities	(10.9)	(41.0)	16.3	(4.3)
Deferred income taxes and investment tax credits	(113.4)	(16.7)	97.5	77.9
Deferred revenue	(34.0)	(6.6)	(22.3)	(6.4)
Stock compensation expense	6.9	6.8	8.0	12.9
Loss (gain) on sale of assets	(1.1)	0.4	(3.1)	(24.9)
Loss on impairment of assets	5.2	21.8	—	—
Cumulative effect of change in accounting principle, net of taxes	(0.4)	0.3	—	8.8
Loss (income) from unconsolidated affiliates	6.4	(4.7)	(0.9)	5.4
Loss (gain) on sale of discontinued operations	—	(43.5)	—	331.2
Loss (income) from discontinued operations	31.7	20.8	(3.3)	1.7
Amortization of discount/premium on Debt	7.7	17.5	21.6	18.9
Other adjustments	(2.0)	(3.2)	(2.3)	(2.5)
Changes in assets and liabilities:				
Accounts receivable	407.7	(358.9)	(92.0)	67.3
Inventories	(71.7)	(71.1)	(23.1)	(166.9)
Accounts payable	(176.4)	205.7	153.3	(41.4)
Customer deposits	6.4	9.7	6.7	15.2
Taxes accrued	53.4	21.3	(57.8)	(89.5)
Interest accrued	20.9	6.3	1.7	5.9
(Under) Overrecovered gas and fuel costs	359.5	(117.6)	(104.3)	18.9
Exchange gas receivable/payable	(111.2)	88.0	93.3	(196.0)
Other accruals	9.8	19.9	11.1	(55.6)
Prepayments and other current assets	(2.8)	(13.2)	4.2	9.9
Regulatory assets/liabilities	(36.4)	(45.7)	18.6	3.3
Postretirement and postemployment benefits	(45.4)	50.1	35.4	82.6
Deferred credits	8.7	6.7	(14.3)	(28.1)
Deferred charges and other noncurrent assets	(6.4)	(2.8)	(36.3)	14.2
Other noncurrent liabilities	5.1	20.1	(1.5)	(30.7)
Net Cash Flows from Continuing Operations	1,151.4	729.7	1,053.8	612.8
Net Cash Flows (used for) or from Discontinued Operations	4.8	(17.4)	2.1	(44.8)
Net Cash Flows from Operating Activities	1,156.2	712.3	1,055.9	568.0
Investing Activities				
Capital expenditures	(637.4)	(590.4)	(517.0)	(574.2)
Proceeds from disposition of assets	21.6	7.5	7.1	586.5
Restricted cash	(114.3)	28.1	(33.5)	1.4
Other investing activities	(2.4)	(17.2)	(9.2)	(17.6)
Net Investing Activities used for Continuing Operations	(732.5)	(572.0)	(552.6)	(3.9)
Net Investing Activities used for Discontinued Operations	—	(0.1)	—	(38.7)
Net Cash Flows used for Investing Activities	(732.5)	(572.1)	(552.6)	(42.6)
Financing Activities				
Issuance of long-term debt	—	1,907.9	450.0	1,401.5
Retirement of long-term debt	(438.7)	(2,372.5)	(486.6)	(1,366.9)
Premium of debt retirement	—	(14.2)	—	—
Change in short-term debt	296.4	590.4	(377.9)	(227.6)
Retirement of preferred shares	(81.6)	—	—	(346.2)
Issuance of common stock	21.9	40.0	160.8	354.7
Acquisition of treasury stock	(6.1)	(1.6)	(4.1)	(2.5)
Dividends paid — common shares	(251.9)	(250.3)	(243.1)	(284.0)
Net Financing Activities used for Continuing Operations	(460.0)	(100.3)	(500.9)	(471.0)
Net Financing Activities used for Discontinued Operations	—	—	—	(58.4)
Net Cash Flows used for Financing Activities	(460.0)	(100.3)	(500.9)	(529.4)
Increase (decrease) in cash and cash equivalents	(36.3)	39.9	2.4	(4.0)
Cash and cash equivalents at beginning of year	69.4	29.5	27.1	31.1
Cash and cash equivalents at end of period	\$ 33.1	\$ 69.4	\$ 29.5	\$ 27.1
Supplemental Disclosures of Cash Flow Information				
Cash paid for interest	\$ 370.0	\$ 404.5	\$ 383.0	\$ 442.3
Interest capitalized	11.1	3.2	2.3	2.5
Cash paid for income taxes	288.2	101.4	184.6	256.8

Statements of Consolidated Capitalization

As of December 31, (in millions, except shares outstanding and par value)	2006	2005	2004	2003
Common shareholders' equity	\$ 5,013.6	\$ 4,933.0	\$4,787.1	\$ 4,415.9
Preferred Stocks, which are redeemable solely at option of issuer:				
Northern Indiana Public Service Company—				
Cumulative preferred stock—\$100 par value—				
4¼% series—209,035 shares outstanding	—	20.9	20.9	20.9
4¼% series—79,996 shares outstanding	—	8.0	8.0	8.0
4.22% series—106,198 shares outstanding	—	10.6	10.6	10.6
4.88% series—100,000 shares outstanding	—	10.0	10.0	10.0
7.44% series—41,890 shares outstanding	—	4.2	4.2	4.2
7.50% series—34,842 shares outstanding	—	3.5	3.5	3.5
Premium on preferred stock and other	—	0.3	0.3	0.3
Cumulative preferred stock—no par value—				
Adjustable rate series A (stated value—				
\$50 per share), 473,285 shares outstanding	—	23.6	23.6	23.6
Series without mandatory redemption provisions	—	81.1	81.1	81.1
Long-term debt, excluding amounts due within one year	5,146.2	5,271.2	4,835.9	5,993.4
Total Capitalization	\$10,159.8	\$10,285.3	\$9,704.1	\$10,490.4

Statements of Consolidated Long-Term Debt

As of December 31, (in millions)	2006	2005	2004	2003
NiSource Inc.:				
Senior Debentures — 3.628%, due November 1, 2006	\$ —	\$ —	\$ 144.4	\$ —
Debentures due November 1, 2006, with interest imputed at 7.77% (SAILS™)	—	—	—	135.8
Unamortized premium on long-term debt	—	—	0.4	—
Total long-term debt of NiSource, Inc.	\$ —	\$ —	\$ 144.8	\$ 135.8
Bay State Gas Company:				
Medium-Term Notes —				
Interest rates between 6.26% and 9.20% with a weighted average interest rate of 6.81% and maturities between June 6, 2011 and February 15, 2028	48.5	48.5	48.5	68.5
Northern Utilities:				
Medium-Term Note — Interest rate of 6.93% and maturity of September 1, 2010	2.5	3.3	4.2	5.0
Total long-term debt of Bay State Gas Company	51.0	51.8	52.7	73.5
Columbia Energy Group:				
Debentures —				
6.80% Series C — due November 28, 2005	—	—	—	281.5
7.05% Series D — due November 28, 2007	—	—	281.5	281.5
7.32% Series E — due November 28, 2010	—	—	281.5	281.5
7.42% Series F — due November 28, 2015	—	—	281.5	281.5
7.62% Series G — due November 28, 2025	—	—	229.2	229.2
Fair value adjustment of debentures for interest rate swap agreements	—	—	—	11.2
Unamortized discount on long-term debt	—	—	(96.0)	(98.2)
Subsidiary debt — Capital lease obligations	1.5	1.8	2.2	1.7
Total long-term debt of Columbia Energy Group	1.5	1.8	979.9	1,269.9
PEI Holdings, Inc.:				
Long-Term Notes —				
Whiting Clean Energy, Inc. — Interest rates between 6.73% and 8.58% with a weighted average interest rate of 8.30% and maturity of June 20, 2011	292.1	295.5	298.6	301.5
Total long-term debt of PEI Holdings, Inc.	292.1	295.5	298.6	301.5
NiSource Capital Markets, Inc.:				
Senior Unsecured Notes — 4.25%, due February 19, 2005	—	—	—	0.3
Subordinated Debentures — Series A, 7¼%, due March 31, 2026	—	—	—	—
Senior Notes — 6.78%, due December 1, 2027	75.0	75.0	75.0	75.0
Medium-term notes —				
Issued at interest rates between 7.38% and 7.99%, with a weighted average interest rate of 7.82% and various maturities between March 27, 2007 and May 5, 2027	121.0	150.0	190.0	220.0
Total long-term debt of NiSource Capital Markets, Inc.	196.0	225.0	265.0	295.3
NiSource Corporate Services Inc.				
Capital lease obligations — 5.586%, due December 31, 2009	5.1	6.4	—	—
Total long-term debt of NiSource Corporate Services, Inc.	5.1	6.4	—	—
NiSource Development Company, Inc.:				
NDC Douglas Properties, Inc. — Notes Payable —				
Interest rate between 3.8% and 12.6% with a weighted average interest rate of 7.4%	13.4	35.8	36.7	2.6
Total long-term debt of NiSource Development Company, Inc.	13.4	35.8	36.7	2.6
NiSource Finance Corp.:				
Long-Term Notes —				
Floating Rate Notes — 1.93% at December 31, 2003 due May 4, 2005	—	—	—	250.0
7¼% — due November 15, 2005	—	—	—	900.0
3.20% — due November 1, 2006	—	—	250.0	250.0
7¼% — due November 15, 2010	1,000.0	1,000.0	1,000.0	1,000.0
Senior Unsecured Notes — 6.15%, due March 1, 2013	345.0	345.0	345.0	345.0
Floating Rate Notes — 4.95% at December 31, 2005, due November 23, 2009	450.0	450.0	450.0	—
5.21% — due November 28, 2012	315.0	315.0	—	—
5.40% — due July 15, 2014	500.0	500.0	500.0	500.0
5.38% — due November 28, 2015	230.0	230.0	—	—
5.41% — due November 28, 2016	90.0	90.0	—	—
5.25% — due September 15, 2017	450.0	450.0	—	—
5.45% — due September 15, 2020	550.0	550.0	—	—
5.89% — due November 28, 2025	265.0	265.0	—	—
Fair value adjustment of notes for interest rate swap agreements	(27.3)	(12.2)	29.9	3.3
Unamortized premium and discount on long-term debt	(22.7)	(25.9)	(14.6)	(15.5)
Total long-term debt of NiSource Finance Corp., Inc.	4,145.0	4,156.9	2,580.3	3,232.8
Northern Indiana Public Service Company:				
First mortgage bonds —				
Series NN, 7.10% — due July 1, 2017	—	—	—	—
Pollution control bonds —				
Issued at interest rates between 1.65% and 1.85%, with a weighted average interest rate of 1.75% and various maturities between November 1, 2007 and April 1, 2019	254.0	278.0	278.0	278.0
Medium-term notes —				
Issued at interest rates between 6.69% and 7.69%, with a weighted average interest rate of 7.30% and various maturities between June 6, 2007 and August 4, 2027	189.2	221.2	221.2	405.5
Unamortized discount on long-term debt, net	(1.1)	(1.2)	(1.3)	(1.5)
Total long-term debt of Northern Indiana Public Service Company	442.1	498.0	497.9	682.0
Total long-term debt, excluding amount due within one year	\$5,146.2	\$5,271.2	\$4,836.9	\$5,993.4

Income Taxes

Year Ended December 31, (in millions)	2006	2005	2004	2003
Income Taxes				
Current				
Federal	\$295.5	\$136.3	\$118.5	\$132.6
State	24.7	30.0	26.7	24.4
Total Current	284.2	166.3	145.2	157.0
Deferred				
Federal	(85.4)	4.7	102.4	82.4
State	(19.6)	(13.0)	4.0	4.4
Total Deferred	(105.0)	(8.3)	106.4	86.8
Deferred Investment Credits	(8.4)	(8.4)	(8.9)	(8.9)
Income Taxes Included in Continuing Operations	\$170.8	\$149.6	\$242.7	\$234.9

Total income taxes from continuing operations were different from the amount that would be computed by applying the statutory Federal income tax rate to book income before income tax. The major reasons for this difference were as follows:

Year Ended December 31, (in millions)	2006		2005		2004	
Book income from Continuing Operations before income taxes	\$484.3		\$433.7		\$675.7	
Tax expense at statutory Federal income tax rate	169.5	35.0%	151.8	35.0%	238.5	35.0%
Increases (reductions) in taxes resulting from:						
State income taxes, net of federal income tax benefit	3.3	0.7	11.0	2.5	19.9	2.9
Regulatory treatment of depreciation differences	8.6	1.8	5.2	1.2	4.5	0.7
Amortization of deferred investment tax credits	(8.4)	(1.7)	(8.4)	(1.9)	(8.9)	(1.3)
Low-income housing	(1.2)	(0.2)	(3.2)	(0.7)	(3.9)	(0.6)
Section 199 Electric Production Deduction	(0.9)	(0.2)	(1.9)	(0.4)	—	—
Other, net	(0.1)	(0.1)	(4.9)	(1.2)	(5.4)	(0.8)
Income Taxes from Continuing Operations	\$170.8	35.3%	\$149.6	34.5%	\$242.7	35.9%

Deferred income taxes resulted from temporary differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. The principal components of NiSource's net deferred tax liability were as follows:

At December 31, (in millions)	2006	2005	2004	2003
Deferred tax liabilities				
Accelerated depreciation and other property differences	\$2,025.3	\$2,050.0	\$1,680.3	\$1,596.5
Unrecovered gas and fuel costs	67.0	152.6	112.6	68.0
Other regulatory assets	561.5	293.6	303.9	279.0
SFAS No. 133 and price risk adjustments	10.0	82.4	40.9	49.0
Premiums and discounts associated with long-term debt	16.0	16.8	54.1	56.6
Total Deferred Tax Liabilities	2,679.8	2,595.4	2,191.8	2,049.1
Deferred tax assets				
Deferred investment tax credits and other regulatory liabilities	(86.4)	(127.8)	(177.9)	(156.5)
Cost of removal	(478.2)	(452.0)	—	—
Pension and other postretirement/postemployment benefits	(359.7)	(228.7)	(192.4)	(190.9)
Environmental liabilities	(26.5)	(15.3)	(21.4)	(20.1)
Other accrued liabilities	(88.8)	(65.2)	(43.9)	(30.0)
Other, net	(47.2)	(17.4)	(18.2)	(5.4)
Total Deferred Tax Assets	(1,086.8)	(906.4)	(454.8)	(402.9)
Less: Deferred income taxes related to current assets and liabilities	39.3	97.1	71.1	57.0
Non-Current Deferred Tax Liability	\$1,553.7	\$1,591.9	\$1,665.9	\$1,589.2

Statements of Consolidated Common Stockholders' Equity and Comprehensive Income

Source

FINANCIAL

(in millions)	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total	Comprehensive Income
Balance January 1, 2004	\$2.6	\$ (9.4)	\$3,752.4	\$ 781.3	\$ (61.0)	\$4,415.9	
Comprehensive Income:							
Net Income				436.3		436.3	\$436.3
Other comprehensive income, net of tax:							
Gain on available for sale securities:							
Unrealized ^(a)					2.2	2.2	2.2
Gain on foreign currency translation:							
Unrealized					0.7	0.7	0.7
Net unrealized gains on derivatives qualifying as cash flow hedges ^(b)					1.5	1.5	1.5
Unrecognized Pension Benefit and OPEB Costs ^(c)					5.2	5.2	5.2
Total comprehensive income							\$445.9
Dividends:							
Common stock				(242.3)		(242.3)	
Treasury stock acquired		(4.1)				(4.1)	
Issued:							
Common stock issuance	0.1		144.3			144.4	
Employee stock purchase plan			0.7			0.7	
Long-term incentive plan			20.0			20.0	
Tax benefits of options, PIES and other			5.2	0.1		5.3	
Amortization of unearned compensation			1.3			1.3	
Balance December 31, 2004	\$2.7	\$ (13.5)	\$3,923.9	\$ 925.4	\$ (51.4)	\$4,787.1	
Comprehensive Income:							
Net Income				306.5		306.5	\$306.5
Other comprehensive income, net of tax:							
Gain on available for sale securities:							
Unrealized ^(a)					0.1	0.1	0.1
Net unrealized gains on derivatives qualifying as cash flow hedges ^(b)					57.0	57.0	57.0
Unrecognized Pension Benefit and OPEB Costs ^(c)					(11.3)	(11.3)	(11.3)
Total comprehensive income							\$352.3
Dividends:							
Common stock				(250.3)		(250.3)	
Treasury stock acquired		(1.6)				(1.6)	
Issued:							
Common stock issuance			0.3			0.3	
Employee stock purchase plan			0.9			0.9	
Long-term incentive plan			41.8			41.8	
Tax benefits of options, PIES and other			(0.3)			(0.3)	
Amortization of unearned compensation			2.8			2.8	
Balance December 31, 2005	\$2.7	\$ (15.1)	\$3,969.4	\$ 961.6	\$ (5.6)	\$4,933.0	
Comprehensive Income:							
Net Income				282.2		282.2	\$282.2
Other comprehensive income, net of tax:							
Gain on available for sale securities:							
Unrealized ^(a)					2.1	2.1	2.1
Net unrealized gains on derivatives qualifying as cash flow hedges ^(b)					(119.3)	(119.3)	(119.3)
Unrecognized Pension Benefit and OPEB Costs ^(c)					143.7	143.7	4.4
Total comprehensive income							\$169.4
Dividends:							
Common stock				(250.9)		(250.9)	
Treasury stock acquired		(6.1)				(6.1)	
Issued:							
Employee stock purchase plan			0.8			0.8	
Long-term incentive plan			23.5			23.5	
Tax benefits of options and other			3.6			3.6	
Amortization of unearned compensation			1.0			1.0	
Balance December 31, 2006	\$2.7	\$ (21.2)	\$3,996.3	\$1,012.9	\$ 20.9	\$5,013.6	

^(a) Net unrealized gain/loss on available for sale securities, net of \$1.4, \$0.6, and \$1.3 tax expense in 2006, 2005 and 2004, respectively.

^(b) Net unrealized gain/loss on derivatives qualifying as cash flow hedges, net of \$65.4 tax benefit in 2006, \$28.7 tax expense in 2005 and \$0.3 tax benefit in 2004.

^(c) Unrecognized Pension Benefit and OPEB Costs recorded to accumulated other comprehensive income, net of \$96.2 tax expense in 2006, \$5.2 tax benefit in 2005 and \$3.2 tax expense in 2004. For the year ended December 31, 2006, Unrecognized Pension Benefit and OPEB Costs recorded to comprehensive income was net of \$3.0 million tax expense.

Statements of Consolidated Common Stockholders' Equity and Comprehensive Income (CONTINUED)

niSource

Shares (in thousands)	Common Shares	Treasury Shares
Balance January 1, 2004	263,188	(478)
Treasury stock acquired		(190)
Issued:		
Stock issuance	8,814	—
Employee stock purchase plan	35	—
Long-term incentive plan	1,337	—
Balance December 31, 2004	271,294	(668)
Treasury stock acquired		(73)
Issued:		
Employee stock purchase plan	38	—
Long-term incentive plan	2,032	—
Balance December 31, 2005	273,364	(741)
Treasury stock acquired		(284)
Issued:		
Employee stock purchase plan	37	—
Long-term incentive plan	1,278	—
Balance December 31, 2006	274,679	(1,025)

Current Security and Bond Ratings

Northern Indiana Public Service Company

Description	Moody's	S & P	Fitch
Senior Unsecured	Baa2	BBB	BBB+

NiSource Inc.

Description	Moody's	S & P	Fitch
Senior Unsecured	Baa3	BBB	BBB

Common Stockholders—State

Geographical Breakdown of Shareholders by State:

State	Holders	Percent of Total	Shares	Percent of Total	State	Holders	Percent of Total	Shares	Percent of Total
Alabama	168	0.42%	72,982	0.03%	New Hampshire	243	0.60%	113,523	0.04%
Alaska	127	0.07	6,447	0.00	New Jersey	1,426	3.53	7,152,762	2.60
Arizona	468	1.16	210,463	0.08	New Mexico	85	0.21	29,060	0.01
Arkansas	110	0.27	37,772	0.01	New York	2,710	6.71	248,729,235	90.55
California	1,829	4.53	806,508	0.29	North Carolina	457	1.13	145,275	0.05
Colorado	361	0.89	198,128	0.07	North Dakota	34	0.08	19,574	0.01
Connecticut	748	1.85	321,144	0.12	Ohio	2,711	6.71	894,576	0.33
Delaware	121	0.30	42,342	0.02	Oklahoma	137	0.34	36,182	0.01
Dist. of Columbia	91	0.23	83,920	0.03	Oregon	189	0.47	59,978	0.02
Florida	2,017	4.99	833,558	0.30	Pennsylvania	1,787	4.42	623,774	0.23
Georgia	388	0.96	177,010	0.06	Rhode Island	122	0.30	52,753	0.02
Hawaii	71	0.18	20,549	0.01	South Carolina	240	0.59	75,424	0.03
Idaho	47	0.12	19,086	0.01	South Dakota	61	0.15	31,188	0.01
Illinois	3,038	7.52	1,850,977	0.60	Tennessee	274	0.68	112,174	0.04
Indiana	9,297	23.01	7,560,794	2.75	Texas	1,064	2.63	358,915	0.13
Iowa	227	0.56	121,029	0.04	Utah	72	0.18	19,314	0.01
Kansas	159	0.39	50,408	0.02	Vermont	73	0.18	31,734	0.01
Kentucky	529	1.31	197,472	0.07	Virginia	1,161	2.87	390,144	0.14
Louisiana	271	0.67	54,786	0.02	Washington	319	0.79	119,671	0.04
Maine	218	0.54	76,776	0.03	West Virginia	835	2.07	196,473	0.07
Maryland	829	2.05	269,650	0.10	Wisconsin	865	2.14	417,999	0.15
Massachusetts	1,793	4.44	1,013,914	0.37	Wyoming	31	0.08	10,438	0.00
Michigan	1,330	3.29	598,427	0.22	Canada	41	0.10	9,384	0.00
Minnesota	437	1.08	196,034	0.07	Other Foreign	107	0.26	22,247	0.01
Mississippi	104	0.26	33,474	0.01					
Missouri	385	0.95	215,488	0.08					
Montana	63	0.16	18,894	0.01					
Nebraska	95	0.24	48,559	0.02					
Nevada	138	0.34	90,560	0.03					
					Totals	40,401	100.00%	274,678,976	100.00%
					Less Treasury Shares			1,024,796	
					Total Shares Outstanding			273,654,180	

Common Stockholders

December 31, 2006

Holder Category	Number of Holders	Percent of Holders	Number of Shares	Percent of Shares
Joint Tenants—Survivorship Rights	9,708	24.03%	5,407,055	1.97%
Individual—Female	11,016	27.27	3,778,489	1.38
Individual—Male	12,725	31.50	5,668,742	2.06
Corporations	659	1.83	8,115,704	2.95
Depositories	3	0.01	247,689,108	90.17
Nominee	11	0.03	7,957	0.00
Trusts	6,131	15.18	3,657,550	1.33
Miscellaneous	148	0.37	354,371	0.13
Total	40,401	100.00%	274,678,976	100.00%
Less Treasury Shares			1,024,796	
Total Shares Outstanding			273,654,180	
Share Size				
1 to 33.9 Shares	11,485	28.43%	119,610	0.04%
34 to 49.9 Shares	1,678	4.15	68,083	0.02
50 to 99.9 Shares	3,510	8.69	252,957	0.09
100 to 300.9 Shares	10,375	25.68	1,907,638	0.69
301 to 500.9 Shares	4,390	10.87	1,730,259	0.63
501 to 1,000.9 Shares	4,535	11.22	3,267,673	1.19
1,001 and over	4,428	10.98	267,332,756	97.33
Total	40,401	100.00%	274,678,976	100.00%
Less Treasury Shares			1,024,796	
Total Shares Outstanding			273,654,180	

Gas Distribution Statistics

Year Ended December 31, (in millions)

	2006	2005	2004	2003	2002
Net Revenues					
Sales Revenues	\$4,698.6	\$5,122.0	\$4,291.4	\$4,101.9	\$3,310.4
Less: Cost of gas sold	3,277.0	3,617.1	2,850.8	2,625.3	1,921.6
Net Revenues	1,421.6	1,504.9	1,440.6	1,476.6	1,388.8
Operating Expenses					
Operation and maintenance	731.9	721.4	639.5	615.4	589.6
Depreciation and amortization	231.4	224.6	194.6	190.2	189.2
Impairment and loss on sale of assets	(0.3)	12.5	—	—	—
Other taxes	168.6	178.2	165.3	164.6	150.9
Total Operating Expenses	1,131.6	1,138.7	999.4	970.2	929.7
Operating Income	\$ 290.0	\$ 368.2	\$ 441.2	\$ 506.4	\$ 459.1

Revenues (\$ in Millions)

Residential	2,854.4	3,191.4	2,580.8	2,356.2	1,790.7
Commercial	1,058.8	1,159.4	966.0	841.3	604.9
Industrial	306.4	362.4	309.8	194.0	101.9
Off System Sales	415.6	200.1	214.2	86.1	191.5
Other	63.4	208.7	220.6	182.3	216.4
Total	\$4,698.6	\$5,122.0	\$4,291.4	\$4,101.9	\$3,310.4

Sales and Transportation (MMDth)

Residential sales	241.8	289.1	288.2	303.4	287.4
Commercial sales	163.9	176.0	175.7	179.5	186.6
Industrial sales	365.4	375.8	399.1	384.4	389.6
Off System Sales	54.9	22.6	34.9	10.9	58.5
Other	0.9	0.9	1.2	0.4	0.3
Total	826.9	864.4	899.1	878.6	922.4

Heating Degree Days	4,347	5,035	4,887	5,134	4,757
Normal Heating Degree Days	4,933	4,939	4,967	4,949	5,129
% Colder (Warmer) than Normal	(12)%	2%	(2)%	4%	(7)%

Gas Distribution Customers and Throughput Statistics by State

Customers (as of December 31)

	2006	2005	2004	2003	2002
Residential	2,474,221	2,464,350	2,389,032	2,278,768	2,318,862
Commercial	210,902	215,107	215,633	210,967	216,024
Industrial	4,970	5,255	5,806	6,009	5,818
Transportation & Other	684,929	675,807	722,440	779,937	705,576
Total Customers	3,375,022	3,360,519	3,332,911	3,275,681	3,246,280

Customers by State	Residential	Commercial	Industrial	Transportation & Other	2006 Total	2005 Total	% Chg
Indiana	678,468	49,219	2,688	62,098	792,473	789,257	0.41%
Ohio	853,568	59,308	1,254	509,034	1,423,164	1,421,706	0.10%
Kentucky	99,617	11,049	110	29,426	140,202	141,393	-0.84%
Pennsylvania	310,627	32,771	328	68,213	411,939	408,666	0.80%
Maryland	28,056	3,648	23	1,211	32,938	32,672	0.81%
Virginia	206,734	18,390	276	9,161	234,561	229,114	2.38%
New Hampshire	21,147	5,791	21	332	27,291	27,260	0.11%
Maine	17,529	6,775	14	971	25,289	25,128	0.64%
Massachusetts	256,475	23,951	256	4,483	287,165	285,323	0.65%
Total NiSource	2,474,221	210,902	4,970	684,929	3,375,022	3,360,519	0.43%

Throughput by State (MMDth)	Residential	Commercial	Industrial	Transportation	Off-syst Sales	Other	Total
Indiana	59.2	33.4	13.4	148.7	—	0.4	255.1
Ohio	65.2	16.3	0.8	180.6	50.6	0.1	313.6
Kentucky	6.6	4.0	0.2	23.5	1.3	—	35.6
Pennsylvania	25.0	10.5	0.3	38.8	2.9	—	77.5
Maryland	2.1	1.4	—	2.8	0.2	—	6.5
Virginia	12.9	8.2	1.1	53.3	—	—	75.5
New Hampshire	1.5	2.0	0.5	2.4	—	—	6.4
Maine	0.9	1.8	0.1	3.8	—	—	6.6
Massachusetts	21.6	7.1	2.2	19.0	—	—	49.9
Total NiSource	195.0	84.7	18.6	472.9	55.0	0.5	826.7

Gas Transmission and Storage Operations

Year Ended December 31, (in millions)	2006	2005	2004	2003	2002
Operating Revenues					
Transportation revenues	\$ 681.6	\$ 646.6	\$ 668.0	\$ 663.2	\$ 730.4
Storage revenues	176.8	177.9	178.2	177.9	178.9
Other revenues	6.1	10.6	9.0	12.2	10.1
Total Operating Revenues	864.5	835.1	855.2	853.3	919.4
Less: Cost of gas sold	14.0	24.6	22.6	16.0	47.8
Net Revenues	850.5	810.5	832.6	837.3	871.6
Operating Expenses					
Operation and maintenance	327.4	297.2	301.8	278.3	316.2
Depreciation and amortization	114.9	114.1	114.2	111.4	109.4
Loss (Gain) on sale or impairment of assets	0.5	(0.1)	1.2	(1.8)	(2.2)
Other taxes	54.6	55.1	52.3	50.6	52.7
Total Operating Expenses	497.4	466.3	469.5	438.5	476.1
Equity Earnings (Loss) in Unconsolidated Affiliates	(12.3)	0.2	—	—	2.8
Operating Income	\$ 340.8	\$ 344.4	\$ 363.1	\$ 398.8	\$ 398.3

Throughput (MMDth)

Columbia Transmission					
Market Area	932.1	983.9	978.3	1,018.9	1,043.8
Columbia Gulf					
Mainline	533.5	521.6	539.1	612.6	614.4
Short-haul	129.9	86.3	102.5	124.4	146.9
Columbia Pipeline Deep Water	8.3	11.5	16.7	7.4	0.7
Crossroads Gas Pipeline	38.5	41.8	40.5	34.3	29.2
Granite State Pipeline	26.9	31.8	32.7	33.4	33.2
Intrasegment eliminations	(491.2)	(504.8)	(537.1)	(592.1)	(553.9)
Total	1,178.0	1,172.1	1,172.7	1,238.9	1,314.3

Electric Operations

Year Ended December 31, (in millions)

	2006	2005	2004	2003	2002
Net Revenues					
Sales revenues	\$1,303.8	\$1,247.6	\$1,111.2	\$1,092.8	\$1,137.4
Less: Cost of sales	481.4	452.5	351.0	364.2	369.0
Net Revenues	822.4	795.1	760.2	728.6	768.4
Operating Expenses					
Operation and maintenance	266.7	263.1	240.0	224.7	222.8
Depreciation and amortization	187.3	185.9	178.1	175.1	172.2
Gain on sale of assets	—	(0.4)	(1.6)	—	—
Other taxes	58.0	53.2	34.2	61.3	51.1
Total Operating Expenses	512.0	501.8	450.7	461.1	446.1
Operating Income	\$ 310.4	\$ 293.3	\$ 309.5	\$ 267.5	\$ 322.3

Revenues (\$ in millions)

Residential	\$ 358.2	\$ 349.9	\$ 295.1	\$ 294.9	\$ 309.5
Commercial	365.2	335.0	294.1	289.8	297.2
Industrial	513.3	445.1	414.1	380.2	393.6
Wholesale	36.1	35.1	47.0	92.8	92.9
Other	31.0	82.5	60.9	35.1	44.2
Total	\$1,303.8	\$1,247.6	\$1,111.2	\$1,092.8	\$1,137.4

Sales (Gigawatt Hours)

Residential	3,293.9	3,516.1	3,104.3	3,122.5	3,228.4
Commercial	3,855.7	3,893.0	3,635.0	3,579.7	3,618.3
Industrial	9,503.2	9,131.6	9,309.4	8,972.2	8,822.4
Wholesale	661.4	831.3	1,176.2	2,623.2	2,983.5
Other	114.1	115.0	142.6	141.6	123.3
Total	17,428.3	17,487.0	17,367.5	18,439.2	18,775.9

Cooling Degree Days

Normal Cooling Degree Days

% Warmer (Colder) than Normal

	714	935	582	572	1,015
	803	803	803	808	792
	(11)%	16%	(28)%	(29)%	28%

Revenue per KWH (cents):

Residential	10.87	9.95	9.51	9.44	9.59
Commercial	9.47	8.61	8.09	8.10	8.21
Industrial	5.40	4.87	4.45	4.24	4.46

Residential Customers

Average annual KWH use per customer	8,269	8,882	7,912	8,045	8,388
Average annual electric bill	\$ 899.21	\$ 683.92	\$ 752.15	\$ 759.81	\$ 804.12

Electric Customers

Residential	398,349	395,849	392,342	388,123	384,891
Commercial	52,106	51,261	50,332	49,252	48,286
Industrial	2,509	2,515	2,528	2,543	2,577
Wholesale	5	7	22	21	22
Other	759	765	770	794	799
Total	453,728	450,397	445,994	440,733	436,575

On June 20, 2002 a settlement agreement was filed with IURC regarding the electric rate review. The settlement agreement provides electric customers will receive a credit of \$65M each year for 49 months, beginning July 1, 2002.

Electric Generation and Production Statistics

Unit	Year in Service	Net KW Capability	2006	2005	2004	2003	2002	
(Kilowatt-hours in Thousands)								
Megawatt-hours Generated by								
Conventional Coal Fired								
Steam Turbine—Michigan City								
Generating Station:								
Units 2 and 3 ^(a)	1951	120,000	(2,403)	(1,380)	(1,674)	(1,725)	(2,002)	
Unit 12	1974	489,000	2,854,663	2,547,056	2,705,973	2,405,676	2,486,543	
Station total		589,000	2,852,260	2,545,676	2,704,299	2,403,951	2,484,541	
Dean H. Mitchell Generating Station:^(b)								
Unit 4	1956	125,000	0	0	0	0	(674)	
Unit 5	1959	125,000	0	0	0	0	(388)	
Unit 6	1959	125,000	0	0	0	0	(735)	
Unit 11	1970	110,000	0	0	0	0	32,114	
Station total		485,000	0	0	0	0	30,317	
Bailly Generating Station:								
Unit 7	1982	160,000	794,503	894,955	992,795	1,013,047	911,943	
Unit 8	1968	320,000	1,349,102	1,804,954	2,105,916	1,289,827	1,918,972	
Station total		480,000	2,143,605	2,699,909	3,098,711	2,302,874	2,830,915	
R. M. Schahfer Generating Station:								
Unit 14	1976	431,000	2,653,988	2,630,229	2,216,069	2,657,685	1,619,597	
Unit 15	1979	472,000	2,372,169	2,820,270	2,942,038	3,001,038	2,802,456	
Unit 17	1983	361,000	2,224,145	2,705,954	2,196,962	2,107,624	2,138,528	
Unit 18	1986	361,000	2,412,358	2,601,942	1,990,524	2,238,720	2,388,925	
Station total		1,625,000	9,662,660	10,558,395	9,345,593	10,005,067	8,749,506	
Total conventional steam generating stations			3,179,000	14,658,525	15,803,980	15,148,803	14,711,892	14,095,279
Megawatt-hours Generated by								
Gas Turbine—Dean H. Mitchell								
Generating Station:								
Unit 9A	1966	17,400	501	45	0	0	0	
Bailly Generating Station:								
Unit 10	1968	30,900	851	1,528	314	806	336	
R. M. Schahfer Generating Station:								
Units 16A and 16B	1979	155,000	13,170	28,339	5,323	5,064	6,924	
Total gas turbine generating stations			203,300	14,522	29,912	5,637	5,870	7,260
Megawatt-hours Generated by Hydroelectric—								
Oakdale	1925	6,000	40,655	20,290	33,242	32,253	22,827	
Norway	1923	4,000	22,204	19,735	28,629	22,355	24,855	
Total hydroelectric		10,000	62,859	40,025	61,871	54,608	47,682	
Total all generating stations			3,392,300	14,735,906	15,873,916	15,216,111	14,772,370	14,150,221

^(a)Units 2 and 3 are fired on gas only.

^(b)D. H. Mitchell Generating Station taken out of service January 2002.

Fuel for Electric Generation

Coal Consumed by Generating Station for Electric Production (tons)

	2006	2005	2004	2003	2002
Michigan City	1,601,541	1,417,320	1,538,985	1,351,752	1,389,568
Dean H. Mitchell ⁽¹⁾	0	0	0	0	22,560
Bailly	938,565	1,219,724	1,424,345	1,084,259	1,358,927
R. M. Schahfer	5,289,699	5,655,760	5,126,539	5,465,003	4,703,826
Total	7,829,805	8,292,804	8,089,869	7,901,014	7,474,881

Average Cost Per Ton of Coal Consumed⁽²⁾ by Generating Station

	2006	2005	2004	2003	2002
Michigan City	\$32.33	\$27.60	\$23.60	\$26.71	\$26.97
Dean H. Mitchell ⁽¹⁾	N/A	N/A	N/A	N/A	N/A
Bailly	\$37.27	\$36.60	\$32.86	\$30.38	\$30.00
R. M. Schahfer	\$36.03	\$32.37	\$27.21	\$27.13	\$27.79
Average of all stations	\$35.42	\$32.17	\$27.52	\$27.50	\$27.93

Mills Per Net KWH Generated for all Fuels, Total M Therms Burned all Fuels, and Btu Per Net KWH Generated

	2006	2005	2004	2003	2002
Mills/net KWH generated ⁽³⁾	19.36	17.44	14.83	15.25	14.96
Total M therms	1,614,392	1,755,754	1,673,421	1,630,234	1,567,534
Btu/net KWH generated	11,003	11,036	11,084	11,091	11,039

Fuel Mix for Electric Generation Including Purchased Power

	2006	2005	2004	2003	2002
Coal	80.7	86.7	83.9	76.9	72.4%
Oil	0.0	0.0	0.0	0.0	0.0
Gas	0.1	0.2	0.0 ⁽³⁾	0.0 ⁽³⁾	0.0
Hydro	0.3	0.2	0.3	0.3	0.2
Purchased Power	18.9	12.9	15.8	22.8	27.4
	100.0%	100.0%	100.0%	100.0%	100.0%

⁽¹⁾D. H. Mitchell Generating Station taken out of service January 2002.

⁽²⁾Includes the delivered cost of coal, fuel stock expense, ash handling and sale of slag.

⁽³⁾Gas usage was only .02% of total and rounded to 0.0%.

Capacity and Operating Margins

Capacity and Operating Margins provide a method by which electrical resources are displayed to show the future electrical demands and energy requirements of the Northern Indiana Public Service Company's customers. Analyses are conducted in order to determine the optimum outcome of various electric resource plans, which are necessary for customer demand and electric system reliability.

	2006	2005	2004	2003	2002
Resources Available (at time of peak)					
Net demonstrated capacity of units (MW)	3,392	3,392	3,392	3,392	3,392
Purchased power (MW) ⁽¹⁾	1,233	1,143	628	827	774
Total resources of system (MW)	4,625	4,535	4,020	4,219	4,166
Scheduled outage (MW) ⁽²⁾	(485)	(502)	(502)	(502)	(502)
Random unavailability (MW)	(827)	(473)	(221)	(207)	(245)
Resources available to meet peak load (MW)	3,313	3,560	3,297	3,510	3,419
Total internal system peak demand (MW)	3,238	3,166	2,922	3,054	2,978

Capacity Margins

Capacity margin expresses the difference between total demonstrated resources and the internal system peak demand, as a fraction of the total demonstrated resources. Capacity margin permits examination and calculation of operating needs.

	2006	2005	2004	2003	2002
Total resources of system (MW)	4,625	4,535	4,020	4,219	4,166
Total internal system peak demand (MW)	3,238	3,166	2,922	3,054	2,978
Capacity margin (MW)	1,387	1,369	1,098	1,165	1,188
Capacity margin (percent)	30.0%	30.2%	27.3%	27.6%	28.5%

Operating Margins

Operating margin is capacity margin less the demonstrated resources unavailable because of predictable events such as scheduled outages and variable events such as random unavailability. Consideration of these variables explicitly incorporates the dimension of generation reliability into both utility operational and capacity planning needs. The total internal system peak demand is subtracted from the resources available to meet peak demand. This difference, divided by the total demonstrated resources and expressed as a percentage, is the operating margin.

	2006	2005	2004	2003	2002
Resources available to meet peak load (MW)	3,313	3,560	3,297	3,510	3,419
Total internal system peak demand (MW)	3,238	3,166	2,922	3,054	2,978
Operating margin (MW)	75	394	375	456	441
Operating margin (percent)	1.6%	8.7%	9.3%	10.8%	10.6%
Annual Load Factor (percent)	61.5%	62.8%	66.0%	61.8%	66.3%

⁽¹⁾MISO loss import included in purchase amount starting in 2005.

⁽²⁾D. H. Mitchell Generating Station taken out of service January 2002 and is on indefinite shutdown. Unit 9 was returned to service October 2005.

Glossary of Selected Energy Terms

Bcf: (billions of cubic feet) A common measurement of a large volume of natural gas. Gas volume is denominated in cubic feet by the thousands (Mcf), millions (MMcf), billions (Bcf) and trillions (Tcf).

Block: Offshore area identified numerically.

Btu: Abbreviation for British thermal unit, a measure of heating value — the quantity of heat required to raise the temperature of one pound of water one degree Fahrenheit at sea level.

Cogeneration: A process that produces electrical and thermal energy simultaneously from a single source, often natural gas.

Cost Tracker Revenue: A special revenue provision approved by state regulatory commissions to recover operating and capital expenses not contained in rate base.

Deferred Taxes: Income taxes resulting from the use of income tax law provisions which allow recognition of certain items of revenue and expense in the tax return prior to their being recorded on the books of the company. Deferred taxes do not constitute earnings available to pay dividends to investors.

Degree-Day, Cooling: A measure of the need for air conditioning (cooling) based on temperature. A cooling degree-day measures the variations to the daily mean temperature above a reference temperature. NiSource measures cooling degree-days relative to a reference temperature of 65 degrees.

Degree-Day, Heating: A measure of the coldness of the weather based on temperature. A heating degree-day measures the variations to the daily mean temperature below a reference temperature (estimated temperature at which heating load begins). NiSource uses a reference temperature that varies slightly across the region, resulting in a composite measurement based on 62 degrees.

Dekatherm: (Dt or Dth) A measure of heating value equal to one million Btus (MMBtu). One dekatherm is roughly equivalent to one thousand cubic feet (1 Mcf) of natural gas; specifically, for 1998, the conversion factor for the production of dry natural gas is 1 Mcf equals 1.026 MMBtu (or, 1.026 dekatherm).

Derivatives: A financial instrument whose value is based on a commodity or other security, e.g., futures, options, swaps, and forwards. A derivative's value changes with changes in one or more underlying market variables, such as commodity prices, interest rates or foreign exchange rates.

Distributed Generation: A system of energy production that is located at the point of use. It typically involves less than 500 kilowatts of capacity and often includes provision for thermal energy recovery and electric production.

Exchange Gas: Gas that is received from (or delivered to) another party in exchange for gas delivered to (or received from) that party.

Exposure: A firm's vulnerability to loss from unanticipated events. These events might include movement in financial market variables, such as foreign exchange rates, interest rates or commodity prices.

Federal Energy Regulatory Commission (FERC): An independent five-member commission within the Department of Energy responsible for setting rates and charges for the wholesale transportation and sale of natural gas and electricity; the licensing of hydroelectric power projects; and for establishing rates or charges for the transportation of oil by pipeline, as well as the valuation of such pipelines.

Firm Power, Electric: Power or power-producing capacity intended to be available at all times during the period covered by a commitment, even under adverse conditions.

Firm Service: Service offered to customers under tariff authority and associated contracts. It anticipates no interruptions other than unexpected and uncontrollable events.

Gigawatt: One billion watts.

Gigawatt Hour: (Gwh) the energy of one gigawatt supplied for one hour.

Interruptible Service: A reduced-cost gas transportation service offered to customers that anticipates and permits interruptions on short notice.

Kilowatt (kw): 1,000 watts. A watt is a measure of the rate at which electricity is generated or consumed.

Liquefied Natural Gas (LNG): Natural gas that is converted to a liquid state by reducing its temperature to minus 260°F at atmospheric pressure. As a liquid, LNG takes up one six-hundredth of the space that the comparable gas vapor would require, allowing it to be stored economically in cryogenic tanks, or transported in cryogenic ships.

MMBtu: One million Btu.

Market Center or Market Hub: An interchange where a shipper can gain access to multiple transportation paths, flexible supply/delivery points and, as a general rule, other services such as imbalance protection, short-term storage ("parking service") and gas lending or borrowing services.

Mark to Market: The daily adjustment of the value of derivative positions to reflect profits and losses resulting from price movements occurring during the last trading session.

Megawatt (mw): The generating capacity of utility plants is expressed in megawatts; a megawatt is 1,000 kilowatts or 1 million watts.

Operating Margin: The difference between operating revenues and the cost of sales. It is the contribution made to cover all other operating costs, fixed costs and profit margin.

Peak Day: The day of greatest total gas sendout.

Peak Load Demand: Electricity or gas supplied during a period of the greatest demand.

Rate Base: The amounts invested on which a regulatory agency allows utilities to earn a return.

Risk Management: The process of identifying the risk-return tradeoffs available to a company in the course of its business activities and the process of developing and implementing plans which limit or reduce risks while simultaneously providing an acceptable return.

Sales for Resale: Sales made to a local distribution company, pipeline, or municipality where the gas will be resold by the purchaser.

Shipper: Owner of the transportation contract, for whom gas is transported.

Short-haul Transportation: A gas transportation service provided by a transmission company over short distances along its pipeline system.

Spot Market: A market characterized by short-term, interruptible (or best efforts) contracts for specified volumes of gas. Participants may be any of the elements of the gas industry—producer, transporter, distributor, or end user. Brokers may also be utilized.

Therm: A quantity of heat equivalent to 100,000 British thermal units (Btus).

Throughput: Total volume of gas delivered.

Transportation: The act of moving gas from a designated receipt point to a designated delivery point pursuant to the terms of a contract between the transporter and the shipper. Generally it is the shipper's own gas which is being moved.

Transporter: A legal entity which has the capability of providing the service of transporting gas. Transporter includes gathering companies, pipeline companies and local distribution companies.

Underground Storage: A service that permits the injection of large quantities of natural gas into underground rock formations during periods of low market demand and withdrawn during periods of peak market demand.

Utility Plant: All property and equipment used for the generation, transmission, and distribution of electricity and storage, transmission and distribution of gas.

Value at Risk (VaR): The potential loss or gain for an instrument or portfolio from changes in market factors, for a specified time period and at a specified confidence level.

Volatility: The degree to which the price of a commodity or security fluctuates around some mean value. It is usually measured as the variance or standard deviation of the price.

Wheeling: Electric utility operation wherein transmission facilities of one system are used to transmit power produced by another system.

Board of Directors**Ian M. Rolland**

Chairman
NiSource Inc.
Merrillville, Indiana

Dr. Steven C. Beering

President Emeritus
Purdue University
West Lafayette, Indiana

Dennis E. Foster

Retired Vice Chairman
ALLTEL Corporation
Little Rock, Arkansas

Peter McCausland

Chairman and
Chief Executive Officer
Airgas, Inc.

Steven R. McCracken

Retired Chairman, President and
Chief Executive Officer
Owens-Illinois, Inc.
Toledo, Ohio

Gary L. Neale

Retired Chairman, President and
Chief Executive Officer
NiSource Inc.
Merrillville, Indiana

Robert C. Skaggs, Jr.

President and
Chief Executive Officer
NiSource Inc.
Merrillville, Indiana

Richard L. Thompson

Retired Group President
Caterpillar Inc.
Peoria, Illinois

Robert J. Welsh

Chairman and Chief Executive Officer
Welsh Holdings, LLC
Merrillville, Indiana

Dr. Carolyn Y. Woo

Martin J. Gillen Dean
and Ray and Milann Siegfried
Professor of Management
University of Notre Dame
Mendoza College of Business
Notre Dame, Indiana

Roger A. Young

Retired Chairman
Bay State Gas Company
Westborough, Massachusetts

Senior Executives**Robert C. Skaggs, Jr.**

President and Chief Executive Officer

Robert D. Campbell

Senior Vice President,
Human Resources

Peter V. Fazio, Jr.

Acting General Counsel

Larry J. Francisco

Vice President, Audit

Jerry L. Godwin

Senior Vice President, Electric
Generation and Transmission

Christopher A. Helms

Pipeline Group President

Glen L. Kettering

Senior Vice President,
Corporate Affairs

Harris H. Marple

Senior Vice President,
Distribution Operations

Michael W. O'Donnell

Executive Vice President and
Chief Financial Officer

Kathleen O'Leary

Senior Vice President, Energy
Distribution Regulated Revenue

Violet G. Sistovaris

Senior Vice President,
Administrative Services



801 E. 86th Avenue
Merrillville, Indiana 46410-6272

Investor Relations Contacts:

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NiSource Inc.
801 E. 86th Ave.
Merrillville, IN 46410

Glen L. Kettering
Senior Vice President, Corporate Affairs
gkettering@nisource.com
(219) 647-5765

Randy G. Hulen
Director, Investor Relations
rghulen@nisource.com
(219) 647-5688

Jennifer Moench
Manager, Corporate Affairs
jmoench@nisource.com
(219) 647-6209

Internet: <http://www.nisource.com>

Shareholder Information:

Shareholder Services
NiSource Inc.
801 E. 86th Ave.
Merrillville, IN 46410

www.nisource.com

Security Contacts:

**Transfer Agent, Registrar, Shareholder
Records and Dividend Disbursing Agent**

Account Maintenance:

Mellon Investor Services
PO Box 3315
South Hackensack, NJ 07606-1916

Registered/Overnight Delivery:

Mellon Investor Services
Stock Transfer Department
New Port Office Center VII
480 Washington Blvd.
Jersey City, NJ 07310

Phone Contact:

(888) 884-7790

Web Site:

www.melloninvestor.com

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(3)

Prospectuses of current stock and/or bond offering of parent company. If no current offering must provide most recent offerings.

Response:

See Attached.



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As filed with the Securities and Exchange Commission on December 21, 2007

Registration No. 333-

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

NiSource Inc.

(Exact name of registrant
as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

35-2108964

(IRS Employer

Identification Number)

NiSource Finance Corp.

(Exact name of registrant
as specified in its charter)

Indiana

(State or other jurisdiction of
incorporation or organization)

35-2105468

(IRS Employer

Identification Number)

**801 East 86th Avenue
Merrillville, Indiana 46410**

(877) 647-5990

(Address, including zip code, and telephone number, including area code, of registrants' principal executive offices)

David J. Vajda

NiSource Inc.

**801 East 86th Avenue
Merrillville, Indiana 46410**

(877) 647-5990

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copy to:

Robert J. Minkus, Esq.

Schiff Hardin LLP

6600 Sears Tower

Chicago, Illinois 60606

(312) 258-5500

Approximate date of commencement of proposed sale to the public: From time to time after the Registration Statement becomes effective, as determined by market conditions and other factors.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ☐

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ☒

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered/Proposed Maximum Offering Price per Unit/Amount of Registration Fee
Common stock, par value \$0.01 per share, of NiSource Inc.	(1)
Preferred stock of NiSource Inc.	(1)
Debt Securities of NiSource Finance Corp.	(1)

Guarantees of NiSource Inc. with respect to Debt Securities	(1)
Warrants of NiSource Inc. and NiSource Finance Corp.	(1)
Stock Purchase Contracts of NiSource Inc.	(1)
Stock Purchase Units of NiSource Inc.	(1)
Total	(1)

- (1) We are registering a presently indeterminate number or principal amount of (a) shares of common stock, shares of preferred stock, guarantees of debt securities, warrants, stock purchase contracts and stock purchase units which may be sold from time to time by NiSource Inc. and (b) debt securities and warrants to purchase debt securities which may be sold from time to time by NiSource Finance Corp. Pursuant to General Instruction I.E of Form S-3, and in accordance with Rules 456(b) and 457(r), the registrants are deferring payment of all of the registration fee, except for \$4,611.70 that has already been paid with respect to \$57,005,000 aggregate initial offering price of securities that were previously registered pursuant to NiSource Inc. and NiSource Finance Corp.'s Registration Statement Nos. 333-107421 and 333-107421-01 filed on July 29, 2003, and were not sold thereunder.

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PROSPECTUS

NiSource
NiSource Inc.

Common Stock
Preferred Stock
Guarantees of Debt Securities
Warrants
Stock Purchase Contracts
Stock Purchase Units

NiSource Finance Corp.

Debt Securities
Guaranteed as Set Forth in this Prospectus by NiSource Inc.
Warrants

NiSource Inc. may offer, from time to time, in amounts, at prices and on terms that it will determine at the time of offering, any or all of the following:

- shares of common stock;
- shares of preferred stock, in one or more series;
- warrants to purchase common stock or preferred stock; and
- stock purchase contracts to purchase common stock, either separately or in units with the debt securities described below or U.S. Treasury securities.

NiSource Finance Corp., a wholly owned subsidiary of NiSource, may offer from time to time in amounts, at prices and on terms to be determined at the time of the offering:

- one or more series of its debt securities; and
- warrants to purchase debt securities.

NiSource will fully and unconditionally guarantee the obligations of NiSource Finance under any debt securities issued under this prospectus or any prospectus supplement.

We will provide specific terms of these securities, including their offering prices, in prospectus supplements to this prospectus. The prospectus supplements may also add, update or change information contained in this prospectus. You should read this prospectus and any prospectus supplement carefully before you invest.

We may offer these securities to or through underwriters, through dealers or agents, directly to you or through a combination of these methods. You can find additional information about our plan of distribution for the securities under the heading "Plan of Distribution" beginning on page 18 of this prospectus. We will also describe the plan of distribution for any particular offering of these securities in the applicable prospectus supplement. This prospectus may not be used to sell our securities unless it is accompanied by a prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is December 21, 2007.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission, or SEC, utilizing a “shelf” registration or continuous offering process. Under this process, we may from time to time sell any combination of the securities described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the common stock, preferred stock, debt securities, guarantees of debt securities, warrants, stock purchase contracts and stock purchase units we may offer. Each time we offer securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. That prospectus supplement may include a description of any risk factors or other special considerations applicable to those securities. The prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in the prospectus and the prospectus supplement, you should rely on the information in the prospectus supplement. You should read both this prospectus and the applicable prospectus supplement together with the additional information described under the heading “Where You Can Find More Information.”

The registration statement containing this prospectus, including the exhibits to the registration statement, provides additional information about us and the securities offered under this prospectus. The registration statement, including the exhibits, can be read at the SEC website or at the SEC offices mentioned under the heading “Where You Can Find More Information.”

You should rely only on the information incorporated by reference or provided in this prospectus and the accompanying prospectus supplement. We have not authorized anyone to provide you with different information. We are not making an offer to sell or soliciting an offer to buy these securities in any jurisdiction in which the offer or solicitation is not authorized or in which the person making the offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make the offer or solicitation. You should not assume that the information in this prospectus or the accompanying prospectus supplement is accurate as of any date other than the date on the front of the document.

References to “NiSource” refer to NiSource Inc., and references to “NiSource Finance” refer to NiSource Finance Corp. Unless the context requires otherwise, references to “we,” “us” or “our” refer collectively to NiSource and its subsidiaries, including NiSource Finance. References to “securities” refer collectively to the common stock, preferred stock, debt securities, guarantees of debt securities, warrants, stock purchase contracts and stock purchase units registered hereunder.

WHERE YOU CAN FIND MORE INFORMATION

NiSource files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document NiSource files at the SEC’s public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain additional information about the public reference room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a site on the Internet (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC, including NiSource.

The SEC allows us to “incorporate by reference” information into this prospectus. This means that we can disclose important information to you by referring you to another document that NiSource has filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus. Information that NiSource files with the SEC after the date of this prospectus will automatically modify and supersede the information included or incorporated by reference in this prospectus to the extent that the subsequently filed information modifies or supersedes the existing information. We incorporate by reference the following documents filed with the SEC:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2006;
- our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2007, June 30, 2007 and September 30, 2007;

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- our Current Reports on Form 8-K dated January 30, 2007, July 23, 2007, August 30, 2007, October 17, 2007 and December 12, 2007; and
- the description of our common stock contained in our definitive joint proxy statement/prospectus dated April 24, 2000.

We also incorporate by reference any future filings we make with the SEC under sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until we sell all of the securities.

You may request a copy of any of these filings at no cost by writing to or telephoning us at the following address and telephone number: Gary W. Pottorff, NiSource Inc., 801 East 86th Avenue, Merrillville, Indiana 46410, telephone: (877) 647-5990.

We maintain an Internet site at <http://www.nisource.com> which contains information concerning NiSource and its subsidiaries. The information contained at our Internet site is not incorporated by reference in this prospectus, and you should not consider it a part of this prospectus.

We have filed this prospectus with the SEC as part of a registration statement on Form S-3 under the Securities Act of 1933. This prospectus does not contain all of the information included in the registration statement. Any statement made in this prospectus concerning the contents of any contract, agreement or other document is only a summary of the actual document. If we have filed any contract, agreement or other document as an exhibit to the registration statement, you should read the exhibit for a more complete understanding of the document or matter involved. Each statement regarding a contract, agreement or other document is qualified in its entirety by reference to the actual document.

RISK FACTORS

Investing in the securities involves risk. Please see the "Risk Factors" and "Information Regarding Forward-Looking Statements" sections in NiSource's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, along with the disclosure related to the risk factors contained in NiSource's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2007, June 30, 2007 and September 30, 2007, which are incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as other information contained or incorporated by reference in this prospectus. The risks and uncertainties not presently known to NiSource or that NiSource currently deems immaterial may also impair its business operations, its financial results and the value of the securities. The prospectus supplement applicable to each type or series of securities we offer may contain a discussion of additional risks applicable to an investment in us and the particular type of securities we are offering under that prospectus supplement.

FORWARD-LOOKING STATEMENTS

Some of the information included in this prospectus, in any prospectus supplement and in the documents incorporated by reference are "forward-looking statements" within the meaning of the securities laws. Investors and prospective investors should understand that many factors govern whether any forward-looking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. These forward-looking statements include, but are not limited to, statements concerning NiSource's plans, objectives, expected performance, expenditures and recovery of expenditures through rates, stated on either a consolidated or segment basis, and any and all underlying assumptions and other statements that are other than statements of historical fact. From time to time, NiSource may publish or otherwise make available forward-looking statements of this nature. All such subsequent forward-looking statements, whether written or oral and whether made by or on behalf of NiSource, are also expressly qualified by these cautionary statements. All forward-looking statements are based on assumptions that management believes to be reasonable; however, there can be no assurance that actual results will not differ materially.

Realization of NiSource's objectives and expected performance is subject to a wide range of risks and can be adversely affected by, among other things, weather, fluctuations in supply and demand for energy commodities, growth opportunities for NiSource's businesses, increased competition in deregulated energy markets, the success

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of regulatory and commercial initiatives, dealings with third parties over whom NiSource has no control, actual operating experience of NiSource's assets, the regulatory process, regulatory and legislative changes, changes in general economic, capital and commodity market conditions, and counterparty credit risk, many of which risks are beyond the control of NiSource. In addition, the relative contributions to profitability by each segment, and the assumptions underlying the forward-looking statements relating thereto, may change over time.

Accordingly, you should not rely on the accuracy of predictions contained in forward-looking statements. These statements speak only as of the date of this prospectus, the date of the accompanying prospectus supplement or, in the case of documents incorporated by reference, the date of those documents.

NISOURCE INC.

Overview. NiSource is an energy holding company whose subsidiaries provide natural gas, electricity and other products and services to approximately 3.8 million customers located within a corridor that runs from the Gulf Coast through the Midwest to New England.

We are the largest regulated natural gas distribution company operating east of the Rocky Mountains, as measured by number of customers. Our principal subsidiaries include Columbia Energy Group, a vertically integrated natural gas distribution, transmission and storage holding company whose subsidiaries provide service to customers in the Midwest, the Mid-Atlantic and the Northeast; Northern Indiana Public Service Company, a vertically-integrated natural gas and electric company providing service to customers in northern Indiana; and Bay State Gas Company, a natural gas distribution company serving customers in New England. NiSource derives substantially all its revenues and earnings from the operating results of its subsidiaries. Our primary business segments are:

- gas distribution operations;
- gas transmission and storage operations; and
- electric operations.

Strategy. We have established four key initiatives to build a platform for long-term, sustainable growth: commercial and regulatory initiatives; commercial growth and expansion of the gas transmission and storage business; financial management of the balance sheet; and process and expense management.

Gas Distribution Operations. Our natural gas distribution operations serve more than 3.3 million customers in nine states and operate approximately 58,000 miles of pipeline. Through our wholly-owned subsidiary, Columbia Energy Group, we own five distribution subsidiaries that provide natural gas to approximately 2.2 million residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky and Maryland. We also distribute natural gas to approximately 792,000 customers in northern Indiana through three subsidiaries: Northern Indiana Public Service Company, Kokomo Gas and Fuel Company and Northern Indiana Fuel and Light Company, Inc. Additionally, our subsidiaries Bay State Gas Company and Northern Utilities, Inc. distribute natural gas to more than 340,000 customers in Massachusetts, Maine and New Hampshire.

Gas Transmission and Storage. Our gas transmission and storage subsidiaries own and operate approximately 16,000 miles of interstate pipelines and operate one of the nation's largest underground natural gas storage systems, capable of storing approximately 637 billion cubic feet of natural gas. Through our subsidiaries Columbia Gas Transmission Corporation, Columbia Gulf Transmission Company, Crossroads Pipeline Company and Granite State Gas Transmission, Inc., we own and operate an interstate pipeline network extending from offshore in the Gulf of Mexico to Lake Erie, New York and the eastern seaboard. Together, these companies serve customers in 19 Northeastern, Mid-Atlantic, Midwestern and Southern states and the District of Columbia.

Electric Operations. Through our subsidiary Northern Indiana Public Service Company, we generate, transmit and distribute electricity to approximately 454,000 customers in 21 counties in the northern part of Indiana and engage in wholesale and transmission transactions. Northern Indiana Public Service Company currently operates three coal-fired electric generating stations with a net

capacity of 2,574 megawatts, six gas-fired generating

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units with a net capacity of 323 megawatts and two hydroelectric generating plants with a net capacity of 10 megawatts, totaling a net capability of 2,907 megawatts. Northern Indiana Public Service Company's transmission system, with voltages from 34,500 to 345,000 volts, consists of 3,192 circuit miles. Northern Indiana Public Service Company is interconnected with five neighboring electric utilities. During the year ended December 31, 2006, Northern Indiana Public Service Company generated 81.1% and purchased 18.9% of its electric requirements.

Other Operations. We participate in energy-related services including gas marketing, power trading and gas risk management and ventures focused on distributed power generation technologies, including a cogeneration facility, fuel cells and storage systems. We own and operate the Whiting Clean Energy project, located at BP's Whiting, Indiana refinery. We also participate in real estate and other businesses.

NISOURCE FINANCE CORP.

NiSource Finance is a wholly-owned special purpose finance subsidiary of NiSource that engages in financing activities to raise funds for the business operations of NiSource and its subsidiaries. NiSource Finance's obligations under the debt securities will be fully and unconditionally guaranteed by NiSource. NiSource Finance was incorporated in March 2000 under the laws of the State of Indiana.

USE OF PROCEEDS

Unless otherwise described in the applicable prospectus supplement, we will use the net proceeds from the sale of securities offered by this prospectus and any applicable prospectus supplement for general corporate purposes, including additions to working capital and repayment of existing indebtedness.

RATIOS OF EARNINGS TO FIXED CHARGES

The following are ratios of our earnings to fixed charges for each of the periods indicated:

<u>Nine Months Ended September 31, 2007</u>	<u>Fiscal Year Ended December 31</u>				
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
2.31	2.22	1.95	2.55	2.29	2.07

For purposes of calculating the ratio of earnings to fixed charges, "earnings" consist of income from continuing operations before income taxes plus fixed charges. "Fixed charges" consist of interest on all indebtedness, amortization of debt expense, the portion of rental expenses on operating leases deemed to be representative of the interest factor and preferred stock dividend requirements of consolidated subsidiaries.

DESCRIPTION OF CAPITAL STOCK**General**

The authorized capital stock of NiSource consists of 420,000,000 shares, \$0.01 par value, of which 400,000,000 are common stock and 20,000,000 are preferred stock. The board of directors has designated 4,000,000 shares of the preferred stock as Series A Junior Participating Preferred Shares. These shares were reserved for issuance upon the exercise of rights under NiSource's Shareholder Rights Plan. As of November 29, 2006, no rights may be exercised under NiSource's Shareholder Rights Plan.

Anti-Takeover Provisions

The certificate of incorporation of NiSource includes provisions that may have the effect of deterring hostile takeovers or delaying or preventing changes in control of management of NiSource. Members of NiSource's board of directors may be removed only for cause by the affirmative vote of

80% of the combined voting power of all of the then-outstanding shares of stock of NiSource voting together as a single class. Unless the board of directors determines otherwise or except as otherwise required by law, vacancies on the board or newly-created directorships

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may be filled only by the affirmative vote of directors then in office, even though less than a quorum. If the board of directors or applicable Delaware law confers power on stockholders of NiSource to fill such a vacancy or newly-created directorship, it may be filled only by affirmative vote of 80% of the combined voting power of the outstanding shares of stock of NiSource entitled to vote. Stockholders may not cumulate their votes, and stockholder action may be taken only at a duly called meeting and not by written consent. In addition, NiSource's bylaws provide that special meetings of stockholders may be called only by a majority of the total number of authorized directors and contain requirements for advance notice of stockholder proposals and director nominations. These and other provisions of the certificate of incorporation and bylaws and Delaware law could discourage potential acquisition proposals and could delay or prevent a change in control of management of NiSource.

NiSource is subject to the provisions of Section 203 of the Delaware General Corporation Law regulating corporate takeovers. Section 203 prevents certain Delaware corporations, including those whose securities are listed on a national securities exchange, such as the New York Stock Exchange, from engaging, under certain circumstances, in a "business combination," which includes a merger or sale of more than 10% of the corporation's assets, with any interested stockholder for three years following the date that the stockholder became an interested stockholder. An interested stockholder is a stockholder who acquired 15% or more of the corporation's outstanding voting stock without the prior approval of the corporation's board of directors.

The following summaries of provisions of our common stock and preferred stock are not necessarily complete. You are urged to read carefully NiSource's certificate of incorporation and bylaws which are incorporated by reference as exhibits to the registration statement of which this prospectus is a part.

Common Stock

NiSource common stock is listed on the New York Stock Exchange under the symbol "NI." Common stockholders may receive dividends if and when declared by the board of directors. Dividends may be paid in cash, stock or other form. In certain cases, common stockholders may not receive dividends until obligations to any preferred stockholders have been satisfied. All common stock will be fully paid and non-assessable. Each share of common stock is entitled to one vote in the election of directors and other matters. Common stockholders are not entitled to preemptive rights or cumulative voting rights. Common stockholders will be notified of any stockholders' meeting according to applicable law. If NiSource liquidates, dissolves or winds-up its business, either voluntarily or involuntarily, common stockholders will share equally in the assets remaining after creditors and preferred stockholders are paid.

Preferred Stock

The board of directors can, without approval of stockholders, issue one or more series of preferred stock. The board can also determine the number of shares of each series and the rights, preferences and limitations of each series, including any dividend rights, voting rights, conversion rights, redemption rights and liquidation preferences, the number of shares constituting each series and the terms and conditions of issue. In some cases, the issuance of preferred stock could delay a change in control of NiSource and make it harder to remove incumbent management. Under certain circumstances, preferred stock could also restrict dividend payments to holders of common stock. All preferred stock will be fully paid and non-assessable.

The terms of the preferred stock that NiSource may offer will be established by or pursuant to a resolution of the board of directors of NiSource and will be issued under certificates of designations or through amendments to NiSource's certificate of incorporation. If NiSource uses this prospectus to offer preferred stock, an accompanying prospectus supplement will describe the specific terms of the preferred stock. NiSource will also indicate in the supplement whether the general terms and provisions described in this prospectus apply to the preferred stock that NiSource may offer.

The following terms of the preferred stock, as applicable, will be set forth in a prospectus supplement relating to the preferred stock:

- the title and stated value;

- the number of shares NiSource is offering;

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- the liquidation preference per share;
- the purchase price;
- the dividend rate, period and payment date, and method of calculation of dividends;
- whether dividends will be cumulative or non-cumulative and, if cumulative, the date from which dividends will accumulate;
- the procedures for any auction and remarketing, if any;
- the provisions for a sinking fund, if any;
- the provisions for redemption or repurchase, if applicable, and any restrictions on NiSource's ability to exercise those redemption and repurchase rights;
- any listing of the preferred stock on any securities exchange or market;
- voting rights, if any;
- preemptive rights, if any;
- restrictions on transfer, sale or other assignment, if any;
- whether interests in the preferred stock will be represented by depositary shares;
- a discussion of any material or special United States federal income tax considerations applicable to the preferred stock;
- the relative ranking and preferences of the preferred stock as to dividend or liquidation rights;
- any limitations on issuance of any class or series of preferred stock ranking senior to or on a parity with the series of preferred stock as to dividend or liquidation rights; and
- any other material specific terms, preferences, rights or limitations of, or restrictions on, the preferred stock.

The terms, if any, on which the preferred stock may be exchanged for or converted into shares of common stock or any other security and, if applicable, the conversion or exchange price, or how it will be calculated, and the conversion or exchange period will be set forth in the applicable prospectus supplement.

The preferred stock or any series of preferred stock may be represented, in whole or in part, by one or more global certificates, which will have an aggregate liquidation preference equal to that of the preferred stock represented by the global certificate.

Each global certificate will:

- be registered in the name of a depositary or a nominee of the depositary identified in the prospectus supplement;
- be deposited with such depositary or nominee or a custodian for the depositary; and
- bear a legend regarding the restrictions on exchanges and registration of transfer and any other matters as may be provided for under the certificate of designations.

DESCRIPTION OF THE DEBT SECURITIES

NiSource Finance may issue the debt securities, in one or more series, from time to time under an Indenture, dated as of November 14, 2000, among NiSource Finance, NiSource, as guarantor, and The Bank of New York (as successor to JPMorgan Chase Bank, formerly known as The Chase Manhattan Bank), as trustee. The Bank of New York, as trustee under the Indenture, will act as indenture trustee for the purposes of the Trust Indenture Act. We have incorporated by reference the Indenture as an exhibit to the registration statement of which this prospectus is a part.

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This section briefly summarizes some of the terms of the debt securities and the Indenture. This section does not contain a complete description of the debt securities or the Indenture. The description of the debt securities is qualified in its entirety by the provisions of the Indenture. References to section numbers in this description of the debt securities, unless otherwise indicated, are references to section numbers of the Indenture.

General

The Indenture does not limit the amount of debt securities that may be issued. The Indenture provides for the issuance of debt securities from time to time in one or more series. The terms of each series of debt securities may be established in a supplemental indenture or in resolutions of NiSource Finance's board of directors or a committee of the board.

The debt securities:

- are direct senior unsecured obligations of NiSource Finance;
- are equal in right of payment to any other senior unsecured obligations of NiSource Finance; and
- are guaranteed on a senior unsecured basis by NiSource.

NiSource Finance is a special purpose financing subsidiary formed solely as a financing vehicle for NiSource and its subsidiaries. Therefore, the ability of NiSource Finance to pay its obligations under the debt securities is dependent upon the receipt by it of payments from NiSource. If NiSource were not to make such payments for any reason, the holders of the debt securities would have to rely on the enforcement of NiSource's guarantee described below.

If NiSource Finance uses this prospectus to offer debt securities, an accompanying prospectus supplement will describe the following terms of the debt securities being offered, to the extent applicable:

- the title;
- any limit on the aggregate principal amount;
- the date or dates on which NiSource Finance will pay principal;
- the right, if any, to extend the date or dates on which NiSource Finance will pay principal;
- the interest rates or the method of determining them and the date interest begins to accrue;
- the interest payment dates and the regular record dates for any interest payment dates;
- the right, if any, to extend the interest payment periods and the duration of any extension;
- the place or places where NiSource Finance will pay principal and interest;
- the terms and conditions of any optional redemption, including the date after which, and the price or prices at which, NiSource Finance may redeem securities;
- the terms and conditions of any optional purchase or repayment, including the date after which, and the price or prices at which, holders may require NiSource Finance to purchase, or a third party may require holders to sell, securities;
- the terms and conditions of any mandatory or optional sinking fund redemption, including the date after which, and the price or prices at which, NiSource Finance may redeem securities;
- whether bearer securities will be issued;
- the denominations in which NiSource Finance will issue securities;
- the currency or currencies in which NiSource Finance will pay principal and interest;
- any index or indices used to determine the amount of payments;
- the portion of principal payable on declaration of acceleration of maturity;

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- any additional events of default or covenants of NiSource Finance or NiSource applicable to the debt securities;
- whether NiSource Finance will pay additional amounts in respect of taxes and similar charges on debt securities held by a United States alien and whether NiSource Finance may redeem those debt securities rather than pay additional amounts;
- whether NiSource Finance will issue the debt securities in whole or in part in global form and, in such case, the depositary for such global securities and the circumstances under which beneficial owners of interests in the global security may exchange such interest for securities;
- the date or dates after which holders may convert the securities into shares of NiSource common stock or preferred stock and the terms for that conversion; and
- any other terms of the securities.

The Indenture does not give holders of debt securities protection in the event of a highly leveraged transaction or other transaction involving NiSource Finance or NiSource. The Indenture also does not limit the ability of NiSource Finance or NiSource to incur indebtedness or to declare or pay dividends on its capital stock.

Guarantee of NiSource

NiSource will fully and unconditionally guarantee to each holder of debt securities and to the indenture trustee and its successors all the obligations of NiSource Finance under the debt securities, including the due and punctual payment of the principal of, and premium, if any, and interest, if any, on the debt securities. The guarantee applies whether the payment is due at maturity, on an interest payment date or as a result of acceleration, redemption or otherwise. The guarantee includes payment of interest on the overdue principal of and interest, if any, on the debt securities (if lawful) and all other obligations of NiSource Finance under the Indenture. The guarantee will remain valid even if the Indenture is found to be invalid. NiSource is obligated under the guarantee to pay any guaranteed amount immediately after NiSource Finance's failure to do so.

NiSource is a holding company with no independent business operations or source of income of its own. It conducts substantially all of its operations through its subsidiaries and, as a result, NiSource depends on the earnings and cash flow of, and dividends or distributions from, its subsidiaries to provide the funds necessary to meet its debt and contractual obligations. A substantial portion of NiSource's consolidated assets, earnings and cash flow is derived from the operation of its regulated utility subsidiaries, whose legal authority to pay dividends or make other distributions to NiSource is subject to regulation. Northern Indiana Public Service Company's debt indenture also provides that Northern Indiana Public Service Company will not declare or pay any dividends on its common stock owned by NiSource except out of earned surplus or net profits.

NiSource's holding company status also means that its right to participate in any distribution of the assets of any of its subsidiaries upon liquidation, reorganization or otherwise is subject to the prior claims of the creditors of each of the subsidiaries (except to the extent that the claims of NiSource itself as a creditor of a subsidiary may be recognized). Since this is true for NiSource, it is also true for the creditors of NiSource (including the holders of the debt securities).

Conversion Rights

The terms, if any, on which a series of debt securities may be exchanged for or converted into shares of common stock or preferred stock of NiSource will be set forth in the applicable prospectus supplement.

Denomination, Registration and Transfer

NiSource Finance may issue the debt securities as registered securities in certificated form or as global securities as described under the heading "Book-Entry Issuance." Unless otherwise specified in the applicable prospectus supplement, NiSource Finance will issue registered debt securities in denominations of \$1,000 or integral multiples of \$1,000. (See Section 302.)

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If NiSource Finance issues the debt securities as registered securities, NiSource Finance will keep at one of its offices or agencies a register in which it will provide for the registration and transfer of the debt securities. NiSource Finance will appoint that office or agency the security registrar for the purpose of registering and transferring the debt securities.

The holder of any registered debt security may exchange the debt security for registered debt securities of the same series having the same stated maturity date and original issue date, in any authorized denominations, in like tenor and in the same aggregate principal amount. The holder may exchange those debt securities by surrendering them in a place of payment maintained for this purpose at the office or agency NiSource Finance has appointed securities registrar. Holders may present the debt securities for exchange or registration of transfer, duly endorsed or accompanied by a duly executed written instrument of transfer satisfactory to NiSource Finance and the securities registrar. No service charge will apply to any exchange or registration of transfer, but NiSource Finance may require payment of any taxes and other governmental charges as described in the Indenture. (See Section 305.)

If debt securities of any series are redeemed, NiSource Finance will not be required to issue, register transfer of or exchange any debt securities of that series during the 15 business day period immediately preceding the day the relevant notice of redemption is given. That notice will identify the serial numbers of the debt securities being redeemed. After notice is given, NiSource Finance will not be required to issue, register the transfer of or exchange any debt securities that have been selected to be either partially or fully redeemed, except the unredeemed portion of any debt security being partially redeemed. (See Section 305.)

Payment and Paying Agents

Unless otherwise indicated in the applicable prospectus supplement, on each interest payment date, NiSource Finance will pay interest on each debt security to the person in whose name that debt security is registered as of the close of business on the record date relating to that interest payment date. If NiSource Finance defaults in the payment of interest on any debt security, it may pay that defaulted interest to the registered owner of that debt security:

- as of the close of business on a date that the indenture trustee selects, which may not be more than 15 days or less than 10 days before the date NiSource Finance proposes to pay the defaulted interest, or
- in any other lawful manner that does not violate the requirements of any securities exchange on which that debt security is listed and that the indenture trustee believes is acceptable.

(See Section 307.)

Unless otherwise indicated in the applicable prospectus supplement, NiSource Finance will pay the principal of and any premium or interest on the debt securities when they are presented at the office of the indenture trustee, as paying agent. NiSource Finance may change the place of payment of the debt securities, appoint one or more additional paying agents, and remove any paying agent.

Redemption

The applicable prospectus supplement will contain the specific terms on which NiSource Finance may redeem a series of debt securities prior to its stated maturity. NiSource Finance will send a notice of redemption to holders at least 30 days but not more than 60 days prior to the redemption date. The notice will state:

- the redemption date;
- the redemption price;
- if less than all of the debt securities of the series are being redeemed, the particular debt securities to be redeemed (and the principal amounts, in the case of a partial redemption);
- that on the redemption date, the redemption price will become due and payable and any applicable interest will cease to accrue on and after that date;

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- the place or places of payment; and
- whether the redemption is for a sinking fund.

(See Section 1104.)

On or before any redemption date, NiSource Finance will deposit an amount of money with the indenture trustee or with a paying agent sufficient to pay the redemption price. (See Section 1105.)

If NiSource Finance is redeeming less than all the debt securities, the indenture trustee will select the debt securities to be redeemed using a method it considers fair and appropriate. After the redemption date, holders of redeemed debt securities will have no rights with respect to the debt securities except the right to receive the redemption price and any unpaid interest to the redemption date. (See Section 1103.)

Consolidation, Merger, Conveyance, Transfer or Lease

Neither NiSource Finance nor NiSource shall consolidate or merge with any other corporation or convey, transfer or lease substantially all of its assets or properties to any entity unless:

- that corporation or entity is organized under the laws of the United States or any state thereof;
- that corporation or entity assumes NiSource Finance's or NiSource's obligations, as applicable, under the Indenture;
- after giving effect to the transaction, NiSource Finance and NiSource are not in default under the Indenture; and
- NiSource Finance or NiSource, as applicable, delivers to the indenture trustee an officer's certificate and an opinion of counsel to the effect that the transaction complies with the Indenture.

(See Section 801.)

Limitation on Liens

As long as any debt securities remain outstanding, neither NiSource Finance, NiSource nor any subsidiary of NiSource other than a utility may issue, assume or guarantee any debt secured by any mortgage, security interest, pledge, lien or other encumbrance on any property owned by NiSource Finance, NiSource or that subsidiary, except intercompany indebtedness, without also securing the debt securities equally and ratably with (or prior to) the new debt, unless the total amount of all of the secured debt would not exceed 10% of the consolidated net tangible assets of NiSource and its subsidiaries (other than utilities).

In addition, the lien limitations do not apply to NiSource Finance's, NiSource's and any subsidiary's ability to do the following:

- create mortgages on any property and on certain improvements and accessions on such property acquired, constructed or improved after the date of the Indenture;
- assume existing mortgages on any property or indebtedness of an entity which is merged with or into, or consolidated with NiSource Finance, NiSource or any subsidiary;
- assume existing mortgages on any property or indebtedness of an entity existing at the time it becomes a subsidiary;
- create mortgages to secure debt of a subsidiary to NiSource or to another subsidiary;
- create mortgages in favor of governmental entities to secure payment under a contract or statute or mortgages to secure the financing of constructing or improving property, including mortgages for pollution control or industrial revenue bonds;
- create mortgages to secure debt of NiSource or its subsidiaries maturing within 12 months and created in the ordinary course of business;

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- create mortgages to secure the cost of exploration, drilling or development of natural gas, oil or other mineral property;
- to continue mortgages existing on the date of the Indenture; and
- create mortgages to extend, renew or replace indebtedness secured by any mortgage referred to above provided that the principal amount of indebtedness and the property securing the indebtedness shall not exceed the amount secured by the mortgage being extended, renewed or replaced.

(See Section 1008.)

Events of Default

The Indenture provides, with respect to any outstanding series of debt securities, that any of the following events constitutes an "Event of Default":

- NiSource Finance defaults in the payment of any interest upon any debt security of that series that becomes due and payable and the default continues for 60 days;
- NiSource Finance defaults in the payment of principal of or any premium on any debt security of that series when due at its maturity, on redemption, by declaration or otherwise and the default continues for three business days;
- NiSource Finance defaults in the deposit of any sinking fund payment when due and the default continues for three business days;
- NiSource Finance or NiSource defaults in the performance of or breaches any covenant or warranty in the Indenture for 90 days after written notice to NiSource Finance and NiSource from the indenture trustee or to NiSource Finance, NiSource and the indenture trustee from the holders of at least 33% of the outstanding debt securities of that series;
- NiSource Finance or NiSource Capital Markets, Inc., a subsidiary of NiSource, defaults under any bond, debenture, note or other evidence of indebtedness for money borrowed by NiSource Finance or NiSource Capital Markets, or NiSource Finance or NiSource Capital Markets defaults under any mortgage, indenture or instrument under which there may be issued, secured or evidenced indebtedness constituting a failure to pay in excess of \$50,000,000 of the principal or interest when due and payable, and in the event such debt has become due as the result of an acceleration, such acceleration is not rescinded or annulled or such debt is not paid within 60 days after written notice to NiSource Finance and NiSource from the indenture trustee or to NiSource Finance, NiSource and the indenture trustee from the holders of at least 33% of the outstanding debt securities of that series;
- the NiSource guarantee ceases to be in full force and effect in any material respect or is disaffirmed or denied (other than according to its terms), or is found to be unenforceable or invalid; or
- certain events of bankruptcy, insolvency or reorganization of NiSource Finance, NiSource Capital Markets or NiSource.

(See Section 501.)

If an Event of Default occurs with respect to debt securities of a particular series, the indenture trustee or the holders of 33% in principal amount of the outstanding debt securities of that series may declare the debt securities of that series due and payable immediately. (See Section 502.)

The holders of a majority in principal amount of the outstanding debt securities of a particular series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the indenture trustee under the Indenture, or exercising any trust or power conferred on the indenture trustee with respect to the debt securities of that series. The indenture trustee may refuse to follow directions that are in conflict with law or the Indenture, that expose the indenture trustee to personal liability or that are unduly prejudicial to other holders. The indenture trustee may take any other action it deems proper that is not inconsistent with those directions. (See Section 512.)

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The holders of a majority in principal amount of the outstanding debt securities of any series may waive any past default under the Indenture and its consequences, except a default:

- in respect of a payment of principal of, or premium, if any, or interest on any debt security; or
- in respect of a covenant or provision that cannot be modified or amended without the consent of the holder of each affected debt security.

(See Section 513.)

At any time after the holders of the debt securities of a series declare that the debt securities of that series are due and immediately payable, a majority in principal amount of the outstanding holders of debt securities of that series may rescind and cancel the declaration and its consequences: (1) before the indenture trustee has obtained a judgment or decree for money, (2) if all defaults (other than the non-payment of principal which has become due solely by reason of the declaration) have been waived or cured, and (3) NiSource or NiSource Finance has paid or deposited with the indenture trustee an amount sufficient to pay:

- all overdue interest on the debt securities of that series;
- the principal of, and premium, if any, or interest on any debt securities of that series which are due other than by reason of the declaration;
- interest on overdue interest (if lawful); and
- sums paid or advanced by and amounts due to the indenture trustee under the Indenture.

(See Section 502.)

Modification of Indenture

NiSource Finance, NiSource and the indenture trustee may modify or amend the Indenture, without the consent of the holders of any debt securities, for any of the following purposes:

- to evidence the succession of another person as obligor under the Indenture;
- to add to NiSource Finance's or NiSource's covenants or to surrender any right or power conferred on NiSource Finance or NiSource under the Indenture;
- to add events of default;
- to add or change any provisions of the Indenture to provide that bearer securities may be registrable as to principal, to change or eliminate any restrictions on the payment of principal or premium on registered securities or of principal or premium or any interest on bearer securities, to permit registered securities to be exchanged for bearer securities or to permit the issuance of securities in uncertificated form (so long as the modification or amendment does not materially adversely affect the interest of the holders of debt securities of any series);
- to change or eliminate any provisions of the Indenture (so long as there are no outstanding debt securities entitled to the benefit of the provision);
- to secure the debt securities;
- to establish the form or terms of debt securities of any series;
- to evidence or provide for the acceptance or appointment by a successor indenture trustee or facilitate the administration of the trusts under the Indenture by more than one indenture trustee;
- to cure any ambiguity, defect or inconsistency in the Indenture (so long as the cure or modification does not materially adversely affect the interest of the holders of debt securities of any series);

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- to effect assumption by NiSource or one of its subsidiaries of NiSource Finance's obligations under the Indenture; or
- to conform the Indenture to any amendment of the Trust Indenture Act.

(See Section 901.)

The Indenture provides that we and the indenture trustee may amend the Indenture or the debt securities with the consent of the holders of a majority in principal amount of the then outstanding debt securities of each series affected by the amendment voting as one class. However, without the consent of each holder of any outstanding debt securities affected, an amendment or modification may not, among other things:

- change the stated maturity of the principal or interest on any debt security;
- reduce the principal amount of, rate of interest on, or premium payable upon the redemption of, any debt security;
- change the method of calculating the rate of interest on any debt security;
- change any obligation of NiSource Finance to pay additional amounts in respect of any debt security;
- reduce the principal amount of a discount security that would be payable upon acceleration of its maturity;
- change the place or currency of payment of principal of, or any premium or interest on, any debt security;
- impair a holder's right to institute suit for the enforcement of any payment after the stated maturity or after any redemption date or repayment date;
- reduce the percentage of holders of debt securities necessary to modify or amend the Indenture or to consent to any waiver under the Indenture;
- change any obligation of NiSource Finance to maintain an office or agency in each place of payment or to maintain an office or agency outside the United States;
- modify the obligations of NiSource under its guarantee in any way adverse to the interests of the holders of the debt securities; and
- modify these requirements or reduce the percentage of holders of debt securities necessary to waive any past default of certain covenants.

(See Section 902.)

Satisfaction and Discharge

Under the Indenture, NiSource Finance can terminate its obligations with respect to debt securities of any series not previously delivered to the indenture trustee for cancellation when those debt securities:

- have become due and payable;
- will become due and payable at their stated maturity within one year; or
- are to be called for redemption within one year under arrangements satisfactory to the indenture trustee for giving notice of redemption.

NiSource Finance may terminate its obligations with respect to the debt securities of that series by depositing with the indenture trustee, as trust funds dedicated solely for that purpose, an amount sufficient to pay and discharge the entire indebtedness on the debt securities of that series. In that case, the Indenture will cease to be of further effect and NiSource Finance's obligations will be satisfied and discharged with respect to that series (except as to NiSource Finance's obligations to pay all other amounts due under the Indenture and to provide certain officers' certificates and opinions of counsel to the indenture trustee). At the expense of NiSource Finance, the indenture trustee will execute proper

instruments acknowledging the satisfaction and discharge. (See Section 401.)

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Book-Entry Issuance

Unless otherwise specified in the applicable prospectus supplement, NiSource Finance will issue any debt securities offered under this prospectus as “global securities.” We will describe the specific terms for issuing any debt security as a global security in the prospectus supplement relating to that debt security.

Unless otherwise specified in the applicable prospectus supplement, The Depository Trust Company, or DTC, will act as the depository for any global securities. NiSource Finance will issue global securities as fully registered securities registered in the name of DTC's nominee, Cede & Co. NiSource Finance will issue one or more fully registered global securities for each issue of debt securities, each in the aggregate principal or stated amount of such issue, and will deposit the global securities with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered under the provisions of Section 17A of the Securities Exchange Act. DTC also facilitates the post-trade settlement among its direct participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between its direct participants' accounts. This eliminates the need for physical movement of securities certificates. DTC's direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation which, in turn, is owned by a number of DTC's direct participants and members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the Financial Industry Regulatory Authority. Access to the DTC system is also available to others such as U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. The DTC rules applicable to its participants are on file with the SEC.

Purchases of securities under DTC's system must be made by or through a direct participant, which will receive a credit for such securities on DTC's records. The ownership interest of each actual purchaser of each security, the beneficial owner, is in turn recorded on the records of direct and indirect participants. Beneficial owners will not receive written confirmation from DTC of their purchases, but they should receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the participants through which they entered into the transactions. Transfers of ownership interest in the securities are accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their securities, except in the event that use of the book-entry system for the securities is discontinued.

To facilitate subsequent transfers, all global securities that are deposited with, or on behalf of, DTC are registered in the name of DTC's nominee, Cede & Co. The deposit of global securities with, or on behalf of, DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the securities; DTC's records reflect only the identity of the direct participants to whose accounts such securities are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants and by direct and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the global securities. Under its usual procedures, DTC will mail an omnibus proxy to NiSource Finance as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the securities are credited on the applicable record date (identified in a listing attached to the omnibus proxy).

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Redemption proceeds, principal payments and any premium, interest or other payments on the global securities will be made to Cede & Co., as nominee of DTC. DTC's practice is to credit direct participants' accounts on the applicable payment date in accordance with their respective holdings shown on DTC's records, unless DTC has reason to believe that it will not receive payment on that date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of the participant and not of DTC, NiSource Finance, NiSource or the indenture trustee, subject to any statutory or regulatory requirements in effect at the time. Payment of redemption payments, principal and any premium, interest or other payments to DTC is the responsibility of NiSource Finance and the applicable paying agent, disbursement of payments to direct participants will be the responsibility of DTC, and disbursement of payments to the beneficial owners will be the responsibility of direct and indirect participants.

If applicable, redemption notices will be sent to Cede & Co. If less than all of the debt securities of like tenor and terms are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in such issue to be redeemed.

A beneficial owner electing to have its interest in a global security repaid by NiSource Finance will give any required notice through its participant and will effect delivery of its interest by causing the direct participant to transfer the participant's interest in the global securities on DTC's records to the appropriate party. The requirement for physical delivery in connection with a demand for repayment will be deemed satisfied when the ownership rights in the global securities are transferred on DTC's records.

DTC may discontinue providing its services as securities depository with respect to the global securities at any time by giving reasonable notice to NiSource Finance or the indenture trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates for the securities are required to be printed and delivered.

NiSource Finance may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the securities will be printed and delivered.

We have provided the foregoing information with respect to DTC to the financial community for information purposes only. We do not intend the information to serve as a representation, warranty or contract modification of any kind. We have received the information in this section concerning DTC and DTC's system from sources that we believe to be reliable, but we take no responsibility for the accuracy of this information.

Governing Law

The Indenture and the debt securities are governed by the internal laws of the State of New York.

Information Concerning the Indenture Trustee

Prior to default, the indenture trustee will perform only those duties specifically set forth in the Indenture. After default, the indenture trustee will exercise the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs. The indenture trustee is under no obligation to exercise any of the powers vested in it by the Indenture at the request of any holder of debt securities unless the holder offers the indenture trustee reasonable indemnity against the costs, expenses and liability that the indenture trustee might incur in exercising those powers. The indenture trustee is not required to expend or risk its own funds or otherwise incur personal financial liability in the performance of its duties if it reasonably believes that it may not receive repayment or adequate indemnity. (See Section 601.)

DESCRIPTION OF WARRANTS

NiSource and NiSource Finance may issue warrants to purchase equity or debt securities, respectively. NiSource and NiSource Finance may issue warrants independently or together with any offered securities. The warrants may be attached to or separate from those offered securities. NiSource and NiSource Finance will issue the warrants under warrant agreements to be entered into between

NiSource or NiSource Finance, as the case may be,

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and a bank or trust company, as warrant agent, all as described in the applicable prospectus supplement. The warrant agent will act solely as agent in connection with the warrants and will not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants.

The prospectus supplement relating to any warrants that we may offer will contain the specific terms of the warrants. These terms may include the following:

- the title of the warrants;
- the designation, amount and terms of the securities for which the warrants are exercisable;
- the designation and terms of the other securities, if any, with which the warrants are to be issued and the number of warrants issued with each other security;
- the price or prices at which the warrants will be issued;
- the aggregate number of warrants;
- any provisions for adjustment of the number or amount of securities receivable upon exercise of the warrants or the exercise price of the warrants;
- the price or prices at which the securities purchasable upon exercise of the warrants may be purchased;
- if applicable, the date on and after which the warrants and the securities purchasable upon exercise of the warrants will be separately transferable;
- if applicable, a discussion of the material U.S. federal income tax considerations applicable to the exercise of the warrants;
- any other terms of the warrants, including terms, procedures and limitations relating to the exchange and exercise of the warrants;
- the date on which the right to exercise the warrants will commence, and the date on which the right will expire;
- the maximum or minimum number of warrants that may be exercised at any time; and
- information with respect to book-entry procedures, if any.

Exercise of Warrants

Each warrant will entitle the holder of warrants to purchase for cash the amount of equity or debt securities at the exercise price stated or determinable in the prospectus supplement for the warrants. Warrants may be exercised at any time up to the close of business on the expiration date shown in the applicable prospectus supplement, unless otherwise specified in such prospectus supplement. After the close of business on the expiration date, unexercised warrants will become void. Warrants may be exercised as described in the applicable prospectus supplement. When the warrant holder makes the payment and properly completes and signs the warrant certificate at the corporate trust office of the warrant agent or any other office indicated in the prospectus supplement, NiSource or NiSource Finance, as the case may be, will, as soon as possible, forward the equity or debt securities that the warrant holder has purchased. If the warrant holder exercises the warrant for less than all of the warrants represented by the warrant certificate, NiSource or NiSource Finance, as the case may be, will issue a new warrant certificate for the remaining warrants.

DESCRIPTION OF STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS

NiSource may issue stock purchase contracts, including contracts obligating holders to purchase from NiSource, and for NiSource to sell to the holders, a specified number of shares of common stock at a future date or dates. The price per share of common stock and the number of shares of common stock may be fixed at the time the stock purchase contracts are issued or may be determined by reference to a specific formula stated in the stock purchase contracts.

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The stock purchase contracts may be issued separately or as part of units that we call "stock purchase units." Stock purchase units consist of a stock purchase contract and either NiSource Finance's debt securities or U.S. treasury securities securing the holders' obligations to purchase the common stock under the stock purchase contracts.

The stock purchase contracts may require us to make periodic payments to the holders of the stock purchase units or vice versa, and these payments may be unsecured or prefunded on some basis. The stock purchase contracts may require holders to secure their obligations in a specified manner.

The applicable prospectus supplement will describe the terms of the stock purchase contracts or stock purchase units. The description in the prospectus supplement will only be a summary, and you should read the stock purchase contracts, and, if applicable, collateral or depositary arrangements, relating to the stock purchase contracts or stock purchase units. Material U.S. federal income tax considerations applicable to the stock purchase units and the stock purchase contracts will also be discussed in the applicable prospectus supplement.

PLAN OF DISTRIBUTION

We may sell the securities to or through underwriters, through dealers or agents, directly to you or through a combination of these methods. The prospectus supplement with respect to any offering of securities will describe the specific terms of the securities being offered, including:

- the name or names of any underwriters, dealers or agents;
- the purchase price of the securities and the proceeds to NiSource or NiSource Finance from the sale;
- any underwriting discounts and commissions or agency fees and other items constituting underwriters' or agents' compensation;
- any initial public offering price;
- any discounts or concessions allowed or reallocated or paid to dealers; and
- any securities exchange on which the offered securities may be listed.

Through Underwriters. If we use underwriters in the sale of the securities, the underwriters will acquire the offered securities for their own account. We will execute an underwriting agreement with an underwriter or underwriters once an agreement for sale of the securities is reached. The underwriters may resell the offered securities in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The underwriters may sell the offered securities directly or through underwriting syndicates represented by managing underwriters. Unless otherwise stated in the prospectus supplement relating to offered securities, the obligations of the underwriters to purchase those offered securities will be subject to certain conditions, and the underwriters will be obligated to purchase all of those offered securities if they purchase any of them.

Through Dealers. If we use a dealer to sell the securities, we will sell the offered securities to the dealer as principal. The dealer may then resell those offered securities at varying prices determined at the time of resale. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

Through Agents. If we use agents in the sale of securities, we may designate one or more agents to sell offered securities. Unless otherwise stated in a prospectus supplement, the agents will agree to use their best efforts to solicit purchases for the period of their appointment.

Directly to Purchasers. We may sell the offered securities directly to one or more purchasers. In this case, no underwriters, dealers or agents would be involved. We will describe the terms of our direct sales in our prospectus supplement.

General Information. A prospectus supplement will state the name of any underwriter, dealer or agent and the amount of any compensation, underwriting discounts or concessions paid, allowed or reallocated to them. A

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prospectus supplement will also state the proceeds to us from the sale of offered securities, any initial public offering price and other terms of the offering of those offered securities.

Our agents, underwriters and dealers, or their affiliates, may be customers of, engage in transactions with or perform services for us in the ordinary course of business.

We may authorize agents, underwriters or dealers to solicit offers by certain institutions to purchase offered securities from us at the public offering price and on terms described in the related prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. If we use delayed delivery contracts, we will disclose that we are using them in our prospectus supplement and will tell you when we will demand payment and delivery of the securities. The delayed delivery contracts will be subject only to the conditions we set forth in our prospectus supplement.

We may enter into agreements to indemnify agents, underwriters and dealers against certain civil liabilities, including liabilities under the Securities Act of 1933.

LEGAL OPINIONS

Schiff Hardin LLP, Chicago, Illinois, will pass upon the validity of the securities offered by this prospectus for us. The opinions with respect to the securities may be subject to assumptions regarding future action to be taken by us and the trustee, if applicable, in connection with the issuance and sale of the securities, the specific terms of the securities and other matters that may affect the validity of securities but that cannot be ascertained on the date of those opinions.

EXPERTS

The consolidated financial statements, the related financial statement schedules, and management's report on the effectiveness of internal control over financial reporting of NiSource Inc. and subsidiaries incorporated in this prospectus by reference from NiSource's Annual Report on Form 10-K for the year ended December 31, 2006 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference (which report (1) expresses an unqualified opinion on the financial statements and financial statement schedules and includes an explanatory paragraph referring to the adoption of Financial Accounting Standards Board, or FASB, Interpretation No. 47, Accounting for Conditional Asset Retirement Obligations, and FASB Statement No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, (2) expresses an unqualified opinion on management's assessment regarding the effectiveness of internal control over financial reporting, and (3) expresses an unqualified opinion on the effectiveness of internal control over financial reporting), and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

Table of Contents**PART II****INFORMATION NOT REQUIRED IN PROSPECTUS****ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION**

The following table sets forth fees and expenses in connection with the issuance and distribution of the securities being registered hereby (other than any underwriting discounts and commissions).

Securities and Exchange Commission filing fee	\$ (1)
Trustee's fees(2)	\$10,000
Accounting fees and expenses(2)	\$12,000
Legal fees and expenses(2)	\$35,000
Printing and engraving expenses(2)	\$ 5,000
Miscellaneous expenses(2)	\$ 1,000
TOTAL(2)	\$63,000

- (1) This registration statement relates to the registration of securities having an indeterminate maximum aggregate principal amount. The registration fee will be deferred pursuant to Rule 456 (b) and calculated in connection with the offering of securities under this registration statement pursuant to Rule 457(r).
- (2) Estimated amounts of fees and expenses to be incurred in connection with the registration of the securities pursuant to this registration statement. In addition, as the amount of securities to be issued and distributed pursuant to this registration statement is indeterminate, the fees and expenses of such issuances and distributions cannot be determined or estimated at this time. An estimate of the aggregate amount of these expenses will be reflected in the applicable prospectus supplement.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section B.1. of Article V of NiSource Inc.'s Amended and Restated Certificate of Incorporation, as amended, provides that no director shall be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

Section B.2. of Article V of NiSource Inc.'s Amended and Restated Certificate of Incorporation, as amended, pursuant to Section 145 of the General Corporation Law of Delaware, provides that NiSource Inc. will, to the fullest extent permitted by applicable law, as then in effect, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed investigation, claim, action, suit or proceeding, whether civil or criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation (including NiSource Finance Corp.), partnership, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan) against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such investigation, claim, action, suit or proceeding, provided that such person acted in good faith and in a manner that he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, if he or she had no reason to believe his or her conduct was unlawful.

Section B.2. of Article V of NiSource Inc.'s Amended and Restated Certificate of Incorporation, as amended, pursuant to Section 145 of the General Corporation Law of Delaware, also provides that if the investigation, claim, action, suit or proceeding is a derivative action (meaning one brought by or on behalf of the corporation), NiSource Inc. will, to the extent permitted by applicable law, as then in effect, indemnify any person against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such investigation, claim, action, suit or proceeding if incurred by such person in connection with the defense or settlement of such investigation, claim, action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification

may be made in respect to any investigation, claim, action, suit, proceeding or matter as to which
such person shall

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have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the corporation, unless and only to the extent that the Delaware Court of Chancery or the court in which the action or suit is brought determines upon application that, despite the adjudication of liability but in light of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expense as the court deems proper.

NiSource Inc.'s Amended and Restated Certificate of Incorporation, as amended, and the General Corporation Law of Delaware permits NiSource Inc. and its subsidiaries to purchase and maintain insurance on behalf of any person who is a director or officer for acts committed in their capacities as such directors or officers. NiSource Inc. currently maintains such liability insurance.

Article VIII of NiSource Finance Corp.'s By-Laws provides for indemnification by NiSource Finance Corp. of any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, formal or informal by reason of the fact such person was a director, officer, employee or agent of NiSource Finance Corp., or is or was serving at the request of NiSource Finance Corp. as a director, officer, employee, agent, partner, trustee or member or in another authorized capacity of or for another corporation, unincorporated association, business trust, partnership, joint venture, trust or other legal entity, against expenses (including attorneys' fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, formal or informal, if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interest of NiSource Finance Corp. and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful; except that, in the case of an action by or in the right of NiSource Finance Corp. to procure judgment in its favor, no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for willful negligence or misconduct in the performance of such person's duties to NiSource Finance Corp. unless and only to the extent that a court of equity or the court in which such action was pending shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. To the extent such a person is successful on the merits or otherwise in defense of any action, claim, issue or matter referred to herein, such person shall be indemnified against expenses (including attorneys' fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by such person in such action, claim, issue or matter.

As authorized under NiSource Finance Corp.'s By-Laws and the Indiana Business Corporation Law, NiSource Finance has insurance which insures directors and officers for acts committed in their capacities as such directors or officers.

ITEM 16. EXHIBITS

Reference is made to the information in the Exhibit Index filed as part of this registration statement.

ITEM 17. UNDERTAKINGS

(a) Each undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which

was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no

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more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time will be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(A) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for the purpose of determining liability of the registrants under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

Each undersigned registrant undertakes that in a primary offering of securities of such undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, such undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of such undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of such undersigned registrant or used or referred to by such undersigned registrant;

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(iii) The portion of any other free writing prospectus relating to the offering containing material information about such undersigned registrant or its securities provided by or on behalf of such undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by such undersigned registrant to the purchaser.

(b) Each undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of NiSource Inc.'s annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement will be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time will be deemed to be the initial bona fide offering thereof.

(h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrants pursuant to the foregoing provisions, or otherwise, each registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by such registrant of expenses incurred or paid by a director, officer or controlling person of such registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, such registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(j) Each undersigned registrant hereby undertakes to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Act.

Table of Contents**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Town of Merrillville, State of Indiana, on December 21, 2007.

NISOURCE INC.
(Registrant)

By: /s/ Robert C. Skaggs, Jr.

Name: Robert C. Skaggs, Jr.
Title: President, Chief Executive Officer
and Director

POWER OF ATTORNEY

Know All Persons By These Presents, that each person whose signature appears below constitutes and appoints Michael W. O'Donnell, Jeffrey W. Grossman and David J. Vajda or any one of them his or her true lawful attorney-in-fact and agent with full power of substitution and re-substitution for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority, to do and perform each and every act and thing requisite or necessary to be done in and about the premises, to all intents and purposes and as fully as they might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his substitute may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Robert C. Skaggs, Jr.</u> Robert C. Skaggs, Jr.	President, Chief Executive Officer and Director (Principal Executive Officer)	December 21, 2007
<u>/s/ Michael W. O'Donnell</u> Michael W. O'Donnell	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	December 21, 2007
<u>/s/ Jeffrey W. Grossman</u> Jeffrey W. Grossman	Vice President and Controller (Principal Accounting Officer)	December 21, 2007
<u>/s/ Ian M. Rolland</u> Ian M. Rolland	Chairman of the Board	December 21, 2007
<u>/s/ Steven C. Beering</u> Steven C. Beering	Director	December 21, 2007
<u>/s/ Deborah S. Coleman</u> Deborah S. Coleman	Director	December 21, 2007

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<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Dennis E. Foster</u> Dennis E. Foster	Director	December 21, 2007
<u>/s/ Marty R. Kittrell</u> Marty R. Kittrell	Director	December 21, 2007
<u>Steven R. McCracken</u>	Director	
<u>/s/ W. Lee Nutter</u> W. Lee Nutter	Director	December 21, 2007
<u>/s/ Richard L. Thompson</u> Richard L. Thompson	Director	December 21, 2007
<u>/s/ Carolyn Y. Woo</u> Carolyn Y. Woo	Director	December 21, 2007
<u>/s/ Roger A. Young</u> Roger A. Young	Director	December 21, 2007

Table of Contents**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Town of Merrillville, State of Indiana, on December 21, 2007.

NISOURCE FINANCE CORP.
(Registrant)

By: /s/ Michael W. O'Donnell

Name: Michael W. O'Donnell

Title: President and Director

POWER OF ATTORNEY

Know All Persons By These Presents, that each person whose signature appears below constitutes and appoints Michael W. O'Donnell, Jeffrey W. Grossman and David J. Vajda or any one of them his or her true lawful attorney-in-fact and agent with full power of substitution and re-substitution for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority, to do and perform each and every act and thing requisite or necessary to be done in and about the premises, to all intents and purposes and as fully as they might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his substitute may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Michael W. O'Donnell</u> Michael W. O'Donnell	President and Director (Principal Executive Officer and Principal Financial Officer)	December 21, 2007
<u>/s/ Jeffrey W. Grossman</u> Jeffrey W. Grossman	Vice President (Principal Accounting Officer)	December 21, 2007

Table of Contents**EXHIBIT INDEX**

The following documents are filed as part of the registration statement or are incorporated by reference:

<u>Exhibit Number</u>	<u>Document Description</u>
1.1*	Form of Underwriting Agreement
4.1	Amended and Restated Certificate of Incorporation of NiSource Inc. (incorporated by reference to Exhibit 3.1 to the NiSource Inc. Current Report on Form 8-K filed on May 16, 2006)
4.2	Bylaws of NiSource Inc., as amended and restated through November 28, 2006 (incorporated by reference to Exhibit 3.1 to the NiSource Inc. Current Report on Form 8-K filed on November 29, 2006)
4.3	Indenture, dated November 14, 2000, among NiSource Finance Corp., NiSource Inc., as guarantor, and The Chase Manhattan Bank, as Trustee (incorporated by reference to Exhibit 4.1 to the NiSource Inc. Form S-3 filed November 17, 2000 (Registration No. 333-49330))
5.1	Opinion of Schiff Hardin LLP
12.1	Statement Regarding Computation of Ratio of Earnings to Fixed Charges
23.1	Consent of Deloitte & Touche LLP
23.2	Consent of Schiff Hardin LLP (included in Exhibit 5.1)
24.1	Powers of Attorney (included on signature pages)
25.1	Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of Trustee for the Indenture with respect to Debt Securities
25.2	Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of Trustee for the Indenture with respect to Guarantees of Debt Securities

* To be filed by amendment or pursuant to a Current Report on Form 8-K.

Exhibit 5.1

Robert J. Minkus
(312) 258-5584
rminkus@schiffhardin.com

December 21, 2007

NiSource Inc.
801 East 86th Avenue
Merrillville, Indiana 46410

NiSource Finance Corp.
801 East 86th Avenue
Merrillville, Indiana 46410

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

We have acted as counsel to NiSource Inc., a Delaware corporation (the "Company"), and NiSource Finance Corp., an Indiana corporation ("NiSource Finance"), in connection with a registration statement on Form S-3 (the "Registration Statement") filed by the Company and NiSource Finance with the Securities and Exchange Commission (the "Commission") on December 21, 2007 under the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement, which became effective upon filing pursuant to Rule 462(e) under the Securities Act, relates to the issuance and sale from time to time, pursuant to Rule 415 of the rules and regulations promulgated under the Securities Act, of an unspecified number or amount of the following securities of the Company and NiSource Finance: (i) common stock, par value \$0.01 per share, of the Company (the "Common Stock"); (ii) preferred stock, par value \$0.01 per share, of the Company (the "Preferred Stock"); (iii) debt securities of NiSource Finance (the "Debt Securities"); (iv) guarantees of the Company in connection with the Debt Securities (the "Guarantees"); (v) warrants to purchase Debt Securities, warrants to purchase Common Stock and warrants to purchase Preferred Stock (collectively, the "Warrants"); (vi) stock purchase contracts of the Company (the "Stock Purchase Contracts"); and (vii) stock purchase units consisting of a Stock Purchase Contract and a Debt Security (the "Stock Purchase Units"). The Common Stock, Preferred Stock, Debt Securities, Guarantees, Warrants, Stock Purchase Contracts and Stock Purchase Units are collectively referred to herein as the "Securities."

The Debt Securities are to be issued under an indenture, dated as of November 14, 2000, by and among the Company, NiSource Finance and The Bank of New York (as successor in interest to JPMorgan Chase Bank, formerly known as The Chase Manhattan Bank), as trustee (as supplemented from time to time, the "Indenture"), as filed as Exhibit 4.1 to the Company's Registration Statement on Form S-3 (file no. 333-49330), filed November 17, 2000.

This opinion letter is being delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act.

NiSource Inc.
NiSource Finance Corp.
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In connection with our opinion, we have examined the Registration Statement, including the exhibits thereto, and such other documents, corporate records and instruments, and have examined such laws and regulations, as we have deemed necessary for the purposes of this opinion. In making our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity with the originals of all documents submitted to us as copies and the legal capacity of all natural persons. As to matters of fact material to our opinions in this letter, we have relied on certificates and statements from officers and other employees of the Company and NiSource Finance, public officials and other appropriate persons.

In rendering the opinions in this letter we have assumed, without independent investigation or verification, that each party to each of the documents executed or to be executed, other than the Company and NiSource Finance, (a) is validly existing and in good standing under the laws of its jurisdiction of organization, (b) has full power and authority to execute such documents to which it is a party and to perform its obligations thereunder, (c) has taken all necessary action to authorize execution of such documents on its behalf by the persons executing same, (d) has properly executed and delivered, or will properly execute and deliver, each of such documents to which it is a party, and (e) has duly obtained all consents or approvals of any nature from and made all filings with any governmental authorities necessary for such party to execute, deliver or perform its obligations under such documents to which it is a party. In addition, in rendering such opinions we have assumed, without independent investigation or verification, (i) that the execution and delivery of, and performance of their respective obligations under, the documents executed or to be executed by each party thereto, other than the Company and NiSource Finance, do not violate any law, rule, regulation, agreement or instrument binding upon such party, (ii) that each of such documents is the legal, valid and binding obligation of, and enforceable against, each party thereto, other than the Company and NiSource Finance, and (iii) that the execution and delivery by the Company and NiSource Finance of, and performance by them of their obligations under, such documents do not violate any law, rule, regulation, agreement or instrument binding upon the Company or NiSource Finance or require any consent or approval from or filing with any governmental authority (except that we do not make the assumption set forth in this clause (iii) with respect to those laws, rules and regulations of the states of Delaware, Indiana, New York and the United States of America that, in our experience, are normally applicable to transactions of the type provided for by the documents executed or to be executed, but without our having made any special investigation with respect to any other laws, rules or regulations).

We make no representation that we have independently investigated or verified any of the matters that we have assumed for the purposes of this opinion letter.

Based on the foregoing and subject to the qualifications set forth below, we are of the opinion that, when any applicable state securities or Blue Sky laws have been complied with:

1. With respect to any offering of Common Stock (the "Offered Common Stock"), when (i) an appropriate prospectus supplement with respect to the Offered Common Stock has been prepared, delivered and filed in compliance with the Securities Act and the applicable rules

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NiSource Finance Corp.
December 21, 2007
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and regulations thereunder; (ii) if the Offered Common Stock is to be sold pursuant to a firm commitment underwritten offering, the underwriting agreement with respect to the Offered Common Stock has been duly authorized, executed and delivered by the Company and the other parties thereto; (iii) the board of directors, including any appropriate committee appointed thereby, and appropriate officers of the Company have taken all necessary corporate action to approve the issuance of the Offered Common Stock and related matters; and (iv) the terms of the issuance and sale of the Offered Common Stock have been duly established in conformity with the Amended and Restated Certificate of Incorporation and the Amended and Restated By-laws of the Company, so as not to violate any applicable law or the Amended and Restated Certificate of Incorporation or the Amended and Restated By-laws of the Company or result in a default under a breach of any agreement or instrument binding upon the Company, the Offered Common Stock, when issued and sold in accordance with the applicable underwriting agreement, if any, or any other duly authorized, executed and delivered valid and binding purchase or agency agreement upon payment of the agreed-upon consideration therefor, will be duly authorized, validly issued, fully paid and nonassessable.

2. With respect to any offering of shares of any series of Preferred Stock (the "Offered Preferred Stock"), when (i) an appropriate prospectus supplement with respect to the Offered Preferred Stock has been prepared, delivered and filed in compliance with the Securities Act and the applicable rules and regulations thereunder; (ii) if the Offered Preferred Stock is to be sold pursuant to a firm commitment underwritten offering, the underwriting agreement with respect to the Offered Preferred Stock has been duly authorized, executed and delivered by the Company and the other parties thereto; (iii) the board of directors, including any appropriate committee appointed thereby, and appropriate officers of the Company have taken all necessary corporate action to approve the issuance and terms of the Offered Preferred Stock and related matters, including the adoption of a Certificate of Designations for the Offered Preferred Stock in accordance with the applicable provisions of Delaware law (the "Certificate of Designations"); (iv) the Certificate of Designations has been duly filed with the Delaware Secretary of State; and (v) the terms of the Offered Preferred Stock and of its issuance and sale have been duly established in conformity with the Amended and Restated Certificate of Incorporation and the Amended and Restated By-laws of the Company, including the Certificate of Designations, so as not to violate any applicable law or the Amended and Restated Certificate of Incorporation or the Amended and Restated By-laws of the Company or result in a default under or breach of any agreement or instrument binding upon the Company: (1) the shares of the Offered Preferred Stock, when issued and sold in accordance with the applicable underwriting agreement or any other duly authorized, executed and delivered valid and binding purchase or agency agreement upon payment of the agreed-upon consideration therefor, will be duly authorized, validly issued, fully paid and nonassessable; and (2) if the Offered Preferred Stock is convertible or exchangeable into shares of Common Stock, the shares of Common Stock issuable upon conversion or exchange of the Offered Preferred Stock will be duly authorized, validly issued, fully paid and nonassessable, assuming the conversion or exchange of the Offered Preferred Stock is in accordance with the terms of the Certificate of Designations.

NiSource Inc.
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3. With respect to any offering of any series of Debt Securities (the "Offered Debt Securities"), when (i) an appropriate prospectus supplement with respect to the Offered Debt Securities has been prepared, delivered and filed in compliance with the Securities Act and the applicable rules and regulations thereunder; (ii) if the Offered Debt Securities are to be sold pursuant to a firm commitment underwritten offering, the underwriting agreement with respect to the Offered Debt Securities has been duly authorized, executed and delivered by NiSource Finance and the other parties thereto; (iii) the board of directors, including any appropriate committee appointed thereby, and appropriate officers of NiSource Finance have taken all necessary corporate action to approve the issuance and terms of the Offered Debt Securities and related matters; (iv) the terms of the Offered Debt Securities and of their issuance and sale have been duly established in conformity with the Indenture so as not to violate any applicable law or the Amended Articles of Incorporation or the By-laws of NiSource Finance or result in a default under or breach of any agreement or instrument binding upon NiSource Finance; and (v) the Offered Debt Securities have been duly executed and authenticated in accordance with the provisions of the Indenture and duly delivered to the purchasers thereof upon payment of the agreed-upon consideration therefor: (1) the Offered Debt Securities, when issued and sold in accordance with the applicable underwriting agreement, if any, or any other duly authorized, executed and delivered valid and binding purchase or agency agreement, will be legal, valid and binding obligations of NiSource Finance, enforceable against NiSource Finance in accordance with their respective terms; and (2) if the Offered Debt Securities are convertible or exchangeable into shares of Common Stock or Preferred Stock, the shares of Common Stock or Preferred Stock issuable upon conversion or exchange of the Offered Debt Securities will be duly authorized, validly issued, fully paid and nonassessable, assuming the conversion or exchange of the Offered Debt Securities is in accordance with the terms of the Indenture and, in the case of Preferred Stock, a Certificate of Designations has been duly adopted and filed with the Delaware Secretary of State.

4. With respect to any offering of Guarantees of Offered Debt Securities, when (i) an appropriate prospectus supplement with respect to the Guarantees and the Offered Debt Securities has been prepared, delivered and filed in compliance with the Securities Act and the applicable rules and regulations thereunder; (ii) if the Guarantees and the Offered Debt Securities are to be sold pursuant to a firm commitment underwritten offering, the underwriting agreement with respect to the Guarantees and the Offered Debt Securities has been duly authorized, executed and delivered by the Company and the other parties thereto; (iii) the board of directors, including any appropriate committee appointed thereby, and appropriate officers of the Company have taken all necessary corporate action to approve the issuance and terms of the Guarantees and related matters; (iv) the board of directors and officers of NiSource Finance have taken all necessary corporate action to approve the issuance and terms of the Offered Debt Securities; (v) the terms of the Guarantees and of their issuance and sale have been duly established in conformity with the Indenture so as not to violate any applicable law or the Amended and Restated Certificate of Incorporation or the Amended and Restated By-laws of the Company or result in a default under or breach of any agreement or instrument binding upon the Company; and (vi) the Guarantees have been duly executed and the Offered Debt Securities have been duly executed and authenticated in accordance with the provisions of the Indenture and duly delivered

NiSource Inc.
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to the purchasers thereof upon payment of the agreed-upon consideration therefor: the Guarantees, when issued and sold in accordance and the applicable underwriting agreement, if any, or any other duly authorized, executed and delivered valid and binding purchase or agency agreement, will be legal, valid and binding obligations of the Company.

5. With respect to any offering of Warrants (the "Offered Warrants"), when (i) an appropriate prospectus supplement with respect to the Offered Warrants has been prepared, delivered and filed in compliance with the Securities Act and the applicable rules and regulations thereunder; (ii) if the Offered Warrants are to be sold pursuant to a firm commitment underwritten offering, the underwriting agreement with respect to the Offered Warrants has been duly authorized, executed and delivered by the Company or NiSource Finance, as the case may be, and the other parties thereto; (iii) the board of directors, including any appropriate committee appointed thereby, and appropriate officers of the Company or NiSource Finance, as the case may be, have taken all necessary corporate action to approve the issuance and sale and the terms of the Offered Warrants and related matters, including the adoption of the Warrant Agreement with respect to Warrants to purchase Debt Securities, the Warrant Agreement with respect to Warrants to purchase Common Stock or the Warrant Agreement with respect to Warrants to purchase Preferred Stock (individually, a "Warrant Agreement"), as the case may be, for the Offered Warrants; (iv) the terms of the Offered Warrants and of their issuance and sale have been duly established in conformity with the Amended and Restated Certificate of Incorporation or the Amended and Restated By-laws of the Company and the Amended Articles of Incorporation and the By-Laws of NiSource Finance, as the case may be, so as not to violate any applicable law or the Amended and Restated Certificate of Incorporation or the Amended and Restated By-laws of the Company or the Amended Articles of Incorporation or the By-Laws of NiSource Finance, as the case may be, or result in a default under or breach of any agreement or instrument binding upon the Company or NiSource Finance, as the case may be; and (v) the Warrant Agreement for the Offered Warrants has been duly authorized, executed and delivered and certificates representing the Offered Warrants have been duly executed, countersigned, registered and delivered to the purchasers thereof upon payment of the agreed-upon consideration therefor: (1) the Offered Warrants, when issued and sold in accordance with the applicable underwriting agreement, if any, or any other duly authorized, executed and delivered valid and binding purchase or agency agreement, will be legal, valid and binding obligations of the Company and NiSource Finance, as the case may be; (2) if the Offered Warrants are exercisable for shares of Common Stock or Preferred Stock, the shares of Common Stock or Preferred Stock issuable upon exercise of the Offered Warrants will be duly authorized, validly issued, fully paid and nonassessable, assuming the exercise of the Offered Warrants is in accordance with the terms of the Warrant Agreement with respect to Warrants to purchase Common Stock or the Warrant Agreement with respect to Warrants to purchase Preferred Stock, as the case may be, and assuming, in the case of Preferred Stock, a Certificate of Designations has been duly adopted and filed with the Delaware Secretary of State; and (3) if the Offered Warrants are exercisable for Debt Securities, the Debt Securities issuable upon exercise of the Offered Warrants will be legal, valid and binding obligations of NiSource Finance, enforceable against NiSource Finance in accordance with their terms, assuming the exercise of the Offered

NiSource Inc.
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Warrants is in accordance with the terms of the Warrant Agreement with respect to Warrants to purchase Debt Securities and is in accordance with the terms of the Indenture.

6. With respect to any offering of Stock Purchase Contracts (the "Offered Stock Purchase Contracts"), when (i) an appropriate prospectus supplement with respect to the Offered Stock Purchase Contracts has been prepared, delivered and filed in compliance with the Securities Act and the applicable rules and regulations thereunder; (ii) if the Offered Stock Purchase Contracts are to be sold pursuant to a firm commitment underwritten offering, the underwriting agreement with respect to the Offered Stock Purchase Contracts has been duly authorized, executed and delivered by the Company and the other parties thereto; (iii) the board of directors, including any appropriate committee appointed thereby, and appropriate officers of the Company have taken all necessary corporate action to approve the issuance and terms of the Offered Stock Purchase Contracts and related matters, including adoption of the Stock Purchase Contract Agreement for the Offered Stock Purchase Contracts (the "Stock Purchase Contract Agreements"); (iv) the terms of the Offered Stock Purchase Contracts and of their issuance and sale have been duly established in conformity with the Amended and Restated Certificate of Incorporation or the Amended and Restated By-laws of the Company so as not to violate any applicable law or the Amended and Restated Certificate of Incorporation or the Amended and Restated By-laws or result in a default under or breach of any agreement or instrument binding upon the Company; and (v) the Stock Purchase Contract Agreement has been duly executed and duly delivered and certificates representing the Offered Stock Purchase Contracts have been duly executed, authenticated, registered and delivered to the purchasers thereof upon payment of the agreed-upon consideration therefor: (1) the Offered Stock Purchase Contracts, when issued and sold in accordance with the applicable underwriting agreement, if any, or any other duly authorized, executed and delivered valid and binding purchase or agency agreement, will be legal, valid and binding obligations of the Company; and (2) the shares of Common Stock issuable upon settlement of the Offered Stock Purchase Contracts will be duly authorized, validly issued, fully paid and nonassessable, assuming the Offered Stock Purchase Contracts are settled in accordance with the terms of the Stock Purchase Contract Agreement.

7. With respect to any offering of Stock Purchase Units (the "Offered Stock Purchase Units"), when (i) an appropriate prospectus supplement with respect to the Offered Stock Purchase Units has been prepared, delivered and filed in compliance with the Securities Act and the applicable rules and regulations thereunder; (ii) if the Offered Stock Purchase Units are to be sold pursuant to a firm commitment underwritten offering, the underwriting agreement with respect to the Offered Stock Purchase Units has been duly authorized, executed and delivered by the Company and the other parties thereto; (iii) the board of directors, including any appropriate committee appointed thereby, and appropriate officers of the Company have taken all necessary corporate action to approve the issuance and terms of the Offered Stock Purchase Units and related matters, including the adoption of the Stock Purchase Unit Agreement for the Offered Stock Purchase Units (the "Stock Purchase Unit Agreement"); (iv) the terms of the Offered Stock Purchase Units and of their issuance and sale have been duly established in conformity with the Amended and Restated Certificate of Incorporation or the Amended and Restated By-laws of the Company so as not to violate any applicable law or the Amended and

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December 21, 2007
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Restated Certificate of Incorporation or the Amended and Restated By-laws of the Company or result in a default under or breach of any agreement or instrument binding upon the Company; and (v) the Stock Purchase Unit Agreement has been duly executed and duly delivered and certificates representing the Offered Stock Purchase Units have been duly executed, authenticated, registered and delivered to the purchasers thereof upon payment of the agreed-upon consideration therefor: (1) the Offered Stock Purchase Units, when issued and sold in accordance with the applicable underwriting agreement, if any, or any other duly authorized, executed and delivered valid and binding purchase or agency agreement, will be legal, valid and binding obligations of the Company; and (2) the shares of Common Stock issuable upon settlement of the Offered Stock Purchase Units will be duly authorized, validly issued, fully paid and nonassessable, assuming the Offered Stock Purchase Units are settled in accordance with the terms of the Stock Purchase Unit Agreement.

The opinions set forth above are subject to the following qualifications:

A. The opinions expressed herein with respect to the legality, validity, binding nature and enforceability of any Securities are subject to (i) applicable laws relating to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws affecting creditors' rights generally, whether now or hereafter in effect, (ii) general principles of equity, including, without limitation, concepts of materiality, laches, reasonableness, good faith and fair dealing and the principles regarding when injunctive or other equitable remedies will be available (regardless of whether considered in a proceeding at law or in equity), (iii) requirements that a claim with respect to any Offered Debt Security or Guarantee of an Offered Debt Security denominated other than in United States dollars (or a judgment denominated other than in United States dollars in respect to such claim) be converted into United States dollars at a rate of exchange prevailing on a date determined pursuant to applicable law and (iv) government authority to limit, delay or prohibit the making of payments outside the United States or in foreign currencies, currency units or composite currencies.

B. The foregoing opinions are limited to the laws of the State of New York, the State of Indiana, the General Corporation Law of Delaware (which includes those statutory provisions and all applicable provisions of the Delaware Constitution and the reported judicial decisions interpreting such laws) and the federal laws of the United States of America, and we express no opinion as to the laws of any other jurisdiction.

The opinions expressed in this opinion letter are as of the date of this opinion letter only and as to laws covered hereby only as they are in effect on that date, and we assume no obligation to update or supplement such opinion to reflect any facts or circumstances that may come to our attention after that date or any changes in law that may occur or become effective after that date. The opinions herein are limited to the matters expressly set forth in this opinion letter, and no opinion or representation is given or may be inferred beyond the opinions expressly set forth in this opinion letter.

NiSource Inc.
NiSource Finance Corp.
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We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and to the reference to us under the caption "Legal Matters" in the prospectus contained in the Registration Statement.

Very truly yours,

SCHIFF HARDIN LLP

By: /s/ Robert J. Minkus
Robert J. Minkus

Exhibit 12.1

Ratio of Earnings to Fixed Charges

The ratio of earnings to fixed charges is calculated using the Securities and Exchange Commission guidelines (a).

	Nine Months Ended September 30, 2007	2006	2005	Year ended December 31, 2004			2003	2002
Earnings as defined in item 503(d) of Regulation S-K:								
Add:								
Pretax income from continuing Operations (b)	\$ 379,879,972	\$492,649,569	\$429,078,302	\$ 674,773,186	\$ 664,707,185	\$ 635,204,364		
Fixed Charges	324,267,032	419,697,994	447,970,179	430,982,525	494,982,336	569,710,830		
Amortization of capitalized interest (c)		—	—	—	—	—		
Distributed income of equity investees	43,443,090	21,974,949	3,384,404	3,793,299	2,908,900	2,884,035		
Share of pre-tax losses of equity investees for which charges arising guarantees are included in fixed charges	—	—	—	—	—	—		
Deduct:								
Interest capitalized (c)	—	—	—	—	—	—		
Preference security dividend requirements of consolidated subsidiaries (d)	—	1,662,827	6,463,063	6,833,674	6,980,690	10,513,144		
Minority interest in pre-tax income of subsidiaries that have not incurred fixed charges	(3,197)	(8,288)	(11,546)	2,544,375	20,355,000	20,393,000		
	<u>\$ 747,593,291</u>	<u>\$932,667,973</u>	<u>\$873,981,368</u>	<u>\$1,100,170,961</u>	<u>\$1,135,262,731</u>	<u>\$1,176,893,085</u>		
Fixed charges as defined in item 503(d) of Regulation S-K:								
Interest on long-term debt	258,035,565	\$346,666,685	\$385,598,925	\$ 349,174,481	\$ 403,595,874	\$ 426,801,324		
Other interest	46,138,832	44,175,068	20,138,286	32,624,007	44,636,175	70,950,052		
Capitalized interest during period (c)			—	—	—	—		
Amortization of premium.								

reacquisition premium, discount and expense on debt, net	5,464,667	7,693,483	17,547,706	21,571,279	18,944,887	20,984,140
Interest portion of rent expense	14,631,165	19,508,219	18,233,745	20,801,271	18,280,335	20,107,170
Minority Interest	(3,197)	(8,288)	(11,546)	(22,187)	2,544,375	20,355,000
	<u>\$ 324,267,032</u>	<u>\$418,035,167</u>	<u>\$441,507,116</u>	<u>\$ 424,148,851</u>	<u>\$ 488,001,646</u>	<u>\$ 559,197,686</u>
Plus preferred stock dividends:						
Preferred dividend requirements of subsidiary	\$ —	\$ 1,076,298	\$ 4,233,611	\$ 4,380,513	\$ 4,502,884	\$ 6,782,448
Preferred dividend requirements factor	0.63	0.65	0.66	0.64	0.65	0.65
Preference security dividend requirements of consolidated subsidiaries (d)	—	1,662,827	6,463,063	6,833,674	6,980,690	10,513,144
Fixed charges	324,267,032	418,035,167	441,507,116	424,148,851	488,001,646	559,197,686
	<u>\$ 324,267,032</u>	<u>\$419,697,994</u>	<u>\$447,970,179</u>	<u>\$ 430,982,525</u>	<u>\$ 494,982,336</u>	<u>\$ 569,710,830</u>
Ratio of earnings to fixed charges	2.31	2.22	1.95	2.55	2.29	2.07

- (a) Income Statement amounts have been adjusted for discontinued operations.
- (b) Excludes adjustment for minority interest in consolidated subsidiaries or income or loss from equity investees.
- (c) NiSource is a public utility following SFAS 71 and therefore does not add amortization of capitalized interest or subtract interest capitalized in determining earnings, nor reduces fixed charges for Allowance for Funds Used During Construction.
- (d) Preferred dividends, as defined by SEC regulation S-K, are computed by dividing the preferred dividend requirement by one minus the effective income tax rate applicable to continuing operations.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated February 28, 2007, relating to the consolidated financial statements and financial statement schedules of NiSource Inc. (which report expresses an unqualified opinion on the consolidated financial statements and financial statement schedules and includes an explanatory paragraph relating to adoption of Financial Accounting Standards Board Statement ("FASB") No. 158 and FASB Interpretation No. 47), and management's report on the effectiveness of internal control over financial reporting, appearing in the Annual Report on Form 10-K of NiSource Inc. for the year ended December 31, 2006, and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche LLP

Columbus, OH

December 20, 2007

Exhibit 25.1

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b)(2)

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York
(State of incorporation
if not a U.S. national bank)

13-5160382
(I.R.S. employer
identification no.)

One Wall Street, New York, N.Y.
(Address of principal executive offices)

10286
(Zip code)

NISOURCE FINANCE CORP.

(Exact name of obligor as specified in its charter)

Indiana (State or other jurisdiction of
incorporation or organization)

35-210468
(I.R.S. employer
identification no.)

801 East 86th Avenue, Merrillville, Indiana
(Address of principal executive offices)

46410
(Zip code)

Debt Securities

(Title of the indenture securities)

1. General information. Furnish the following information as to the Trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Name	Address
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229. 10(d) .

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

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SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 16th day of December, 2007.

THE BANK OF NEW YORK

By /s/: L.O'Brien
Name: L.O'Brien
Title: Vice President

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Exhibit 7 to Form T-1

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business September 30, 2007, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts In thousands
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,182,000
Interest-bearing balances	20,644,000
Securities:	
Held-to-maturity securities	1,820,000
Available-for-sale securities	25,826,000
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold in domestic offices	7,089,000
Securities purchased under agreements to resell	163,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,256,000
LESS: Allowance for loan and lease losses	253,000
Loans and leases, net of unearned income and allowance	36,003,000
Trading assets	4,581,000
Premises and fixed assets (including capitalized leases)	913,000
Other real estate owned	2,000
Investments in unconsolidated subsidiaries and associated companies	294,000
Not applicable	
Intangible assets:	
Goodwill	2,503,000
Other intangible assets	1,020,000
Other assets	<u>8,484,000</u>

	Dollar Amounts In thousands
Total assets	<u>112,524,000</u>
LIABILITIES	
Deposits:	
In domestic offices	29,462,000
Noninterest-bearing	16,865,000
Interest-bearing	12,597,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	54,612,000
Noninterest-bearing	3,956,000
Interest-bearing	50,656,000
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased in domestic offices	1,890,000
Securities sold under agreements to repurchase	87,000
Trading liabilities	3,807,000
Other borrowed money:	
(includes mortgage indebtedness and obligations under capitalized leases)	2,473,000
Not applicable	
Not applicable	
Subordinated notes and debentures	2,255,000
Other liabilities	<u>9,442,000</u>
Total liabilities	<u>104,028,000</u>
Minority interest in consolidated subsidiaries	158,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,156,000
Retained earnings	5,575,000
Accumulated other comprehensive income	-528,000
Other equity capital components	0
Total equity capital	<u>8,338,000</u>
Total liabilities, minority interest, and equity capital	<u>112,524,000</u>

I, Bruce W. Van Saun, Chief Financial Officer of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Bruce W. Van Saun,
Chief Financial Officer

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Gerald L. Hassell
Steven G. Elliott Directors
Robert P. Kelly

Exhibit 25.2

FORM T-1

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b)(2)

THE BANK OF NEW YORK

(Exact name of trustee as specified in its charter)

New York
(State of incorporation
if not a U.S. national bank)

13-5160382
(I.R.S. employer
identification no.)

One Wall Street, New York, N.Y.
(Address of principal executive offices)

10286
(Zip code)

NISOURCE INC.

(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of
incorporation or organization)

35-2108964
(I.R.S. employer
identification no.)

801 East 86th Avenue, Merrillville, Indiana
(Address of principal executive offices)

46410
(Zip code)

Guarantees of Debt Securities

(Title of the indenture securities)

1. General information. Furnish the following information as to the Trustee:**(a) Name and address of each examining or supervising authority to which it is subject.**

Name	Address
Superintendent of Banks of the State of New York	One State Street, New York, N.Y. 10004-1417, and Albany, N.Y. 12223
Federal Reserve Bank of New York	33 Liberty Street, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229. 10(d) .

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Trust Company) as now in effect, which contains the authority to commence business and a grant of powers to exercise corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Registration Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 33-21672, Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121195.)
4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-121195.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-106702.)
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

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SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank of New York, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York, and State of New York, on the 16th day of December, 2007.

THE BANK OF NEW YORK

By /s/: L.O'Brien
Name: L.O'Brien
Title: Vice President

-4-

Exhibit 7 to Form T-1

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business September 30, 2007, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act.

	Dollar Amounts In Thousands
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	3,182,000
Interest-bearing balances	20,644,000
Securities:	
Held-to-maturity securities	1,820,000
Available-for-sale securities	25,826,000
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold in domestic offices	7,089,000
Securities purchased under agreements to resell	163,000
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, net of unearned income	36,256,000
LESS: Allowance for loan and lease losses	253,000
Loans and leases, net of unearned income and allowance	36,003,000
Trading assets	4,581,000
Premises and fixed assets (including capitalized leases)	913,000
Other real estate owned	2,000
Investments in unconsolidated subsidiaries and associated companies	294,000
Not applicable	
Intangible assets:	
Goodwill	2,503,000
Other intangible assets	1,020,000
Other assets	<u>8,484,000</u>

	Dollar Amounts In Thousands
Total assets	<u>112,524,000</u>
LIABILITIES	
Deposits:	
In domestic offices	29,462,000
Noninterest-bearing	16,865,000
Interest-bearing	12,597,000
In foreign offices, Edge and Agreement subsidiaries, and IBFs	54,612,000
Noninterest-bearing	3,956,000
Interest-bearing	50,656,000
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased in domestic offices	1,890,000
Securities sold under agreements to repurchase	87,000
Trading liabilities	3,807,000
Other borrowed money:	
(includes mortgage indebtedness and obligations under capitalized leases)	2,473,000
Not applicable	
Not applicable	
Subordinated notes and debentures	2,255,000
Other liabilities	<u>9,442,000</u>
Total liabilities	<u>104,028,000</u>
Minority interest in consolidated subsidiaries	158,000
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	1,135,000
Surplus (exclude all surplus related to preferred stock)	2,156,000
Retained earnings	5,575,000
Accumulated other comprehensive income	-528,000
Other equity capital components	0
Total equity capital	<u>8,338,000</u>
Total liabilities, minority interest, and equity capital	<u>112,524,000</u>

I, Bruce W. Van Saun, Chief Financial Officer of the above-named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

Bruce W. Van Saun,
Chief Financial Officer

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Gerald L. Hassell
Steven G. Elliott Directors
Robert P. Kelly

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(4)

Most recent state regulatory agency report.

Response:

See Attached.

NATURAL GAS COMPANIES

ANNUAL REPORT

Columbia Gas of Ohio, Inc.

(Exact legal name of respondent)

If name was changed during year, show also the
previous name and date of change.

200 Civic Center Drive, Columbus, OH 43215

(Address of principal business office at end of year)

TO THE PUBLIC UTILITIES COMMISSION OF OHIO



FOR THE
YEAR ENDED
12/31/2006

Name, title, address and telephone number (including area code) of the person to be contacted concerning this report.

Robert G. Kriner

Controller - Distribution Segment

614-460-5900

200 Civic Center Drive Columbus, OH 43215

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History

1. **Date of Organization.** 10/6/1961

2. **Date when operations began.** 10/6/1961

3. **Under the laws of what Government, State or Territory organized? If more than one, name all.**

State of Ohio

4. **If a consolidated or merged company, name all constituent and all merged companies.**

Effective November 1, 2000, NiSource Inc. merged with Columbia Energy Group, Inc. and the Columbia Energy Group, Inc. became a wholly owned subsidiary of NiSource, Inc.

5. **Date and authority for each consolidation and each merger.**

The merger was approved by the Securities and Exchange Commission and the Federal Energy Regulatory Commission effective November 1, 2000.

6. **State whether respondent is a corporation, a joint stock association, a firm or partnership, or an individual.**

Corporation

7. **If a reorganized company, given name of original corporation, refer to laws under which it was organized, and state the occasion for the reorganization.**

N/A

8. **Where are the books and records of the company kept?**

200 Civic Center Drive Columbus, OH 43215

9. **General description of territory served by respondent.**

Respondent serves 65 counties in Ohio

10. **Number of locations within Ohio.**

Respondent serves 373 incorporated municipalities

Facts Pertaining To Control Of Respondents

1. Did any individual, association, corporation or corporations, control the respondent at close of year

Yes

(a) The form of control, whether sole or joint:

Sole

(b) The name of the controlling corporation or corporations:

Columbia Energy Group , Inc.

(c) The manner in which control was established

Stock Ownership

(d) The extent of control.

100 Percent

(e) Whether control was direct or indirect:

Direct

(f) The name of the intermediary through which control, if indirect, was established

N/A

2. Did any individual, association, or corporation hold control, as trustee over the respondent at the close of the year?

No

(a) The name of the trustee:

N/A

If control was so held, state:

(b) The name of the beneficiary or beneficiaries for whom the trust was maintained:

N/A

Important Changes During the Year

Hereunder give particulars concerning the matters indicated below. Except as otherwise indicated data furnished should apply to the same period the report covers. Answers should be numbered in accordance with the inquiries and if "none" states the fact, it should be used. If information which answers an inquiry is given elsewhere in the report, identification of the other answer will be sufficient.

1. Purchase or sale of entire property, or of a part of property when service territory is included: Give brief description of each transaction, name of party, date, consideration, and commission.

During 2006, Columbia sold two of its Service Centers. The Athens Service Center was sold on May 31, 2006 to Holzer Docs, LLC of Gallipolis, Ohio. The selling price was \$2,024,229. The Fremont Service Center was sold on July 13, 2006 to FARIS, LLC of Fremont, Ohio. The selling price was \$242,717.

2. Lease of property (to or from another) of the kind covered by the preceding inquiry: To the extent applicable give details corresponding to those required by the preceding inquiry.

None

3. Capital stock and debt issued during the year: Identify the securities, give purpose of issuance, date, consideration received and Commission authorization.

Installment Promissory Note issued on 11/01/2006 with a face amount of \$110,000,000 and a maturity date of 11/01/2021. The stated interest rate is 6.015% annually. The purpose of this issuance is working capital.

4. Changes in articles of incorporation: Give brief particulars of each change and date.

None

5. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report.

None

Voting Powers and Elections

Name and Address of Stockholders	Number of Shares Held	Number of Voting Shares	Other Vote Empowered Securities
Columbia Energy Group 801 E. 86th Ave. Merrillville, In. 46410	6,369,585	6,369,585	0
Total Listed Above	6,369,585	6,369,585	0

Board of Directors

1. Give the names of each person who was a member of the Board of Directors at any time during the year.
2. Columns (d) and (e) relate to Board meetings only.

Name Of Director	Address of Director	Served Continuously From	Term Expired or Current Term Will Expire	No. of Meetings Attended During Year
Douglas G. Borrer	5000 Tuttle Crossing Blvd. Dublin, OH 43016-5555 United States	5/23/2001	4/27/2007	2
Charlotte P Kessler	No. 4 Bottomley Crescent New Albany , OH 43054 United States	5/23/2001	4/27/2007	2
David A. Monte	200 Civic Center Drive Columbus, OH 43215 United States	3/1/2006	4/27/2007	2
John W. Partridge Jr.	200 Civic Center Drive Columbus, OH 43215 United States	10/21/2003	4/27/2007	2

Name Of Chairman:

Name of Secretary: Gary W. Pottorff

Number of Board Meetings: 2

Number of Directors by Charter:

Number of Directors Required:

PRINCIPAL GENERAL OFFICERS

Title of General Officer	Department Over Which Jurisdiction is Exercised	Name Of Person Holding The Office At End of Year	Office Address (City and State)
Assistant Treasurer	Legal	Vincent V. Rea	801 E 8th Avenue, Merrillville, IN
Assistant Controller	Accounting	John M. O'Brien	200 Civic Center Drive, Columbus, OH
Controller	Accounting	Robert G. Kriner	200 Civic Center Drive, Columbus, OH
Vice President	Administration and Corporate Secrelar	Gary W. Pottorff	801 E. 86th Avenue, Merrillville, IN
Vice President	Support Operations	Peggy Landini	200 Civic Center Drive, Columbus, OH
Vice President	Engineering	Shawn L. Patterson	200 Civic Center Drive, Columbus, OH
Vice President	Human Resources	Edward A. Santry	501 Technology Drive, Canonsburg, PA
Vice President	Meter to Cash	Charles E. Shafer II	200 Civic Center Drive, Columbus, OH
Vice President	Customer Contact Center	Violet Sistovaris	801 E. 86th Avenue, Merrillville, IN
Vice President and Treasurer		David J. Vajda	801 E. 86th Avenue, Merrillville, IN
Vice President	Energy Supply Services	Michael D. Watson	200 Civic Center Drive, Columbus, OH
Vice President	Finance	Jeffrey W. Grossman	801 E. 86th Avenue, Merrillville, IN
Vice President	Large Customer Relations and Gas Tra	M. Carol Fox	200 Civic Center Drive, Columbus, OH
General Manager		David A. Monte	200 Civic Center Drive, Columbus, OH
President		John W. Partridge Jr.	200 Civic Center Drive, Columbus, OH

Balance Sheet Report

Acct No.	Account Title	Beginning Balance	Ending Balance	Increase or Decrease
TOTAL ASSETS AND OTHER DEBITS				
UTILITY PLANT				
101	Gas Plant in Service	\$1,636,268,997.00	\$1,716,044,156.00	\$79,775,159.00
101.1	Property Under Capital Leases	\$1,856,660.00	\$1,475,390.00	(\$381,270.00)
102	Gas Plant Purchased or Sold	\$0.00	\$0.00	\$0.00
103	Experimental Gas Plant Unclassified (Major)	\$0.00	\$0.00	\$0.00
103.1	Gas Plant in Process of Reclassification (nonmajor)	\$0.00	\$0.00	\$0.00
104	Gas Plant Leased to Others	\$0.00	\$0.00	\$0.00
105	Gas Plant Held for Future Use	\$67,617.00	\$67,617.00	\$0.00
105.1	Production Prop. Held for Future Use (Major)	\$0.00	\$0.00	\$0.00
106	Completed Constr. Not Classified-Gas (Major)	\$37,164,730.00	\$44,500,409.00	\$7,335,679.00
107	Construction Work in Progress-Gas	\$44,782,684.00	\$26,753,178.00	(\$18,029,506.00)
108	Accum. Prov. For Deprec. Of Gas Util. Plant	(\$582,324,832.00)	(\$612,912,658.00)	(\$30,587,826.00)
110	Accum. Prov. For Deprec., Depletion & Amort. Of Gas Util. Plant	\$0.00	\$0.00	\$0.00
111	Accum. Prov. For Amort. & Depletion of Gas Util. Plant (major)	(\$29,344,725.00)	(\$29,051,566.00)	\$293,159.00
114	Gas Plant Acquisition Adjustments	\$0.00	\$0.00	\$0.00
115	Accum. Prov. For Amort. Of Gas Plant Acquisition Adjustments (major)	\$0.00	\$0.00	\$0.00
116	Other Gas Plant Adjustments	\$0.00	\$0.00	\$0.00
117	Gas Stored Underground-Noncurrent (major)	\$0.00	\$0.00	\$0.00
118	Other Utility Plant	\$0.00	\$0.00	\$0.00
119	Accum. Prov. For Deprec. & Amort. Of Other Util. Plant	\$0.00	\$0.00	\$0.00
TOTAL NET UTILITY PLANT (101-119)		\$1,108,471,131.00	\$1,146,876,526.00	\$38,405,395.00
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	\$1,270,336.00	\$1,270,336.00	\$0.00
122	Accumulated Prov. For Deprec. & Amort. Of Nonutility Prop.	\$0.00	\$0.00	\$0.00
123	Investment in Assoc. Companies (major)	\$25,256,325.00	\$40,450,157.00	\$15,193,832.00
123.1	Investment in Subsidiary Companies (major)	\$0.00	\$0.00	\$0.00
124	Other Investments	\$0.00	\$0.00	\$0.00
125	Sinking Funds (major)	\$0.00	\$0.00	\$0.00
126	Depreciation Funds (major)	\$0.00	\$0.00	\$0.00
128	Other Special Funds (major)	\$0.00	\$0.00	\$0.00

Balance Sheet Report

Acct No.	Account Title	Beginning Balance	Ending Balance	Increase or Decrease
129	Special Funds (nonmajor)	\$0.00	\$0.00	\$0.00
TOTAL OTHER PROPERTY AND INVESTMENTS (121-129)		\$26,526,661.00	\$41,720,493.00	\$15,193,832.00
CURRENT AND ACCRUED ASSETS				
130	Cash & Working Funds (nonmajor only)	\$0.00	\$0.00	\$0.00
131	Cash (major)	\$6,370,849.00	\$5,953,683.00	(\$417,166.00)
132	Interest Special Deposits (major)	\$0.00	\$0.00	\$0.00
133	Dividend Special Deposits	\$0.00	\$0.00	\$0.00
134	Other Special Deposits	\$0.00	\$0.00	\$0.00
135	Working Funds	\$5,310.00	\$5,310.00	\$0.00
136	Temporary Cash Investments	\$0.00	\$371,680.00	\$371,680.00
141	Notes Receivable	(\$1.00)	\$2.00	\$3.00
142	Customer Accounts Receivable	(\$1.00)	(\$4.00)	(\$3.00)
143	Other Accounts Receivable	\$9,131,275.00	\$4.00	(\$9,131,271.00)
144	Accum Prov for Uncollectible Accounts (Cr)	\$9.00	\$5.00	(\$4.00)
145	Notes Receivable from Associated Cos.	\$205,824,828.00	\$71,678,943.00	(\$134,145,885.00)
146	Accts Receivable from Associated Cos.	(\$1,062,634.00)	\$199,021,538.00	\$200,084,172.00
151	Fuel Stock	\$0.00	\$0.00	\$0.00
152	Fuel Stock Expense Undistributed (major only)	\$0.00	\$0.00	\$0.00
153	Residuals and Extracted Products	\$0.00	\$0.00	\$0.00
154	Plant Materials and Supplies	\$776,071.00	\$701,450.00	(\$74,621.00)
155	Merchandise	\$0.00	\$0.00	\$0.00
156	Other Materials and Supplies	\$0.00	\$0.00	\$0.00
157	Nuclear Materials and Supplies	\$0.00	\$0.00	\$0.00
158	Allowances	\$0.00	\$0.00	\$0.00
163	Store Expense	\$0.00	\$0.00	\$0.00
164.1	Gas Stored Underground-Current	\$173,615,101.00	\$183,247,281.00	\$9,632,180.00
164.2	Liquified Natural Gas Stored	\$0.00	\$0.00	\$0.00
164.3	Liquified Natural Gas Held for Process	\$0.00	\$0.00	\$0.00
164.4	Gas Stored Underground-Current	\$0.00	\$0.00	\$0.00
165	Prepayments	\$15,066,375.00	\$15,203,006.00	\$136,631.00
166	Other Advances for Gas	\$0.00	\$0.00	\$0.00
167	Other Advances for Gas (major only)	\$0.00	\$0.00	\$0.00
171	Interest and Dividends Receivable	\$51.00	\$55.00	\$4.00

Balance Sheet Report

Acct No.	Account Title	Beginning Balance	Ending Balance	Increase or Decrease
172	Rents Receivable	\$0.00	\$0.00	\$0.00
173	Accrued Utility Revenues	\$0.00	\$0.00	\$0.00
174	Misc. Current and Accrued Assets	\$190,951.00	\$698,448.00	\$507,497.00
TOTAL CURRENT ACCRUED ASSETS (130-174)		\$409,918,184.00	\$476,881,401.00	\$66,963,217.00
DEFERRED DEBITS				
181	Unamortized Debt Discount and Expense	\$0.00	\$0.00	\$0.00
182.1	Extraordinary Property Losses	\$0.00	\$0.00	\$0.00
182.2	Unrecovered Plant & Regulatory Study Cost	\$0.00	\$0.00	\$0.00
182.3	Other Regulatory Assets	\$200,813,164.00	\$247,412,122.00	\$46,598,958.00
183.1	Prelim Nat Gas Survey and Invest Charges	\$0.00	\$0.00	\$0.00
183.2	Other Prelim Survey and Invest Charges	\$1,149,999.00	\$912,787.00	(\$237,212.00)
184	Clearing Accounts	\$670,482.00	\$309,796.00	(\$360,686.00)
185	Temporary Facilities	\$0.00	\$0.00	\$0.00
186	Miscellaneous Deferred Debits	\$90,440,842.00	\$83,378,857.00	(\$7,061,985.00)
187	Deferred Losses from Disp of Util Plant	\$0.00	\$0.00	\$0.00
188	Research, Devel and Demon Expenditures	\$0.00	\$0.00	\$0.00
189	Unamort Loss on Reacquired Debt	\$0.00	\$0.00	\$0.00
190	Accumulated Deferred Income Taxes	\$168,330,208.00	\$57,805,540.00	(\$110,524,668.00)
191	Unrecovered Purchased Gas Costs	\$249,076,961.00	\$75,069,062.00	(\$174,007,899.00)
192.1	Unrecovered Incremental Gas Costs	\$0.00	\$0.00	\$0.00
192.2	Unrecovered Incremental Surcharges	\$0.00	\$0.00	\$0.00
TOTAL DEFERRED DEBITS (181-192.2)		\$710,481,856.00	\$464,888,164.00	(\$245,593,692.00)
TOTAL ASSETS AND OTHER DEBITS		\$2,255,397,632.00	\$2,130,366,584.00	(\$125,031,048.00)
TOTAL LIABILITIES, CAPITAL AND OTHER CREDITS				
PROPRIETORY CAPITAL				
201	Common Stock Issued	\$159,239,625.00	\$159,239,625.00	\$0.00
202	Common Stock Subscribed	\$0.00	\$0.00	\$0.00
203	Common Stock Liability for Conversion	\$0.00	\$0.00	\$0.00
204	Preferred Stock Issued	\$0.00	\$0.00	\$0.00
205	Preferred Stock Subscribed	\$0.00	\$0.00	\$0.00
206	Preferred Stock Liability for Conversion	\$0.00	\$0.00	\$0.00
207	Premium on Capital Stock	\$0.00	\$0.00	\$0.00

Balance Sheet Report

Acct No.	Account Title	Beginning Balance	Ending Balance	Increase or Decrease
208	Donations Received from Shareholders	\$0.00	\$0.00	\$0.00
209	Reduction in Par or Stated Value of Stock	\$0.00	\$0.00	\$0.00
210	Gain on Resale/Cancellation of Reacq. Stock	\$0.00	\$0.00	\$0.00
211	Miscellaneous Paid-in Capital	\$22,961,768.00	\$22,963,824.00	\$2,056.00
212	Installments Received on Capital Stock	\$0.00	\$0.00	\$0.00
213	Discount on Capital Stock	(\$15,001.00)	\$0.00	\$15,001.00
214	Capital Stock Expense	\$0.00	\$0.00	\$0.00
215	Appropriated Retained Earnings	\$0.00	\$0.00	\$0.00
216	Unappropriated Retained Earnings	\$363,926,890.00	\$437,474,475.00	\$73,547,585.00
216.1	Unappropriated Undistributed Subsid Earnings	\$0.00	\$0.00	\$0.00
217	Reacquired Capital Stock	\$0.00	\$0.00	\$0.00
218	Non-Corporate Proprietorship	\$0.00	\$0.00	\$0.00
TOTAL PROPRIETORY CAPITAL (210-218)		\$546,113,282.00	\$619,677,924.00	\$73,564,642.00
LONG-TERM DEBT				
221	Bonds	\$0.00	\$0.00	\$0.00
222	Reacquired Bonds	\$0.00	\$0.00	\$0.00
223	Advances from Associated Companies	\$305,576,000.00	\$415,576,000.00	\$110,000,000.00
224	Other Long Term Debt	\$0.00	\$0.00	\$0.00
225	Unamort Premium on Long Term Debt	\$0.00	\$0.00	\$0.00
226	Unamort Discount on Long Term Debt-Dr	\$0.00	\$0.00	\$0.00
TOTAL LONG TERM DEBT (221-226)		\$305,576,000.00	\$415,576,000.00	\$110,000,000.00
OTHER NONCURRENT LIABILITIES				
227	Oblig Under Capital Leases-Noncurrent	\$1,475,469.00	\$1,125,649.00	(\$349,820.00)
228.1	Accum Provision for Property Insurance	\$0.00	\$0.00	\$0.00
228.2	Accum Provision for Injuries and Damages	\$0.00	\$0.00	\$0.00
228.3	Accum Provision for Pensions and Benefits	\$1,696,638.00	\$1,039,183.00	(\$657,455.00)
228.4	Accum Miscellaneous Operating Provisions	\$0.00	\$0.00	\$0.00
229	Accum Provision for Rate Refunds	\$0.00	\$0.00	\$0.00
230	Asset Retirement Costs	\$0.00	\$0.00	\$0.00
TOTAL OTHER NONCURRENT LIABILITIES (227-229)		\$3,172,107.00	\$2,164,832.00	(\$1,007,275.00)
CURRENT ACCRUED LIABILITIES				
231	Notes Payable	\$0.00	\$0.00	\$0.00
232	Accounts Payable	\$263,007,468.00	\$231,452,259.00	(\$31,555,209.00)

Balance Sheet Report

Acct No.	Account Title	Beginning Balance	Ending Balance	Increase or Decrease
233	Notes Payable to Associated Companies	\$0.00	\$0.00	\$0.00
234	Accounts Payable to Associated Companies	\$125,813,883.00	\$37,728,272.00	(\$88,085,611.00)
235	Customer Deposits	\$13,231,697.00	\$14,547,761.00	\$1,316,064.00
236	Taxes Accrued	\$44,380,241.00	\$69,017,429.00	\$24,637,188.00
237	Interest Accrued	\$1,092,711.00	\$1,216,091.00	\$123,380.00
238	Dividends Declared	\$0.00	\$0.00	\$0.00
239	Matured Long Term Debt	\$0.00	\$0.00	\$0.00
240	Matured Interest	\$0.00	\$0.00	\$0.00
241	Tax Collections Payable	\$1,044.00	\$1,788.00	\$744.00
242	Miscellaneous Current and Accrued Liabilities	\$317,566,571.00	\$243,781,841.00	(\$73,784,730.00)
243	Obligations Under Capital Leases-Current	\$381,192.00	\$349,740.00	(\$31,452.00)
TOTAL CURRENT ACCRUED LIABILITIES (231-243)		\$765,474,807.00	\$598,095,181.00	(\$167,379,626.00)
DEFERRED CREDITS				
252	Customer Advances for Construction	\$21,314,930.00	\$23,178,014.00	\$1,863,084.00
253	Other Deferred Credits	\$67,144,819.00	\$93,369,481.00	\$26,224,662.00
254	Other Regulatory Liabilities	\$46,639,260.00	\$35,869,191.00	(\$10,770,069.00)
255	Accumulated Deferred Investment Tax Credits	\$13,645,925.00	\$12,939,363.00	(\$706,562.00)
256	Deferred Gains from Disposal of Utility Plant	\$0.00	\$0.00	\$0.00
257	Unamortized Gain on Reacquisition of Debt	\$0.00	\$0.00	\$0.00
281	Accum. Deferred Income Taxes-Accel Amort	\$0.00	\$0.00	\$0.00
282	Accum. Deferred Income Taxes-Libr Depr	\$213,657,622.00	\$219,301,492.00	\$5,643,870.00
283	Accum. Deferred Income Taxes-Other	\$272,658,880.00	\$110,195,106.00	(\$162,463,774.00)
TOTAL DEFERRED CREDITS (252-283)		\$635,061,436.00	\$494,852,647.00	(\$140,208,789.00)
TOTAL LIABILITIES PLUS PROPRIETORY CAPITAL AND OTHER CREDITS		\$2,255,397,832.00	\$2,130,366,584.00	(\$125,031,048.00)

Notes to Balance Sheet

Acct
No

Notes to Balance Sheet

101

Construction Program

The Respondent's Construction Program for 2007 is estimated to require expenditures of approximately \$78 million. In connection with such construction program, the Respondent has made substantial commitments for material and supplies. Funds for such expenditures to be made in 2007 will be provided from funds available at the beginning of the year and cash to be generated from operations.

201

Capitalization

Respondent has 7,100,000 shares of common stock authorized; par value \$25 per share. There were outstanding at December 31, 2006, 6,369,585 shares of common stock; all of which were held by Columbia Energy Group (Parent Company).

Income Statement Report

Acct No.	Account Title	Revenue Amount	Expense Amount
UTILITY OPERATING INCOME			
400	Operating Revenues	\$1,821,623,962	
TOTAL OPERATING REVENUE (400)		\$1,821,623,962	
OPERATING EXPENSES			
401	Operating Expense		\$1,515,847,290
402	Maintenance Expense		\$19,518,980
403	Depreciation Expense		\$36,871,917
403.1	Depreciation & Depletion Expense		\$0
404	Amortization of Limited Term Utility Plant		\$4,019,141
404.1	Amort. and Depl. of Prod. Nat. Gas Land and Land Rights (major)		\$0
404.2	Amort. Of Undergr. Storage Land and Land Rights (major)		\$0
404.3	Amort. Of Other Limited-Term Gas Plant (major)		\$0
405	Amortization of Other Utility Plant		\$0
406	Amortization of Utility Plant - Acq Adj		\$0
407.1	Amort. Of Extraordinary Prop. Losses, Unrecov. Plant and Reg. Study Costs		\$0
407.2	Amort. Of Conversion Exp.		\$0
408.1	Taxes Other Than Income - Util Op Income		\$113,048,029
409.1	Income Taxes - Utility Operating Income		\$90,346,645
410.1	Provision for Def Income Tax - Util Op Inc		\$29,109,683
411.1	Income Taxes Deferred in Prior Years - Cr.		(\$72,623,328)
411.10	Accretion Expense		\$0
411.4	ITC Adjustments - Util Operations		(\$706,548)
TOTAL OPERATING EXPENSES (401-411.4)			\$1,735,431,809
NET OPERATING INCOME (400) Less (401-411.4)			\$86,192,153
NET OPERATING INCOME = (400) Less (401-411.4)			\$86,192,153
OTHER OPERATING INCOME			
411.6	Gains from Disposition of Utility Plant	\$0	
413	Income from Utility Plant Leased to Others	\$0	
414	Other Utility Operating Income	\$0	
TOTAL OTHER OPERATING INCOME (411.6-414)		\$0	

Income Statement Report

Acct No.	Account Title	Revenue Amount	Expense Amount
OTHER OPERATING DEDUCTION			
411.7	Losses from Disposition Of Utility Plant		\$0
411.8	(Less) Gains from Disposition of Allowances		\$0
411.9	Losses from Disposition of Allowances		\$0
TOTAL OTHER OPERATING DEDUCTIONS (411.6-414)			\$0
OTHER INCOME			
415	Revenues from Merchandising, Jobbing, Other	\$38,940	
417	Income from Nonutility Operations	(\$63,557)	
418	Nonoperating Rental Income	\$0	
418.1	Eq. in Earnings of Sub Co. (major)	\$192,790	
419	Interest and Dividend Income	\$205,871	
421	Miscellaneous Nonoperating Income	\$228,045	
421.1	Gains from Disposition of Property	\$0	
TOTAL OTHER INCOME		\$602,089	
OTHER DEDUCTIONS			
416	Costs of Merchandising, Jobbing, Other		\$11,449
417.1	Expenses Of Nonutility Operations		\$14,647,050
419.1	Allowance for Funds Used During Construction		(\$4,764,680)
421.2	Loss on Disp. Of Prop.		\$0
425	Miscellaneous Amortization		\$0
426.1	Donations		\$778,585
426.2	Life Insurance		\$0
426.3	Penalties		(\$18)
426.4	Expend. For Certain Civic, Political and Related Activities		\$8,754
426.5	Other Ded., Total Other Inc. Deduc., Total Other Income and Deduc.		\$401
TOTAL OTHER DEDUCTIONS			\$10,681,541
TAXES ON OTHER INCOME AND DEDUCTIONS			
408.2	Taxes Other Than Income - Oth Inc and Ded		\$0
409.2	Income Taxes - Oth Inc and Ded		(\$3,097,432)
410.2	Provision for Def Income Tax - Oth Inc		\$0
411.2	Income Taxes Deferred in Prior Years - Cr.		(\$454,705)
411.5	Investment Tax Credits Adjustments, Nonutility Operations		\$0
420	Investment Tax Credits		\$0
TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS (408.2-420)			(\$3,552,137)
NET OTHER INCOME AND DEDUCTIONS			(\$6,527,315)

Income Statement Report

Acct No.	Account Title	Revenue Amount	Expense Amount
INTEREST CHARGES			
427	Interest on Long-Term Debt		\$0
428	Amortization of Debt Discount and Expense		\$0
428.1	Amortization of Loss on Reacq. Debt		\$0
429	Amortization of Premium on Debt - Cr.		\$0
429.1	Amortization of Gain on Reacq. Debt - Cr.		\$0
430	Interest on Debt to Associated Companies		\$14,017,340
431	Other Interest Expense		(\$2,217,064)
432	AFUDC - Cr.		(\$5,683,023)
NET INTEREST CHARGES (427-432)			\$6,117,253
INCOME BEFORE EXTRAORDINARY ITEMS			\$73,547,585
EXTRAORDINARY ITEMS			
409.3	Income Taxes - Extraordinary Items	\$0	\$0
434	Extraordinary Income	\$0	\$0
435	Extraordinary Deductions	\$0	\$0
TOTAL EXTRAORDINARY ITEMS (433-409.3)		\$0	\$0
NET INCOME			<u>\$73,547,585</u>

Period Ending:

Notes to Income Statement

Acct
No

Notes to Income Statement

Statement of Retained Earnings-Acct 216

Sub Acct No	Sub Account Title	Amount
439	Adjustments to Retained Earnings	\$0
438	Dividends Declared - Common Stock	\$0
437	Dividends Declared - Preferred Stock	\$0
436	Appropriations of Retained Earnings	\$0
435	Extraordinary Deductions	\$0
434	Extraordinary Income	\$0
433	Balance Transferred from Income	\$73,547,585
216	Unappropriated Retained Earnings at the Beginning of the period	\$363,926,890
Total		\$437,474,475

Partnership Capital Statement - Acct 218

AccountNo 218

<u>Description</u>	<u>Amount</u>
Partnership Capital (Beginning of Year)	\$0
Net Income (Loss for Year)	\$0
Partners' Capital Contributions	\$0
Miscellaneous Credits	\$0
Miscellaneous Debits	\$0
Partners' Drawings	\$0
TOTAL PARTNERSHIP CAPITAL (END OF YEAR)	\$0

Utility Plant In Service - Account 101

Account No 101						
Sub Acct No	Sub Account Title	Balance First Of Year	Additions During Year	Retirements During Year	Adjustments Debit Or Credit	Balance End of Year
301	Organization	\$25,937	\$0	\$0	\$0	\$25,937
302	Franchise and Consents	\$68	\$0	\$0	\$0	\$68
303	Miscellaneous Intangible Plant	\$14,583,549	\$1,294,608	\$4,434,330	\$0	\$11,443,827
304	Land and Land Rights	\$0	\$0	\$0	\$0	\$0
305	Structures and Improvements	\$0	\$0	\$0	\$0	\$0
306	Boiler Plant Equipment	\$0	\$0	\$0	\$0	\$0
307	Other Power Equipment	\$0	\$0	\$0	\$0	\$0
308	Coke Ovens	\$0	\$0	\$0	\$0	\$0
309	Producer Gas Equipment	\$0	\$0	\$0	\$0	\$0
310	Water Gas Generating Equipment	\$0	\$0	\$0	\$0	\$0
311	Liquefied Petroleum Gas Equipment	\$0	\$0	\$0	\$0	\$0
312	Oil Gas Generating Equipment	\$0	\$0	\$0	\$0	\$0
313	Generating Equipment--Other Processes	\$0	\$0	\$0	\$0	\$0
314	Coal, Coke, And Ash Handling Equipment	\$0	\$0	\$0	\$0	\$0
315	Catalytic Cracking Equipment	\$0	\$0	\$0	\$0	\$0
316	Other Reforming Equipment	\$0	\$0	\$0	\$0	\$0
317	Purification Equipment	\$0	\$0	\$0	\$0	\$0

Utility Plant In Service - Account 101

Account No 101

Sub Acct No	Sub Account Title	Balance First Of Year	Additions During Year	Retirements During Year	Adjustments Debit Or Credit	Balance End of Year
318	Residual Refining Equipment	\$0	\$0	\$0	\$0	\$0
319	Gas Mixing Equipment	\$0	\$0	\$0	\$0	\$0
320	Other Equipment	\$0	\$0	\$0	\$0	\$0
325.1	Producing Lands	\$0	\$0	\$0	\$0	\$0
325.2	Producing Leaseholds	\$0	\$0	\$0	\$0	\$0
325.3	Gas Rights	\$0	\$0	\$0	\$0	\$0
325.4	Rights-of-Way	\$0	\$0	\$0	\$0	\$0
325.5	Other Land and Land Rights	\$0	\$0	\$0	\$0	\$0
326	Gas Well Structures	\$0	\$0	\$0	\$0	\$0
327	Field Compressor Station Structures	\$0	\$0	\$0	\$0	\$0
328	Field Meas. & Reg. Station Structures	\$0	\$0	\$0	\$0	\$0
329	Other Structures	\$0	\$0	\$0	\$0	\$0
330	Producing Gas Wells-Well Construction	\$0	\$0	\$0	\$0	\$0
331	Producing Gas Wells-Well Equipment	\$0	\$0	\$0	\$0	\$0
332	Field Lines	\$0	\$0	\$0	\$0	\$0
333	Field Compressor Station Equipment	\$0	\$0	\$0	\$0	\$0
334	Field Meas. & Reg. Station Equipment	\$0	\$0	\$0	\$0	\$0

Utility Plant In Service - Account 101

Account No 101

Sub Acct No	Sub Account Title	Balance First Of Year	Additions During Year	Retirements During Year	Adjustments Debit Or Credit	Balance End of Year
335	Drilling and Cleaning Equipment	\$0	\$0	\$0	\$0	\$0
336	Purification Equipment	\$0	\$0	\$0	\$0	\$0
337	Other Equipment	\$0	\$0	\$0	\$0	\$0
338	Unsuccessful Exploration & Development Cos	\$0	\$0	\$0	\$0	\$0
339	Asset Retirement Costs - Production and Gath	\$0	\$0	\$0	\$0	\$0
340	Land and Land Rights	\$0	\$0	\$0	\$0	\$0
341	Structures and Improvements	\$0	\$0	\$0	\$0	\$0
342	Extraction and Refining Equipment	\$0	\$0	\$0	\$0	\$0
343	Pipe Lines	\$0	\$0	\$0	\$0	\$0
344	Extracted Products Storage Equipment	\$0	\$0	\$0	\$0	\$0
345	Compressor Equipment	\$0	\$0	\$0	\$0	\$0
346	Gas Meas. & Reg. Equipment	\$0	\$0	\$0	\$0	\$0
347	Other Equipment	\$0	\$0	\$0	\$0	\$0
348	Asset Retirement Costs - Extraction	\$0	\$0	\$0	\$0	\$0
350.1	Land	\$0	\$0	\$0	\$0	\$0
350.2	Rights-of-Way	\$0	\$0	\$0	\$0	\$0
351	Structures and Improvements	\$0	\$0	\$0	\$0	\$0

Utility Plant In Service - Account 101

Account No 101

Sub Acct No	Sub Account Title	Balance First Of Year	Additions During Year	Retirements During Year	Adjustments Debit Or Credit	Balance End of Year
352	Wells	\$0	\$0	\$0	\$0	\$0
352.1	Storage Leaseholds and Rights	\$0	\$0	\$0	\$0	\$0
352.2	Reservoirs	\$0	\$0	\$0	\$0	\$0
352.3	Non-recoverable Natural Gas	\$0	\$0	\$0	\$0	\$0
353	Lines	\$0	\$0	\$0	\$0	\$0
354	Compressor Station Equipment	\$0	\$0	\$0	\$0	\$0
355	Measuring and Regulating Equipment	\$0	\$0	\$0	\$0	\$0
356	Purification Equipment	\$0	\$0	\$0	\$0	\$0
357	Other Equipment	\$0	\$0	\$0	\$0	\$0
358	Asset Retirement Costs - Underground Storing	\$0	\$0	\$0	\$0	\$0
360	Land and Land Rights	\$0	\$0	\$0	\$0	\$0
361	Structures and Improvements	\$0	\$0	\$0	\$0	\$0
362	Gas Holders	\$0	\$0	\$0	\$0	\$0
363	Purification Equipment	\$0	\$0	\$0	\$0	\$0
363.1	Liquefaction Equipment	\$0	\$0	\$0	\$0	\$0
363.2	Vaporizing Equipment	\$0	\$0	\$0	\$0	\$0
363.3	Compressor Equipment	\$0	\$0	\$0	\$0	\$0

Utility Plant In Service - Account 101

Account No 101

Sub Acct No	Sub Account Title	Balance First Of Year	Additions During Year	Retirements During Year	Adjustments Debit Or Credit	Balance End of Year
363.4	Meas and Reg. Equipment	\$0	\$0	\$0	\$0	\$0
363.5	Other Equipment	\$0	\$0	\$0	\$0	\$0
363.6	Asset Retirement Costs - Other Storage	\$0	\$0	\$0	\$0	\$0
364.1	Land and Land Rights	\$0	\$0	\$0	\$0	\$0
364.2	Structures and Improvements	\$0	\$0	\$0	\$0	\$0
364.3	LNG Processing Terminal Equipment	\$0	\$0	\$0	\$0	\$0
364.4	LNG Transportation Equipment	\$0	\$0	\$0	\$0	\$0
364.5	Measuring and Regulating Equipment	\$0	\$0	\$0	\$0	\$0
364.6	Compressor Station Equipment	\$0	\$0	\$0	\$0	\$0
364.7	Communications Equipment	\$0	\$0	\$0	\$0	\$0
364.8	Other Equipment	\$0	\$0	\$0	\$0	\$0
364.9	Asset Retirement Costs - LNG Terminating an	\$0	\$0	\$0	\$0	\$0
365.1	Land and Land Rights	\$0	\$0	\$0	\$0	\$0
365.2	Rights-of-Way	\$0	\$0	\$0	\$0	\$0
366	Structures and Improvements	\$0	\$0	\$0	\$0	\$0
367	Mains	\$0	\$0	\$0	\$0	\$0
368	Compressor Station Equipment	\$0	\$0	\$0	\$0	\$0

Utility Plant In Service - Account 101

Account No 101

Sub Acct No	Sub Account Title	Balance First Of Year	Additions During Year	Retirements During Year	Adjustments Debit Or Credit	Balance End of Year
369	Measuring and Reg. Sta. Equipment	\$0	\$0	\$0	\$0	\$0
370	Communication Equipment	\$0	\$0	\$0	\$0	\$0
371	Other Equipment	\$0	\$0	\$0	\$0	\$0
372	Asset Retirement Costs - Transmission	\$0	\$0	\$0	\$0	\$0
374	Land and Land Rights	\$21,194,052	\$217,186	\$35,264	\$0	\$21,375,974
375	Structures and Improvement	\$27,185,385	\$582,108	\$374,311	\$0	\$27,393,182
376	Mains	\$805,571,465	\$62,903,959	\$2,492,278	\$0	\$865,983,146
377	Compressor Station Equipment	\$0	\$0	\$0	\$0	\$0
378	Meas. and Reg. Sta. Equip.-General	\$16,161,439	\$2,269,515	\$103,598	\$0	\$18,327,356
379	Meas. and Reg. Sta. Equip.-City Gate	\$7,857,812	\$0	\$73,597	\$0	\$7,784,215
380	Services	\$458,873,465	\$18,008,600	\$2,195,217	\$0	\$474,686,848
381	Meters	\$89,087,937	\$3,904,430	\$61,176	\$0	\$92,931,191
382	Meter Installations	\$61,173,823	\$21,960	\$16	\$0	\$61,195,767
383	House Regulators	\$31,582,938	\$3,062,339	\$25,848	\$0	\$34,619,429
384	House Regulator Installations	\$34,303,862	\$0	\$1,823,270	\$0	\$32,480,592
385	Industrial Meas. and Reg. Sta. Equip.	\$9,664,585	\$0	\$219,543	\$0	\$9,445,042
386	Other Prop. on Customers' Premises	\$0	\$198,651	\$0	\$0	\$198,651

Utility Plant In Service - Account 101

Account No 101						
Sub Acct No	Sub Account Title	Balance First Of Year	Additions During Year	Retirements During Year	Adjustments Debit Or Credit	Balance End of Year
387	Other Equip.	\$18,460,881	\$224,743	\$34,241	\$0	\$18,651,383
388	Asset Retirement Costs - Distribution	\$0	\$0	\$0	\$0	\$0
389	Land and Land Rights	\$0	\$0	\$0	\$0	\$0
390	Structures and Improvements	\$5,703,455	\$0	\$0	\$0	\$5,703,455
391	Office Furniture and Equipment	\$9,566,955	\$119,975	\$168,209	\$0	\$9,518,721
392	Transportation Equipment	\$1,157,528	\$0	\$75,655	\$0	\$1,081,873
393	Stores Equipment	\$437,384	\$0	\$416	\$0	\$436,968
394	Tools, Shop and Garage Equipment	\$15,744,981	\$0	\$282,426	\$0	\$15,462,555
395	Laboratory Equipment	\$127,478	\$0	\$0	\$0	\$127,478
396	Power Operated Equipment	\$6,405,593	\$0	\$614,666	\$0	\$5,790,927
397	Communication Equipment	\$0	\$0	\$0	\$0	\$0
398	Miscellaneous Equipment	\$1,398,425	\$0	\$18,834	\$0	\$1,379,571
399	Other Tangible Property	\$0	\$0	\$0	\$0	\$0
399.1	Asset Retirement Costs - General	\$0	\$0	\$0	\$0	\$0
Totals		\$1,636,268,997.00	\$92,808,074.00	\$13,032,915.00	\$0.00	\$1,716,044,156

Accumulated Provision For Depreciation - Account 108

Account No 108

Sub Acct No	Account Sub Title (a)	Accumulated Depreciation Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Original Cost of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Other Additions or Deductions (h)	(i)	Balance End of Year (j)=(b)+(d)-(c)- (f)+(g)+(h)-(i)
301	Organization	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchise and Consents	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
303	Miscellaneous Intangible Plant	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
304	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
305	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
306	Boiler Plant Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
307	Other Power Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
308	Coke Ovens	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
309	Producer Gas Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
310	Water Gas Generating Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
311	Liquefied Petroleum Gas Equipmen	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
312	Oil Gas Generating Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
313	Generating Equipment--Other Proce	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
314	Coal, Coke, And Ash Handling Equ	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
315	Catalytic Cracking Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
316	Other Reforming Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
317	Purification Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
318	Residual Refining Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
319	Gas Mixing Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
320	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325.1	Producing Lands	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325.2	Producing Leaseholds	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325.3	Gas Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325.4	Rights-of-Way	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325.5	Other Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Accumulated Provision For Depreciation - Account 108

Account No 108

Sub Acct No	Account Sub Title (a)	Accumulated Depreciation Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Original Cost of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Other Additions or Deductions (h)	(i)	Balance End of Year (j)=(b)+(d)-(c)- (f)+(g)+(h)-(i)
326	Gas Well Structures	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
327	Field Compressor Station Structures	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
328	Field Meas. & Reg. Station Structur	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
329	Other Structures	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
330	Producing Gas Wells-Well Constr	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
331	Producing Gas Wells-Well Equipme	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
332	Field Lines	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
333	Field Compressor Station Equipmen	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
334	Field Meas. & Reg. Station Equipm	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
335	Drilling and Cleaning Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
336	Purification Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
337	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
338	Unsuccessful Exploration & Develo	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
339	Asset Retirement Costs - Production	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
340	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
341	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
342	Extraction and Refining Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
343	Pipe Lines	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
344	Extracted Products Storage Equipm	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
345	Compressor Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
346	Gas Meas. & Reg. Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
347	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
348	Asset Retirement Costs - Extraction	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
350.1	Land	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
350.2	Rights-of-Way	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Accumulated Provision For Depreciation - Account 108

Account No 108

Sub Acct No	Account Sub Title (a)	Accumulated Depreciation Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Original Cost of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Other Additions or Deductions (h)	(i)	Balance End of Year (j)=(b)+(d)-(c)- (f)+(g)+(h)-(i)
351	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
352	Wells	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
352.1	Storage Leaseholds and Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
352.2	Reservoirs	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
352.3	Non-recoverable Natural Gas	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
353	Lines	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
354	Compressor Station Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
355	Measuring and Regulating Equipme	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
356	Purification Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
357	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
358	Asset Retirement Costs - Undergrou	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
360	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
361	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
362	Gas Holders	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
363	Purification Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
363.1	Liquefaction Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
363.2	Vaporizing Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
363.3	Compressor Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
363.4	Meas. and Reg. Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
363.5	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
363.6	Asset Retirement Costs - Other Stor	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.1	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.2	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.3	LNG Processing Terminal Equipme	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.4	LNG Transportation Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Accumulated Provision For Depreciation - Account 108

Account No 108

Sub Acct No	Account Sub Title (a)	Accumulated Depreciation Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Original Cost of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Other Additions or Deductions (h)	(i)	Balance End of Year (j)=(b)+(d)-(c)-(f)+(g)+(h)-(i)
364.5	Measuring and Regulating Equipme	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.6	Compressor Station Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.7	Communications Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.8	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
364.9	Asset Retirement Costs - LNG Term	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
365.1	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
365.2	Rights-of-Way	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
366	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
367	Mains	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
368	Compressor Station Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
369	Measuring and Reg. Sta. Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
370	Communication Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
371	Other Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
372	Asset Retirement Costs - Transmissi	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
374	Land and Land Rights	\$263,843	0.00%	\$0	\$35,264	\$1,136	\$143,030	\$0	\$0	\$370,473
375	Structures and Improvement	\$9,080,095	1.96%	\$502,325	\$374,311	\$19,991	\$0	\$453,083	\$0	\$8,735,035
376	Mains	\$267,635,326	2.09%	\$16,426,797	\$2,492,278	\$653,918	\$802	\$2,811	\$0	\$280,919,540
377	Compressor Station Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
378	Meas. and Reg. Sta. Equip.-General	\$4,872,456	3.27%	\$593,386	\$103,597	\$38,698	\$8,107	\$38	\$0	\$5,331,692
379	Meas. and Reg. Sta. Equip.-City Ga	\$3,032,196	3.47%	\$278,717	\$73,597	\$7,729	\$0	\$0	\$0	\$3,229,587
380	Services	\$195,022,145	5.61%	\$14,000,322	\$2,195,217	\$1,612,956	\$1,678	\$1,095	\$0	\$205,217,067
381	Meters	\$38,444,587	2.50%	\$2,411,251	\$61,176	\$0	\$0	\$21,649	\$0	\$40,816,311
382	Meter Installations	\$21,485,293	2.82%	\$1,223,685	\$17	\$1,327	\$0	\$1	\$0	\$22,707,635
383	House Regulators	\$9,205,524	4.30%	\$1,177,300	\$25,848	\$78,773	\$0	\$0	\$15	\$10,278,188
384	House Regulator Installations	\$10,656,632	3.33%	\$1,214,425	\$1,823,270	\$43,918	\$0	\$0	\$0	\$10,003,869

Accumulated Provision For Depreciation - Account 108

Account No 108

Sub Acct No	Account Sub Title (a)	Accumulated Depreciation Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Original Cost of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Other Additions or Deductions (h)	(i)	Balance End of Year (j)=(b)+(d)-(e)- (f)+(g)+(h)-(i)
385	Industrial Meas. and Reg. Sta. Equip	\$2,106,792	3.18%	\$368,369	\$219,544	\$38,204	\$4,331	\$1	\$0	\$2,221,745
386	Other Prop. on Customers' Premises	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
387	Other Equip.	\$15,333,176	6.29%	\$944,988	\$34,241	\$0	\$0	\$0	\$72	\$16,243,851
388	Asset Retirement Costs - Distributio	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
389	Land and Land Rights	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
390	Structures and Improvements	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
391	Office Furniture and Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
392	Transportation Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
393	Stores Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
394	Tools, Shop and Garage Equipment	\$2,622,818	5.87%	\$0	\$0	\$0	\$0	\$0	\$0	\$2,622,818
395	Laboratory Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
396	Power Operated Equipment	\$3,411,644	10.00%	\$365,980	\$614,666	\$0	\$155,953	\$1	\$0	\$3,318,912
397	Communication Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
398	Miscellaneous Equipment	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
399	Other Tangible Property	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
399.1	Asset Retirement Costs - General	\$0	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SubTotal		\$583,172,527		\$39,507,545	\$8,053,026	\$2,496,650	\$313,901	\$25,596	\$453,170	\$612,016,723
Report For Reserve Items-Acct108										
Rounding Differences		\$18	0.00%	\$0	\$0	\$0	\$0	\$0	\$18	\$0
Retirement Work in Progress		(\$847,713)	0.00%	\$0	\$0	(\$1,743,648)	\$0	\$0	\$0	\$895,935
SubTotal		(\$847,695)		\$0	\$0	\$1,743,648)	\$0	\$0	\$18	\$895,935

Accumulated Provision For Depreciation - Account 108

Account No 108

Sub Acct No	Account Sub Title (a)	Accumulated Depreciation Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Original Cost of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Other Additions or Deductions (h)	Balance End of Year (j)=(b)+(d)-(g)- (f)+(g)-(h)-(i)
Total Including Reserve Items		\$582,324,832		\$39,507,545	\$8,053,026	\$753,002	\$313,901	\$25,596	\$612,912,658

Special Funds-Account 125

Account No: 125

Name of Fund (a)	Balance First of Year (b)	Principal Additions (Principle) (c)	Principal Additions (Income) (d)	Deductions (e)	Balance End of Year (f)=(b)+(c)+(d)-(e)
Not Applicable	\$0	\$0	\$0	\$0	\$0
TOTALS	\$0	\$0	\$0	\$0	\$0

Special Funds-Account 126

Account No: 126

Name of Fund (a)	Balance First of Year (b)	Principal Additions (Principle) (c)	Principal Additions (Income) (d)	Deductions (e)	Balance End of Year (f) = (b)+(c)+(d)-(e)
Not Applicable	\$0	\$0	\$0	\$0	\$0
TOTALS	\$0	\$0	\$0	\$0	\$0

Special Funds-Account 128

Account No: 128

Name of Fund (a)	Balance First of Year (b)	Principal Additions (Principle) (c)	Principal Additions (Income) (d)	Deductions (e)	Balance End of Year (f) = (b)+(c)+(d)-(e)
Not Applicable	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0

Special Funds-Account 129

Account No: 129

Name of Fund (a)	Balance First of Year (b)	Principal Additions (Principle) (c)	Principal Additions (Income) (d)	Deductions (e)	Balance End of Year (f) = (b)+(c)+(d)-(e)
Not Applicable	\$0	\$0	\$0	\$0	\$0
TOTALS	\$0	\$0	\$0	\$0	\$0

Prepayments - Account 165

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e) = (b) + (c) - (d)
Rounding	(\$44)	\$45	\$0	\$1
Prepaid Insurance	\$2,315,108	\$87,995	\$45	\$2,403,058
Prepaid Taxes	\$3,722,676	\$0	\$0	\$3,722,676
GCR Base Transitional	\$8,199,476	\$0	\$0	\$8,199,476
Excess Liability Ins.	\$779,159	\$48,636	\$0	\$827,795
Ross Energy	\$50,000	\$0	\$0	\$50,000
Total	\$15,066,375	\$136,676	\$45	\$15,203,006

Misc. Current and Accrued Assets-Acct 174

Account No 174

Description of Assets (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e) = (b) + (c) - (d)
Hedging (Account 175)	\$0	\$451,512	\$0	\$451,512
Rounding	(\$55)	\$0	\$9	(\$64)
Exchange Gas	\$6	\$0	\$6	\$0
Exchange Gas A/R	\$191,000	\$56,000	\$0	\$247,000
Total	\$190,951	\$507,512	\$15	\$698,448

Extraordinary Property Losses - Acct 182.1

Account No: 182.1

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e) = (b) + (c) - (d)
Not Applicable	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0

**Unrecovered Plant and Regulatory
Study Costs - Account 182.2**

Account No 182.2

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e) = (b) + (c) - (d)
Not Applicable	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0

Miscellaneous Deferred Debits - Acct 186

Account No 186

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e) = (b) + (c) - (d)
Forms Control	\$2,676	\$0	\$0	\$2,676
Taxes , Property	\$19,474,153	\$20,482,406	\$20,173,726	\$19,782,833
Pension Restoration	\$45,939	\$0	\$45,939	\$0
Special Projects	(\$2,849)	\$68	\$0	(\$2,781)
CEGSC - Convenience Bills	(\$4,021)	\$83,320,450	\$83,292,654	\$23,775
Water Tanks	\$2,947	\$517	\$732	\$2,732
Maintenance and Jobbing WIP	\$205,349	\$1,666,168	\$962,981	\$908,536
General Office Lease, Revenue	\$3,827,672	\$359,602	\$788,874	\$3,398,400
Ohio Excise Tax	\$36,296,067	\$0	\$3,722,676	\$32,573,391
OPEB Deferred Charges	\$0	\$5,593,818	\$0	\$5,593,818
Material Holding	\$840	\$0	\$0	\$840
Bangs Raw Material	\$564,271	\$932,820	\$924,779	\$572,312
Customer Advances	\$17,185,097	\$3,118,077	\$148,113	\$20,155,061
Miscellaneous Other	\$205,593	\$43,897	\$50,039	\$199,451
Mutual Materials	\$19,200	\$9,963,758	\$9,815,221	\$167,737
Rounding	(\$41)	\$117	\$0	\$76
Misc	\$0	\$946,655	\$946,655	\$0
RIP Expense	\$12,617,949	\$3,509,426	\$16,127,375	\$0
Total	\$90,440,842	\$129,937,779	\$136,999,764	\$83,378,857

**Research Development and
Demonstration Expense (major) -Acct 188**

Account No 188

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e) = (b) + (c) - (d)
Not Applicable	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0

Capital Stock - Account 201

Account No 201

Class/Description Of Capital Stock (Common)	Par Or Stated Value Per Share (Common)	Shares Authorized (Common)	Shares Issued/ Outstanding (Common)	Total Par Value of Stock Issues	Dividends Declared Per Share For Year (Common)	Total Declared Dividends
Common	\$25.00	7100000	6369585	\$159,239,625.00	\$0.00	\$0.00
Totals	\$25.00	7100000	6369585	\$159,239,625.00	\$0.00	\$0.00

Capital Stock - Account 204

Account No 204

Class/Description Of Capital Stock (Preferred) (a)	Par Or Stated Value Per Share (Preferred) (b)	Shares Authorized (Preferred) (c)	Shares Issued and Outstanding (Preferred) (d)	Total Par Value of Stock Issues (e) = (b)x(d)	Dividends Declared Per Share For Year (Preferred) (f)	Total Declared Dividends (g)
Not Applicable	\$0.00	0	0	\$0.00	\$0.00	\$0.00
Totals	\$0.00	0	0	\$0.00	\$0.00	\$0.00

Long Term Debt - Acct 221

Account No 221

Description of Obligation (a)	Beginning Balance	Nominal Date of Issue (b)	Date of Maturity (c)	Face Amount Outstanding (d)	Unamortized Premium or Discount (e)	Stated Rate (f)	Yield Rate (g)	Short- Term Portion (h)	Long- Term Portion (i)
Not Applicable	\$0.00	0	0	\$0.00	\$0.00	0	0	\$0.00	\$0.00
Total	\$0.00			\$0.00	\$0.00			\$0.00	\$0.00

Long Term Debt - Acct 222

Account No 222

Description of Obligation (a)	Beginning Balance	Nominal Date of Issue (b)	Date of Maturity (c)	Face Amount Outstanding (d)	Unamortized Premium or Discount (e)	Stated Rate (f)	Yield Rate (g)	Short- Term Portion (h)	Long- Term Portion (i)
Not Applicable	\$0.00			\$0.00	\$0.00	0	0	\$0.00	\$0.00
Total	\$0.00			\$0.00	\$0.00			\$0.00	\$0.00

Long Term Debt - Acct 223

Account No 223

Description of Obligation (a)	Beginning Balance	Nominal Date of Issue (b)	Date of Maturity (c)	Face Amount Outstanding (d)	Unamortized Premium or Discount (e)	Stated Rate (f)	Yield Rate (g)	Short- Term Portion (h)	Long- Term Portion (i)
Installment Promissory Note	\$0.00	11/01/2006	11/01/2021	\$110,000,000.00	\$0.00	0.06015	0.0602	\$0.00	\$110,000,000.00
Installment Promissory Note	\$106,950,000.00	11/28/2005	11/28/2012	\$106,950,000.00	\$0.00	0.0528	0.0528	\$0.00	\$106,950,000.00
Installment Promissory Note	\$78,100,000.00	11/28/2005	11/30/2015	\$78,100,000.00	\$0.00	0.0541	0.0541	\$0.00	\$78,100,000.00
Installment Promissory Note	\$30,600,000.00	11/28/2005	11/28/2016	\$30,600,000.00	\$0.00	0.0545	0.0545	\$0.00	\$30,600,000.00
Installment Promissory Note	\$89,926,000.00	11/28/2005	11/28/2025	\$89,926,000.00	\$0.00	0.0592	0.0592	\$0.00	\$89,926,000.00
Total	\$305,576,000.00			\$415,576,000.00	\$0.00			\$0.00	\$415,576,000.00

Long Term Debt - Acct 224

Account No 224

Description of Obligation (a)	Beginning Balance	Nominal Date of Issue (b)	Date of Maturity (c)	Face Amount Outstanding (d)	Unamortized Premium or Discount (e)	Stated Rate (f)	Yield Rate (g)	Short- Term Portion (h)	Long- Term Portion (i)
Not Applicable	\$0.00			\$0.00	\$0.00	0	0	\$0.00	\$0.00
Total	\$0.00			\$0.00	\$0.00			\$0.00	\$0.00

Long Term Debt - Acct 225

Account No 225

Description of Obligation (a)	Beginning Balance	Nominal Date of Issue (b)	Date of Maturity (c)	Face Amount Outstanding (d)	Unamortized Premium or Discount (e)	Stated Rate (f)	Yield Rate (g)	Short- Term Portion (h)	Long- Term Portion (i)
Not Applicable	\$0.00			\$0.00	\$0.00	0	0	\$0.00	\$0.00
Total	\$0.00			\$0.00	\$0.00			\$0.00	\$0.00

Long Term Debt - Acct 226

Account No 226

Description of Obligation (a)	Beginning Balance	Nominal Date of Issue (b)	Date of Maturity (c)	Face Amount Outstanding (d)	Unamortized Premium or Discount (e)	Stated Rate (f)	Yield Rate (g)	Short- Term Portion (h)	Long- Term Portion (i)
Not Applicable	\$0.00			\$0.00	\$0.00	0	0	\$0.00	\$0.00
Total	\$0.00			\$0.00	\$0.00			\$0.00	\$0.00

Deferred Income Tax - Account 190

Account No 190

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e) = (b) - (c) + (d)
CMEP-DAP Reserve	\$147,553	(\$147,553)	(\$178,735)	\$116,371
Sect. 461-H Rate Refunds	\$901,126	(\$91,647)	(\$849,174)	\$143,599
Sect. 463 Vacation Accrual	\$1,555,772	\$0	(\$827,453)	\$728,319
Thrift Restoration	\$54,120	(\$5,591)	\$0	\$59,711
Deferred Compensation	\$299	(\$11)	\$0	\$310
Injuries and Damages	\$581,923	(\$593,836)	(\$812,061)	\$363,698
Pension Restoration	\$360,420	(\$360,420)	(\$610,291)	\$110,549
Salary Continuation	\$406,443	\$0	(\$406,443)	\$0
Building Lease Writedowns/Buyouts	\$90,556	\$0	(\$225,288)	(\$134,732)
Contributions in Aid & Cust. Advances	\$7,460,222	(\$747,541)	(\$95,458)	\$8,112,305
LIFO Adjustments	\$5,416,961	(\$6,376,197)	(\$6,571,117)	\$5,222,041
Heatsbare Contributions	\$48,125	\$0	\$0	\$48,125
Future FIT Benefit	\$0	(\$787,365)	(\$349,609)	\$437,756
Environmental Issues	\$9,917,316	(\$758,636)	(\$883,918)	\$9,792,034
Choice Programs	\$131,640,517	(\$19,538,631)	(\$127,862,610)	\$23,316,538
Other Postemployment Benefits	\$674,102	(\$5,131,232)	(\$5,321,160)	\$484,174
SFAS 112 - Postemployment Benefits	\$659,595	(\$272,011)	(\$43,045)	\$888,561
Deferred Director Costs	\$54,246	\$0	(\$9,327)	\$44,919
FASB 96	\$7,347,800	\$0	(\$380,460)	\$6,967,340
Interest on FIT Liability	\$37,938	(\$13,805)	\$0	\$51,743
CIC - Phantom Stock	\$36,967	(\$73,149)	(\$7,967)	\$102,149
Restricted Stock	\$17,046	(\$8,522)	\$0	\$25,568
Rounding	\$3	\$0	\$0	\$3
Capitalized Inventory Costs	\$921,158	(\$924,459)	(\$921,158)	\$924,459

Deferred Income Tax - Account 190

Total	\$168,330,208	(\$35,830,606)	(\$146,355,274)	\$57,805,540
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Deferred Income Tax - Acct 281

AccountNo 281

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e) = (b) - (c) + (d)
Not Applicable	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0

Deferred Income Tax -Acct 282

Account No 282

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e) = (b) - (c) + (d)
Post in Service Carry Charges	\$8,006,520	\$0	\$0	\$8,006,520
Liberalized Depreciation	\$176,322,044	\$1,607,586	\$8,267,880	\$182,982,338
Loss on ACRS Property	\$13,268,980	\$0	\$1,843,428	\$15,112,408
Payroll Taxes Capitalized	\$886,177	\$0	\$0	\$886,177
Property Removal Costs	\$116,859	\$0	\$0	\$116,859
Contribution in Aid of Construction	(\$4,053,442)	\$565,159	\$205,705	(\$4,412,896)
RAR Issues: Murphy Gas	(\$14,067)	\$0	\$1,575	(\$12,492)
Builder Incentives	(\$1,897,155)	\$0	\$213,450	(\$1,683,705)
FASB 96	\$21,021,706	\$2,824,011	\$108,588	\$18,306,283
Total	\$213,657,622	\$4,996,756	\$10,640,626	\$219,301,492

Deferred Income Tax - Acct 283

Account No 283

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e) = (b) - (c) + (d)
GCR Transitional Adjustment	\$2,869,817	\$0	\$0	\$2,869,817
Intercompany Gain	\$5,755,900	\$440,900	\$0	\$5,315,000
Retirement Income Plan	\$6,886,923	\$9,899,210	\$7,468,092	\$4,455,805
Property Taxes	\$36,784	\$221,861	\$68,600	(\$116,477)
Gross Receipts Tax	\$14,006,559	\$14,599,786	\$13,296,849	\$12,703,622
Prepaid Assets	\$1,100,478	\$0	\$47,821	\$1,148,299
Uncollectible Accounts	\$4,857,309	\$0	\$79,723	\$4,937,032
PISCC - Amortization	\$198,994	\$9,045	\$0	\$189,949
Weatherization Program	\$669,056	\$669,056	\$1,098,869	\$1,098,869
Non Ohio Deferred State Income Tax	\$0	\$998,885	\$2,249,613	\$1,250,728
Rental Income - General Office	(\$128,702)	\$662,669	\$22,276	(\$769,095)
Legal Liability - General Office	\$319,572	\$57,060	\$1,551,842	\$1,814,354
Choice Program	\$108,323,979	\$108,323,979	\$0	\$0
PISCC Capitalized Property Tax	\$44,395	\$7,374	\$669,559	\$706,580
Accum. Provision Dep. - PISCC	\$473,765	\$0	\$1,148,841	\$1,622,606
Uncollectible Accounts PIP	\$38,639,395	\$46,803,309	\$52,443,238	\$44,279,324
Charitable Contributions	\$0	\$282,639	\$282,639	\$0
Deferred Gas Purchase Costs	\$88,604,656	\$76,632,766	\$16,736,803	\$28,688,693
Total	\$272,658,880	\$259,628,539	\$97,164,765	\$110,195,106

Misc Current and Accrued Liabilities-Acct 242

Account No 242

Description (a)	Beginning Balance (b)	Debits (c)	Credits (d)	Balance End of Year (e) = (b) - (c) + (d)
Leased General Office	\$634,414	\$660,584	\$677,469	\$651,299
Deferred Compensation	\$854	\$10,563	\$10,594	\$885
Exchange Gas	\$197,048,909	\$1,004,333,561	\$938,316,489	\$131,031,837
Asset Manager	\$284,350	\$0	(\$284,350)	\$0
Unclaimed Accounts	\$599,609	\$291,451	\$707,137	\$1,015,295
Lease Rentals	\$989,506	\$5,786	(\$973,530)	\$10,190
Dental Assistance Plan	\$3,469,791	\$891,526	(\$2,428,383)	\$149,882
Comprehensive Medical Expense Plan	(\$3,886,009)	\$4,290,841	\$8,562,332	\$385,482
Rate Refunds - Suspended	\$582,156	\$701,605	\$119,984	\$535
Thrift Plan Restoration	\$150,880	\$0	\$15,974	\$166,854
Deferred Directors	\$154,989	\$49,810	\$23,162	\$128,341
Standby Sales Service Charges	\$300,899	\$7,713,900	\$7,726,390	\$313,389
Settlement Rev - TCC Pool Balance	\$23,248,043	\$6,005,325	\$13,575,486	\$30,818,204
Supplemental Charges	\$343,087	\$30,414,714	\$30,645,325	\$573,698
Severance Arrangement	\$1,161,266	\$5,031,846	\$3,870,580	\$0
Pension Restoration Plan	\$39,086	\$39,086	\$0	\$0
Other Post Retirement Benefits	\$9,289,355	\$9,289,355	\$0	\$0
Postemployment Benefits - Current	\$296,843	\$0	\$122,585	\$419,428
Advances from CMD	\$29,569	\$0	\$0	\$29,569
Accrued Vacations	\$6,117,744	\$5,761,375	\$5,974,000	\$6,330,369
Rates Refund - Retail	\$3,866,766	\$5,979,959	\$3,072,809	\$959,616
Audit Fees	\$68,256	\$965,576	\$897,285	(\$35)
Misc Deposits	\$0	\$1,000	\$2,000	\$1,000

Accrued Insurance	\$0	\$106,052	\$178,452	\$72,400
Customer A/R Credit Balances	\$55,021,521	\$493,036,659	\$498,942,287	\$60,927,149
Environmental Expenditures	\$1,977,189	\$878,516	\$716,639	\$1,815,312
Weatherization and Heatshare	\$637,524	\$637,474	\$637,500	\$637,550
Wages Payable	\$1,572,416	\$66,826,704	\$67,327,410	\$2,073,122
Delayed Deposits	\$4	\$87,982	\$87,982	\$4
Heatshare Customer Contributions	\$52,292	\$359,536	\$306,581	(\$663)
Payroll Deductions	\$452,443	\$10,990,170	\$10,982,471	\$444,744
Gas Lost due to Line Breaks	\$56,750	\$186,416	\$178,904	\$49,238
Rounding	\$27	\$151	\$0	(\$124)
Advances from CGV	\$591,776	\$0	\$0	\$591,776
Credit Deposits	\$3,141,693	\$2,306,693	\$149,983	\$984,983
Salary Continuation	\$127	\$0	(\$127)	\$0
Agency Gas Handling Fee	(\$381)	\$0	\$127	(\$254)
End User Balancing	\$1,689,690	\$1,676,758	\$1,817,450	\$1,830,382
Change in Control	\$612,393	\$1,076,839	\$491,445	\$26,999
Other	\$31	\$305,000	\$305,000	\$31
Price Risk Liability	\$6,970,216	\$10,670,582	\$5,043,466	\$1,343,100
Program Handling Fee	\$497	\$115,325	\$115,082	\$254
Total	\$317,566,571	\$1,671,698,720	\$1,597,913,990	\$243,781,841

Gas Operating Revenues

Account No 400		Sub Account Title	Cubic Feet		Cubic Feet		Revenues		Revenues
Sub Acct No			Sold Ohio	Entire System	Ohio	Entire System	Ohio	Entire System	
480		Residential Sales	62,901,030	62,901,030		\$940,404,534		\$940,404,534	
481		Commercial & Industrial Sales	0	0		\$0		\$0	
481.1		Commercial Sales (Small)	15,685,046	15,685,046		\$224,497,029		\$224,497,029	
481.2		Industrial Sales (large)	840,932	840,932		\$11,113,560		\$11,113,560	
482		Other Sales to Public Authorities	0	0		\$0		\$0	
483		Sales for Resale	87,482	87,482		\$1,128,363		\$1,128,363	
484		Interdepartmental Sales	0	0		\$0		\$0	
485		Intracompany Transfers	0	0		\$0		\$0	
487		Forfeited Discounts	0	0		\$954,862		\$954,862	
488		Miscellaneous Service Revenues	0	0		\$71,319		\$71,319	
489		Revenue from Trans of Gas of Others	174,317,962	174,317,962		\$231,848,849		\$231,848,849	
490		Sales of Prod. Extracted from Nat. Gas	0	0		\$0		\$0	
491		Rev. from Nat. Gas Processed by Others	0	0		\$0		\$0	
492		Incidental Gasoline and Oil Sales	0	0		\$0		\$0	
493		Rent from Gas Property	0	0		\$2,830,049		\$2,830,049	
494		Interdepartmental Rents	0	0		\$0		\$0	
495		Other Gas Revenues	94	44,991,528		\$28,384,465		\$408,775,397	
496		Provision for Rate Refunds	0	0		\$0		\$0	
Total Gas Operating Revenues Net of Provision for Refunds (480-496)			253,832,546	298,823,980		\$1,441,233,030		\$1,821,623,962	

Gas Operating Expense Accounts

Account No 401

Sub Acct No	Sub Account Title	Ohio	Entire System
700	Operation supervision and engineering	\$0	\$0
701	Operation labor	\$0	\$0
702	Boiler fuel	\$0	\$0
703	Miscellaneous steam expenses	\$0	\$0
704	Steam transferred-Credit	\$0	\$0
710	Operation supervision and engineering	\$0	\$0
711	Steam expenses	\$0	\$0
712	Other power expenses	\$0	\$0
713	Coke oven expenses	\$0	\$0
714	Producer gas expenses	\$0	\$0
715	Water gas generating expenses	\$0	\$0
716	Oil gas generating expenses	\$0	\$0
717	Liquefied petroleum gas expenses	\$0	\$0
718	Other process production expenses	\$0	\$0
719	Fuel under coke ovens	\$0	\$0
720	Producer gas fuel	\$0	\$0
721	Water gas generator fuel	\$0	\$0
722	Fuel for oil gas	\$0	\$0
723	Fuel for liquefied petroleum gas process	\$0	\$0
724	Other gas fuels	\$0	\$0
724.1	Fuel	\$0	\$0
725	Coal carbonized in coke ovens	\$0	\$0
726	Oil for water gas	\$0	\$0
727	Oil for oil gas	\$0	\$0
728	Liquefied petroleum gas	\$0	\$0
729	Raw materials for other gas processes	\$0	\$0

Gas Operating Expense Accounts

729.1	Raw material	\$0	\$0
730	Residuals expenses	\$0	\$0
731	Residuals produced-Credit	\$0	\$0
732	Purification expenses	\$0	\$0
733	Gas mixing expenses	\$0	\$0
734	Duplicate charges-Credit	\$0	\$0
735	Miscellaneous production expenses	\$0	\$0
736	Rents	\$0	\$0
737	Operation supplies and expenses	\$0	\$0
750	Operation Supv and Eng	\$0	\$0
751	Production Maps and Records	\$0	\$0
752	Gas Wells Exp	\$0	\$0
753	Field Lines Exp	\$0	\$0
754	Field Compress Sta Exp	\$0	\$0
755	Field Compress Sta Fuel and Pwr	\$0	\$0
756	Field Meas and Reg Sta Exp	\$0	\$0
757	Purification Exp	\$0	\$0
758	Gas Well Royalties	\$0	\$0
759	Other Expenses	\$0	\$0
760	Rents	\$0	\$0
770	Oper Supv and Eng	\$0	\$0
771	Oper Labor	\$0	\$0
772	Gas Shrinkage	\$0	\$0
773	Fuel	\$0	\$0
774	Power	\$0	\$0
775	Materials	\$0	\$0
776	Oper Supplies and Exp	\$0	\$0
777	Gas Process by Others	\$0	\$0
778	Royalties on Products Extracted	\$0	\$0

Gas Operating Expense Accounts

779	Marketing Ex	\$0	\$0
780	Products Purchased for Resale	\$0	\$0
781	Variation in Products Inventory	\$0	\$0
782	Extracted Prod Used by the Utility-Cr	\$0	\$0
783	Rents	\$0	\$0
795	Delay Rents	\$0	\$0
796	Nonprod Well Drilling	\$0	\$0
797	Abandoned Leases	\$0	\$0
798	Other Exploration	\$0	\$0
799	Natural Gas Purchases	\$0	\$0
800	Nat Gas Well Head Purchases	\$0	\$0
800.1	Nat Gas Well Head Purchases, Intracompany Trans	\$0	\$0
801	Nat Gas Field Line Purchases	\$2,768,526	\$2,768,526
802	Nat Gas Gasoline Plant Outlet Purchases	\$0	\$0
803	Nat Gas Transmission Line Purchases	\$723,330,828	\$1,054,757,520
804	Nat Gas City Gate Purchases	\$114,679,433	\$114,679,433
804.1	Liquefied Nat Gas Purchases	\$0	\$0
805	Other Gas Purchases	\$0	\$0
805.1	Purchased Gas Cost Adjust	\$175,657,960	\$175,657,960
805.2	Incremental Gas Cost Adjust	\$0	\$0
806	Exchange Gas	(\$66,073,072)	(\$66,073,072)
807.1	Well Exp -Purchased Gas	\$0	\$0
807.2	Oper of Purchased Gas Meas Sta	\$0	\$0
807.3	Maint of Purchased Gas Meas Sta	\$0	\$0
807.4	Purchased Gas Calculations Ex	\$0	\$0
807.5	Other Purchased Gas Exp	\$185,709	\$185,709
808.1	Gas Withdrawn from Storage-Debit	\$255,829,300	\$255,829,300
808.2	Gas Delivered to Storage-Cr	(\$265,461,480)	(\$265,461,480)
809.1	Withdrawals of Liqu Nat Gas for Process -Debit	\$0	\$0

Gas Operating Expense Accounts

809.2	Deliveries of Nat Gas for Process -Cr	\$0	\$0
810	Gas Used for Compress Sta Fuel	\$0	\$0
811	Gas Used for Prod Extract -Cr	\$0	\$0
812	Gas Used for Other Utility Oper -Cr	(\$3,499,338)	(\$3,499,338)
812.1	Gas Used in Util Oper -Cr	\$0	\$0
813	Other Gas Supply Expenses	\$419	\$419
814	Oper Supv and Eng	\$0	\$0
815	Maps and Records	\$0	\$0
816	Wells Exp	\$0	\$0
817	Lines Exp	\$0	\$0
818	Compress Sta Exp	\$0	\$0
819	Compress Sta Fuel and Power	\$0	\$0
820	Meas and Reg Sta Exp	\$0	\$0
821	Purification Exp	\$0	\$0
822	Exploration and Develop	\$0	\$0
823	Gas Losses	\$0	\$0
824	Other Exp	\$0	\$0
825	Storage Well Royalties	\$0	\$0
826	Rents	\$0	\$0
827	Operation supplies and expenses	\$0	\$0
840	Oper Supv and Eng	\$0	\$0
841	Oper Labor and Exp	\$0	\$0
842	Rents	\$0	\$0
842.1	Fuel	\$0	\$0
842.2	Power	\$0	\$0
842.3	Gas Losses	\$0	\$0
844.1	Oper Super and Eng	\$0	\$0
844.2	LNG Process Terminal Labor and Exp	\$0	\$0
844.3	Liquefaction Process Labor and Exp	\$0	\$0

Gas Operating Expense Accounts

844.4	Liquefact Trans Labor and Exp	\$0	\$0
844.5	Meas and Reg Labor and Exp	\$0	\$0
844.6	Compress Station Labor and	\$0	\$0
844.7	Communication System Exp	\$0	\$0
844.8	System Control and Load Dispatch	\$0	\$0
845.1	Fuel	\$0	\$0
845.2	Power	\$0	\$0
845.3	Rents	\$0	\$0
845.5	Wharfage Receipts-Cr	\$0	\$0
845.6	Process Liquefied or Vapor Gas by Others	\$0	\$0
846.1	Gas Losses	\$0	\$0
846.2	Other Exp	\$0	\$0
850	Oper Supv and Eng	\$0	\$0
851	System Control and Load Dispatch	\$0	\$0
852	Comm System Exp	\$0	\$0
853	Compress Sta Labor and Exp	\$0	\$0
853.1	Compressor station fuel and power	\$0	\$0
854	Gas for Compress Sta Fuel	\$0	\$0
855	Other Fuel and Power for Compress Sta	\$0	\$0
856	Mains Exp	\$0	\$0
857	Meas and Reg Sta Exp	\$0	\$0
857.1	Operation supplies and expenses	\$0	\$0
858	Trans and Compress Of Gas by Others	\$0	\$0
859	Other Exp	\$0	\$0
860	Rents	\$0	\$0
870	Oper and Supv and Eng	\$1,168,120	\$1,168,120
871	Dist Load Dispatch	\$159,082	\$159,082
872	Compress Station Labor and Exp	\$0	\$0
873	Compress Sta Fuel and Power	\$0	\$0

Gas Operating Expense Accounts

874	Mains and Services Exp	\$13,934,676	\$13,934,676
875	Meas and Reg Sta Exp -General	\$1,726,018	\$1,726,018
876	Meas and Reg Sta Exp -Industrial	\$282,061	\$282,061
877	Meas and Reg Sta Exp -City Gas Check Sta	\$0	\$0
878	Meter and H6use Reg Exp	\$9,610,693	\$9,610,693
879	Customer Install Exp	\$9,257,178	\$9,257,178
880	Other Exp	\$7,574,730	\$7,574,730
881	Rents	\$323,798	\$323,798
901	Supervision	\$38,000	\$38,000
902	Meter Reading Exp	\$6,639,587	\$6,639,587
903	Customer Records and Collection Exp	\$4,442,822	\$4,442,822
904	Uncollectible Accts	\$88,657,615	\$88,657,615
905	Misc Customer Accounts EXP	\$89,931	\$89,931
906	Customer service and informational expenses	\$0	\$0
907	Supervision	\$153,727	\$153,727
908	Customer Assist Exp	\$5,876,029	\$5,876,029
909	Information and Instructional Exp	\$0	\$0
910	Misc Cust Serv and Info Exp	\$126	\$126
911	Supervision	\$0	\$0
912	Demonstrating and Selling Exp	\$3,665	\$3,665
913	Advertising Exp	\$0	\$0
916	Misc Sales Exp	\$0	\$0
917	Sales Expense	\$0	\$0
920	Admin and Gen Salaries	\$2,137,929	\$2,137,929
921	Office Supplies and Other Exp	\$2,160,983	\$2,160,983
922	Admin Exp Trans - Cr	\$12	\$12
923	Outside Services Employed	\$73,100,892	\$73,100,892
924	Property Insurance	\$1,201,490	\$1,201,490
925	Injuries and Damages	\$5,419,687	\$5,419,687

Gas Operating Expense Accounts

926	Employee Pensions and Benefits	\$14,765,077	\$14,765,077
927	Franchise Requirements	\$0	\$0
928	Reg Comm Exp	\$0	\$0
929	Duplicate Charges-Cr	\$0	\$0
930.1	General Advertising Exp	\$0	\$0
930.2	Misc General Exp	\$422,883	\$422,883
931	Rents	(\$2,144,498)	(\$2,144,498)
TOTAL OPERATING EXPENSES (750 - 935)		\$1,184,420,598	\$1,515,847,290

Gas Maintenance Expense

Account No 402

Sub Acct No	Sub Account Title	Ohio	Entire System
705	Maintenance supervision and engineering	\$0	\$0
706	Maintenance of structures and improvements	\$0	\$0
707	Maintenance of boiler plant equipment	\$0	\$0
708	Maintenance of other steam production plant	\$0	\$0
740	Maintenance supervision and engineering	\$0	\$0
741	Maintenance of structures and improvements	\$0	\$0
742	Maintenance of production equipment	\$0	\$0
743	Maintenance of production plant	\$0	\$0
761	Maint Supv and Eng	\$0	\$0
762	Maint of Struct and Improvmt	\$0	\$0
763	Maint of Prod Gas Wells	\$0	\$0
764	Maint of Field Lines	\$0	\$0
765	Maint of Field Compress Sta Equip	\$0	\$0
766	Maint of Field Meas and Reg Station Equip	\$0	\$0
767	Maint of Purification Equip	\$0	\$0
768	Maint of Drilling and Cleaning Equip	\$0	\$0
769	Maint of Other Equip	\$0	\$0
769.1	Maintenance of other plant	\$0	\$0
784	Maintenance Supervisor and Eng	\$0	\$0
785	Maint of Structures and Improvemnts	\$0	\$0
786	Maint of Extraction and Refining Equip	\$0	\$0
787	Maint of Pipe Lines	\$0	\$0
788	Maint of Extracted Products Storage Equip	\$0	\$0
789	Maint of Compress Equip	\$0	\$0
790	Maint of Gas Meas and Reg Equip	\$0	\$0

Gas Maintenance Expense

791	Maint of Other Equip	\$0	\$0
792	Maintenance of product extraction plant	\$0	\$0
830	Maint Supv and Eng	\$0	\$0
831	Maint of Structures and Improvmt	\$0	\$0
832	Maint of Reservoirs and Wells	\$0	\$0
833	Maint of Lines	\$0	\$0
834	Maint of Compress Station Equip	\$0	\$0
835	Maint of Meas and Reg Equip	\$0	\$0
836	Maint of Purification Equip	\$0	\$0
837	Maint of Other Equip	\$0	\$0
839	Maint of Local Storage Plant+	\$0	\$0
843.1	Maint Supv and Eng	\$0	\$0
843.2	Maint of Structures and Improve	\$0	\$0
843.3	Maint of Gas Holders	\$0	\$0
843.4	Maint Of Purification Equip	\$0	\$0
843.5	Maint of Liquefaction Equip	\$0	\$0
843.6	Maint of Vaporizing Equip	\$0	\$0
843.7	Maint of Compress Equip	\$0	\$0
843.8	Maint of Meas and Reg Equip	\$0	\$0
843.9	Maint of Other Equip	\$0	\$0
847.1	Maint Supv and Eng	\$0	\$0
847.2	Maint of Structures and Improvmt	\$0	\$0
847.3	Maint of LNG Process Terminal Equip	\$0	\$0
847.4	Maint of LNG Trans Equip	\$0	\$0
847.5	Maint of Meas and Reg Equip	\$0	\$0
847.6	Maint of Compress Sta Equip	\$0	\$0
847.7	Maint of Communication Equip	\$0	\$0
847.8	Maint of Other Equip	\$0	\$0

Gas Maintenance Expense

861	Maint Supv and Eng	\$0	\$0
862	Maint of Structures and Improve	\$0	\$0
863	Maint of Mains	\$0	\$0
864	Maint of Compressor Station Equip	\$0	\$0
865	Maint of Meas and Reg Station Equip	\$0	\$0
866	Maint of Commun Equip	\$0	\$0
867	Maint of Other Equip	\$0	\$0
868	Maint of other plant	\$0	\$0
885	Maint Supv and Eng	\$247,576	\$247,576
886	Maint of Structures and Improvements	\$436,087	\$436,087
887	Maint of Mains	\$11,814,634	\$11,814,634
888	Maint of Compress Station Equip	\$0	\$0
889	Maint of Meas and Reg Sta Equip - Gen	\$1,212,971	\$1,212,971
890	Maint of Meas and Reg Sta Equip -Indus	\$434,470	\$434,470
891	Maint of Meas and Reg Sta Equip -City Gate Check Station	\$0	\$0
892	Maint of Services	\$3,465,663	\$3,465,663
892.1	Maintenance of Lines	\$0	\$0
893	Maint of Meters and House Reg	\$368,277	\$368,277
894	Maint of Other Equip	\$1,400,464	\$1,400,464
933	Transportation expenses	\$0	\$0
935	Maint of General Plant	\$138,838	\$138,838
TOTAL		\$19,518,980	\$19,518,980

Taxes Other Than Income Taxes 408.1

Account No 408.1

Type of Tax (Specify)	Amount
Property Tax	\$16,668,728
Gross Receipts	\$64,003,485
Utility Commission Fees	\$2,577,842
Excise Tax	\$25,690,475
Federal Unemployment	\$40,780
F.I.C.A.	\$3,330,380
State Unemployment	\$13,776
Pipeline Safety	\$51,510
License and Franchise Tax	\$61,072
Sales and Use Tax	\$489,212
Department of Energy	\$120,769
Total Account 408.1	\$113,048,029

Account 142-xx

PIP Customer Accounts Receivable

Month	Beginning Balance	Transfers From A/C 142 and A/C144	Payment From Customers	Transfers to A/C186 and 182-3	Other Adjustments	Ending Balance
January	\$0	(\$13,528,198)	\$0	\$13,528,198	\$0	\$0
February	\$0	(\$19,218,027)	\$0	\$19,218,027	\$0	\$0
March	\$0	(\$20,182,300)	\$0	\$20,182,300	\$0	\$0
April	\$0	(\$10,476,662)	\$0	\$10,476,662	\$0	\$0
May	\$0	(\$2,743,809)	\$0	\$2,743,809	\$0	\$0
June	\$0	\$663,112	\$0	(\$663,112)	\$0	\$0
July	\$0	\$2,240,410	\$0	(\$2,240,410)	\$0	\$0
August	\$0	\$2,498,984	\$0	(\$2,498,984)	\$0	\$0
September	\$0	\$2,520,865	\$0	(\$2,520,865)	\$0	\$0
October	\$0	\$2,871,445	\$0	(\$2,871,445)	\$0	\$0
November	\$0	(\$5,784,712)	\$0	\$5,784,712	\$0	\$0
December	\$0	(\$10,321,458)	\$0	\$10,321,458	\$0	\$0
Totals	\$0	(\$71,460,350)	\$0	\$71,460,350	\$0	\$0

Account 186.XX/182.3XX PIP Customer Deferred Accounts Receivable

NOTE: THIS SCHEDULE IS TO BE FILLED OUT AND THE PIP ACCOUNTING INFORMATION QUESTIONS BELOW ANSWERED BY COMPANIES THAT CURRENTLY HAVE PIP TARIFF RIDERS IN EFFECT.

1. What time period are PIP Accounts Receivable balances aged prior to transfer to the PIP Deferred Acc

PIP Accounts Receivable balances are immediately transferred to the PIP Deferred account

2. Do the transfers include Pre-PIP balances?

No

3. What Account do you record aged PIP in?

182.3412

Month	Beginning Balance PIP Deferred	Transfers From A/C 142-xx	Recoveries Through Tariff Rider	Other Items (Explain Below)	Ending Balance PIP Deferred (f) = (b+ c + d + e)
January	\$95,198,774	\$13,528,198	(\$2,537,604)	\$0	\$106,189,368
February	\$106,189,368	\$19,218,027	(\$16,709,976)	\$0	\$108,697,419
March	\$108,697,419	\$20,182,300	(\$8,844,523)	\$169,325	\$120,204,521
April	\$120,204,522	\$10,476,662	(\$6,561,325)	\$250,775	\$124,370,634
May	\$124,370,634	\$2,743,809	(\$3,376,058)	\$295,119	\$124,033,504
June	\$124,033,503	(\$663,112)	(\$1,941,096)	\$333,610	\$121,762,905
July	\$121,762,905	(\$2,240,410)	(\$1,452,836)	\$337,176	\$118,406,835
August	\$118,406,834	(\$2,498,984)	(\$1,457,872)	\$333,627	\$114,783,605
September	\$114,783,607	(\$2,520,865)	(\$1,436,865)	\$305,041	\$111,130,918
October	\$111,130,917	(\$2,871,445)	(\$2,660,989)	\$308,069	\$105,906,552
November	\$105,906,553	\$5,784,712	(\$5,731,824)	\$247,895	\$106,207,337
December	\$106,207,335	\$10,321,458	(\$8,145,404)	\$234,222	\$108,617,611
Total		\$71,460,350	(\$60,856,371)	\$2,814,858	

GENERAL INFORMATION - NATURAL GAS

1. Does the respondent use any process for mixing, reforming or stabilizing the heat content of natural gas?

No

2. Give location and capacity of mixing, reforming or stabilizing plants.

N/A

3. Give a brief description of the process(es) used.

N/A

4. Volume of gas mixed, reformed or stabilized by separate plants.

12/31/2006

Plant Number	<input type="text"/>		
Natural Gas Input-MCF	<input type="text" value="0"/>	Mixing or Stabilizing Gas Input - MCF	<input type="text" value="0"/>
Highest Avg BTU of Input-Nat Gas	<input type="text" value="0"/>	Highest Avg BTU of Mix or Stabilized Gas	<input type="text" value="0"/>
Lowest Avg BTU of Input - Nat Gas	<input type="text" value="0"/>	Lowest Avg BTU of Mix or Stabilized Gas	<input type="text" value="0"/>
		Highest Avg BTU of Mixed or Stabilized Gas	<input type="text" value="0"/>
		Lowest Avg BTU of Mixed or Stabilized Gas	<input type="text" value="0"/>
		Annual Output to Mixed or tabilized Gas-MCF	<input type="text" value="0"/>

5. Producing Gas Lands and Leaseholds

5.a. Number of acres at beginning of the year.

5.b. Leases taken (acres).

5.c. Leases abandoned (acres).

5.d. Acres purchased.

5.e. Acres sold.

5.f. Acres transferred from non-producing.

5.g. Number of acres at end of year.

GENERAL INFORMATION - NATURAL GAS

5.h.1. Number of Producing wells drilled during year:

5.h.2. Number of non-productive wells drilled during year:

5.i. Number of wells drilled deeper during year:

5.j. Number of wells purchased during year.

5.k. Number of wells abandoned during year.

5.l. Number of wells sold during year.

6. Non-Producing Gas Lands and Leaseholds

6.a. Number of acres at beginning of year.

6.b. Number of acres at beginning of year.

6.c. Number of acres abandoned during year.

6.d. Number of acres transferred to producing during year.

6.e. Number of acres at close of year.

6.f.1. Number of producing wells drilled during year

6.f.2. Number of non-productive wells drilled during year.

7.a.1. Number of gas wells owned in Ohio:

7.b.1. Number of gas wells owned for the entire company

8. Number of gas wells leased and names of lessors.

9. Number of acres under lease in Ohio as of the Date of This Report

10. If gas is purchased from other companies during the year, state: (attach rider if necessary)

GENERAL INFORMATION - NATURAL GAS

Name Of Company	Number Cubic Feet	Price Per M.	Amount Paid
American Oil & Gas Inc.	8692	\$7.49	\$65,095
B.D.W. Production	-4	\$14.75	(\$59)
Beck Energy Corporation	1698	\$8.25	\$14,012
Blauser Energy Corp.	1022	\$2.20	\$2,248
Cameron Production Co., Inc.	13329	\$8.78	\$116,981
Circleville Gas Company	475	\$4.77	\$2,266
Charles E. Pavlik	-19	\$14.89	(\$283)
Covenant Petroleum	1193	\$6.12	\$7,306
D. Anderson Corp.	14393	\$6.34	\$91,268
Eastland Energy Group Inc.	9602	\$7.56	\$72,553
Everflow-Eastern Inc.	19525	\$7.41	\$144,706
Frank A. Csapo, Jr.	33025	\$7.71	\$254,683
Future Production, Inc.	108	\$2.20	\$238
Great Lakes Energy	13115	\$7.05	\$92,479
Green Energy Company	1074	\$2.20	\$2,363
H & K Energy 1981-A Ltd.	357	\$2.20	\$785
J D Producing	5257	\$7.27	\$38,214
James R. Bernhardt	11432	\$7.27	\$83,164
King Drilling Company	1012	\$7.35	\$7,435
Kenoil LLC	2956	\$6.96	\$20,580
Mike Miller	464	\$2.20	\$1,021
Nat Land Energy	1057	\$9.01	\$9,522
North East Fuel, Inc.	1658	\$6.70	\$11,110
Northside Wildcat Oil & Gas Co.	4379	\$1.25	\$5,456
Orr Petroleum Corp.	3765	\$5.86	\$22,061
Oxford Oil Company	98167	\$7.37	\$723,736
Paul J. Obermiller	42565	\$7.45	\$317,321
Petro Quest, Inc.	11655	\$7.62	\$88,785
Putney Ridge Gas Company, Inc.	6519	\$7.44	\$48,491
Quality Oil & Gas Corporation	9620	\$3.81	\$36,652
Tuco Operating Partner's, Inc.	44495	\$7.68	\$341,681
Twinoaks Oil & Gas Company	6279	\$7.47	\$46,901
Vagen Drilling	2217	\$4.80	\$10,650
Valley Drilling Co., Inc.	6178	\$7.36	\$45,500

GENERAL INFORMATION - NATURAL GAS

Viking Resources Corp.	3841	\$7.04	\$27,024
Wayne Hammond	580	\$2.20	\$1,276
Zikha Energy	674	\$7.40	\$4,985
Adjustment between est. & actual pay.	0	\$0.00	\$10,320
Amerada	70954	\$8.09	\$574,321
Adams	6308	\$6.64	\$41,861
Centerpoint Energy Service, Inc.	88295	\$6.27	\$553,408
Exxon Mobil Gas & Power	583424	\$7.05	\$4,111,675
CNX Gas Company LLC	104397	\$12.17	\$1,270,535
Statoil Natural Gas, Inc.	24901	\$7.73	\$192,508
BGLS	2236773	\$9.62	\$21,512,779
Macquarie Cook Energy	39789	\$6.64	\$264,118
Masefield Natural Gas	443558	\$7.25	\$3,216,650
Credit Suisse Energy	67422	\$7.77	\$524,000
BP	13992765	\$8.07	\$112,903,696
CoEnergy Trading Co.	5926	\$7.82	\$46,317
Cargill, Inc.	9140788	\$7.36	\$67,249,661
Marathon Oil Company	15126	\$7.67	\$116,040
Sprague Energy Corp.	15748	\$6.16	\$97,045
E Services, Inc.	65	\$7.82	\$508
Chevron Texaco	7343233	\$8.67	\$63,680,583
Cinergy Marketing & Trading	69328	\$7.44	\$516,059
Conectiv Energy Supply	60394	\$6.79	\$410,197
Cabot Oil & Gas	8646	\$8.16	\$70,535
Conoco, Inc.	10755999	\$8.43	\$90,648,409
Constellation Power	1916784	\$8.02	\$15,370,340
Colonial Energy, Inc.	7301	\$7.81	\$57,012
Cook Inlet	460936	\$6.11	\$2,815,326
Coral	2851504	\$8.22	\$23,440,028
Delta	131226	\$8.00	\$1,049,308
Eagle	523192	\$7.43	\$3,886,210
American Oil & Gas, Inc.	34553	\$7.84	\$270,758
Occidental Energy Marketing, Inc.	692498	\$7.13	\$4,936,867
LDES	3671201	\$8.83	\$32,427,230
National	86	\$6.64	\$571
Noble Energy	894535	\$9.66	\$8,639,748
Interstate Gas Supply	9654	\$6.82	\$65,850

GENERAL INFORMATION - NATURAL GAS

OGE Energy Services	6	\$5.67	\$34
ONEOK	895153	\$6.69	\$5,992,898
PPM Energy	19330	\$5.55	\$107,200
Sempra	524825	\$9.65	\$5,062,244
Sequent Energy Management	1176790	\$9.20	\$10,823,226
Enjet, Inc	11642	\$5.91	\$68,807
Southwest Energy	5123	\$7.91	\$40,528
Superior Natural Gas	180865	\$7.15	\$1,293,703
Teneska Mktg	325223	\$7.11	\$2,312,476
Tennessee Gas Pipeline Company	220	\$7.11	\$1,564
Other	-1	\$9.00	(\$9)
Total Gas and Power	3896401	\$8.48	\$33,035,154
TXU	27690	\$8.19	\$226,661
UBS	539632	\$7.21	\$3,892,831
Pepco Gas Service	11048	\$7.84	\$86,645
Vitol Energy	9339548	\$7.94	\$74,195,151
VPEM	358693	\$7.22	\$2,590,980
Western Gas Resources, Inc.	64243	\$7.40	\$475,426
WPS Energy Services	357355	\$8.04	\$2,872,560
Fixed Price Contracts	889583	\$12.82	\$11,404,866
OFS Purchases/System Supply Credit	-4359443	\$7.85	(\$34,214,680)
BP Energy	9665	\$7.76	\$75,000
Teneska	6297219	\$7.48	\$47,098,437
Cargill	32089	\$8.48	\$272,190
Chesapeake Appalachian	46	\$11.39	\$524
WPS Energy	284177	\$9.23	\$2,624,054
Other	-1679	\$2.73	(\$4,589)
OFS Purchases	2757098	\$0.00	\$20,835,945

11.a. Number of cubic feet produced during the year in Ohio.

0

11.b. Number of cubic feet produced during the year for the entire company.

0

12.a. Total number of customers as of close of business in December for Ohio:

1423164

12.b. Total number of customers as of close of business in December for entire company:

1423164

13. If gas is sold to other gas utility companies during year, state: (attach rider if necessary)

GENERAL INFORMATION - NATURAL GAS

Name of Company	Number Cubic Feet	Price Per M	Amount Paid
Not Applicable	0	\$0.00	\$0

14. Number of cubic feet gas brought into Ohio.

243607450379

15. Number of cubic feet gas sold outside Ohio.

48914093000

16. Number of gallons of gasoline produced during the year.

0

17. Number of new wells drilled during year

Description	Productive	Non Productive	Total
Ohio	0	0	0
Entire Company	0	0	0

Employee Compensation

	Male	Female	Total	Operation and Maint.	Construction Wages	Other Wages	Total Compensation for Year Ending December 31
Parttime	0	2		\$94,656	\$24,248	\$10,343	\$129,247
Fulltime	697	249		\$44,772,118	\$11,469,295	\$4,892,313	\$61,133,726
Totals	697	251	948	\$44,866,774	\$11,493,543	\$4,902,656	\$61,262,973

AFUDC Rate Used During Year and Calculation of Rate

AFUDC Rate(s) Used During Year: 5.28

Calculation AFUDC Rate Used:

	Amount	Capitalization Ratio	Cost Rate
Average Short-Term Debt	\$ 197,514,994		5.28%
Average Short Term Debt			
Long Term Debt			
Average Short-Term Debt			
Preferred	\$ 8,111,406	100.00%	5.15%
Common Equity			
Total Capitalization	\$ 81,114,006	100.00%	
Average Construction WIP	\$ 179,545,051		

Number Of Customers

<u>Type of Customers</u>	<u>Number of Customers</u>
Ultimate Consumers	0
Transportation	509034
Special Contract	0
Sales for Resale	0
Residential	853568
Public Authorities	0
Other	0
Miscellaneous	0
Interdepartmental	0
Industrial	1254
Commercial	59308
Total	<hr/> 1423164

Statement of Intrastate Gross Earnings

Account No	Account Title	Total Dollars (1)	Interstate Dollars (2)	Intrastate Dollars (3) = (1) - (2)
400	Operating Revenues	\$1,821,623,962	\$380,390,932	\$1,441,233,030
411.6	Gains from Disposition of Utility Plant	\$0	\$0	\$0
412	Revenue from Gas Plant Leased to Others	\$0	\$0	\$0
414	Other Utility Operating Income	\$0	\$0	\$0
415	Revenues from Merchandising, Jobbing, Other	\$38,940	\$0	\$38,940
417	Income from Nonutility Operations	(\$63,557)	\$0	(\$63,557)
418	Nonoperating Rental Income	\$0	\$0	\$0
418.1	Eq. In Earnings of Sub Co. (major)	\$192,790	\$0	\$192,790
419	Interest and Dividend Income	\$205,871	\$0	\$205,871
421	Miscellaneous Nonoperating Income	\$228,045	\$0	\$228,045
421.1	Gains from Disposition of Property	\$0	\$0	\$0
434	Extraordinary Income	\$0	\$0	\$0
483	Sales for Resale	(\$1,128,363)	\$0	(\$1,128,363)
TOTAL		\$1,821,097,688	\$380,390,932	\$1,440,706,756

Contact Persons

Name, Title, Address, and Phone Number of the Company's Contact Persons to Receive Entries and Orders from the Docketing Division

Name: Robert G. Kriner
Title: Controller - Distribution Segment
Address: 200 Civic Center Drive Columbus, OH 43215
Phone: 614-460-5900

Name, Title, Address, and Phone Number of Person to whom Invoice should be Directed

Name: Robert G. Kriner
Title: Controller - Distribution Segment
Address: 200 Civic Center Drive Columbus, OH 43215
Phone: 614-460-5900

Name and Address of the President

President Name: John W. Partridge, Jr.
President Address: 200 Civic Center Drive Columbus, OH 43215

Revenue, Customers, Consumption, and Gas Transportation

Description	Revenue	Sales MCF	Number of Customers	MCF/Month	Revenue/MCF	Average GCR/MCF
Residential Transportation	\$118,525,676.00	37229529	455557	3102461	\$3.18	0
Residential Sales	\$940,404,534.00	62901030	853568	5241753	\$14.95	11.3507
Other Transportation	\$0.00	44991527	0	3749294	\$0.00	0
Other Sales	\$1,128,363.00	87482	0	7290	\$12.90	11.3507
Industrial Transportation	\$33,329,157.00	91137059	1137	7594755	\$0.37	0
Industrial Sales	\$11,113,560.00	840932	1254	70078	\$13.22	11.3507
Commercial Transportation	\$79,994,020.00	45951375	52340	3829281	\$1.74	0
Commercial Sales	\$224,497,029.00	15685046	59308	1307087	\$14.31	11.3507
Totals	\$1,408,992,339.00	298823980	1423164			

VERIFICATION

The foregoing report must be verified by the President or Chief Officer of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

State of Ohio

County of Franklin

John W. Partridge, Jr.

(Insert here the name of the affiant.)

makes oath and says that

he is President

(Insert here the name of the deponent.)

of Columbia Gas of Ohio, Inc.

(Insert here the exact legal title or name of the respondent.)

that he has examined the foregoing report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from and including January 1, 2006 to and including December 31, 2006.

John W. Partridge, Jr.
(Signature of affiant.)

State of Ohio

County of Franklin

The foregoing was sworn to and subscribed before me, Notary Public, by

in his capacity as the President of Columbia Gas of Ohio, Inc. this 25th day of April, 2007

Sharon Lee Booth



SHARON LEE BOOTH
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES 11-09-07