

LARGE FILING SEPERATOR SHEET

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

FILE DATE:

NOV 07 2008

SECTION: 3

NUMBER OF PAGES: 203

DESCRIPTION OF DOCUMENT:

EXHIBITS - FOR E-FILED TRANSCRIPT

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-107421 and 333-107421-01 on Forms S-3, Registration Statement Nos. 333-127811, 333-127812, 333-107748 and 333-107743 on Forms S-8, and Registration Statement Nos. 333-33896 and 333-33896-01 on Forms S-4 of our report dated February 26, 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 No. 158), and management's report on the effectiveness of internal control over financial reporting, appearing in this Annual Report on Form 10-K of NiSource Inc. for the year ended December 31, 2006.

Chicago, Illinois
February 28, 2007

**Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of NiSource Inc. (the "Company") on Form 10-K for the year ending December 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael W. O'Donnell, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Michael W. O'Donnell

Michael W. O'Donnell
Executive Vice President and
Chief Financial Officer

Date: March 1, 2007

**Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of NiSource Inc. (the "Company") on Form 10-K for the year ending December 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert C. Skaggs, Jr., Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Robert C. Skaggs, Jr.

Robert C. Skaggs, Jr.
Chief Executive Officer

Date: March 1, 2007

**Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Michael W. O'Donnell, certify that:

1. I have reviewed this Annual Report of NiSource Inc. on Form 10-K for the quarter ended December 31, 2006;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2007

By: /s/ Michael W. O'Donnell
Michael W. O'Donnell
Executive Vice President and Chief Financial
Officer

**Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Robert C. Skaggs, Jr., certify that:

1. I have reviewed this Annual Report of NiSource Inc. on Form 10-K for the year ended December 31, 2006;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2007

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

Robert C. Skaggs, Jr.
Chief Executive Officer

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2007

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-16189

NiSource Inc.

(Exact name of registrant 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)

(877) 647-5990

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:
Common Stock, \$0.01 Par Value: 274,171,749 shares outstanding at October 31, 2007.

**NISOURCE INC.
FORM 10-Q QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2007**

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The following is a list of frequently used abbreviations or acronyms that are found in this report:

NiSource Subsidiaries and Affiliates

Bay State	Bay State Gas Company
Capital Markets	NiSource Capital Markets, Inc.
CER	Columbia Energy Resources, Inc.
CNR	Columbia Natural Resources, Inc.
Columbia	Columbia Energy Group
Columbia Deep Water	Columbia Deep Water Service Company
Columbia Energy Services	Columbia Energy Services Corporation
Columbia Gulf	Columbia Gulf Transmission Company
Columbia of Kentucky	Columbia Gas of Kentucky, Inc.
Columbia of Maryland	Columbia Gas of Maryland, Inc.
Columbia of Ohio	Columbia Gas of Ohio, Inc.
Columbia of Pennsylvania	Columbia Gas of Pennsylvania, Inc.
Columbia of Virginia	Columbia Gas of Virginia, Inc.
Columbia Transmission	Columbia Gas Transmission Corporation
CORC	Columbia of Ohio Receivables Corporation
Crossroads Pipeline	Crossroads Pipeline Company
Granite State Gas	Granite State Gas Transmission, Inc.
Hardy Storage	Hardy Storage Company, L.L.C.
Kokomo Gas	Kokomo Gas and Fuel Company
Lake Erie Land	Lake Erie Land Company
Millennium	Millennium Pipeline Company, L.P.
NDC Douglas Properties	NDC Douglas Properties, Inc.
NiSource	NiSource Inc.
NiSource Corporate Services	NiSource Corporate Services Company
NiSource Development Company	NiSource Development Company, Inc.
NiSource Finance	NiSource Finance Corp.
Northern Indiana	Northern Indiana Public Service Company
Northern Indiana Fuel and Light	Northern Indiana Fuel and Light Company
Northern Utilities	Northern Utilities, Inc.
NRC	NIPSCO Receivables Corporation
PEI	PEI Holdings, Inc.
TPC	EnergyUSA-TPC Corp.
Transcom	Columbia Transmission Communications Corporation
Whiting Clean Energy	Whiting Clean Energy, Inc.
Whiting Leasing	Whiting Leasing LLC

Abbreviations

AFUDC	Allowance for funds used during construction
Algonquin	Algonquin Gas Transmission Co.
APB No. 25	Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees"
ASM	Ancillary Services Market
BART	Best Alternative Retrofit Technology
BBA	British Banker Association
Bcf	Billion cubic feet
BP	BP Amoco p.l.c.
CAIR	Clean Air Interstate Rule
CAMR	Clean Air Mercury Rule
CCGT	Combined Cycle Gas Turbine
CPCN	Certificate of Public Convenience and Necessity



Table of Contents**DEFINED TERMS (continued)**

Day 2	Began April 1, 2005 and refers to the operational control of the energy markets by MISO, including the dispatching of wholesale electricity and generation, managing transmission constraints, and managing the day-ahead, real-time and financial transmission rights markets
DOT	United States Department of Transportation
Dth	dekatherms
ECR	Environmental Cost Recovery
ECRM	Environmental Cost Recovery Mechanism
ECT	Environmental cost tracker
EERM	Environmental Expense Recovery Mechanism
Empire	Empire State Pipeline
EPA	United States Environmental Protection Agency
EPS	Earnings per share
ESA	Energy Sales Agreement
FAC	Fuel adjustment clause
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FIN 47	FASB Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations"
FIN 48	FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes," an interpretation of SFAS No. 109
FIP	Federal Implementation Plan
FTRs	Financial Transmission Rights
gwh	Gigawatt hours
IBM	International Business Machines Corp.
IBM Agreement	The Agreement for Business Process & Support Services
IDEM	Indiana Department of Environmental Management
Iroquois	Iroquois Gas Transmission System LP
IRP	Integrated Resource Plan
IRS	Internal Revenue Service
IURC	Indiana Utility Regulatory Commission
LDCs	Local distribution companies
LIBOR	London InterBank Offered Rate
MISO	Midwest Independent Transmission System Operator
Mitchell Station	Dean H. Mitchell Generating Station
MMDth	Million dekatherms
mw	Megawatts
NAAQS	National Ambient Air Quality Standards
NOx	Nitrogen oxide
NYMEX	New York Mercantile Exchange
OUCC	Indiana Office of Utility Consumer Counselor
PBR	Performance Based Regulation
Piedmont	Piedmont Natural Gas Company, Inc.
ppm	parts per million
PPS	Price Protection Service
PUCO	Public Utilities Commission of Ohio
SEC	Securities and Exchange Commission
SFAS No. 71	Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation"
SFAS No. 123	Statement of Financial Accounting Standards No. 123, "Share-Based Payment"
SFAS No. 123R	Statement of Financial Accounting Standards No. 123R, "Share-Based Payment"
SFAS No. 133	Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended
SFAS No. 143	Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations"

Table of Contents**DEFINED TERMS (continued)**

SFAS No. 157	Statement of Financial Accounting Standards No. 157, "Fair Value Measurements"
SFAS No. 158	Statement of Financial Accounting Standards No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans"
SFAS No. 159	Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115"
SO2	Sulfur dioxide
VaR	Value-at-risk and instrument sensitivity to market factors
VADEQ	Virginia Department of Environmental Quality

Table of Contents**PART I****ITEM 1. FINANCIAL STATEMENTS****NiSOURCE INC.****Statements of Consolidated Income (unaudited)**

(in millions, except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Net Revenues				
Gas Distribution	\$ 461.4	\$ 392.9	\$3,132.1	\$2,996.4
Gas Transportation and Storage	204.7	202.7	778.7	743.8
Electric	377.4	377.4	1,036.6	985.0
Other	197.5	183.4	764.4	715.2
Gross Revenues	1,241.0	1,156.4	5,711.8	5,440.4
Cost of Sales (excluding depreciation and amortization)	610.9	524.9	3,327.2	3,187.0
Total Net Revenues	630.1	631.5	2,384.6	2,253.4
Operating Expenses				
Operation and maintenance	320.6	310.6	1,049.4	989.8
Depreciation and amortization	142.2	136.5	419.4	411.3
Impairment and (gain) loss on sale of assets	0.6	(0.2)	9.8	3.6
Other taxes	56.4	49.0	223.0	212.7
Total Operating Expenses	519.8	495.9	1,701.6	1,617.4
Equity Earnings in Unconsolidated Affiliates	2.6	0.9	7.8	0.8
Operating Income	112.9	136.5	690.8	636.8
Other Income (Deductions)				
Interest expense, net	(100.8)	(96.2)	(297.5)	(284.9)
Dividend requirement on preferred stock of subsidiaries	—	—	—	(1.1)
Other, net	1.4	(0.8)	(1.8)	(6.9)
Loss on early redemption of preferred stock	—	—	—	(0.7)
Total Other Income (Deductions)	(99.4)	(97.0)	(299.3)	(293.6)
Income From Continuing Operations Before Income Taxes and Cumulative Effect of Change in Accounting Principle	13.5	39.5	391.5	343.2
Income Taxes	3.7	13.5	144.4	122.1
Income from Continuing Operations Before Cumulative Effect of Change in Accounting Principle	9.8	26.0	247.1	221.1
Income (Loss) from Discontinued Operations — net of taxes	0.1	(0.3)	0.4	(2.2)
Gain on Disposition of Discontinued Operations — net of taxes	1.1	0.1	6.9	0.4
Income Before Change in Accounting Principle	11.0	25.8	254.4	219.3
Cumulative Effect of Change in Accounting Principle — net of taxes	—	—	—	0.4
Net Income	\$ 11.0	\$ 25.8	\$ 254.4	\$ 219.7
Basic Earnings Per Share (\$)				
Continuing operations	\$ 0.03	\$ 0.10	\$ 0.90	\$ 0.81
Discontinued operations	0.01	—	0.03	—
Basic Earnings Per Share	\$ 0.04	\$ 0.10	\$ 0.93	\$ 0.81
Diluted Earnings Per Share (\$)				
Continuing operations	\$ 0.03	\$ 0.10	\$ 0.90	\$ 0.81
Discontinued operations	0.01	—	0.03	—
Diluted Earnings Per Share	\$ 0.04	\$ 0.10	\$ 0.93	\$ 0.81

Dividends Declared Per Common Share	\$ 0.23	\$ 0.23	\$ 0.92	\$ 0.92
Basic Average Common Shares Outstanding (millions)	273.9	272.5	273.8	272.4
Diluted Average Common Shares (millions)	274.7	273.3	274.7	273.2

The accompanying Notes to Consolidated Financial Statements are an integral part of these unaudited statements.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NISOURCE INC.****Condensed Consolidated Balance Sheets (unaudited)**

<i>(in millions)</i>		September 30, 2007	December 31, 2006
ASSETS			
Property, Plant and Equipment			
Utility Plant	\$	17,345.8	\$ 17,194.9
Accumulated depreciation and amortization		(7,813.4)	(7,850.0)
Net utility plant		9,532.4	9,344.9
Other property, at cost, less accumulated depreciation		338.7	349.6
Net Property, Plant and Equipment		9,871.1	9,694.5
Investments and Other Assets			
Assets of discontinued operations and assets held for sale		50.2	43.0
Unconsolidated affiliates		59.1	59.6
Other investments		119.8	116.1
Total Investments and Other Assets		229.1	218.7
Current Assets			
Cash and cash equivalents		17.7	33.1
Restricted cash		96.0	142.5
Accounts receivable (less reserve of \$31.4 and \$42.1, respectively)		571.5	866.3
Gas inventory		679.6	550.5
Underrecovered gas and fuel costs		99.0	163.2
Materials and supplies, at average cost		91.9	89.0
Electric production fuel, at average cost		56.7	63.9
Price risk management assets		114.4	237.7
Exchange gas receivable		223.7	252.3
Regulatory assets		252.1	272.7
Prepayments and other		66.2	111.7
Total Current Assets		2,268.8	2,782.9
Other Assets			
Price risk management assets		10.6	49.9
Regulatory assets		1,014.7	1,127.3
Goodwill		3,677.3	3,677.3
Intangible assets		425.5	435.7
Deferred charges and other		154.3	170.2
Total Other Assets		5,282.4	5,460.4
Total Assets	\$	17,651.4	\$ 18,156.5

The accompanying Notes to Consolidated Financial Statements are an integral part of these unaudited statements.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NI SOURCE INC.****Condensed Consolidated Balance Sheets (unaudited) (continued)**

	September 30, 2007	December 31, 2006
<i>(in millions, except share amounts)</i>		
CAPITALIZATION AND LIABILITIES		
Capitalization		
Common Stockholders' Equity		
Common stock — \$0.01 par value, 400,000,000 shares authorized; 274,161,140 and 273,654,180 shares issued and outstanding, respectively	\$ 2.7	\$ 2.7
Additional paid-in capital	4,008.9	3,998.3
Retained earnings	1,007.4	1,012.9
Accumulated other comprehensive income	8.5	20.9
Treasury stock	(23.3)	(21.2)
Total Common Stockholders' Equity	5,004.2	5,013.6
Long-term debt, excluding amounts due within one year	5,923.4	5,146.2
Total Capitalization	10,927.6	10,159.8
Current Liabilities		
Current portion of long-term debt	60.9	93.3
Short-term borrowings	673.0	1,193.0
Accounts payable	449.7	713.1
Dividends declared	63.1	—
Customer deposits	108.6	108.4
Taxes accrued	168.1	196.0
Interest accrued	106.8	107.1
Overrecovered gas and fuel costs	46.1	126.7
Price risk management liabilities	91.7	259.4
Exchange gas payable	393.9	396.6
Deferred revenue	42.4	55.9
Regulatory liabilities	79.3	40.7
Accrued liability for postretirement and postemployment benefits	4.8	4.7
Other accruals	417.8	526.3
Total Current Liabilities	2,706.2	3,821.2
Other Liabilities and Deferred Credits		
Price risk management liabilities	17.5	38.2
Deferred income taxes	1,549.4	1,553.7
Deferred investment tax credits	55.5	61.5
Deferred credits	119.7	119.3
Deferred revenue	2.6	21.9
Accrued liability for postretirement and postemployment benefits	619.2	799.5
Liabilities of discontinued operations and liabilities held for sale	6.2	11.9
Regulatory liabilities and other removal costs	1,319.7	1,253.8
Asset retirement obligations	136.9	131.6
Other noncurrent liabilities	190.9	184.1
Total Other Liabilities and Deferred Credits	4,017.6	4,175.5
Commitments and Contingencies (Refer to Note 14)	—	—
Total Capitalization and Liabilities	\$ 17,651.4	\$ 18,156.5

The accompanying Notes to Consolidated Financial Statements are an integral part of these unaudited statements.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NI SOURCE INC.****Statements of Consolidated Cash Flows (unaudited)**

<i>Nine Months Ended September 30, (in millions)</i>	<i>2007</i>	<i>2006</i>
Operating Activities		
Net income	\$ 254.4	\$ 219.7
Adjustments to reconcile net income to net cash from continuing operations:		
Loss on early redemption of preferred stock	—	0.7
Depreciation and amortization	419.4	411.3
Net changes in price risk management assets and liabilities	0.1	50.4
Deferred income taxes and investment tax credits	(22.2)	(129.4)
Deferred revenue	(32.6)	(36.0)
Stock compensation expense	2.7	4.4
Gain on sale of assets	(0.3)	(1.1)
Loss on impairment of assets	10.1	4.7
Cumulative effect of change in accounting principle — net of taxes	—	(0.4)
Income from unconsolidated affiliates	(11.6)	(4.2)
Gain on disposition of discontinued operations — net of taxes	(6.9)	(0.4)
Loss (Income) from discontinued operations — net of taxes	(0.4)	2.2
Amortization of discount/premium on debt	5.5	5.8
AFUDC Equity	(3.0)	—
Changes in assets and liabilities:		
Accounts receivable	289.3	785.1
Inventories	(124.8)	(189.7)
Accounts payable	(239.0)	(397.9)
Customer deposits	0.2	3.0
Taxes accrued	(27.9)	(94.3)
Interest accrued	4.9	25.3
(Under) Overrecovered gas and fuel costs	(16.3)	470.4
Exchange gas receivable/payable	(7.6)	(159.7)
Other accruals	(77.3)	(67.9)
Prepayments and other current assets	45.4	38.8
Regulatory assets/liabilities	24.9	(62.0)
Postretirement and postemployment benefits	(87.4)	(1.5)
Deferred credits	0.5	(12.7)
Deferred charges and other noncurrent assets	(0.8)	2.7
Other noncurrent liabilities	(0.7)	(0.2)
Net operating activities provided by continuing operations	398.6	867.1
Net operating activities provided by discontinued operations	0.3	4.7
Net cash flows provided by operating activities	398.9	871.8
Investing Activities		
Capital expenditures	(519.8)	(405.7)
Proceeds from disposition of assets	2.3	17.2
Restricted cash	46.5	(174.7)
Other investing activities	24.5	(3.7)
Net cash flows used in investing activities	(446.5)	(566.9)
Financing Activities		
Issuance of long-term debt	802.7	—
Retirement of long-term debt	(67.2)	(43.8)
Change in short-term debt	(520.0)	(37.0)
Retirement of preferred stock	—	(81.1)
Issuance of common stock	7.9	5.6
Acquisition of treasury stock	(2.1)	(6.0)
Dividends paid — common stock	(189.1)	(189.2)
Net cash flows provided by (used in) financing activities	32.2	(351.5)
Decrease in cash and cash equivalents	(15.4)	(46.6)
Cash and cash equivalents at beginning of year	33.1	69.4

Cash and cash equivalents at end of period	\$ 17.7	\$ 22.8
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Supplemental Disclosures of Cash Flow Information

Cash paid for interest	\$ 299.3	\$ 261.2
Interest capitalized	12.1	7.4
Cash paid for income taxes	149.7	245.1

The accompanying Notes to Consolidated Financial Statements are an integral part of these unaudited statements.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NI SOURCE INC.****Notes to Consolidated Financial Statements (unaudited)****1. Basis of Accounting Presentation**

The accompanying unaudited consolidated financial statements for NiSource reflect all normal recurring adjustments that are necessary, in the opinion of management, to present fairly the results of operations in accordance with generally accepted accounting principles in the United States of America.

The accompanying financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in NiSource's Annual Report on Form 10-K for the fiscal year ended December 31, 2006. Income for interim periods may not be indicative of results for the calendar year due to weather variations and other factors.

2. Recent Accounting Pronouncements**Recently Adopted Accounting Pronouncements**

SFAS No. 158 – Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans. In September 2006, the FASB issued SFAS No. 158 to improve existing reporting for defined benefit postretirement plans by requiring employers to recognize in the statement of financial position the overfunded or underfunded status of a defined benefit postretirement plan, among other changes. In the fourth quarter of 2006, NiSource adopted the provisions of SFAS No. 158 requiring employers to recognize in the statement of financial position the overfunded or underfunded status of a defined benefit postretirement plan, measured as the difference between the fair value of the plan assets and the benefit obligation. On January 1, 2007, NiSource adopted the SFAS No. 158 measurement date provisions requiring employers to measure plan assets and benefit obligations as of the fiscal year-end. The pre-tax impact of adopting the SFAS No. 158 measurement date provisions increased deferred charges and other assets by \$9.4 million, decreased regulatory assets by \$89.6 million, decreased retained earnings by \$11.3 million, increased accumulated other comprehensive income by \$5.3 million and decreased accrued liabilities for postretirement and postemployment benefits by \$74.2 million. NiSource also recorded a reduction in deferred income taxes of approximately \$2.6 million. In addition, 2007 expense for pension and postretirement benefits reflects the updated measurement date valuations.

With the adoption of SFAS No. 158 NiSource determined that for certain rate-regulated subsidiaries the future recovery of pension and other postretirement plans costs is probable in accordance with the requirements of SFAS No. 71. These rate-regulated subsidiaries recorded regulatory assets and liabilities that would otherwise have been recorded to accumulated other comprehensive income.

Refer to Note 11, "Pension and Other Postretirement Benefits," in the Notes to Consolidated Financial Statements for additional information.

FIN 48 – Accounting for Uncertainty in Income Taxes. In June 2006, the FASB issued FIN 48 to reduce the diversity in practice associated with certain aspects of the recognition and measurement requirements related to accounting for income taxes. Specifically, this interpretation requires that a tax position meet a "more-likely-than-not recognition threshold" for the benefit of an uncertain tax position to be recognized in the financial statements and requires that benefit to be measured at the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. When determining whether a tax position meets the more-likely-than-not recognition threshold, it is to be based on whether it is probable of being sustained on audit by the appropriate taxing authorities, based solely on the technical merits of the position. Additionally, FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006.

On January 1, 2007, NiSource adopted the provisions of FIN 48. As a result of the implementation of FIN 48, NiSource recognized a charge of \$0.8 million to the opening balance of retained earnings. Refer to Note 10, "Income Taxes," in the Notes to Consolidated Financial Statements for additional information.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NISOURCE INC.****Notes to Consolidated Financial Statements (unaudited) (continued)**

SFAS No. 123 (revised 2004) – Share-Based Payment. Effective January 1, 2006, NiSource adopted SFAS No. 123R using the modified prospective transition method. SFAS No. 123R requires measurement of compensation cost for all stock-based awards at fair value on the date of grant and recognition of compensation over the service period for awards expected to vest. In accordance with the modified prospective transition method, NiSource's consolidated financial statements for prior periods have not been restated to reflect, and do not include, the impact of SFAS No. 123R. Prior to the adoption of SFAS No. 123R, NiSource applied the intrinsic value method of APB No. 25 for awards granted under its stock-based compensation plans and complied with the disclosure requirements of SFAS No. 123.

When it adopted SFAS No. 123R in the first quarter of 2006, NiSource recognized a cumulative effect of change in accounting principle of \$0.4 million, net of income taxes, which reflected the net cumulative impact of estimating future forfeitures in the determination of period expense, rather than recording forfeitures when they occur as previously permitted. Other than the requirement for expensing stock options, outstanding share-based awards will continue to be accounted for substantially as they are currently. Refer to Note 13, "Share-Based Compensation," in the Notes to Consolidated Financial Statements for additional information.

Recently Issued Accounting Pronouncements

SFAS No. 157 – Fair Value Measurements. In September 2006, the FASB issued SFAS No. 157 to define fair value, establish a framework for measuring fair value and to expand disclosures about fair value measurements. NiSource is currently reviewing the provisions of SFAS No. 157 to determine the impact it may have on its Consolidated Financial Statements and Notes to Consolidated Financial Statements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007 and should be applied prospectively, with limited exceptions.

SFAS No. 159 – The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115. In February 2007, the FASB issued SFAS No. 159 which permits entities to choose to measure certain financial instruments at fair value that are not currently required to be measured at fair value. Upon adoption, a cumulative adjustment will be made to beginning retained earnings for the initial fair value option remeasurement. Subsequent unrealized gains and losses for fair value option items will be reported in earnings. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007 and should not be applied retrospectively, except as permitted for certain conditions for early adoption. NiSource is currently reviewing the provisions of SFAS No. 159 to determine whether to elect fair value measurement for any of its financial assets or liabilities when it adopts this standard in 2008.

3. Earnings Per Share

Basic EPS is computed by dividing income available to common stockholders by the weighted-average number of shares of common stock outstanding for the period. The weighted average shares outstanding for diluted EPS include the incremental effects of the various long-term incentive compensation plans. The numerator in calculating both basic and diluted EPS for each period is reported net income. The computation of diluted average common shares follows:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Denominator				
Basic average common shares outstanding	273,881	272,548	273,765	272,431
Dilutive potential common shares				
Nonqualified stock options	6	108	136	79
Shares contingently issuable under employee stock plans	626	548	626	548
Shares restricted under employee stock plans	186	136	173	123
Diluted Average Common Shares	274,699	273,340	274,700	273,181

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NISOURCE INC.****Notes to Consolidated Financial Statements (unaudited) (continued)****4. Restructuring Activities**

During the second quarter of 2005, NiSource Corporate Services reached a definitive agreement with IBM under which IBM was to provide a broad range of business transformation and outsourcing services to NiSource. The IBM Agreement is for ten years with a transition period that ended on December 31, 2006. As of September 30, 2007, 873 employees were terminated as a result of the IBM Agreement. One employee was terminated during the nine months ended September 30, 2007. In the first quarter of 2007, NiSource decided to bring back within the company certain finance and accounting functions that were outsourced as a part of the IBM agreement. In October, 2007, NiSource and IBM reached an agreement-in-principle on modifications to their long-term business services agreement. The agreement-in-principle is not binding and is contingent on finalization of a definitive amendment to the agreement.

In the fourth quarter of 2005, NiSource announced a plan to reduce its executive ranks by approximately 15% to 20% of the top-level executive group. As of September 30, 2007, 14 employees were terminated as a result of the executive initiative, of which one and two employees were terminated during the quarter and nine months ended September 30, 2007, respectively. In part, this reduction has come through anticipated attrition and consolidation of basic positions.

In previous years, NiSource implemented restructuring initiatives to streamline its operations and realize efficiencies as a result of the acquisition of Columbia. As of September 30, 2007, 1,567 employees were terminated, of which one employee was terminated during the quarter and nine months ended September 30, 2007. Of the \$2.8 million remaining restructuring liability from the Columbia merger and related initiatives, \$2.3 million is related to facility exit costs.

Restructuring reserve by restructuring initiative:

<i>(in millions)</i>	Balance at December 31, 2006	Benefits Paid	Adjustments	Balance at September 30, 2007
Outsourcing initiative	\$2.1	\$(0.1)	\$ —	\$2.0
Executive initiative	1.2	(0.5)	—	0.7
Columbia merger and related initiatives	3.8	(1.7)	0.7	2.8
Total	\$7.1	\$(2.3)	\$0.7	\$5.5

5. Discontinued Operations and Assets Held for Sale

The assets and liabilities of discontinued operations and held for sale on the Condensed Consolidated Balance Sheet at September 30, 2007 were:

<i>(in millions)</i>	NDC Douglas Properties	NiSource Corporate Services	NiSource Development Company	Lake Erie Land	Columbia Transmission	Columbia Gulf Transmission	Northern Indiana	Total
Assets of discontinued operations and held for sale								
Property, plant and equipment, net	\$ 5.3	\$9.5	\$1.6	\$15.5	\$9.0	\$8.3	\$0.2	\$49.4
Other assets	0.8	—	—	—	—	—	—	0.8
Assets of discontinued operations and held for sale	\$ 6.1	\$9.5	\$1.6	\$15.5	\$9.0	\$8.3	\$0.2	\$50.2
Liabilities of discontinued operations and held for sale								
Debt	\$(4.9)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$(4.9)
Other liabilities	(1.3)	—	—	—	—	—	—	(1.3)
Liabilities of discontinued operations and held for sale	\$(6.2)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$(6.2)

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NiSource Inc.****Notes to Consolidated Financial Statements (unaudited) (continued)**

The assets and liabilities of discontinued operations and held for sale on the Condensed Consolidated Balance Sheet at December 31, 2006 were:

<i>(in millions)</i>	NDC Douglas Properties	NiSource Corporate Services	NiSource Development Company	Lake Erie Land	Columbia Transmission	Total
Assets of discontinued operations and held for sale						
Property, plant and equipment, net	\$ 10.4	\$12.7	\$1.8	\$4.3	\$12.4	\$ 41.6
Other assets	1.2	—	—	0.2	—	1.4
Assets of discontinued operations and held for sale	\$ 11.6	\$12.7	\$1.8	\$4.5	\$12.4	\$ 43.0
Liabilities of discontinued operations and held for sale						
Accounts payable	\$ (0.4)	\$ —	\$ —	\$ —	\$ —	\$ (0.4)
Debt	(10.0)	—	—	—	—	(10.0)
Other liabilities	(1.5)	—	—	—	—	(1.5)
Liabilities of discontinued operations and held for sale	\$(11.9)	\$ —	\$ —	\$ —	\$ —	\$(11.9)

Assets classified as discontinued operations or held for sale are no longer depreciated.

Columbia Gulf is in the process of selling a portion of its offshore facilities. On July 12, 2007, a Memorandum of Understanding was signed between Columbia Gulf and Tennessee Gas Pipeline Company documenting NiSource's commitment to sell a portion of Columbia Gulf's offshore assets to Tennessee Gas Pipeline Company. As contemplated by the Memorandum of Understanding, on October 30, 2007, Columbia Gulf and Tennessee Gas Pipeline Company executed a definitive purchase and sale agreement. Closing of the transaction is dependent upon the receipt of required regulatory approvals which NiSource anticipates receiving in the first half of 2008. Tennessee Gas Pipeline Company currently co-owns and utilizes the offshore assets being sold. In the third quarter of 2007, these assets were classified as assets held for sale.

NDC Douglas Properties, a subsidiary of NiSource Development Company, is in the process of exiting some of its low income housing investments. Two of these investments were disposed of during 2006 and one in 2007. Two other investments are expected to be sold or disposed of by the middle of 2008. NiSource has accounted for the investments to be sold as assets and liabilities of discontinued operations. An impairment loss of \$2.3 million was recorded in the second quarter of 2006, due to the current book value exceeding the estimated fair value of these investments.

NiSource Corporate Services is in the process of selling its Marble Cliff facility. Impairment losses of \$3.2 million and \$2.5 million were recognized in the first quarters of 2007 and 2006, respectively, due to the current book value exceeding the estimated fair value of the facility. NiSource has accounted for this facility as assets held for sale.

NiSource Development Company has been in the process of selling the former headquarters of Northern Indiana, and therefore, had accounted for this facility as an asset held for sale in 2007. An impairment loss of \$0.2 million was recorded in the third quarter of 2007, due to the current book value exceeding the estimated sale price of the facility. On October 9, 2007, NiSource Development Company sold the facility for net book value of \$1.6 million.

In March 2005, Lake Erie Land, which is wholly owned by NiSource, began accounting for the operations of the Sand Creek Golf Club as discontinued operations. In June 2006, the assets of the Sand Creek Golf Club, valued at \$11.9 million, and additional properties were sold to a private real estate development group. An after-tax loss of \$0.2 million was recorded in June 2006. As a result of the June 2006 transaction, property estimated to be sold to the private developer during the next twelve months has been recorded as assets held for sale.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NISOURCE INC.****Notes to Consolidated Financial Statements (unaudited) (continued)**

Columbia Transmission is in the process of selling certain facilities that are non-core to the operation of the pipeline system. In the second quarter, management decided to remove certain facilities from this group. This resulted in a \$3.0 million decrease to the balance of assets held for sale. Northern Indiana is also in the process of selling a non-core facility. NiSource has accounted for these facilities as assets held for sale.

Results from discontinued operations from NDC Douglas Properties low income housing investments, the golf course assets of Lake Erie Land and reserve changes for NiSource's former exploration and production subsidiary, CER, and Transcom are provided in the following table:

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenues from Discontinued Operations	\$0.8	\$ 1.4	\$1.5	\$ 4.7
Income (Loss) from discontinued operations	0.1	(0.6)	1.2	(3.6)
Income tax expense (benefit)	—	(0.3)	0.8	(1.4)
Income (Loss) from Discontinued Operations — net of taxes	\$0.1	\$(0.3)	\$0.4	\$(2.2)
Gain on Disposition of Discontinued Operations — net of taxes	\$1.1	\$ 0.1	\$6.9	\$ 0.4

Results from Discontinued Operations for the first nine months of 2007 includes a \$7.5 million reduction, net of taxes, in the liability for unrecognized tax benefits and \$0.9 million in related interest, net of taxes, associated with the issuance of additional tax guidance in the first quarter of 2007. Also included is a reduction in interest expense of \$0.6 million, net of taxes, related to the completion of a tax audit in the third quarter of 2007.

6. Asset Retirement Obligations

NiSource accounts for its asset retirement obligations in accordance with SFAS No. 143 and FIN 47. Certain costs of removal that have been, and continue to be, included in depreciation rates and collected in the service rates of the rate-regulated subsidiaries are classified as regulatory liabilities and other removal costs on the Condensed Consolidated Balance Sheets.

NiSource activity for asset retirement obligations:

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Accretion expense	\$0.3	\$0.3	\$0.7	\$0.8
Accretion recorded as a regulatory asset	1.5	1.5	4.6	4.7
Increase in Asset Retirement Obligation Liability	\$1.8	\$1.8	\$5.3	\$5.5

7. Regulatory Matters**Gas Distribution Operations Regulatory Matters**

Significant Rate Developments. On August 29, 2007, the Kentucky Public Service Commission approved a stipulation and settlement, authorizing Columbia of Kentucky to increase its base rates by \$7.25 million annually. The issue of whether the Kentucky Public Service Commission can authorize utilities to expediently recover costs (such as main replacement costs) via "tracker" mechanisms is now the subject of pending litigation, not involving Columbia of Kentucky.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NiSource Inc.****Notes to Consolidated Financial Statements (unaudited) (continued)**

On October 31, 2007, the Massachusetts Department of Public Utilities approved a \$5.9 million increase in Bay State base rates, effective November 1, 2007. The increase was pursuant to Bay State's existing PBR mechanism. In a separate filing, Bay State on October 17, 2007 petitioned the Massachusetts Department of Public Utilities to allow the company to collect an additional \$7.5 million in annual revenue. Bay State also requested approval of a steel infrastructure tracker that would allow for recovery of ongoing infrastructure replacement program investments.

On May 9, 2007, the IURC approved Northern Indiana's petition to simplify rates, stabilize revenues and provide for energy efficiency funding. The order adopts a new rate structure that enhances Northern Indiana's ability to increase revenues and provides incremental funding for an energy efficiency program.

Cost Recovery and Trackers. A significant portion of the distribution companies' revenue is related to the recovery of gas costs, the review and recovery of which occurs via standard regulatory proceedings. All states require periodic review of actual gas procurement activity to determine prudence and to permit the recovery of prudently incurred costs related to the supply of gas for customers. NiSource distribution companies have historically been found prudent in the procurement of gas supplies to serve customers.

Certain operating costs of the NiSource distribution companies are significant, recurring in nature, and generally outside the control of the distribution companies. Some states allow the recovery of such costs via cost tracking mechanisms. Such tracking mechanisms allow for abbreviated regulatory proceedings in order for the distribution companies to implement charges and recover appropriate costs. Tracking mechanisms allow for more timely recovery of such costs as compared with more traditional cost recovery mechanisms. Examples of such mechanisms include gas cost recovery adjustment mechanisms, tax riders, and bad debt recovery mechanisms. Gas Distribution Operations revenue is increased by the implementation and recovery of costs via such tracking mechanisms.

Comparability of Gas Distribution Operations line item operating results is impacted by these regulatory trackers that allow for the recovery in rates of certain costs such as bad debt expenses. Increases in the expenses that are the subject of trackers result in a corresponding increase in net revenues and therefore have essentially no impact on total operating income results.

Certain types of natural gas risers, which are owned by customers, on Columbia of Ohio's distribution system have been evaluated under a study required by the PUCO, and have been found prone to leak natural gas under certain conditions. On February 1, 2007, Columbia of Ohio announced plans to identify and replace these risers on its distribution system. As of September 30, 2007, Columbia of Ohio deferred \$4.2 million of costs associated with the study and identification of these natural gas risers as a regulatory asset and currently estimates that the cost to identify and replace the risers will approximate \$165 million. On October 26, 2007, Columbia of Ohio and the PUCO Staff filed a Joint Stipulation and Recommendation that provided for Columbia of Ohio's assumption of financial responsibility for the repair or replacement of customer-owned service lines and the replacement of risers prone to leak. In addition, the Stipulation provides for Columbia of Ohio to capitalize its investment in the service lines and risers, as well as the establishment of a tracking mechanism that would provide for the recovery of operating and maintenance costs related to Columbia of Ohio's capitalized investment and its expenses incurred in identifying risers prone to leak. The PUCO is receiving evidence in this matter and is expected to issue an order during the first quarter of 2008.

Customer Usage. The NiSource distribution companies have experienced declining usage by customers, due in large part to the sensitivity of sales to increases in commodity prices. A significant portion of the LDCs' operating costs are fixed in nature. Historically, rate design at the distribution level has been structured such that a large portion of cost recovery is based upon throughput, rather than a fixed charge. Many of NiSource's LDCs are evaluating mechanisms that would "de-couple" the recovery of fixed costs from throughput, and implement recovery mechanisms that more closely link the recovery of fixed costs with fixed charges. Each of the states in which the NiSource LDCs operate has different requirements regarding the procedure for establishing such changes.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NISOURCE INC.****Notes to Consolidated Financial Statements (unaudited) (continued)****Gas Transmission and Storage Operations Regulatory Matters**

Significant FERC Developments. On June 30, 2005, the FERC issued the "Order on Accounting for Pipeline Assessment Costs." This guidance was issued by the FERC to address consistent application across the industry for accounting for the costs of implementing the DOT's Integrity Management Rule. The effective date of the guidance was January 1, 2006 after which all assessment costs have been recorded as operating expenses. The rule specifically provides that amounts capitalized in periods prior to January 1, 2006 will be permitted to remain as recorded.

Columbia Gulf and Columbia Transmission are cooperating with the FERC on an informal non-public investigation of certain operating practices regarding tariff services offered by those companies. At this time, the companies cannot predict what the result of that investigation will be, but the FERC has indicated that it may seek to impose fines and possibly seek other remedies as well.

Millennium Pipeline Project. Millennium received FERC approval for a pipeline project, in which Columbia Transmission is participating, which will provide access to a number of supply and storage basins and the Dawn, Ontario trading hub. The reconfigured project, which was approved by the FERC in a certificate order issued December 21, 2006, will begin at an interconnect with Empire, an existing pipeline that originates at the Canadian border and extends easterly towards Syracuse, New York. Empire will construct a lateral pipeline southward to connect with Millennium near Corning, New York. Millennium will extend eastward to an interconnect with Algonquin at Ramapo, New York. The Millennium partnership is currently made up of the following companies: Columbia Transmission (47.5%), DTE Millennium (26.25%), and KeySpan Millennium (26.25%). Columbia Transmission will be the operator.

The reconfigured Millennium project relies on completion of some or all of several other related pipeline projects proposed by Empire, Algonquin, and Iroquois collectively referred to as the "Companion Pipelines." The December 21, 2006 certificate order also granted the necessary project approvals to the Companion Pipelines. Construction began on June 22, 2007 with a projected in-service date of November 1, 2008.

Hardy Storage Project. Both Hardy Storage and Columbia Transmission filed the necessary applications for the projects with the FERC on April 25, 2005, and received favorable orders on November 1, 2005. On October 26, 2006, Hardy Storage filed an application seeking to amend the November 1, 2005 order to revise the initial rates and estimated costs for the project pursuant to executed settlement agreements with Hardy Storage's customers. The certificate amendment was approved by FERC on March 15, 2007. Hardy Storage began injecting gas into storage on April 1, 2007.

Eastern Market Expansion Project. On May 3, 2007, Columbia Transmission filed a certificate application before the FERC for approval to expand its facilities to provide additional storage and transportation services and to replace certain existing facilities. The expansion will add 97,000 Dth per day of storage and transportation capacity and is fully contracted on a long-term, firm basis. Columbia Transmission requested FERC approval by December 2007 and proposed to place the Eastern Market Expansion in service by spring 2009. On October 1, 2007, the FERC issued a favorable environmental assessment for public comment in this project.

Electric Operations Regulatory Matters

Significant Rate Developments. To settle a proceeding regarding Northern Indiana's request to recover intermediate dispatchable power costs, Northern Indiana has agreed to file an electric base rate case on or before July 1, 2008.

During 2002, Northern Indiana settled certain regulatory matters related to an electric rate review. On September 23, 2002, the IURC issued an order adopting most aspects of the settlement. The order approving the settlement provides that electric customers of Northern Indiana will receive bill credits of approximately \$55.1 million each year. The credits will continue at the same annual level and per the same methodology, until the IURC enters a basic rate order that approves revised Northern Indiana's electric rates. The order included a rate moratorium that

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NI SOURCE INC.****Notes to Consolidated Financial Statements (unaudited) (continued)**

expired on July 31, 2006. The order also provides that 60% of any future earnings beyond a specified earnings level will be retained by Northern Indiana. The revenue credit is calculated based on electric usage and therefore in times of high usage the credit may be more than the \$55.1 million target. Credits amounting to \$44.3 million and \$37.9 million were recognized for electric customers for the first nine months of 2007 and 2006, respectively.

MISO. As part of Northern Indiana's participation in the MISO transmission service and wholesale energy market, certain administrative fees and non-fuel costs have been incurred. IURC Orders have been issued authorizing the deferral for consideration in a future rate case proceeding the administrative fees and certain non-fuel related costs incurred after Northern Indiana's rate moratorium, which expired on July 31, 2006. During the first nine months of 2007 non-fuel costs were \$13.4 million, all of which was deferred in accordance with the aforementioned orders. In addition, administrative, FERC and other fees of \$4.9 million were deferred. In total, for the nine months ended September 30, 2007 and 2006, MISO costs of \$18.3 million and \$4.0 million, respectively, were deferred.

On April 25, 2006, the FERC issued an order on the MISO's Transmission and Energy Markets Tariff, stating that MISO had violated the tariff on several issues including not assessing revenue sufficiency guarantee charges on virtual bids and offers and for charging revenue sufficiency guarantee charges on imports. The FERC ordered MISO to perform a resettlement of these charges back to April 1, 2005. This resettlement began on June 9, 2007 and is anticipated to conclude in January 2008. Northern Indiana is estimating that this resettlement will result in a \$6 million reduction in purchased power expenses that will positively impact net revenues within the Statements of Consolidated Income. As of September 30, 2007, Northern Indiana has recorded a \$3.5 million credit in purchased power costs and a \$7.8 million regulatory asset related to this resettlement. In addition, Northern Indiana anticipates recording approximately \$13 million in related charges on the balance sheet as a regulatory asset, in accordance with previous IURC orders allowing deferral of certain non-fuel MISO costs. On August 10, 2007, Northern Indiana, along with Ameren Corporation, filed a joint protest at FERC that includes disagreements with MISO's interpretation of the order regarding the financial allocation of revenue sufficiency guarantee payments.

On September 14, 2007, MISO filed a tariff with FERC outlining the development of an ASM. The ASM will allow participants to buy and sell operating reserves and regulation services that are essential to reliability. The pricing of these markets will be co-optimized with the current energy markets and MISO is targeting the start of the ASM for 2008. Northern Indiana is an active stakeholder in the process used in designing, testing and implementing the ASM and in developing the surrounding business practices. At this time, Northern Indiana is unable to determine what impact the ASM will have on its operations or cash flows.

Cost Recovery and Trackers. A significant portion of the Northern Indiana's revenue is related to the recovery of fuel costs to generate power and the fuel costs related to purchased power. These costs are recovered through a FAC, a standard, quarterly, "summary" regulatory proceeding in Indiana.

On October 16, 2007, Northern Indiana announced that an agreement was reached with the OUCC, LaPorte County and a group of Northern Indiana industrial customers to resolve questions relating to the costs paid by customers for power purchased by Northern Indiana versus the amount of these costs absorbed by Northern Indiana. This Settlement Agreement is subject to approval by the IURC. Northern Indiana has agreed to pay a one-time refund to customers of \$33.5 million to resolve this question as it relates to power purchased from January 1, 2006 through September 30, 2007. A reserve for this amount was recorded in the third quarter of 2007. Effective October 1, 2007, Northern Indiana will implement a new "benchmarking standard" that will govern the allocation of costs for purchased power between customers and Northern Indiana. The benchmark defines the price below which customers will pay for power purchases and above which Northern Indiana must absorb a portion of the costs. The benchmark is based upon the costs of power generated by hypothetical natural gas fired CCGT's using gas purchased and delivered to Northern Indiana. This will most likely result in Northern Indiana absorbing some purchased power costs that will reduce net revenues during future periods. The agreement also contemplates Northern Indiana adding generating capacity to its existing portfolio. The benchmark will be adjusted as new capacity is added. However, the added generating capacity will substantially reduce the amount of purchased power and mitigate the impact of the adjusted benchmark. Further, the settling parties agreed to support Northern Indiana's deferral and future recovery of carrying costs and depreciation associated with the acquisition of new generating facilities.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NiSource Inc.****Notes to Consolidated Financial Statements (unaudited) (continued)**

On November 1, 2007, Northern Indiana filed its bi-annual IRP with the IURC. The plan showed a need for adding approximately 1,000 mw of new capacity. Additionally, during November 2007, Northern Indiana plans to file a CPCN as well as contracts to purchase power generated with renewable energy, specifically with wind. The CPCN will seek approval to purchase two CCGT power plants — the Whiting Clean Energy facility owned by PEI, a wholly owned subsidiary of NiSource, and the Sugar Creek facility located in west central Indiana and owned by LS Power Group. The combined cost of these two facilities is estimated to exceed \$500 million. Northern Indiana will request the IURC and the FERC to approve these purchases by the second quarter of 2008.

On November 26, 2002, Northern Indiana received approval from the IURC for an ECT. Under the ECT, Northern Indiana is permitted to recover (1) AFUDC and a return on the capital investment expended by Northern Indiana to implement IDEM's NOx State Implementation Plan through an ECRM and (2) related operation and maintenance and depreciation expenses once the environmental facilities become operational through an EERM. Under the IURC's November 26, 2002 order, Northern Indiana is permitted to submit filings on a semi-annual basis for the ECRM and on an annual basis for the EERM. In December 2006, the IURC approved Northern Indiana's emissions compliance plan at that time with an estimated cost of \$312.8 million. Northern Indiana also filed a petition with the IURC in December 2006 for appropriate cost treatment and recovery of emission control construction needed to address the Phase I CAIR requirements of the Indiana Air Pollution Control Board's CAIR rules that became effective on February 25, 2007. On July 3, 2007, Northern Indiana received an IURC order issuing a certificate of public convenience and necessity for the CAIR and CAMR Phase I Compliance Plan Projects, estimated to cost approximately \$23 million. Northern Indiana will include the CAIR and CAMR Phase I Compliance Plan costs to be recovered in the semi-annual and annual ECRM and EERM filing six months after construction costs begin. On October 10, 2007, Northern Indiana filed for approval a revised cost estimate to meet the NOx, SO2 and Mercury emissions environmental standards. Northern Indiana anticipates a total capital investment of approximately \$339 million. On October 10, 2007, the IURC approved ECR-10 for capital expenditures (net of accumulated depreciation) of \$237.4 million.

Mitchell Station. In January 2002, Northern Indiana indefinitely shut down its Mitchell Station. In February 2004, the City of Gary announced an interest in acquiring the land on which the Mitchell Station is located for economic development, including a proposal to increase the length of the runways at the Gary International Airport. Northern Indiana, with input from a broad based stakeholder group, is evaluating the appropriate course of action for the Mitchell Station facility in light of Northwest Indiana's need for that property and the substantial costs associated with restarting the facility including the potential increase in level of environmental controls required. Northern Indiana has received guidance from the IDEM that any reactivation of this facility would require a preconstruction New Source Review Standards permit. The detailed review of approaches to meeting customer's need for power in the future filed in the IRP did not recommend restarting the Mitchell Station.

8. Risk Management and Energy Trading Activities

NiSource uses commodity-based derivative financial instruments primarily to manage commodity price risk and interest rate risk exposure in its business as well as for commercial and industrial sales. NiSource is not involved in speculative energy trading activity. NiSource accounts for its derivatives in accordance with SFAS No. 133. Under SFAS No. 133, if certain conditions are met, a derivative may be specifically designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, or (b) a hedge of the exposure to variable cash flows of a forecasted transaction.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NISOURCE INC.****Notes to Consolidated Financial Statements (unaudited) (continued)**

NiSource's derivatives on the Condensed Consolidated Balance Sheets at September 30, 2007 were:

<i>(in millions)</i>	Hedge	Non-Hedge	Total
Price risk management assets			
Current assets	\$ 99.6	\$ 14.8	\$ 114.4
Other assets	10.4	0.2	10.6
Total price risk management assets	\$110.0	\$ 15.0	\$ 125.0
Price risk management liabilities			
Current liabilities	\$(57.0)	\$(34.7)	\$ (91.7)
Other liabilities	(16.0)	(1.5)	(17.5)
Total price risk management liabilities	\$(73.0)	\$(36.2)	\$(109.2)

NiSource's derivatives on the Condensed Consolidated Balance Sheets at December 31, 2006 were:

<i>(in millions)</i>	Hedge	Non-Hedge	Total
Price risk management assets			
Current assets	\$ 236.6	\$ 1.1	\$ 237.7
Other assets	49.8	0.1	49.9
Total price risk management assets	\$ 286.4	\$ 1.2	\$ 287.6
Price risk management liabilities			
Current liabilities	\$(202.8)	\$(56.6)	\$(259.4)
Other liabilities	(32.5)	(5.7)	(38.2)
Total price risk management liabilities	\$(235.3)	\$(62.3)	\$(297.6)

The hedging activity for the third quarter and nine months ended September 30, 2007 and 2006 affecting accumulated other comprehensive income, with respect to cash flow hedges included the following:

<i>(in millions, net of taxes)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Net unrealized gains on derivatives qualifying as cash flow hedges at the beginning of the period	\$ 34.5	\$ 85.2	\$ 31.4	\$ 150.7
Unrealized hedging losses arising during the period on derivatives qualifying as cash flow hedges	(12.3)	(41.2)	—	(106.0)
Reclassification adjustment for net gain included in net income	(7.2)	—	(16.4)	(0.7)
Net unrealized gains on derivatives qualifying as cash flow hedges at the end of the period	\$ 15.0	\$ 44.0	\$ 15.0	\$ 44.0

During the third quarter of 2007 and 2006, no amounts were recognized in earnings due to the ineffectiveness of derivative instruments being accounted for as hedges. All derivatives classified as a hedge are assessed for hedge effectiveness, with any components determined to be ineffective charged to earnings or classified as a regulatory asset or liability per SFAS No. 71 as appropriate. During the third quarter of 2007 and 2006, NiSource reclassified no amounts related to its cash flow hedges from accumulated other comprehensive income to earnings, due to the probability that certain forecasted transactions would not occur. It is anticipated that during the next twelve months the expiration and settlement of cash flow hedge contracts will result in income statement recognition of amounts currently classified in accumulated other comprehensive income of approximately \$29.3 million of income, net of taxes.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NISOURCE INC.****Notes to Consolidated Financial Statements (unaudited) (continued)**

Commodity Price Risk Programs. Northern Indiana, Northern Indiana Fuel and Light, Kokomo Gas, Northern Utilities, Columbia of Pennsylvania, Columbia of Kentucky, Columbia of Maryland and Columbia of Virginia use NYMEX derivative contracts to minimize risk associated with gas price volatility. These derivative hedging programs must be marked to fair value, but because these derivatives are used within the framework of their gas cost recovery mechanism, regulatory assets or liabilities are recorded to offset the change in the fair value of these derivatives.

Northern Indiana offers a PPS as an alternative to the standard gas cost recovery mechanism. This service provides Northern Indiana customers with the opportunity to either lock in their gas cost or place a cap on the total cost that could be charged for any future month specified. In order to hedge the anticipated physical purchases associated with these obligations, Northern Indiana purchases NYMEX futures, NYMEX options and basis contracts that correspond to a fixed or capped price in the associated delivery month. Columbia of Virginia started a program in April 2005 similar to the Northern Indiana PPS, which allows non-jurisdictional customers the opportunity to lock in their gas cost. These derivative programs are accounted for as cash flow hedges.

Northern Indiana also offers a Depend-a-Bill program to its customers as an alternative to the standard tariff rate that is charged to residential customers. The program allows Northern Indiana customers to fix their total monthly bill at a flat rate regardless of gas usage or commodity cost. In order to hedge the anticipated physical purchases associated with these obligations, Northern Indiana purchases NYMEX futures, NYMEX options and basis contracts that match the anticipated delivery needs of the program. This derivative program is accounted for as a cash flow hedge.

As part of the MISO Day 2 initiative, Northern Indiana was allocated and has purchased FTRs. These rights help Northern Indiana offset congestion costs due to the MISO Day 2 activity. The FTRs do not qualify for hedge accounting treatment, but since congestion costs are recoverable through the fuel cost recovery mechanism the related gains and losses associated with these transactions are recorded as a regulatory asset or liability, in accordance with SFAS No. 71. Additionally, Northern Indiana also uses derivative contracts to minimize risk associated with power price volatility. These derivative programs must be marked to fair value, but because these derivatives are used within the framework of their cost recovery mechanism, regulatory assets or liabilities are recorded to offset the change in the fair value of these derivatives.

For regulatory incentive purposes, Northern Indiana enters into gas purchase contracts at first of the month prices that give counterparties the daily option to either sell an additional package of gas at first of the month prices or recall the original volume to be delivered. Northern Indiana charges a fee for this option. The changes in the fair value of these options are primarily due to the changing expectations of the future intra-month volatility of gas prices. These written options are derivative instruments, must be marked to fair value and do not meet the requirement for hedge accounting treatment. However, in accordance with SFAS No. 71, Northern Indiana records the related gains and losses associated with these transactions as a regulatory asset or liability.

For regulatory incentive purposes, Columbia of Kentucky, Columbia of Ohio, Columbia of Pennsylvania, and Columbia of Maryland (collectively, the "Columbia LDCs") enter into contracts that allow counterparties the option to sell gas to Columbia LDCs at first of the month prices for a particular month of delivery. Columbia LDCs charge the counterparties a fee for this option. The changes in the fair value of the options are primarily due to the changing expectations of the future intra-month volatility of gas prices. These Columbia LDCs defer a portion of the change in the fair value of the options as either a regulatory asset or liability in accordance with SFAS No. 71 based on the regulatory customer sharing mechanisms in place, with the remaining changes in fair value recognized currently in earnings.

Columbia Energy Services has fixed price gas delivery commitments to three municipalities in the United States. Columbia Energy Services entered into a forward purchase agreement with a gas supplier, wherein the supplier will fulfill the delivery obligation requirements at a slight premium to index. In order to hedge this anticipated future purchase of gas from the gas supplier, Columbia Energy Services entered into commodity swaps priced at the locations designated for physical delivery. These commodity swap derivatives are accounted for as cash flow hedges.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NiSOURCE INC.****Notes to Consolidated Financial Statements (unaudited) (continued)**

Commodity price risk programs included in price risk assets and liabilities:

(in millions)	September 30, 2007		December 31, 2006	
	Assets	Liabilities	Assets	Liabilities
Gas price volatility program derivatives	\$ 0.3	\$(36.1)	\$ —	\$(58.9)
PPS program derivatives	—	(1.3)	0.7	(7.3)
DependaBill program derivatives	—	(1.3)	0.3	(2.4)
Electric energy program derivatives	14.7	(0.1)	0.7	(1.6)
Regulatory incentive program derivatives	—	—	0.5	(1.8)
Forward purchase agreements derivatives	60.1	—	110.0	—
Total commodity price risk programs included	\$75.1	\$(38.8)	\$112.2	\$(72.0)

Interest Rate Risk Activities. Contemporaneously with the pricing of the 5.25% and 5.45% notes issued September 16, 2005, NiSource Finance settled \$900 million of forward starting interest rate swap agreements with six counterparties. NiSource paid an aggregate settlement payment of \$35.5 million which is being amortized as an increase to interest expense over the term of the underlying debt, resulting in an effective interest rate of 5.67% and 5.88%, respectively.

NiSource has entered into interest rate swap agreements to modify the interest rate characteristics of its outstanding long-term debt from fixed to variable. On May 12, 2004, NiSource Finance entered into fixed-to-variable interest rate swap agreements in a notional amount of \$660 million with six counterparties having a 6 1/2-year term. NiSource Finance will receive payments based upon a fixed 7.875% interest rate and pay a floating interest amount based on U.S. 6-month BBA LIBOR plus an average of 3.08% per annum. There was no exchange of premium at the initial date of the swaps. In addition, each party has the right to cancel the swaps on May 15, 2009.

On July 22, 2003, NiSource Finance entered into fixed-to-variable interest rate swap agreements in a notional amount of \$500 million with four counterparties with an 11-year term. NiSource Finance will receive payments based upon a fixed 5.40% interest rate and pay a floating interest amount based on U.S. 6-month BBA LIBOR plus an average of 0.78% per annum. There was no exchange of premium at the initial date of the swaps. In addition, each party has the right to cancel the swaps on either July 15, 2008 or July 15, 2013.

As a result of the fixed-to-variable interest rate swap transactions referenced above, \$1,160 million of NiSource Finance's existing long-term debt is now subject to fluctuations in interest rates. These interest rate swaps are designated as fair value hedges. The effectiveness of the interest rate swaps in offsetting the exposure to changes in the debt's fair value is measured pursuant to SFAS No. 133. NiSource had no net gain or loss recognized in earnings due to hedging ineffectiveness from prior years.

Interest rate risk activities programs included in price risk management assets and liabilities:

(in millions)	September 30, 2007		December 31, 2006	
	Assets	Liabilities	Assets	Liabilities
Interest rate swap derivatives	\$—	\$(14.0)	\$—	\$(27.3)

Marketing, Trading and Other Activities. The operations of TPC primarily involve commercial and industrial gas sales, whereby TPC utilizes gas derivatives to hedge its expected future gas purchases. These derivatives associated with commercial and industrial gas sales are accounted for as cash flow hedges. In addition, TPC, on behalf of Whiting Clean Energy, has also entered into power and gas derivative contracts to manage commodity price risk associated with operating Whiting Clean Energy.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NISOURCE INC.****Notes to Consolidated Financial Statements (unaudited) (continued)**

Marketing and power programs included in price risk management assets and liabilities:

(in millions)	September 30, 2007		December 31, 2006	
	Assets	Liabilities	Assets	Liabilities
Gas marketing derivatives	\$49.9	\$(56.4)	\$174.3	\$(198.3)
Power forward derivatives	—	—	1.1	—
Total marketing and power programs	\$49.9	\$(56.4)	\$175.4	\$(198.3)

9. Goodwill Assets

NiSource's goodwill assets at September 30, 2007 were \$3,677.3 million pertaining primarily to the acquisition of Columbia on November 1, 2000. The goodwill balances at September 30, 2007 for Northern Indiana Fuel and Light and Kokomo Gas were \$13.3 million and \$5.5 million, respectively.

In the quarters ended June 30, 2007 and June 30, 2006, NiSource performed its annual impairment test of goodwill associated with the purchases of Columbia, Northern Indiana Fuel and Light and Kokomo Gas. The results of the June 30, 2007 and June 30, 2006 impairment tests indicated that no impairment charge was required. For the purpose of testing for impairment the goodwill recorded in the acquisition of Columbia, the related subsidiaries were aggregated into two distinct reporting units, one within the Gas Distribution Operations segment and one within the Gas Transmission and Storage Operations segment. NiSource uses the discounted cash flow method to estimate the fair value of its reporting units for the purposes of this test.

10. Income Taxes

On January 1, 2007, NiSource adopted the provisions of FIN 48. As a result of the implementation of FIN 48, NiSource recognized a charge of \$0.9 million to the opening balance of retained earnings, which includes the adjustment to the liability for unrecognized tax benefits shown below. The total amount of the liability for unrecognized tax benefits as of the date of adoption was \$16.0 million, which was included in "Other noncurrent liabilities," on the Condensed Consolidated Balance Sheets. As a result of the implementation of FIN 48, NiSource recognized the following changes in the liability for unrecognized tax benefits:

(in millions)	Total
Reduction in Retained Earnings (cumulative effect)	\$ 0.9
Additional Deferred Tax Liabilities	(0.9)
Net increase in liability for unrecognized tax benefits	\$ —

Included in the balance of unrecognized tax benefits at January 1, 2007, are \$2.9 million of tax benefits that, if recognized, would affect the effective tax rate. Also included in the balance of unrecognized tax benefits at January 1, 2007, are \$7.5 million of tax benefits that, if recognized, would result in an increase to Gain on Disposition of Discontinued Operations and \$5.6 million of tax benefits that, if recognized, would result in adjustments to deferred taxes.

Effective January 1, 2007, NiSource recognizes accrued interest and penalties related to unrecognized tax benefits in income tax expense. In prior years, NiSource recognized such accrued interest in interest expense and penalties in other expenses. During the years ended December 31, 2006, and December 31, 2005, NiSource recognized approximately \$1.3 million and \$0.8 million, respectively, of interest in the Statements of Consolidated Income. NiSource also had \$3.5 million and \$2.2 million accrued on the Condensed Consolidated Balance Sheets for the payment of interest at December 31, 2006, and December 31, 2005. No amounts have been estimated or accrued for penalties. Upon adoption of FIN 48 on January 1, 2007, NiSource decreased its accrual for interest on unrecognized tax benefits to \$3.3 million, resulting in a \$0.1 million increase (net of tax) to the opening balance of retained earnings.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NISOURCE INC.****Notes to Consolidated Financial Statements (unaudited) (continued)**

NiSource is subject to income taxation in the United States and various state jurisdictions, primarily Indiana, West Virginia, Virginia, Pennsylvania, Kentucky, Massachusetts, New Hampshire, Maine, Louisiana, Mississippi, Maryland, Illinois, Tennessee, New Jersey and New York.

Because NiSource is part of the IRS's Large and Mid-Size Business program, each year's federal income tax return is typically audited by the IRS. Tax years through 2002 have been audited and are settled and closed to further assessment. The two issues from our 1999 and 2000 tax years, that had been petitioned to the Tax Court and subsequently settled with the IRS, received approval of the Tax Court in the third quarter of 2007. The audit of tax years 2003 and 2004 was concluded in the third quarter of 2007 with all issues being agreed to between the IRS and NiSource. The audit of tax years 2005 and 2006 is expected to commence in the fourth quarter of 2007 or first quarter of 2008.

The statute of limitations in each of the state jurisdictions in which NiSource operates remain open until the years are settled for federal income tax purposes, at which time amended state income tax returns reflecting all federal income tax adjustments are filed. There are no state income tax audits currently in progress.

NiSource's interim effective tax rates reflect the estimated annual effective tax rate for 2007 and 2006, respectively, adjusted for tax expense associated with certain discrete items. The effective tax rates for the quarter ended September 30, 2007 and September 30, 2006 were 27.4% and 34.2%, respectively. The effective tax rates differ from the federal tax rate of 35% primarily due to the effects of tax credits, state income taxes, utility rate-making, and other permanent book-to-tax differences such as the electric production tax deduction provided under Internal Revenue Code Section 199. Both the third quarter of 2007 and third quarter of 2006 include approximately \$1 million in adjustments to tax expense primarily related to prior year tax accrual versus return adjustments, which had the effect of reducing the effective rates below the expected rate of approximately 37%. The impact of these reductions in tax expense has a more significant impact on the third quarter 2007 effective tax rates because pre-tax earnings are lower in that quarter.

As of September 30, 2007, the Condensed Consolidated Balance Sheet reflects a reduction of \$11.8 million in the liability for unrecognized tax benefits from the January 1, 2007 amount. In the first quarter of 2007, the liability was reduced by \$1.5 million to reflect negotiations associated with the 1999-2002 Tax Court petition and by \$7.5 million as discussed in Note 5, "Discontinued Operations and Assets Held for Sale." In the second quarter of 2007, NiSource reclassified \$3.5 million of its liability for unrecognized tax benefits to Taxes Accrued to reflect settlement of the Tax Court petition and the completion of the 2003-2004 IRS audit. With additional accrued liability of \$0.4 million and \$0.3 million in the second and third quarters of 2007, respectively, NiSource's ending liability for unrecognized tax benefits as of September 30, 2007 was \$4.2 million. These reductions did not materially impact the effective tax rate. NiSource does not anticipate any significant changes to its liability for unrecognized tax benefits over the next twelve months.

11. Pension and Other Postretirement Benefits

NiSource provides defined contribution plans and noncontributory defined benefit retirement plans that cover its employees. Benefits under the defined benefit retirement plans reflect the employees' compensation, years of service and age at retirement. Additionally, NiSource provides health care and life insurance benefits for certain retired employees. The majority of employees may become eligible for these benefits if they reach retirement age while working for NiSource.

As of December 31, 2006, NiSource used September 30 as its measurement date for its pension and postretirement benefit plans. On January 1, 2007, NiSource adopted the SFAS No. 158 measurement date provisions requiring employers to measure plan assets and benefit obligations as of the fiscal year-end. The pre-tax impact of adopting the SFAS No. 158 measurement date provisions increased deferred charges and other assets by \$9.4 million, decreased regulatory assets by \$89.6 million, decreased retained earnings by \$11.3 million, increased accumulated other comprehensive income by \$5.3 million and decreased accrued liabilities for postretirement and postemployment benefits by \$74.2 million. NiSource also recorded a reduction in deferred income taxes of approximately \$2.6 million. In addition, 2007 expense for pension and postretirement benefits reflects the updated measurement date valuations. In the fourth quarter of 2006, NiSource adopted the provisions of SFAS No. 158

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NISOURCE INC.****Notes to Consolidated Financial Statements (unaudited) (continued)**

requiring employers to recognize in the statement of financial position the overfunded or underfunded status of a defined benefit postretirement plan, measured as the difference between the fair value of the plan assets and the benefit obligation.

The following table provides NiSource's various postretirement benefit plans' funded status at January 1, 2007, based on a December 31, 2006 measurement date compared to the funded status of NiSource's various postretirement benefit plans at December 31, 2006 based on a September 30, 2006 measurement date:

<i>(in millions)</i>	Pension Benefits		Other Postretirement Benefits	
	Jan. 1, 2007	Dec. 31, 2006	Jan. 1, 2007	Dec. 31, 2006
Benefit obligation	\$2,278.6	\$2,285.7	\$ 774.1	\$ 770.4
Fair value of plan assets	\$2,129.7	\$2,052.3	\$ 257.3	\$ 255.2
Funded Status	\$ (148.9)	\$ (233.4)	\$(516.8)	\$(515.2)

The key assumptions used to measure NiSource's various postretirement benefits plans' funded status at January 1, 2007 were the same as those used for the previous September 30, 2006, measurement date.

NiSource expects to make contributions of \$66.7 million to its pension plans and \$52.3 million to its other postretirement benefit plans during 2007. Through September 30, 2007, NiSource has contributed \$65.8 million to its pension plans and \$40.4 million to its other postretirement benefit plans.

The following tables provide the components of the plans' net periodic benefits cost for the third quarter and nine months ended September 30, 2007 and 2006:

Three Months Ended September 30, (in millions)	Pension Benefits		Other Postretirement Benefits	
	2007	2006	2007	2006
Components of Net Periodic Benefit Cost				
Service cost	\$ 10.3	\$ 10.6	\$ 2.5	\$ 2.3
Interest cost	32.0	31.2	10.9	10.2
Expected return on assets	(46.8)	(43.9)	(5.2)	(4.6)
Amortization of transitional obligation	—	—	2.0	2.0
Amortization of prior service cost	1.3	1.5	0.1	0.1
Recognized actuarial loss	2.1	4.7	1.4	1.5
Total Net Periodic Benefits Cost	\$ (1.1)	\$ 4.1	\$11.7	\$11.5

Nine Months Ended September 30, (in millions)	Pension Benefits		Other Postretirement Benefits	
	2007	2006	2007	2006
Components of Net Periodic Benefit Cost				
Service cost	\$ 30.9	\$ 31.9	\$ 7.4	\$ 7.0
Interest cost	95.8	93.7	32.7	30.4
Expected return on assets	(140.2)	(131.7)	(15.7)	(13.8)
Amortization of transitional obligation	—	—	6.0	6.0
Amortization of prior service cost	4.1	4.5	0.3	0.3
Recognized actuarial loss	6.1	13.9	4.4	4.6
Net Periodic Benefit Costs	(3.3)	12.3	35.1	34.5

Additional loss recognized due to:

Settlement loss	—	0.9	—	—
Total Net Periodic Benefits Cost	\$ (3.3)	\$ 13.2	\$ 35.1	\$ 34.5

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NISOURCE INC.****Notes to Consolidated Financial Statements (unaudited) (continued)****12. Long Term Debt**

On August 31, 2007, NiSource Finance issued \$800 million of 6.40% 10.5-year senior unsecured notes that mature March 15, 2018. The proceeds were used to repay short-term bank borrowings, to fund the redemption of \$24 million of Northern Indiana variable rate pollution control bonds due November 2007 and for capital expenditures and general corporate purposes. The short-term bank borrowings were previously used to fund the redemption of Northern Indiana's preferred stock in 2006, having a total redemption value of \$81.6 million, and for the repayment of an aggregate \$503.5 million of long-term debt in 2006 and the first nine months of 2007.

Capital Markets \$75 million 6.78% senior notes due December 1, 2027 contain a provision which entitles the holders to require Capital Markets to redeem the notes at 100% of the principal amount plus accrued interest on December 1, 2007. As of November 1, 2007, Capital Markets has received notice from holders of \$72 million of the notes requesting redemption.

13. Share-Based Compensation

NiSource currently issues long-term incentive grants to key management employees under a long-term incentive plan approved by stockholders on April 13, 1994 (1994 Plan). The 1994 Plan, as amended and restated, permits the following types of grants, separately or in combination: nonqualified stock options, incentive stock options, restricted stock awards, stock appreciation rights, performance units, contingent stock awards and dividend equivalents payable on grants of options, performance units and contingent stock awards. At September 30, 2007, there were approximately 26.2 million shares reserved for future awards under the amended and restated 1994 Plan.

NiSource recognized stock-based employee compensation expense of \$2.7 million and \$4.4 million during the first nine months of 2007 and 2006, respectively, as well as related tax benefits of \$1.0 million and \$1.6 million, respectively. There were no modifications to awards as a result of the adoption of SFAS 123R.

As of September 30, 2007, the total remaining unrecognized compensation cost related to non-vested awards amounted to \$8.9 million, which will be amortized over the weighted-average remaining requisite service period of 2.1 years.

NiSource has granted restricted stock awards, which are restricted as to transfer and are subject to forfeiture for specific periods from the date of grant and will vest over periods from one year or more. There were 10,000 restricted shares outstanding at September 30, 2007, which were not a part of the time accelerated restricted stock award plan described below.

NiSource awarded restricted shares and restricted stock units that contain provisions for time-accelerated vesting to key executives under the 1994 Plan. Most of these awards were issued in January 2003 and January 2004. The total shareholder return measures established were not met; therefore these grants do not have an accelerated vesting period. At September 30, 2007, NiSource had 571,625 awards outstanding which contained the time-accelerated provisions.

As of September 30, 2007, approximately 7.6 million options were outstanding and exercisable with a weighted average option price of \$22.67.

The Amended and Restated Non-employee Director Stock Incentive Plan provides for awards of restricted stock, stock options and restricted stock units, which vest in 20% increments per year, with full vesting after five years. As of September 30, 2007, 89,860 restricted shares and 138,815 restricted stock units had been issued under the Plan.

During 2006, NiSource did not provide incumbent executives additional grants of options, restricted or contingent shares. No options or restricted shares were granted to employees during the nine months ended September 30, 2007.

In March 2007, 320,330 contingent shares were granted. The grant date fair-value of the awards was \$7.5 million, based on the market price of NiSource's common stock at the date of grant, which will be expensed net of forfeitures over the vesting period of approximately 3 years. The shares are subject to both performance and service conditions. The performance conditions are based on achievement of a non-GAAP financial measure (net operating earnings) that NiSource defines as income from continuing operations adjusted for certain items. If the performance conditions are not met, the grants will be cancelled and the shares will be forfeited. Subsequent to meeting the performance conditions, an additional two year service period will then be required before the shares vest on

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NISOURCE INC.****Notes to Consolidated Financial Statements (unaudited) (continued)**

December 31, 2009. If after completing the performance conditions but prior to completing the service conditions the employee terminates employment (1) due to retirement, having attained age 55 and completed ten years of service, or (2) due to death or disability, the employment conditions will lapse with respect to a pro rata portion of the contingent shares on the date of termination. Termination due to any other reason will result in all contingent shares awarded being forfeited effective the employee's date of termination. Employees will be entitled to receive dividends upon vesting. During the quarter and nine months ended September 30, 2007, \$0.6 million and \$1.5 million of compensation expense, net of forfeitures, was recorded to Operation and Maintenance Expense on the Consolidated Income Statement related to this contingent stock grant.

14. Other Commitments and Contingencies

A. Guarantees and Indemnities. As a part of normal business, NiSource and certain subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries. Such agreements include guarantees and stand-by letters of credit. These agreements are entered into primarily to support or enhance the creditworthiness otherwise attributed to a subsidiary on a stand-alone basis, thereby facilitating the extension of sufficient credit to accomplish the subsidiaries' intended commercial purposes. The total commercial commitments in existence at September 30, 2007 and the years in which they expire were:

<i>(in millions)</i>	Total	2007	2008	2009	2010	2011	After
Guarantees of subsidiaries debt	\$4,684.8	\$ 1.7	\$ 8.6	\$464.0	\$1,004.3	\$280.2	\$2,926.0
Guarantees supporting commodity transactions of subsidiaries	592.5	187.9	373.5	29.2	—	—	1.9
Lines of credit	673.0	673.0	—	—	—	—	—
Letters of credit	60.8	—	55.5	—	—	4.3	1.0
Other guarantees	324.1	65.5	9.9	3.1	25.4	—	220.2
Total commercial commitments	\$6,335.2	\$928.1	\$447.5	\$496.3	\$1,029.7	\$284.5	\$3,149.1

Guarantees of Subsidiaries Debt. NiSource has guaranteed the payment of \$4.7 billion of debt for various wholly owned subsidiaries including Whiting Leasing, NiSource Finance, and through a support agreement, Capital Markets, which is reflected on NiSource's Condensed Consolidated Balance Sheet as of September 30, 2007. The subsidiaries are required to comply with certain financial covenants under the debt instruments and in the event of default, NiSource would be obligated to pay the debt's principal and related interest. NiSource does not anticipate its subsidiaries will have any difficulty maintaining compliance.

Guarantees Supporting Commodity Transactions of Subsidiaries. NiSource has issued guarantees, which support up to approximately \$592.5 million of commodity-related payments for its current subsidiaries involved in energy marketing and trading and those satisfying requirements under forward gas sales agreements of current and former subsidiaries. These guarantees were provided to counterparties in order to facilitate physical and financial transactions involving natural gas and electricity. To the extent liabilities exist under the commodity-related contracts subject to these guarantees, such liabilities are included in the Condensed Consolidated Balance Sheets.

Lines and Letters of Credit. NiSource Finance maintains a five-year revolving line of credit with a syndicate of financial institutions which can be used either for borrowings or the issuance of letters of credit. On July 7, 2006, NiSource Finance amended the \$1.25 billion five-year revolving credit facility, increasing the aggregate commitment level to \$1.5 billion and extending the termination date by one year to July 2011. At September 30, 2007, NiSource had \$673.0 million in short-term borrowings outstanding under its credit facility. Through the revolver and through other letter of credit facilities, NiSource has issued stand-by letters of credit of approximately \$60.8 million for the benefit of third parties.

Other Guarantees or Obligations. On August 29, 2007, Millennium entered into a bank credit agreement to finance the construction of the Millennium Pipeline Project. As a condition precedent to the credit agreement, NiSource issued a guarantee securing payment for 47.5%, its indirect ownership interest percentage, of amounts borrowed under the credit agreement up until such time as the amounts payable under the agreement are paid in full. The permanent financing is expected to be completed in the first quarter of 2009. As of September 30, 2007,

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NiSource Inc.****Notes to Consolidated Financial Statements (unaudited) (continued)**

Millennium borrowed \$105.0 million under the financing agreements, of which NiSource guaranteed \$49.9 million. NiSource recorded an accrued liability of approximately \$3.0 million related to the fair value of this guarantee.

On June 29, 2006, Columbia Transmission, Piedmont, and Hardy Storage entered into multiple agreements to finance the construction of the Hardy Storage project, which is accounted for by NiSource as an equity investment. Under the financing agreements, Columbia Transmission issued guarantees securing payment for 50% of any amounts issued in connection with Hardy Storage up until such time as the project is placed in service and operated within certain specified parameters. As of September 30, 2007, Hardy Storage borrowed \$130.9 million under the financing agreements, of which Columbia Transmission guaranteed \$65.5 million. Columbia Transmission recorded an accrued liability of approximately \$1.3 million as of September 30, 2007 and \$1.6 million as of December 31, 2006, related to the fair value of this guarantee.

NiSource has purchase and sales agreement guarantees totaling \$80.0 million, which guarantee performance of the seller's covenants, agreements, obligations, liabilities, representations and warranties under the agreements. No amounts related to the purchase and sales agreement guarantees are reflected in the Condensed Consolidated Balance Sheets. Management believes that the likelihood NiSource would be required to perform or otherwise incur any significant losses associated with any of the aforementioned guarantees is remote.

NiSource has issued other guarantees supporting derivative related payments associated with interest rate swap agreements issued by NiSource Finance, operating leases for many of its subsidiaries and for other agreements entered into by its current and former subsidiaries.

B. Other Legal Proceedings. In the normal course of its business, NiSource and its subsidiaries have been named as defendants in various legal proceedings. In the opinion of management, the ultimate disposition of these currently asserted claims will not have a material adverse impact on NiSource's consolidated financial position.

In the case of Tawney, et al. v. Columbia Natural Resources, Inc., the Plaintiffs, who are West Virginia landowners, filed a lawsuit in early 2003 against CNR alleging that CNR underpaid royalties on gas produced on their land by improperly deducting post-production costs and not paying a fair value for the gas. In December 2004, the court granted plaintiffs' motion to add NiSource and Columbia as defendants. Plaintiffs also claimed that the defendants fraudulently concealed the deduction of post-production charges. The court certified the case as a class action that includes any person who, after July 31, 1990, received or is due royalties from CNR (and its predecessors or successors) on lands lying within the boundary of the state of West Virginia. All claims by the government of the United States are excluded from the class. Although NiSource sold CNR in 2003, NiSource remains obligated to manage this litigation and for the majority of any damages ultimately awarded to the plaintiffs. On January 27, 2007, the jury hearing the case returned a verdict against all defendants in the amount of \$404.3 million; this is comprised of \$134.3 million in compensatory damages and \$270 million in punitive damages. On September 25, 2007, the Court issued an order which appears to also be its final, appealable judgment. The defendants can now perfect their appeal to the West Virginia Supreme Court of Appeals, which may or may not accept the appeal. NiSource has not established a reserve for the punitive damages portion of the verdict.

C. Environmental Matters.

General. The operations of NiSource are subject to extensive and evolving federal, state and local environmental laws and regulations intended to protect the public health and the environment. Such environmental laws and regulations affect operations as they relate to impacts on air, water and land.

A reserve of \$75.7 million and \$72.6 million has been recorded as of September 30, 2007 and December 31, 2006, respectively, to cover probable corrective actions at sites where NiSource has environmental remediation liability. Regulatory assets have been recorded to the extent environmental expenditures are expected to be recovered in rates. NiSource accrues for costs associated with environmental remediation obligations when the incurrence of such costs is probable and the amounts can be reasonably estimated, regardless of when the expenditures are actually made. The undiscounted estimated future expenditures are based on many factors including currently enacted laws and regulations, existing technology and estimated site-specific costs whereby assumptions may be made about the nature and extent of site contamination, the extent of cleanup efforts, costs of alternative cleanup methods and other variables. NiSource's estimated environmental remediation liability will be refined as events in the remediation

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NiSource Inc.****Notes to Consolidated Financial Statements (unaudited) (continued)**

process occur. Actual remediation costs may differ materially from NiSource's estimates due to the dependence on the factors listed above.

Implementation of the fine particulate matter and ozone national ambient air quality standards may require imposition of additional controls on boilers, engines and turbines. On April 15, 2004, the EPA finalized the eight-hour ozone nonattainment area designations. After designation, the Clean Air Act provides for a process for promulgation of rules specifying compliance level, compliance deadline, and necessary controls to be implemented within designated areas over the next few years. Resulting state rules could require additional reductions in NOx emissions from facilities owned by electric generation and gas transmission and storage operations. On March 29, 2007, the EPA signed a rule to govern implementation of the NAAQS for particulate matter (PM-2.5) that the EPA promulgated in 1997. The rule addresses a wide range of issues, including state rulemaking requirements as well as attainment demonstration requirements and deadlines. States must evaluate for potential reduction measures for the emission of particulate matter and its precursors such as SO2 and NOx. The rule includes a conditional presumption that, for power plants subject to the CAIR, compliance with CAIR would satisfy Reasonably Available Control Measures and Reasonably Available Control Technology requirements for SO2 and NOx. States must submit their State Implementation Plans to the EPA by April 2008. NiSource will continue to closely monitor developments in this area and cannot accurately estimate the timing or cost of emission controls at this time.

On June 21, 2007, the EPA announced a proposed rule to tighten the NAAQS for ozone. The proposed rule includes a provision to tighten the standard from the current 0.08 ppm to between 0.070 and 0.075 ppm. For the new standard, the EPA is considering a range of options from further tightening the standard to 0.060 ppm to retaining the level at the current standard. Additionally, the EPA is proposing two alternatives for the secondary ozone standard that includes a new cumulative standard even more stringent than the primary one or establishment of the secondary standard at the level of the primary standard. Depending on the stringency and form of any such revision to the standards, the number of areas that fail to attain the standards could significantly increase across the country. If a number of areas do not meet the new standards, resulting rulemakings to implement the standards and improve air quality in these areas over the next several years could lead to additional pressure to reduce emissions of NOx, an ozone precursor, from facilities owned by electric generation and gas transmission and storage operations. NiSource will closely monitor developments in this area and cannot accurately estimate the timing or cost of emission controls that may be required at this time.

Proposals for voluntary initiatives and mandatory controls are being discussed both in the United States and worldwide to reduce so-called "greenhouse gases" such as carbon dioxide, a by-product of burning fossil fuels, and methane, a component of natural gas. Certain NiSource affiliates engage in efforts to voluntarily report and reduce their greenhouse gas emissions. NiSource is currently a participant in the EPA's Climate Leaders program. On April 2, 2007 in *Massachusetts v. EPA*, the Supreme Court ruled that the EPA does have authority under the Clean Air Act to regulate emissions of greenhouse gases if it is determined that greenhouse gases have a negative impact on human health or the environment. NiSource will continue to monitor and participate in developments related to efforts to register and potentially regulate greenhouse gas emissions.

Gas Distribution Operations.

There were no new environmental matters relating to Gas Distribution Operations during the first nine months of 2007.

Gas Transmission and Storage Operations.

On February 21, 2007, Pennsylvania Department of Environmental Protection provided representatives of Columbia Transmission with a proposed Consent Order and Agreement covering an unmanned equipment storage site located in rural southwest Pennsylvania. The proposed order alleges that Columbia Transmission has violated the state's Clean Streams Act and Solid Waste Management Act by discharging petroleum products onto the property and into the waters of the state. In addition to requiring remediation and monitoring activities at the site, the state has proposed penalties for these violations. Columbia Transmission plans to engage in further discussions with the agency regarding the proposed order, including the rationale for the proposed penalty. The site in question is subject to an existing EPA's Administrative Consent Order.

On May 7, 2007, the Ohio EPA issued a draft rule requiring additional NOx controls in the Cleveland/Akron ozone non-attainment area. This rule potentially impacts four Columbia Transmission compressor stations. Columbia

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NISOURCE INC.****Notes to Consolidated Financial Statements (unaudited) (continued)**

Transmission is working closely with the Ohio EPA on rule development. Compliance costs are dependant on the final outcome.

On September 26, 2007, the VADEQ issued a Notice of Violation related to compliance requirements under the State Water Control Law and Regulations to Columbia Transmission with regard to its pipeline expansion project that connects to Hardy Storage. The VADEQ alleges impact to an aquatic ecosystem related to drill line discharge of bentonite. A preliminary conference has been scheduled with VADEQ to discuss this matter.

Electric Operations.**Air.**

On March 10, 2005, the EPA issued the CAIR final regulations. The rule establishes phased reductions of NO_x and SO₂ from 28 Eastern states, including Indiana electric utilities, by establishing an annual emissions cap for NO_x and SO₂ and an additional cap on NO_x emissions during the ozone control season. On March 15, 2006, the EPA signed three related rulemakings providing final regulatory decisions on implementing the CAIR. The CAIR adopted by the Indiana Air Pollution Control Board became effective in late January 2007. On July 3, 2007, the IURC approved Northern Indiana's Phase I compliance plan for meeting the initial requirements of the CAIR and this is further discussed in Electric Operations and Regulatory Matters, Cost Recovery and Trackers. Northern Indiana will continue to closely monitor developments in this area and expects to install additional emission controls for the second phase of CAIR, but cannot accurately estimate the timing or cost of the emission controls at this time.

On March 14, 2007, Indiana proposed a draft rule to implement the EPA BART requirements for reduction of regional haze. On October 3, 2007, the Indiana Air Pollution Control Board adopted the rule with some minor modifications. The rule is in the process of undergoing Executive Branch approvals. The effective date is anticipated to be late in the first quarter of 2008 with compliance with any required BART controls within five years (2013). The language of the final rule relies upon the provisions of the Indiana CAIR to meet requirements for NO_x and SO₂ and does not impose any additional control requirements on coal-fired generation, including Northern Indiana, to control these emissions. As part of the BART analysis process the IDEM is still evaluating the potential impact of particulate matter from electric generating units to determine if there are impacts on Class I areas. Northern Indiana will work closely with IDEM regarding the particulate matter analysis requirements of the BART analysis. Northern Indiana will closely monitor developments in this area and at this time cannot accurately estimate the timing or cost of any emission controls that may be required.

In September 2004, the EPA issued a Notice of Violation to Northern Indiana alleging violations of the new source review provisions of the Clean Air Act. An adverse outcome in this matter could require capital expenditures beyond the EPA requirements that cannot be determined at this time and could require payment of substantial penalties. On April 2, 2007, in *Environmental Defense v. Duke Energy Corp.*, the US Supreme Court overturned a Fourth Circuit Court decision related to the determination of a 'modification' under the Clean Air Act's new source review program. The Supreme Court ruled that under the new source review program an 'annual emission increase' test must be applied and rejected Duke Energy Corp's arguments and a Fourth Circuit Court decision that a 'maximum hourly' test was appropriate. The case will now go back to the trial court to address whether or not a 'modification' occurred and whether Duke Energy Corp is required to install pollution control devices and pay any penalties.

Local air quality has improved in three counties in which Northern Indiana generating assets are located. In recognition of this improvement, the IDEM submitted petitions to the EPA seeking redesignation of the Indiana counties of Lake, Porter and LaPorte to attainment of the eight-hour ozone NAAQS. Final rulemaking was published in the Federal Register, and became effective on July 19, 2007 for LaPorte County. The EPA approval is pending for Lake and Porter counties. On October 3, 2007, the Indiana Air Pollution Control Board preliminarily adopted the redesignation of LaPorte County to attainment as part of a reformatting of the state attainment designation rule and is expected to final adopt the rule in the first quarter of 2008 and become effective by mid-2008. Upon promulgation of the EPA and subsequent IDEM regulations to implement the redesignations to attainment, new source review rules are expected to change from nonattainment new source review rules to the less onerous prevention of significant deterioration rules while measures responsible for existing emission reductions would continue. Northern Indiana will continue to closely monitor developments in this area and cannot accurately estimate the outcome or timing of the approval of the petitions.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NISOURCE INC.****Notes to Consolidated Financial Statements (unaudited) (continued)**

Indiana is in the process of promulgating a mercury rule to implement the EPA CAMR. On October 3, 2007, the Indiana Air Pollution Control Board held a second public hearing and adopted the EPA CAMR with minor changes. The rule is in the process of obtaining Executive Branch approvals and is expected to become effective late in the fourth quarter 2007 or early 2008 with compliance required in 2010. The EPA FIP rule, published December 22, 2006, has not been finalized and is intended only as a backstop for states such as Indiana that missed the November 17, 2006 submittal deadline. The IDEM has indicated it is planning on utilizing an option in the FIP that will let the state submit a request for partial approval to use the IDEM's allowance allocation methodology until the EPA is able to approve the full state plan. The state's request for partial approval would be due to the EPA upon the effective date of the final FIP, estimated to be early March 2008. The EPA would not record allowance allocations for 2010 until September 2008. The FIP would be rescinded upon EPA acceptance of the Indiana rule. Northern Indiana will closely monitor developments in this area and cannot accurately estimate the timing or cost of emission controls at this time.

Water.

On February 16, 2004, the EPA Administrator signed the Phase II Rule of the Clean Water Act Section 316(b) which requires all large existing steam electric generating stations meet certain performance standards to reduce the effects on aquatic organisms at their cooling water intake structures. The rule became effective on September 7, 2004. Under this rule, stations will either have to demonstrate that the performance of their existing fish protection systems meet the new standards or develop new systems, such as a closed-cycle cooling tower. On January 25, 2007, the Second Circuit in a court decision on the Phase II 316(b) rule remanded for EPA reconsideration the options providing flexibility for meeting the requirements of the rule. On March 20, 2007, the EPA issued a guidance memo advising its Regional Administrators that the Agency considers the 316(b), Phase II Rule governing cooling water withdrawals suspended and will be issuing a Federal Register notice to that effect. On July 9, 2007, the EPA published a notice in the Federal Register suspending the Phase II rule. The notice explained that the EPA is not accepting comments on the suspension and notes that "best professional judgment" is to be used in making 316(b) decisions. The EPA will need to propose a revised 316(b) rule to address the areas remanded by the court decision. Northern Indiana will closely monitor the EPA rule developments.

On July 5, 2007, the Second Circuit Court of Appeals denied the petitions for rehearing asking the court to reconsider its remand of the Phase II 316(b) ruling. More than one entity is expected to submit a request for *certiorari* to the U. S. Supreme Court by the early November submittal deadline seeking to reverse the Second Circuit Court's decision. Northern Indiana will continue to closely monitor this activity.

IDEM recently issued a renewed National Pollution Discharge Elimination System Permit for the Northern Indiana's Michigan City Generating Station. The permit requires that the facility meet the Great Lakes Initiative discharge limits for copper. The Michigan City Generating Station has a four year compliance schedule to meet these limits, which ends April 1, 2011. Northern Indiana is evaluating alternatives for treating copper in wastewater at the Michigan City Generating Station; estimated capital costs are between \$7 million and \$23 million.

Great Lakes Initiative-based discharge limits for mercury have also been set for both the Bailly Generating Station and the Michigan City Generating Station. Northern Indiana will collect data, develop and implement pollution minimization program plans, to demonstrate progress in minimizing the discharge of mercury.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)**

NiSOURCE INC.

Notes to Consolidated Financial Statements (unaudited) (continued)

15. Changes in Common Stockholders' Equity and Comprehensive Income

The following table displays the changes in Common Stockholders' Equity and Comprehensive Income for the nine months ended September 30, 2007 and 2006.

<i>(in millions)</i>	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accum Other Comp Income/(Loss)	Total	Comp Income
Balance January 1, 2007	\$2.7	\$(21.2)	\$3,998.3	\$1,012.9	\$ 20.9	\$5,013.6	
Adjustment to initially apply new measurement date pursuant to SFAS No. 158, net of tax				(6.9)		(6.9)	
Adjustment to initially apply FIN 48, net of tax				(0.8)		(0.8)	
Beginning balance, as adjusted	\$2.7	\$(21.2)	\$3,998.3	\$1,005.2	\$ 20.9	\$5,005.9	
Comprehensive Income:							
Net Income				254.4		254.4	254.4
Other comprehensive income, net of tax:							
Gain/loss on available for sale securities:							
Unrealized (a)					0.4	0.4	0.4
Net unrealized losses on derivatives qualifying as cash flow hedges (b)					(16.4)	(16.4)	(16.4)
Unrecognized Pension Benefit and OPEB cost (c)					3.6	3.6	3.6
Total comprehensive income							242.0
Dividends:							
Common shares				(252.2)		(252.2)	
Treasury stock acquired		(2.1)				(2.1)	
Issued:							
Employee stock purchase plan			0.6			0.6	
Long-term incentive plan			9.2			9.2	
Amortization of Long- term incentive Plan			0.8			0.8	
Balance September 30, 2007	\$2.7	\$(23.3)	\$4,008.9	\$1,007.4	\$ 8.5	\$5,004.2	

<i>(in millions)</i>	Common Shares	Treasury Shares	Additional Paid-In Capital	Retained Earnings	Accum Other Comp Income/(Loss)	Total	Comp Income
Balance January 1, 2006	\$2.7	\$(15.1)	\$3,969.4	\$ 981.6	\$ (5.6)	\$4,933.0	
Comprehensive Income:							
Net Income				219.7		219.7	219.7
Other comprehensive income, net of tax:							
Gain/loss on available							

for sale securities:						
Unrealized (a)				1.7	1.7	1.7
Net unrealized losses on derivatives qualifying as cash flow hedges (b)				(106.7)	(106.7)	(106.7)
Unrecognized Pension Benefit and OPEB cost (c)				4.4	4.4	4.4
Total comprehensive income						119.1
Dividends:						
Common shares				(250.9)	(250.9)	
Treasury stock acquired	(6.0)				(6.0)	
Issued:						
Employee stock purchase plan			0.6		0.6	
Long-term incentive plan			6.5		6.5	
Tax benefits of options			2.3		2.3	
Amortization of Long-Term Incentive Plan			0.8		0.8	
Balance September 30, 2006	\$2.7	\$(21.1)	\$3,979.6	\$ 950.4	\$(106.2)	\$4,805.4

- (a) Net unrealized losses on available for sale securities, net of \$0.5 million and \$1.1 million tax expense in the first nine months of 2007 and 2006, respectively.
- (b) Net unrealized gains (losses) on derivatives qualifying as cash flow hedges, net of \$6.6 million tax expense and \$60.0 million tax benefit in the first nine months of 2007 and 2006, respectively.
- (c) Unrecognized pension benefit and OPEB costs, net of \$2.1 million and \$3.0 million tax expense in the first nine months of 2007 and 2006, respectively.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)**

NiSOURCE INC.

Notes to Consolidated Financial Statements (unaudited) (continued)

16. Accumulated Other Comprehensive Income

The following table displays the components of Accumulated Other Comprehensive Income, which is included in "Common Stockholders' Equity," on the Condensed Consolidated Balance Sheets.

<i>(in millions)</i>	September 30, 2007	December 31, 2006
Other comprehensive income (loss), before taxes:		
Unrealized gains on securities	\$ 4.8	\$ 3.9
Tax (expense) on unrealized gains on securities	(2.2)	(1.7)
Unrealized gains on cash flow hedges	20.8	43.8
Tax (expense) on unrealized gains on cash flow hedges	(5.8)	(12.4)
Unrecognized pension benefit and OPEB costs	(14.5)	(20.2)
Tax benefit on unrecognized pension benefit and OPEB costs	5.4	7.5
Total Accumulated Other Comprehensive Income, net of taxes	\$ 8.5	\$ 20.9

17. Business Segment Information

Operating segments are components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

NiSource's operations are divided into four primary business segments. The Gas Distribution Operations segment provides natural gas service and transportation for residential, commercial and industrial customers in Ohio, Pennsylvania, Virginia, Kentucky, Maryland, Indiana, Massachusetts, Maine and New Hampshire. The Gas Transmission and Storage Operations segment offers gas transportation and storage services for LDCs, marketers and industrial and commercial customers located in northeastern, mid-Atlantic, midwestern and southern states and the District of Columbia. The Electric Operations segment provides electric service in 21 counties in the northern part of Indiana. The Other Operations segment primarily includes gas and power marketing, and ventures focused on distributed power generation technologies, including cogeneration facilities, fuel cells and storage systems.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS (continued)****NISOURCE INC.****Notes to Consolidated Financial Statements (unaudited) (continued)**

The following table provides information about business segments. NiSource uses operating income as its primary measurement for each of the reported segments and makes decisions on finance, dividends and taxes at the corporate level on a consolidated basis. Segment revenues include intersegment sales to affiliated subsidiaries, which are eliminated in consolidation. Affiliated sales are recognized on the basis of prevailing market, regulated prices or at levels provided for under contractual agreements. Operating income is derived from revenues and expenses directly associated with each segment.

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
REVENUES				
Gas Distribution Operations				
Unaffiliated	\$ 528.0	\$ 463.8	\$3,506.3	\$3,338.2
Intersegment	7.7	4.2	25.0	11.6
Total	535.7	468.0	3,531.3	3,349.8
Gas Transmission and Storage Operations				
Unaffiliated	152.5	145.7	457.9	451.1
Intersegment	47.8	52.3	162.9	177.7
Total	200.3	198.0	620.8	628.8
Electric Operations				
Unaffiliated	378.4	378.2	1,039.2	987.2
Intersegment	0.3	0.5	1.1	1.3
Total	378.7	378.7	1,040.3	988.5
Other Operations				
Unaffiliated	182.5	168.6	707.6	663.8
Intersegment	13.3	7.6	39.9	30.2
Total	195.8	176.2	747.5	694.0
Adjustments and eliminations	(69.5)	(64.5)	(228.1)	(220.7)
Consolidated Revenues	\$1,241.0	\$1,156.4	\$5,711.8	\$5,440.4
Operating Income (Loss)				
Gas Distribution Operations	\$ (43.5)	\$ (31.6)	\$ 231.2	\$ 168.4
Gas Transmission and Storage Operations	74.9	68.9	249.5	258.2
Electric Operations	85.4	108.3	223.2	239.7
Other Operations	4.7	(0.2)	0.7	(13.8)
Corporate	(8.6)	(8.9)	(13.8)	(15.7)
Consolidated Operating Income	\$ 112.9	\$ 136.5	\$ 690.8	\$ 636.8

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS****NiSource Inc.*****Note regarding forward-looking statements***

The Management's Discussion and Analysis, including statements regarding market risk sensitive instruments, contains "forward-looking statements," within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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 of regulatory and commercial initiatives, dealings with third parties over whom NiSource has no control, the effectiveness of NiSource's outsourcing initiative, 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.

The following Management's Discussion and Analysis should be read in conjunction with NiSource's Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

CONSOLIDATED REVIEW**Executive Summary**

NiSource is an energy holding company whose subsidiaries are engaged in the transmission, storage and distribution of natural gas in the high-demand energy corridor stretching from the Gulf Coast through the Midwest to New England and the generation, transmission and distribution of electricity in Indiana. NiSource generates virtually 100% of its operating income through these rate-regulated businesses. A significant portion of NiSource's operations is subject to seasonal fluctuations in sales. During the heating season, which is primarily from November through March, net revenues from gas are more significant, and during the cooling season, which is primarily from June through September, net revenues from electric sales and transportation services are more significant than in other months.

NiSource is a holding company under the Public Utility Holding Company Act of 2005.

For the nine months ended September 30, 2007, NiSource reported income from continuing operations before cumulative effect of change in accounting principle of \$247.1 million, or \$0.90 per basic share, compared to \$221.1 million, or \$0.81 per basic share in 2006.

The increase in income from continuing operations before cumulative effect of changes in accounting principle was primarily due to the following factors:

- Gas Distribution Operations net revenues increased from favorable weather compared to last year, customer growth and regulatory initiatives. NiSource's gas markets experienced 13% warmer than normal weather during the first nine months of 2006 compared to weather that was, on average, normal this year.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSource Inc.**

- Gas Transmission and Storage Operations' net revenues have increased as higher net revenues from firm capacity reservation fees more than offset lower revenues from shorter term transportation and storage services. While stabilization in the natural gas market has moderated optimization revenues this year, firm capacity and commodity revenues have been strong compared to last year. One of the drivers behind this improvement is that the Columbia Gulf mainline pipeline has been fully subscribed throughout 2007.
- Electric Operations net revenue has increased even after the impact of the settlement relating to power purchased by Northern Indiana discussed below. Increased wholesale margins, residential volumes, favorable weather versus last year, lower unrecoverable MISO costs and customer growth more than offset the settlement, lower industrial sales and the timing of revenue credits.
- Other Operations is now about breakeven compared to an operating loss last year. This improvement is driven by Whiting Clean Energy. See the discussion below under the heading "Whiting Clean Energy".

These increases were partially offset by the following items:

- Electric Operations net revenues were negatively impacted by a \$33.5 million accrual that was recorded in the third quarter of 2007 for a settlement relating to power purchased by Northern Indiana during 2006 and 2007. On October 16, 2007, Northern Indiana settled a dispute regarding the cost of electric power the company was required to purchase to meet growing market demands. The settlement requires approval by the IURC.
- Operation and maintenance expenses increased due to higher employee and administrative expenses, electric generation and maintenance costs including the impact of the severe storms, and the reversal of a restructuring reserve in 2006 that favorably impacted that year. The employee and administrative costs include payroll, benefits and corporate services. Within corporate services, the cost increases were primarily related to NiSource's business services arrangement with IBM.
- The effective tax rate was higher for the first nine months of 2007 as compared to comparable period last year. The effective tax rate for 2007 is 36.9%. Last year's effective tax rate of 35.6% was favorably impacted by state deferred income tax adjustments recorded during the first quarter of 2006.
- Interest expense increased due to higher short-term interest rates and credit facility fees.
- Increases in property taxes and higher depreciation cost from last year.

These factors and other impacts to the financial results are discussed in more detail within the following discussions of "Results of Operations" and "Results and Discussion of Segment Operations."

Master Limited Partnership

NiSource intends to proceed with the formation of a Master Limited Partnership for certain gas transmission and storage assets. NiSource intends to file a registration statement with the SEC, following board approval, later this year for the offer and sale of limited partnership interests in a new subsidiary. The formation of a Master Limited Partnership is a natural complement to the Gas Transmission and Storage Operations growth strategy and should provide access to competitively priced capital to support future growth investment.

Earnings Outlook

NiSource currently expects income from continuing operations for 2007 to be approximately \$1.21 per basic share. This expectation takes into account the purchased power settlement by Northern Indiana and restructuring charges and asset impairments recorded to date, plus expected charges which will be recorded in the fourth quarter relating to the agreement-in-principle reached with IBM and the early redemption of PEI long-term debt related to the proposed sale of the Whiting Clean Energy facility to Northern Indiana. Additionally, this outlook includes the favorable weather impact of 3 cents per share that occurred during the first nine months of 2007.

Assuming normal weather, income from continuing operations for the 2008-2010 period are expected to fall within a range of \$1.25 to \$1.35 per basic share. Thereafter, NiSource expects its ongoing capital investment program of more than \$1 billion per year to produce meaningful annual growth in earnings per share.

Electric Supply

Northern Indiana has identified a need for additional resources to meet its electric customers' demand in the coming years.

To assess options to meet this need, a request for proposal for purchases of power (including renewable

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSource Inc.**

energy) and demand reducing options was issued in 2006. These bids are to provide power in the long term. Northern Indiana has also issued a request for proposals in order to identify and negotiate contracts for acquiring combined-cycle generation assets and/or purchase power agreements by no later than May 31, 2008. Proposals were received by July 27, 2007. All proposals were evaluated and compared to other options including building different types of power plants, entering into a natural gas purchase contract to provide low cost gas for power production and restarting the Mitchell Station.

On November 1, 2007, Northern Indiana filed its bi-annual IRP with the IURC. The plan showed a need for adding approximately 1,000 mw of new capacity. Additionally, during November 2007, Northern Indiana plans to file a CPCN as well as contracts to purchase power generated with renewable energy, specifically with wind. The CPCN will seek approval to purchase two CCGT power plants — the Whiting Clean Energy facility owned by PEI, a wholly owned subsidiary of NiSource, and the Sugar Creek facility located in west central Indiana and owned by LS Power Group. The combined cost of these two facilities is estimated to exceed \$500 million. Northern Indiana will request the IURC and the FERC to approve these purchases by the second quarter of 2008.

Four-Point Platform for Growth

NiSource has 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. Following are updates to the four-point platform for growth:

Commercial and Regulatory Initiatives

Whiting Clean Energy. On December 18, 2006, Whiting Clean Energy and BP executed an amendment which materially changed the terms of the ESA under which Whiting Clean Energy provides steam to BP. The improved results from this agreement, reflected in the first nine months of 2007 results, are expected to continue through the remainder of 2007. This improvement is reflected in the results from the Other Operations segment, which has been producing negative results for a number of years. Other Operations reported operating income of \$0.7 million for the first nine months of 2007, versus an operating loss of \$13.8 million for the comparable 2006 period. The profitability of the Whiting Clean Energy project will continue to be dependent on, among other things, prevailing prices in the energy markets and regional load dispatch patterns and the steam requirements for BP's oil refinery.

On July 27, 2007, Whiting Clean Energy submitted a proposal in response to the Northern Indiana-issued RFP "2008 Combined Cycle Request for Proposals." Whiting Clean Energy was notified during October 2007 that its proposal was selected by Northern Indiana. The pending sale of the Whiting Clean Energy facility to Northern Indiana would require Northern Indiana to assume commercial contracts of Whiting Clean Energy, including the agreement with BP. In addition, PEI would be required to redeem its long term debt and incur early redemption fees of approximately \$31 million, based upon current interest rates and net of accrued interest and principal already payable. PEI's long-term debt outstanding as of September 30, 2007 was \$293.8 million.

Customer Conservation. The first nine months of 2007 results were generally in line with management's belief that declines in customer demand experienced during 2006 were a response to higher market prices for natural gas, particularly in the aftermath of the 2005 hurricane season. As prices decreased during the later part of 2006 and have stabilized during the first nine months of 2007, both usage erosion and customer attrition levels continue to moderate. However, NiSource remains focused on the effects of customer conservation and is taking steps to address this issue. NiSource is developing and pursuing a number of regulatory initiatives throughout its distribution markets to mitigate the impact of conservation and customer attrition either through broader rate proceedings or specific mechanisms such as rate design, decoupling or other initiatives developed to moderate the impact of conservation.

Rate Developments. NiSource is moving forward on regulatory initiatives across several distribution company markets. Whether through full rate case filings or other approaches, NiSource's goal is to develop strategies that benefit all stakeholders as it addresses changing customer conservation patterns, develops more contemporary pricing structures, and embarks on long-term investment programs to enhance our infrastructure. Rate case planning

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NISOURCE INC.**

activities are underway at Columbia of Ohio, Columbia of Pennsylvania and Northern Indiana, with filings anticipated during 2008. Also, at Columbia of Ohio, stakeholder meetings have been initiated in an effort to meet the respective needs of all parties in shaping the future regulatory, commercial and investment model for Columbia of Ohio.

On October 31, 2007, the Massachusetts Department of Public Utilities approved a \$5.9 million increase in Bay State base rates, effective November 1, 2007. The increase was pursuant to Bay State's existing PBR mechanism. In a separate filing, Bay State on October 17, 2007 petitioned the Massachusetts Department of Public Utilities to allow the company to collect an additional \$7.5 million in annual revenue. Bay State also requested approval of a steel infrastructure tracker that would allow for recovery of ongoing infrastructure replacement program investments.

On May 9, 2007, Northern Indiana received approval from the IURC for its Rate Simplification program, which will simplify residential natural gas rates and implement an energy conservation program.

On August 29, 2007, the Kentucky Public Service Commission approved a stipulation and settlement, authorizing Columbia of Kentucky to increase its base rates by \$7.25 million annually. The issue of whether the Kentucky Public Service Commission can authorize utilities to expediently recover costs (such as main replacement costs) via "tracker" mechanisms is now the subject of pending litigation, not involving Columbia of Kentucky.

Refer to the "Results and Discussion of Segment Operations" for a complete discussion of regulatory matters.

Commercial Growth and Expansion of the Gas Transmission and Storage Business

Millennium Pipeline Project. In June 2007, construction began on the Millennium Pipeline, a 182-mile-long, 30-inch-diameter pipeline across New York's Southern Tier and lower Hudson Valley. The project is expected to be completed in November 2008 and will transport up to 525,400 Dth per day of natural gas to markets along its route, as well as to the New York City markets through its pipeline interconnections. Millennium is jointly owned by affiliates of NiSource, KeySpan Corporation, and DTE Energy.

Hardy Storage Project. Hardy Storage completed its second full quarter of operations, receiving customer injections into its new underground natural gas storage facility in West Virginia. Injections this year will allow the field to deliver up to 100,000 Dth of natural gas per day during the 2007-2008 winter heating season. When fully operational in 2009, the field will have a working storage capacity of 12 billion cubic feet, delivering more than 176,000 Dth of natural gas per day. Hardy Storage is a joint venture of subsidiaries of Columbia Transmission and Piedmont.

Columbia Transmission, the operator of Hardy Storage, is expanding its natural gas transmission system by 176,000 Dth per day to provide the capacity needed to deliver Hardy Storage supplies to customer markets. Construction of the expansion will be completed and placed in-service in the fourth quarter of 2007.

Eastern Market Expansion Project. On May 3, 2007, Columbia Transmission filed a certificate application before the FERC for approval to expand its facilities to provide additional storage and transportation services and to replace certain existing facilities. The expansion will add 97,000 Dth per day of storage and transportation capacity and is fully contracted on a long-term, firm basis. Columbia Transmission requested FERC approval by December 2007 and proposed to place the Eastern Market Expansion in service by spring 2009. On October 1, 2007, the FERC issued a favorable environmental assessment for public comment in this project.

Crawford Storage Field Project. NiSource concluded successful open seasons to gauge customer interest in an expansion of its Crawford Storage Field in central Ohio. The final scope of the project will be determined based on the outcome of the ongoing customer discussions.

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Other Growth Projects. Columbia Gulf recently expanded two interconnection points providing incremental delivery capacity of 30,000 Dth per day to Henry Hub and 85,000 Dth per day to Southern Natural Gas near Lafayette, Louisiana. This capacity was sold via auction and placed into service in the third quarter of 2007. A successful open season was held in the first quarter of 2007 to auction capacity of 380,000 Dth per day relating to two interconnection points being constructed in southern Louisiana with Transcontinental Gas Pipeline that will provide increased access to downstream mid-Atlantic and Northeast markets. These interconnection points are expected to be placed into service in the fourth quarter of 2007.

A binding open season for expanded capacity on Columbia Gulf's system for delivery to Florida Gas Transmission ends on November 2, 2007.

Sales of Shorter-Term Transportation and Storage Services. Seasonal price fluctuations in the national energy market created opportunities for customers to utilize existing shorter-term transportation and storage tariff services provided by Columbia Transmission and Columbia Gulf. Columbia Transmission entered into contracts that represented revenues in excess of \$45 million of shorter-term business for 2006. Stabilization in the natural gas market moderated these shorter-term optimization revenues during the first nine months of 2007 to approximately \$18 million. Columbia Transmission and Columbia Gulf plan to continue offering these shorter-term transportation and storage services. Customer requirements for these services will vary according to market conditions which include such factors as commodity price volatility, geographic price differentials and the physical capacity and capabilities of the pipeline network.

Process and Expense Management

IBM Agreement. During the second quarter of 2005, NiSource Corporate Services reached a definitive agreement with IBM under which IBM was to provide a broad range of business transformation and outsourcing services to NiSource. As a part of the transformation initiatives, many new information technology systems and process changes had an accelerated time-line for completion, which created the risk of operational delays, potential errors and control failures which could impact NiSource and its financial condition. In August 2006, further implementation of certain information technology systems was delayed due to difficulties encountered with the first wave of new system implementations. In the first quarter of 2007, NiSource decided to bring certain finance and accounting functions back within the company. These functions include general accounting, fixed assets, and budgeting. The transition back to NiSource of these functions commenced on June 1, 2007 and is expected to continue through the end of 2007. In early 2007, a high-level team of NiSource and IBM resources began an overall reassessment of the outsourcing initiative primarily to focus on operational and transformational improvements and remediation and develop an integrated plan that enables NiSource to achieve its business objectives going forward. In mid-October 2007, NiSource and IBM reached an agreement-in-principle on modifications to their long-term business services agreement. These modifications will put NiSource in a position to more effectively manage its employee and administrative expenses, while ensuring delivery of services needed to meet the company's needs. The delay in the transformation projects and proposed restructuring of the relationship will result in a reduction in the projected cost savings. The agreement-in-principle is not binding and is contingent on finalization of a definitive amendment to the agreement.

Financial Management of the Balance Sheet

Refinancing of Debt. On August 31, 2007, NiSource Finance issued \$800 million of 6.40% 10.5-year senior unsecured notes that mature March 15, 2018. The proceeds were used to repay short-term bank borrowings, to fund the redemption of \$24 million of Northern Indiana variable rate pollution control bonds due November 2007 and for capital expenditures and general corporate purposes. The short-term bank borrowings were previously used to fund the redemption of Northern Indiana's preferred stock in 2006, having a total redemption value of \$81.6 million, and for the repayment of an aggregate \$503.5 million of long-term debt in 2006 and the first nine months of 2007.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSOURCE INC.****Results of Operations****Quarter Ended September 30, 2007****Net Income**

NiSource reported net income of \$11.0 million, or \$0.04 per basic share, for the three months ended September 30, 2007, compared to net income of \$25.8 million, or \$0.10 per basic share, for the third quarter of 2006. Operating income was \$112.9 million, a decrease of \$23.6 million from the same period in 2006.

Comparability of line item operating results was impacted by regulatory trackers that allow for the recovery in rates of certain costs such as bad debt expenses. Therefore, increases in these tracked operating expenses are offset by increases in net revenues and have essentially no impact on total operating income results. An increase in operating expenses of \$3.9 million was offset by a corresponding increase to net revenues reflecting recovery of these costs.

Net Revenues

Total consolidated net revenues (gross revenues less cost of sales) for the three months ended September 30, 2007, were \$630.1 million, a \$1.4 million decrease from the same period last year, which includes the impact of \$3.9 million of trackers discussed above. Increased net revenues from Gas Transmission and Storage Operation of \$6.6 million, Other Operations of \$6.7 million and Gas Distribution Operations of \$2.8 million were offset by lower net revenue from Electric Operations of \$17.4 million. Electric Operations net revenues decreased due to a \$33.5 million settlement related to the cost of power purchased by Northern Indiana in 2006 and 2007 and lower residential and industrial margins of \$6.2 million, partially offset by increased wholesale revenues amounting to \$8.0 million, favorable weather of approximately \$5 million, higher commercial margins of approximately \$5 million and other factors. Net revenues increased within Gas Transmission Operations as a result of increased firm capacity reservation revenues of \$7.7 million due in large part to due to the Columbia Gulf mainline pipeline being fully subscribed in 2007. Increased net revenues from the Whiting Clean Energy facility of \$8.5 million drove the increase in net revenues within Other Operations. Net revenue increases from Gas Distribution Operations were a result of higher net revenues from regulatory initiatives and other service programs of \$3.7 million.

Expenses

Operating expenses for the third quarter of 2007 were \$519.8 million, an increase of \$23.9 million from the comparable 2006 period. Excluding expenses that are recovered through regulatory trackers that increase both operating expenses and net revenues (see discussion above), operating expenses were up \$20.6 million. This increase was primarily due to higher employee and administrative expenses of \$13.8 million, increased other taxes of \$7.4 million and increased storm damage expenses within Electric Operations of \$3.8 million. The employee and administrative costs include payroll, benefits and higher corporate services costs primarily related to NiSource's business services arrangement with IBM.

Other Income (Deductions)

Interest expense, net was \$100.8 million for the quarter, an increase of \$4.6 million compared to third quarter of 2006. This increase was due primarily to higher short-term interest rates. Other, net was \$1.4 million for the current quarter compared to a loss of \$0.8 million for the comparable 2006 period due to higher interest income in the third quarter 2007 compared to the third quarter 2006.

Income Taxes

Income tax for the third quarter of 2007 was \$3.7 million, a decrease of \$9.8 million compared to the third quarter of 2006 due primarily to lower pretax income and a lower effective tax rate. The effective tax rate for the quarter ended September 30, 2007 was 27.4% compared to 34.2% for the comparable period last year. Both the third quarter of 2007 and third quarter of 2006 include approximately \$1 million in adjustments to tax expense primarily related to prior year tax accrual versus return adjustments which had the effect of reducing the effective rates below the expected rate of approximately 37%. These reductions in tax expense have a more significant impact on the third quarter 2007 effective tax rate because pre-tax earnings are lower in that quarter.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSource Inc.****Results of Operations****Nine Months Ended September 30, 2007****Net Income**

NiSource reported net income of \$254.4 million, or \$0.93 per basic share, for the nine months ended September 30, 2007, compared to \$219.7 million, or \$0.81 per basic share, for the first nine months of 2006. Operating income was \$690.8 million, an increase of \$54 million from the same period in 2006.

Comparability of line item operating results was impacted by regulatory trackers that allow for the recovery in rates of certain costs such as bad debt expenses. Therefore, increases in these tracked operating expenses are offset by increases in net revenues and have essentially no impact on total operating income results. An increase in operating expenses of \$19.8 million was offset by a corresponding increase to net revenues reflecting recovery of these costs.

Net Revenues

Total consolidated net revenues (gross revenues less cost of sales) for the nine months ended September 30, 2007, were \$2,384.6 million, a \$131.2 million increase from the same period last year, which includes the impact of \$19.8 million of increased trackers discussed above. This increase in net revenues was primarily due to favorable weather in the first nine months of 2007 compared to the first nine months of 2006 favorably impacting Gas Distribution Operations by approximately \$62 million and Electric Operations by approximately \$14 million. Gas Distribution Operations net revenues also increased from regulatory initiatives and other service programs of \$11.6 million, customer growth contributing approximately \$7 million and increased commercial sales and usage of \$4.4 million. Whiting Clean Energy had increased net revenues of \$17.9 million compared to the same period last year impacting Other Operations. In addition to the weather impact mentioned above, Electric Operations net revenues increased due to higher wholesale revenues amounting to \$16.7 million, increased residential usage of \$7.4 million, lower unrecoverable MISO costs of \$5.6 million and customer growth amounting to \$4.6 million. These increases in Electric Operations net revenues were partially offset by a \$33.5 million settlement related to the cost of power purchased by Northern Indiana in 2006 and 2007, lower industrial usage and margin amounting to \$12.4 million and timing of revenue credits. Within Gas Transmission Operations, net revenues increased \$5.5 million due to higher firm capacity reservation revenues of \$15.2 million and increased commodity revenues of \$3.4 million, partially offset by a decrease in shorter-term transportation services and storage optimization revenues of \$14.0 million.

Expenses

Operating expenses for the first nine months of 2007 were \$1,701.6 million, an increase of \$84.2 million from the comparable 2006 period. Excluding increases in expenses that are recovered through regulatory trackers and corresponding increases in net revenues (see discussion above), operating expenses increased \$64.4 million. This increase was primarily due to higher employee and administrative expenses of \$48.3 million, increased other taxes of \$10.3 million, a \$6.6 million impairment charge related to base gas at a storage field and increased storm damage within Electric Operations of \$4.2 million. The employee and administrative costs include payroll, benefits and higher corporate services costs primarily related to NiSource's business services arrangement with IBM. These increases in expenses were partially offset by the impact of \$14.5 million of IBM transition costs incurred in the first nine months of 2006.

Other Income (Deductions)

Interest expense, net was \$297.5 million for the first nine months of 2007 compared to \$284.9 million for the first nine months of last year. This increase of \$12.6 million was mainly due to higher short-term interest rates and credit facility fees. Other, net was a loss of \$1.8 million for the first nine months of 2007 compared to a loss of \$6.9 million for the comparable 2006 period due primarily to higher interest income in the first nine months of 2007 compared to the first nine months of 2006.

Income Taxes

Income tax for the first nine months of 2007 was \$144.4 million, an increase of \$22.3 million compared to the first nine months of 2006 due primarily to higher pretax income and a higher effective tax rate. The effective tax rate for the first nine months of 2007 was 36.9% compared to 35.6% for the comparable period last year, which benefited from favorable state deferred income tax adjustments recorded in the first quarter of 2006.

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Results from Discontinued Operations for the first nine months of 2007 includes a \$7.5 million reduction, net of taxes, in the liability for unrecognized tax benefits and \$0.9 million in related interest, net of taxes, associated with the issuance of additional tax guidance in the first quarter of 2007. Also included is a reduction in interest expense of \$0.6 million, net of taxes, related to the completion of the NiSource consolidated 2003 and 2004 tax audit.

Liquidity and Capital Resources

Generally, cash flow from operations has provided sufficient liquidity to meet operating requirements. A significant portion of NiSource's operations, most notably in the gas distribution, gas transportation and electric businesses, is subject to seasonal fluctuations in cash flow. During the heating season, which is primarily from November through March, cash receipts from gas sales and transportation services typically exceed cash requirements. During the summer months, cash on hand, together with the seasonal increase in cash flows from the electric business during the summer cooling season and external short-term and long-term financing, is used to purchase gas to place in storage for heating season deliveries, perform necessary maintenance of facilities, make capital improvements in plant and expand service into new areas.

Operating Activities

Net cash flows from operating activities for the nine months ended September 30, 2007 were \$398.9 million, a decrease of \$472.9 million from the first nine months of 2006. Changes in assets and liabilities reduced net cash flows from operating activities by \$556.0 million. The impacts of gas prices and weather significantly impact working capital changes. High gas prices and 5% colder than normal weather in the fourth quarter of 2005 drove significantly higher than normal accounts receivable and unrecovered gas costs balances that were subsequently collected in 2006. Conversely, the fourth quarter of 2006 was 18% warmer than normal, leading to relatively lower accounts receivable and unrecovered gas cost balances at December 31, 2006 and less cash to be collected in 2007. Increases in net income and changes in deferred taxes totaling \$141.9 million reduced the impact from the changes in assets and liabilities.

Investing Activities

Capital expenditures of \$519.8 million during the first nine months of 2007 were \$114.1 million higher than the comparable 2006 period. The spending for the first nine months primarily reflected on-going system improvements and upgrades to maintain service and reliability. Capital spending is expected to increase in 2007 compared to last year, mainly for increased integrity-management improvements in the Gas Transmission and Storage Operations segment and expenditures to replace key components within the Electric Operations segment in addition to new business projects.

Capital spending, including ongoing infrastructure investments, is projected to be more than \$1 billion annually, beginning in 2008 and for the foreseeable future.

Restricted cash was \$96.0 million and \$142.5 million for the periods ended September 30, 2007 and December 31, 2006, respectively. The decrease in restricted cash was due primarily to volatility in forward gas contracts, which resulted in decreased margin deposits on open derivative contracts at September 30, 2007 as compared to December 31, 2006.

Financing Activities

On July 29, 2003, NiSource filed a shelf registration statement with the SEC to periodically sell up to \$2.5 billion in debt securities, common and preferred stock, and other securities. The registration statement became effective on August 7, 2003, which when combined with NiSource's pre-existing shelf capacity, provided an aggregate \$2.8 billion of total issuance capacity. As of September 30, 2007, NiSource's remaining shelf capacity was \$50 million.

Long-term Debt. On August 31, 2007, NiSource Finance issued \$800 million of 6.40% 10.5-year senior unsecured notes that mature March 15, 2018. The proceeds were used to repay short-term bank borrowings, to fund the redemption of \$24 million of Northern Indiana variable rate pollution control bonds due November 2007 and for capital expenditures and general corporate purposes. The short-term bank borrowings were previously used to fund the

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redemption of Northern Indiana's preferred stock in 2006, having a total redemption value of \$81.6 million, and for the repayment of an aggregate \$503.5 million of long-term debt in 2006 and the first nine months of 2007.

Capital Markets \$75 million 6.78% senior notes due December 1, 2027 contain a provision which entitles the holders to require Capital Markets to redeem the notes at 100% of the principal amount plus accrued interest on December 1, 2007. As of November 1, 2007, Capital Markets has received notice from holders of \$72 million of the notes requesting redemption.

During August 2007, Northern Indiana redeemed \$20 million of its medium-term notes with an average interest rate of 6.77%.

During June 2007, Northern Indiana redeemed \$12 million of its medium-term notes with an interest rate of 7.25%.

During April 2007, NiSource redeemed \$27 million of Capital Markets medium-term notes, with an average interest rate of 7.49%.

During May 2006, NiSource redeemed \$25 million of Capital Markets medium-term notes, with an average interest rate of 7.50%.

During April 2006, NiSource redeemed \$15 million of Capital Markets medium-term notes, with an average interest rate of 7.75%.

Cumulative Preferred Stock. On April 14, 2006, Northern Indiana redeemed all of its outstanding cumulative preferred stock, having a total redemption value of \$81.6 million.

Credit Facilities. During July 2006, NiSource Finance amended its \$1.25 billion five-year revolving credit facility increasing the aggregate commitment level to \$1.5 billion, extending the termination date by one year to July 2011, and reduced the cost of borrowing. The amended facility will help maintain a reasonable cushion of short-term liquidity in anticipation of continuing volatile natural gas prices.

NiSource Finance had outstanding credit facility borrowings of \$673.0 million at September 30, 2007, at a weighted average interest rate of 5.53%, and borrowings of \$1,193.0 million at December 31, 2006, at a weighted average interest rate of 5.68%. As of September 30, 2007 and December 31, 2006, NiSource Finance had \$60.8 million and \$81.9 million of stand-by letters of credit outstanding, respectively. At September 30, 2007, \$31.9 million of the \$60.8 million total outstanding letters of credit resided within a separate bi-lateral letter of credit arrangement with Barclays Bank that NiSource Finance obtained during February 2004. Of the remaining \$28.8 million of stand-by letters of credit outstanding at September 30, 2007, \$25.5 million resided under NiSource Finance's five-year credit facility and \$3.3 million resided under an uncommitted arrangement with another financial institution. As of September 30, 2007, \$801.5 million of credit was available under the credit facility.

Sale of Trade Accounts Receivables. On May 14, 2004, Columbia of Ohio entered into an agreement to sell, without recourse, substantially all of its trade receivables, as they originate, to CORC, a wholly owned subsidiary of Columbia of Ohio. CORC, in turn, is party to an agreement, also dated May 14, 2004, under the terms of which it sells an undivided percentage ownership interest in the accounts receivable to a commercial paper conduit. The agreement was recently extended for another year to June 27, 2008. As of September 30, 2007, \$77.1 million of accounts receivable had been sold by CORC.

Under the agreement, Columbia of Ohio acts as administrative agent, by performing record keeping and cash collection functions for the accounts receivable sold by CORC. Columbia of Ohio receives a fee, which provides adequate compensation, for such services.

On December 30, 2003, Northern Indiana entered into an agreement to sell, without recourse, all of its trade receivables, as they originate, to NRC, a wholly-owned subsidiary of Northern Indiana. NRC, in turn, is party to an agreement under the term of which it sells an undivided percentage ownership interest in the accounts receivable to a commercial paper conduit. The conduit can purchase up to \$200 million of accounts receivable under the agreement. NRC's agreement with the commercial paper conduit has a scheduled expiration date of December 21, 2007, and can be renewed if mutually agreed to by both parties. As of September 30, 2007, NRC had sold \$163.1 million of accounts receivable. Under the arrangement, Northern Indiana may not sell any new receivables if Northern Indiana's debt rating falls below BBB- or Baa3 at Standard and Poor's and Moody's, respectively.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

NISOURCE INC.

Under the agreement, Northern Indiana acts as administrative agent, performing record keeping and cash collection functions for the accounts receivable sold. Northern Indiana receives a fee, which provides adequate compensation, for such services.

Contractual Obligations. On January 1, 2007, NiSource adopted the provisions of FIN 48. The adoption of FIN 48 did not have a significant impact on NiSource's liability for unrecognized tax benefits. The total amount of the liability for unrecognized tax benefits was \$16.0 million as of the date of adoption, and \$4.2 million at September 30, 2007. NiSource does not anticipate any significant changes to its liability for unrecognized tax benefits over the next twelve months. Refer to Note 10, "Income Taxes," in the Notes to Consolidated Financial Statements for additional information.

Market Risk Disclosures

Risk is an inherent part of NiSource's energy businesses. The extent to which NiSource properly and effectively identifies, assesses, monitors and manages each of the various types of risk involved in its businesses is critical to its profitability. NiSource seeks to identify, assess, monitor and manage, in accordance with defined policies and procedures, the following principal risks that are involved in NiSource's energy businesses: commodity market risk, interest rate risk and credit risk.

Various analytical techniques are employed to measure and monitor NiSource's market and credit risks, including VaR. VaR represents 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.

Commodity Price Risk

NiSource is exposed to commodity price risk as a result of its subsidiaries' operations involving natural gas and power. To manage this market risk, NiSource's subsidiaries use derivatives, including commodity futures contracts, swaps and options. NiSource is not involved in speculative energy trading activity.

Commodity price risk resulting from derivative activities at NiSource's rate-regulated subsidiaries is limited, since regulations allow recovery of prudently incurred purchased power, fuel and gas costs through the rate-making process, including gains or losses on these derivative instruments. If states should explore additional regulatory reform, these subsidiaries may begin providing services without the benefit of the traditional rate-making process and may be more exposed to commodity price risk. Some of NiSource's rate-regulated utility subsidiaries offer commodity price risk products to its customers for which derivatives are used to hedge forecasted customer usage under such products. These subsidiaries do not have regulatory recovery orders for these products and are subject to gains and losses recognized in earnings due to hedge ineffectiveness.

TPC, on behalf of Whiting Clean Energy, enters into power and gas derivative contracts to manage commodity price risk associated with operating Whiting Clean Energy. These derivative contracts do not always receive hedge accounting treatment under SFAS No. 133 and variances in earnings could be recognized as a result of marking these derivatives to market.

Interest Rate Risk

NiSource is exposed to interest rate risk as a result of changes in interest rates on borrowings under revolving credit agreements, variable rate pollution control bonds and floating rate notes, which have interest rates that are indexed to short-term market interest rates. NiSource is also exposed to interest rate risk due to changes in interest rates on fixed-to-variable interest rate swaps that hedge the fair value of long-term debt. Based upon average borrowings and debt obligations subject to fluctuations in short-term market interest rates, an increase in short-term interest rates of 100 basis points (1%) would have increased interest expense by \$7.2 million and \$20.6 million for the quarter and nine months ended September 30, 2007, respectively.

Credit Risk

Due to the nature of the industry, credit risk is a factor in many of NiSource's business activities. NiSource's extension of credit is governed by a Corporate Credit Risk Policy. Written guidelines approved by NiSource's Risk

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Management Committee document the management approval levels for credit limits, evaluation of creditworthiness, and credit risk mitigation procedures. Exposures to credit risks are monitored by the Corporate Credit Risk function which is independent of all commercial operations. Credit risk arises with the possibility that a customer, supplier or counterparty will not be able or willing to fulfill its obligations on a transaction on or before the settlement date. For derivative contracts such as interest rate swaps, credit risk arises when counterparties are obligated to pay NiSource the positive fair value or receivable resulting from the execution of contract terms. Exposure to credit risk is measured in terms of both current obligations and the market value of forward positions. Current credit exposure is generally measured by the notional or principal value of obligations and direct credit substitutes, such as commitments, stand-by letters of credit and guarantees. In determining exposure, NiSource considers collateral that it holds to reduce individual counterparty credit risk.

Market Risk Measurement

Market risk refers to the risk that a change in the level of one or more market prices, rates, indices, volatilities, correlations or other market factors, such as liquidity, will result in losses for a specified position or portfolio. NiSource calculates a one-day VaR at a 95% confidence level for the gas marketing group that utilize a variance/covariance methodology. Based on the results of the VaR analysis, the daily market exposure for the gas marketing and derivative portfolios on an average, high and low basis was \$0.1 million, \$0.2 million and zero during the third quarter of 2007, respectively. Prospectively, management has set the VaR limit at \$0.8 million for gas marketing. Exceeding this limit would result in management actions to reduce portfolio risk. Power and gas derivative contracts entered into to manage price risk associated with Whiting Clean Energy are limited to quantities surrounding the physical generation capacity of Whiting Clean Energy and the gas requirements to operate the facility.

Refer to Note 8, "Risk Management and Energy Trading Activities," in the Notes to Consolidated Financial Statements for further discussion of NiSource's risk management.

Off Balance Sheet Arrangements

NiSource has issued guarantees that support up to approximately \$592.5 million of commodity-related payments for its current subsidiaries involved in energy commodity contracts and to satisfy requirements under forward gas sales agreements of current and former subsidiaries. These guarantees were provided to counterparties in order to facilitate physical and financial transactions involving natural gas and electricity. To the extent liabilities exist under the commodity-related contracts subject to these guarantees, such liabilities are included in the Condensed Consolidated Balance Sheets.

NiSource has purchase and sales agreement guarantees totaling \$80.0 million, which guarantee performance of the seller's covenants, agreements, obligations, liabilities, representations and warranties under the agreements. No amounts related to the purchase and sales agreement guarantees are reflected in the Condensed Consolidated Balance Sheets. Management believes that the likelihood NiSource would be required to perform or otherwise incur any significant losses associated with any of the aforementioned guarantees is remote.

NiSource has other guarantees, operating leases, and lines and letters of credit outstanding. Refer to Note 8, "Risk Management and Energy Trading Activities," and Note 14-A, "Guarantees and Indemnities," in the Notes to Consolidated Financial Statements for additional information about NiSource's off balance sheet arrangements.

Other Information**Recently Adopted Accounting Pronouncements**

SFAS No. 158 – Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans. In September 2006, the FASB issued SFAS No. 158 to improve existing reporting for defined benefit postretirement plans by requiring employers to recognize in the statement of financial position the overfunded or underfunded status of a defined benefit postretirement plan, among other changes. In the fourth quarter of 2006, NiSource

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adopted the provisions of SFAS No. 158 requiring employers to recognize in the statement of financial position the overfunded or underfunded status of a defined benefit postretirement plan, measured as the difference between the fair value of the plan assets and the benefit obligation. On January 1, 2007, NiSource adopted the SFAS No. 158 measurement date provisions requiring employers to measure plan assets and benefit obligations as of the fiscal year-end. The pre-tax impact of adopting the SFAS No. 158 measurement date provisions increased deferred charges and other assets by \$9.4 million, decreased regulatory assets by \$89.6 million, decreased retained earnings by \$11.3 million, increased accumulated other comprehensive income by \$5.3 million and decreased accrued liabilities for postretirement and postemployment benefits by \$74.2 million. NiSource also recorded a reduction in deferred income taxes of approximately \$2.6 million. In addition, 2007 expense for pension and postretirement benefits reflects the updated measurement date valuations.

With the adoption of SFAS No. 158 NiSource determined that for certain rate-regulated subsidiaries the future recovery of pension and other postretirement plans costs is probable in accordance with the requirements of SFAS No. 71. These rate-regulated subsidiaries recorded regulatory assets and liabilities that would otherwise have been recorded to accumulated other comprehensive income.

Refer to Note 11, "Pension and Other Postretirement Benefits," in the Notes to Consolidated Financial Statements for additional information.

FIN 48 – Accounting for Uncertainty in Income Taxes. In June 2006, the FASB issued FIN 48 to reduce the diversity in practice associated with certain aspects of the recognition and measurement requirements related to accounting for income taxes. Specifically, this interpretation requires that a tax position meet a "more-likely-than-not recognition threshold" for the benefit of an uncertain tax position to be recognized in the financial statements and requires that benefit to be measured at the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. When determining whether a tax position meets this 50% threshold, it is to be based on whether it is probable of being sustained on audit by the appropriate taxing authorities, based solely on the technical merits of the position. Additionally, FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006.

On January 1, 2007, NiSource adopted the provisions of FIN 48. As a result of the implementation of FIN 48, NiSource recognized a charge of \$0.8 million to the opening balance of retained earnings. Refer to Note 10, "Income Taxes," in the Notes to Consolidated Financial Statements for additional information.

SFAS No. 123 (revised 2004) – Share-Based Payment. Effective January 1, 2006, NiSource adopted SFAS No. 123R using the modified prospective transition method. SFAS No. 123R requires measurement of compensation cost for all stock-based awards at fair value on the date of grant and recognition of compensation over the service period for awards expected to vest. In accordance with the modified prospective transition method, NiSource's consolidated financial statements for prior periods have not been restated to reflect, and do not include, the impact of SFAS No. 123R. Prior to the adoption of SFAS No. 123R, NiSource applied the intrinsic value method of APB No. 25 for awards granted under its stock-based compensation plans and complied with the disclosure requirements of SFAS No. 123.

When it adopted SFAS No. 123R in the first quarter of 2006, NiSource recognized a cumulative effect of change in accounting principle of \$0.4 million, net of income taxes, which reflected the net cumulative impact of estimating future forfeitures in the determination of period expense, rather than recording forfeitures when they occur as previously permitted. Other than the requirement for expensing stock options, outstanding share-based awards will continue to be accounted for substantially as they are currently. As of September 30, 2007, the total remaining unrecognized compensation cost related to non-vested awards amounted to \$8.9 million, which will be amortized over the weighted-average remaining requisite service period of 2.1 years.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSOURCE INC.****Recently Issued Accounting Pronouncements**

SFAS No. 157 – Fair Value Measurements. In September 2006, the FASB issued SFAS No. 157 to define fair value, establish a framework for measuring fair value and to expand disclosures about fair value measurements. NiSource is currently reviewing the provisions of SFAS No. 157 to determine the impact it may have on its Consolidated Financial Statements and Notes to Consolidated Financial Statements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007 and should be applied prospectively, with limited exceptions.

SFAS No. 159 – The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115. In February 2007, the FASB issued SFAS No. 159 which permits entities to choose to measure certain financial instruments at fair value that are not currently required to be measured at fair value. Upon adoption, a cumulative adjustment will be made to beginning retained earnings for the initial fair value option remeasurement. Subsequent unrealized gains and losses for fair value option items will be reported in earnings. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007 and should not be applied retrospectively, except as permitted for certain conditions for early adoption. NiSource is currently reviewing the provisions of SFAS No. 159 to determine whether to elect fair value measurement for any of its financial assets or liabilities when it adopts this standard in 2008.

RESULTS AND DISCUSSION OF SEGMENT OPERATIONS**Presentation of Segment Information**

NiSource's operations are divided into four primary business segments; Gas Distribution Operations, Gas Transmission and Storage Operations, Electric Operations, and Other Operations.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NISOURCE INC.
Gas Distribution Operations**

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Net Revenues				
Sales Revenues	\$535.7	\$468.0	\$ 3,531.3	\$ 3,349.8
Less: Cost of gas sold (excluding depreciation and amortization)	341.8	276.9	2,430.5	2,353.3
Net Revenues	193.9	191.1	1,100.8	996.5
Operating Expenses				
Operation and maintenance	152.0	142.4	569.1	534.2
Depreciation and amortization	59.2	57.7	175.8	173.3
Impairment and gain on sale of assets	0.1	(0.3)	(0.4)	(0.3)
Other taxes	26.1	22.9	125.1	120.9
Total Operating Expenses	237.4	222.7	869.6	828.1
Operating Income (Loss)	\$ (43.5)	\$ (31.6)	\$ 231.2	\$ 168.4
Revenues (\$ in Millions)				
Residential	223.0	211.2	1,969.7	2,067.0
Commercial	87.5	86.3	726.5	773.2
Industrial	49.7	53.7	216.7	232.4
Off System	161.1	77.6	468.3	315.7
Other	14.4	39.2	150.1	(38.5)
Total	535.7	468.0	3,531.3	3,349.8
Sales and Transportation (MMDth)				
Residential	16.2	15.6	191.5	162.5
Commercial	19.4	20.0	128.1	114.3
Industrial	89.7	91.1	279.2	272.5
Off System	24.3	11.3	65.4	41.2
Other	0.1	0.1	0.6	0.6
Total	149.7	138.1	664.8	591.1
Heating Degree Days	33	69	3,157	2,752
Normal Heating Degree Days	52	58	3,163	3,165
% Colder (Warmer) than Normal	(37%)	19%	0%	(13%)
Customers				
Residential			3,016,242	2,983,908
Commercial			287,230	276,058
Industrial			8,126	7,849
Other			79	73
Total			3,311,677	3,267,888

NiSource's natural gas distribution operations serve approximately 3.3 million customers in nine states: Ohio, Indiana, Pennsylvania, Massachusetts, Virginia, Kentucky, Maryland, New Hampshire and Maine. The regulated subsidiaries offer both traditional bundled services as well as transportation only for customers that purchase gas from alternative suppliers. The operating results reflect the temperature-sensitive nature of customer demand with over 72% of annual residential and commercial throughput affected by seasonality. As a result, segment operating income is higher in the first and fourth quarters reflecting the heating demand during the winter season.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSource Inc.****Gas Distribution Operations (continued)****Regulatory Matters**

Significant Rate Developments. On August 29, 2007, the Kentucky Public Service Commission approved a stipulation and settlement, authorizing Columbia of Kentucky to increase its base rates by \$7.25 million annually. The issue of whether the Kentucky Public Service Commission can authorize utilities to expediently recover costs (such as main replacement costs) via "tracker" mechanisms is now the subject of pending litigation, not involving Columbia of Kentucky.

On October 31, 2007, the Massachusetts Department of Public Utilities approved a \$5.9 million increase in Bay State base rates, effective November 1, 2007. The increase was pursuant to Bay State's existing PBR mechanism. In a separate filing, Bay State on October 17, 2007 petitioned the Massachusetts Department of Public Utilities to allow the company to collect an additional \$7.5 million in annual revenue. Bay State also requested approval of a steel infrastructure tracker that would allow for recovery of ongoing infrastructure replacement program investments.

On May 9, 2007, the IURC approved Northern Indiana's petition to simplify rates, stabilize revenues and provide for energy efficiency funding. The order adopts a new rate structure that enhances Northern Indiana's ability to increase revenues and provides incremental funding for an energy efficiency program.

Cost Recovery and Trackers. A significant portion of the distribution companies' revenue is related to the recovery of gas costs, the review and recovery of which occurs via standard regulatory proceedings. All states require periodic review of actual gas procurement activity to determine prudence and to permit the recovery of prudently incurred costs related to the supply of gas for customers. NiSource distribution companies have historically been found prudent in the procurement of gas supplies to serve customers.

Certain operating costs of the NiSource distribution companies are significant, recurring in nature, and generally outside the control of the distribution companies. Some states allow the recovery of such costs via cost tracking mechanisms. Such tracking mechanisms allow for abbreviated regulatory proceedings in order for the distribution companies to implement charges and recover appropriate costs. Tracking mechanisms allow for more timely recovery of such costs as compared with more traditional cost recovery mechanisms. Examples of such mechanisms include gas cost recovery adjustment mechanisms, tax riders, and bad debt recovery mechanisms. Gas Distribution Operations revenue is increased by the implementation and recovery of costs via such tracking mechanisms.

Comparability of Gas Distribution Operations line item operating results is impacted by these regulatory trackers that allow for the recovery in rates of certain costs such as bad debt expenses. Increases in the expenses that are the subject of trackers result in a corresponding increase in net revenues and therefore have essentially no impact on total operating income results.

Certain of the NiSource distribution companies are embarking upon plans to replace significant portions of their operating systems that are nearing the end of their useful lives. Those companies are currently evaluating requests for increases in rates in order to allow recovery of the additional capital expenditures required for such plans. Each LDC's approach to cost recovery may be unique, given the different laws, regulations and precedent that exist in each jurisdiction. Currently, Columbia of Pennsylvania and Columbia of Ohio are embarking upon such plans.

Certain types of natural gas risers, which are owned by customers, on Columbia of Ohio's distribution system have been evaluated under a study required by the PUCO, and have been found prone to leak natural gas under certain conditions. On February 1, 2007, Columbia of Ohio announced plans to identify and replace these risers on its distribution system. As of September 30, 2007, Columbia of Ohio deferred \$4.2 million of costs associated with the study and identification of these natural gas risers as a regulatory asset and currently estimates that the cost to identify and replace the risers will approximate \$165 million. On October 26, 2007, Columbia of Ohio and the PUCO Staff filed a Joint Stipulation and Recommendation that provided for Columbia of Ohio's assumption of financial responsibility for the repair or replacement of customer-owned service lines and the replacement of risers prone to leak. In addition, the Stipulation provides for Columbia of Ohio to capitalize its investment in the service

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSOURCE INC.****Gas Distribution Operations (continued)**

lines and risers, as well as the establishment of a tracking mechanism that would provide for the recovery of operating and maintenance costs related to Columbia of Ohio's capitalized investment and its expenses incurred in identifying risers prone to leak. The PUCO is receiving evidence in this matter and is expected to issue an order during the first quarter of 2008.

Customer Usage. The NiSource distribution companies have experienced declining usage by customers, due in large part to the sensitivity of sales to volatile commodity prices. A significant portion of the LDC's operating costs are fixed in nature. Historically, rate design at the distribution level has been structured such that a large portion of cost recovery is based upon throughput, rather than in a fixed charge. Many of NiSource's LDCs are evaluating mechanisms that would "de-couple" the recovery of fixed costs from throughput, and implement recovery mechanisms that more closely link the recovery of fixed costs with fixed charges. Each of the states in which the NiSource LDCs operate has different requirements regarding the procedure for establishing such changes.

Environmental Matters

Currently, various environmental matters impact the Gas Distribution Operations segment. As of September 30, 2007, a reserve has been recorded to cover probable environmental response actions. Refer to Note 14-C, "Environmental Matters," in the Notes to Consolidated Financial Statements for additional information regarding environmental matters for the Gas Distribution Operations segment.

Restructuring

Payments made for all restructuring initiatives within Gas Distribution Operations amounted to \$0.2 million and \$0.6 million for the third quarter and first nine months of 2007, respectively, and the restructuring liability remaining at September 30, 2007 was \$1.0 million. Refer to Note 4, "Restructuring Activities," in the Notes to Consolidated Financial Statements for additional information regarding restructuring initiatives.

Weather

In general, NiSource calculates the weather related revenue variance based on changing customer demand driven by weather variance from normal heating degree-days. Normal is evaluated using heating degree days across the NiSource distribution region. While the temperature base for measuring heating degree-days (i.e. the estimated average daily temperature at which heating load begins) varies slightly across the region, the NiSource composite measurement is based on 62 degrees.

Weather in the Gas Distribution Operation's territories for the third quarter of 2007 was 37% warmer than normal and 52% warmer than the comparable quarter in 2006.

For the first nine months of 2007, weather was comparable to normal and 15% colder than the comparable 2006 period.

Throughput

Total volumes sold and transported were 149.7 MMDth for the third quarter of 2007, an increase of 11.6 MMDth from the same period last year. This increase was primarily due to increased off-system sales in the current period compared to the same period last year. Changes in market opportunities lead to an increase in off-system sales transactions and increased off system sales volumes.

For the nine month period ended September 30, 2007, total volumes sold and transported were 664.8 MMDth, an increase of 73.7 MMDth from the same period in 2006. This increase primarily reflects higher residential, commercial and industrial sales attributable mainly to cooler weather compared to the previous year and increased off-system sales. Changes in market opportunities lead to an increase in off system sales transactions and increased off-system sales volumes.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSOURCE INC.****Gas Distribution Operations (continued)****Net Revenues**

Net revenues for the three months ended September 30, 2007 were \$193.9 million, an increase of \$2.8 million from the same period in 2006. This increase was primarily due to higher revenues from regulatory initiatives and other service programs of \$3.7 million, partially offset by an unfavorable weather impact of approximately \$2 million.

For the nine month period ended September 30, 2007, net revenues were \$1,100.8 million, a \$104.3 million increase from the same period in 2006. This increase in net revenues was due primarily to the impact of cooler weather amounting to approximately \$62 million, a \$14.1 million increase in revenues from regulatory trackers, which are primarily offset in operating expense, increased revenues from regulatory initiatives and other service programs of \$11.6 million, customer growth contributing approximately \$7 million and increased commercial sales and usage of \$4.4 million.

Operating Income (Loss)

For the third quarter of 2007, Gas Distribution Operations reported an operating loss of \$43.5 million compared to an operating loss of \$31.6 million for the same period in 2006. The increase in operating loss was attributable to \$9.6 million in higher operation and maintenance expenses, increased other taxes of \$3.2 million and higher depreciation, partially offset by \$2.8 million in increased net revenues described above. Operation and maintenance expense increased primarily due to higher employee and administrative expenses of \$6.6 million and the impact of a \$5.1 million reversal of a restructuring reserve in 2006 related to a certain facility. The employee and administrative costs include payroll, benefits and higher corporate services costs primarily related to NiSource's business services arrangement with IBM.

Operating income for the first nine months of 2007 totaled \$231.2 million, a \$62.8 million increase compared to the same period in 2006, attributable to higher net revenues described above, partially offset by increased operation and maintenance expense of \$34.9 million, higher other taxes of \$4.2 million and higher depreciation expense. After adjusting for increased expenses of \$15.4 million that are recovered through regulatory trackers and corresponding increases in net revenues, operation and maintenance expenses increased \$19.5 million compared to the same period last year. Operation and maintenance expense increased primarily due to higher employee and administrative expenses of \$23.9 million, the impact of a \$5.1 million reversal of a restructuring reserve in 2006 related to a certain facility, and higher outside services expense of \$3.7 million. The employee and administrative costs include payroll, benefits and higher corporate services costs primarily related to NiSource's business services arrangement with IBM. The comparable period last year was also impacted by transition costs associated with the IBM Agreement amounting to \$10.0 million.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSource Inc.****Gas Transmission and Storage Operations**

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Operating Revenues				
Transportation revenues	\$ 155.1	\$154.6	\$ 482.9	\$ 491.6
Storage revenues	44.4	44.2	134.8	132.4
Other revenues	0.8	(0.8)	3.1	4.8
Total Operating Revenues	200.3	198.0	620.8	628.8
Less: Cost of gas sold (excluding depreciation and amortization)	—	4.3	0.1	13.6
Net Revenues	200.3	193.7	620.7	615.2
Operating Expenses				
Operation and maintenance	85.5	84.6	242.4	230.6
Depreciation and amortization	29.6	28.3	88.0	85.6
Impairment and gain on sale of assets	—	—	6.4	0.5
Other taxes	12.9	12.8	42.2	41.1
Total Operating Expenses	128.0	125.7	379.0	357.8
Equity Earnings in Unconsolidated Affiliates	2.6	0.9	7.8	0.8
Operating Income	\$ 74.9	\$ 68.9	\$ 249.5	\$ 258.2
Throughput (MMDth)				
Columbia Transmission				
Market Area	170.1	170.5	742.1	669.0
Columbia Gulf				
Mainline	163.9	108.1	489.8	397.7
Short-haul	68.4	36.4	159.6	83.8
Columbia Pipeline Deep Water	0.6	1.6	2.1	6.7
Crossroads Gas Pipeline	8.2	8.4	27.6	28.4
Granite State Pipeline	6.2	3.0	22.6	19.1
Intrasegment eliminations	(129.9)	(90.7)	(419.9)	(369.4)
Total	287.5	237.3	1,023.9	835.3

NiSource's Gas Transmission and Storage Operations segment consists of the operations of Columbia Transmission, Columbia Gulf, Columbia Deep Water, Crossroads Pipeline, Granite State Gas and Central Kentucky Transmission. In total NiSource owns a pipeline network of approximately 16 thousand miles extending from offshore in the Gulf of Mexico to New York and the eastern seaboard. The pipeline network serves customers in 19 northeastern, mid-Atlantic, midwestern and southern states, as well as the District of Columbia. In addition, the NiSource Gas Transmission and Storage Operations segment operates one of the nation's largest underground natural gas storage systems.

Millennium Pipeline Project

Millennium received FERC approval for a pipeline project, in which Columbia Transmission is participating, which will provide access to a number of supply and storage basins and the Dawn, Ontario trading hub. The reconfigured project, which was approved by the FERC in a certificate order issued December 21, 2006, will begin at an interconnect with Empire, an existing pipeline that originates at the Canadian border and extends easterly towards Syracuse, New York. Empire will construct a lateral pipeline southward to connect with Millennium near Corning, New York. Millennium will extend eastward to an interconnect with Algonquin at Ramapo, New York. The Millennium partnership is currently made up of the following companies: Columbia Transmission (47.5%), DTE Millennium (26.25%), and KeySpan Millennium (26.25%). Columbia Transmission will be the operator.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSource Inc.****Gas Transmission and Storage Operations (continued)**

The reconfigured Millennium project relies on completion of some or all of several other related pipeline projects proposed by Empire, Algonquin, and Iroquois collectively referred to as the "Companion Pipelines." The December 21, 2006 certificate order also granted the necessary project approvals to the Companion Pipelines. Construction began on June 22, 2007 with a projected in-service date of November 1, 2008.

On August 29, 2007, Millennium entered into a bank credit agreement to finance the construction of the Millennium Pipeline Project. As a condition precedent to the credit agreement, NiSource issued a guarantee securing payment for its indirect ownership interest percentage of amounts borrowed under the financing agreement up until such time as the amounts payable under the agreement are paid in full. The permanent financing is expected to be completed in the first quarter of 2009. Additional information on this guarantee is provided in Note 14-A, "Guarantees and Indemnities," in the Notes to Consolidated Financial Statements.

Hardy Storage Project

Hardy Storage completed its second full quarter of operations, receiving customer injections into its new underground natural gas storage facility in West Virginia. Injections this year will allow the field to deliver up to 100,000 Dth of natural gas per day during the 2007-2008 winter heating season. When fully operational in 2009, the field will have a working storage capacity of 12 billion cubic feet, delivering more than 176,000 Dth of natural gas per day. Hardy Storage is a joint venture of subsidiaries of Columbia Transmission and Piedmont.

Columbia Transmission, the operator of Hardy Storage, is expanding its natural gas transmission system by 176,000 Dth per day to provide the capacity needed to deliver Hardy Storage supplies to customer markets. Construction of the expansion will be completed and placed in-service in the fourth quarter of 2007.

Both Hardy Storage and Columbia Transmission filed the necessary applications for the projects with the FERC on April 25, 2005, and received favorable orders on November 1, 2005. On October 26, 2006, Hardy Storage filed an application seeking to amend the November 1, 2005 order to revise the initial rates and estimated costs for the project pursuant to executed settlement agreements with Hardy Storage's customers. The certificate amendment was approved by FERC on March 15, 2007.

On June 29, 2006, Columbia Transmission, Piedmont, and Hardy Storage entered into multiple agreements to finance the construction of Hardy Storage. Under the financing agreements, Columbia Transmission issued guarantees securing payment for amounts issued in connection with Hardy Storage up until such time as the project is placed in service and satisfies certain performance criteria. Additional information on this guarantee is provided in Note 14-A, "Guarantees and Indemnities," in the Notes to Consolidated Financial Statements.

Crawford Storage Field Project

NiSource concluded successful open seasons to gauge customer interest in an expansion of its Crawford Storage Field in central Ohio. The final scope of the project will be determined based on the outcome of the ongoing customer discussions.

Eastern Market Expansion Project

On May 3, 2007, Columbia Transmission filed a certificate application before the FERC for approval to expand its facilities to provide additional storage and transportation services and to replace certain existing facilities. The expansion will add 97,000 Dth per day of storage and transportation capacity and is fully contracted on a long-term, firm basis. Columbia Transmission requested FERC approval by December 2007 and proposed to place the Eastern Market Expansion in service by spring 2009. On October 1, 2007, the FERC issued a favorable environmental assessment for public comment in this project.

Other Growth Projects

Columbia Gulf recently expanded two interconnection points providing incremental delivery capacity of 30,000 Dth per day to Henry Hub and 85,000 Dth per day to Southern Natural Gas near Lafayette, Louisiana. This capacity was sold via auction and placed into service in the third quarter of 2007. A successful open season was held in the first quarter of 2007 to auction capacity of 380,000 Dth per day relating to two interconnection points being constructed in southern Louisiana with Transcontinental Gas Pipeline that will provide increased access to

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

NI SOURCE INC.

Gas Transmission and Storage Operations (continued)

downstream mid-Atlantic and Northeast markets. These interconnection points are expected to be placed into service in the fourth quarter of 2007.

A binding open season for expanded capacity on Columbia Gulf's system for delivery to Florida Gas Transmission ends on November 2, 2007.

Sales of Shorter-Term Transportation and Storage Services

Seasonal price fluctuations in the national energy market created opportunities for customers to utilize existing shorter-term transportation and storage tariff services provided by Columbia Transmission and Columbia Gulf. Columbia Transmission entered into contracts that represented revenues in excess of \$45 million of shorter-term business for 2006. Stabilization in the natural gas market moderated these shorter-term optimization revenues during the first nine months of 2007 to approximately \$18 million. Columbia Transmission and Columbia Gulf plan to continue offering these shorter-term transportation and storage services. Customer requirements for these services will vary according to market conditions which include such factors as commodity price volatility, geographic price differentials and the physical capacity and capabilities of the pipeline network.

Regulatory Matters

Significant FERC Developments. On June 30, 2005, the FERC issued the "Order on Accounting for Pipeline Assessment Costs." This guidance was issued by the FERC to address consistent application across the industry for accounting for the costs of implementing the DOT's Integrity Management Rule. The effective date of the guidance was January 1, 2006 after which all assessment costs have been recorded as operating expenses. The rule specifically provides that amounts capitalized in periods prior to January 1, 2006 will be permitted to remain as recorded.

Columbia Gulf and Columbia Transmission are cooperating with the FERC on an informal non-public investigation of certain operating practices regarding tariff services offered by those companies. At this time, the companies cannot predict what the result of that investigation will be, but the FERC has indicated that it may seek to impose fines and possibly seek other remedies as well.

Tax Matters

On July 28, 2006, the Ohio Board of Tax Appeals issued a favorable decision in the matter of Columbia Gas Transmission Corporation vs. Thomas M. Zaino, Tax Commissioner of Ohio. The Board ruled that Columbia Transmission's Ohio operations fall within the statutory definition of both a "natural gas company" and a "pipeline company" and that Columbia Transmission's property is to be assessed at the significantly lower "natural gas company" assessment ratio beginning with the 2001 tax year. The Ohio Tax Commissioner appealed the decision to the Ohio Supreme Court on July 31, 2006, which heard oral arguments on May 2, 2007. Columbia Transmission has also made constitutional arguments in this case. The Ohio Supreme Court is expected to issue a ruling by late 2007 to mid 2008. The final outcome of the case and its impact on the financial statements are uncertain at this time.

Environmental Matters

Currently, various environmental matters impact the Gas Transmission and Storage Operations segment. As of September 30, 2007, a reserve has been recorded to cover probable environmental response actions. Refer to Note 14-C, "Environmental Matters," in the Notes to Consolidated Financial Statements for additional information regarding environmental matters for the Gas Transmission and Storage Operations segment.

Restructuring

Payments made for all restructuring initiatives within Gas Transmission and Storage Operations amounted to \$0.3 million and \$1.2 million for the third quarter and first nine months of 2007, respectively, and the restructuring liability remaining at September 30, 2007 was \$1.7 million. Refer to Note 4, "Restructuring Activities," in the Notes to Consolidated Financial Statements for additional information regarding restructuring initiatives.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSOURCE INC.****Gas Transmission and Storage Operations (continued)****Throughput**

Throughput for the Gas Transmission and Storage Operations segment totaled 287.5 MMDth for the third quarter of 2007 compared to 237.3 MMDth for the same period in 2006. The increase of 50.2 MMDth is due primarily to strong market area storage injections, higher transport usage by natural gas fired electric power generators, enhanced market access through new pipeline interconnects and the addition of new natural gas supply attached to the system at Perryville, Louisiana.

Throughput for the nine months ended September 30, 2007 was 1,023.9 MMDth, an increase of 188.6 MMDth from the same period in 2006, is due primarily to strong market area storage injections, higher transport usage by natural gas fired electric power generators, enhanced market access through new pipeline interconnects and the addition of new natural gas supply attached to the system at Perryville, Louisiana.

Net Revenues

Net revenues were \$200.3 million for the third quarter of 2007, an increase of \$6.6 million from the same period in 2006, primarily due to increased firm capacity reservation revenues of \$7.7 million and a \$3.1 million increase in revenues from regulatory trackers, which are partially offset in operating expense. These increases in net revenues were partially offset by a decrease in shorter-term transportation services and storage optimization revenues of \$2.6 million. The increase in firm capacity reservation revenues was primarily due to the Columbia Gulf mainline pipeline being fully subscribed in 2007.

Net revenues were \$620.7 million for the first nine months of 2007, an increase of \$5.5 million from the same period in 2006. Net revenues increased as a result of higher firm capacity reservation revenues of \$15.2 million, a \$4.4 million increase in revenues from regulatory trackers, which are partially offset in operating expense, and increased commodity revenues of \$3.4 million. These increases in net revenues were partially offset by a decrease in shorter-term transportation services and storage optimization revenues of \$14.0 million.

Operating Income

Operating income was \$74.9 million for the third quarter of 2007, an increase of \$6.0 million compared to the third quarter of 2006. The increase in operating income was primarily attributable to the increase in net revenues described above. Operating expenses increased slightly due to increased tracker expenses of \$3.1 million, which are offset by a corresponding increase in revenues, higher employee and administrative costs of \$1.8 million and higher depreciation and amortization expense of \$1.3 million, partially offset by the impact of a \$4.6 million expense related to the settlement of a legal matter in 2006. Equity earnings increased \$1.7 million due primarily to Hardy Storage being placed in service in April 2007, and higher AFUDC earnings from Millennium.

For the first nine months of 2007, operating income of \$249.5 million decreased \$8.7 million compared to the first nine months of 2006 primarily due to increased operation and maintenance expenses of \$11.8 million and a \$6.6 million impairment charge related to base gas at a storage field. Operation and maintenance expenses increased primarily as a result of higher employee and administrative costs of \$8.7 million, increased tracker expenses of \$4.4 million, which are offset by a corresponding increase in revenues, increased property insurance costs of \$2.7 million attributable to insurance premiums for offshore and onshore facilities located in or near the Gulf of Mexico, and increased maintenance costs. The employee and administrative costs include payroll, benefits and higher corporate services costs primarily related to NiSource's business services arrangement with IBM. These increases in operation and maintenance expenses were partially offset by a \$2.8 million reduction of a reserve for a legal matter and the impact of a \$4.6 million expense recognized in 2006 related to the settlement of a certain legal matter. Equity earnings increased \$7.0 million due to Hardy Storage being placed in service in April 2007, and higher AFUDC earnings from Millennium.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSOURCE INC.****Electric Operations**

(in millions)	Three Months Ended September 30,		Nine Months Ended June 30,	
	2007	2006	2007	2006
Net Revenues				
Sales revenues	\$ 378.7	\$ 378.7	\$ 1,040.3	\$ 988.5
Less: Cost of sales (excluding depreciation and amortization)	160.9	143.5	419.4	372.1
Net Revenues	217.8	235.2	620.9	616.4
Operating Expenses				
Operation and maintenance	68.5	66.5	208.2	193.4
Depreciation and amortization	49.2	47.3	143.8	140.3
Gain on sale of assets	(0.2)	—	(0.2)	—
Other taxes	14.9	13.1	45.9	43.0
Total Operating Expenses	132.4	126.9	397.7	376.7
Operating Income	\$ 85.4	\$ 108.3	\$ 223.2	\$ 239.7
Revenues (\$ in millions)				
Residential	123.0	116.1	302.8	276.1
Commercial	108.4	103.0	292.5	276.0
Industrial	133.4	132.2	389.8	387.6
Wholesale	23.3	17.5	47.6	32.6
Other	(9.4)	9.9	7.6	16.2
Total	378.7	378.7	1,040.3	988.5
Sales (Gigawatt Hours)				
Residential	1,129.2	1,058.0	2,768.2	2,541.1
Commercial	1,109.3	1,077.5	3,043.0	2,921.0
Industrial	2,409.8	2,359.8	7,083.2	7,180.7
Wholesale	437.1	260.4	782.2	608.4
Other	44.4	38.5	103.4	78.9
Total	5,129.8	4,794.2	13,780.0	13,330.1
Cooling Degree Days	606	524	919	714
Normal Cooling Degree Days	580	576	812	803
% Warmer (Colder) than Normal	4%	(9%)	13%	(11%)
Electric Customers				
Residential			398,772	396,072
Commercial			52,378	51,791
Industrial			2,513	2,520
Wholesale			6	7
Other			755	760
Total			454,424	451,150

NiSource generates and distributes electricity, through its subsidiary Northern Indiana, to approximately 454 thousand customers in 21 counties in the northern part of Indiana. The operating results reflect the temperature-sensitive nature of customer demand with annual sales affected by temperatures in the northern part of Indiana. As a result, segment operating income is generally higher in the second and third quarters, reflecting cooling demand during the summer season.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSource Inc.****Electric Operations (continued)****Electric Supply**

Northern Indiana has identified a need for additional resources to meet its electric customers' demand in the coming years. To assess options to meet this need, a request for proposal for purchases of power (including renewable energy) and demand reducing options was issued in 2006. These bids are to provide power in the long term. Northern Indiana has also issued a request for proposals in order to identify and negotiate contracts for acquiring combined-cycle generation assets and/or purchase power agreements by no later than May 31, 2008. Proposals were received by July 27, 2007. All proposals were evaluated and compared to other options in the IRP, including building different types of power plants, entering into a natural gas purchase contract to provide low cost gas for power production and restarting the Mitchell Station.

On November 1, 2007, Northern Indiana filed its bi-annual IRP with the IURC. The plan showed a need for adding approximately 1,000 mw of new capacity. Additionally, during November 2007, Northern Indiana plans to file a CPCN as well as contracts to purchase power generated with renewable energy, specifically with wind. The CPCN will seek approval to purchase two CCGT power plants — the Whiting Clean Energy facility owned by PEI, a wholly owned subsidiary of NiSource, and the Sugar Creek facility located in west central Indiana and owned by LS Power Group. The combined cost of these two facilities is estimated to exceed \$500 million. Northern Indiana will request the IURC and the FERC to approve these purchases by the second quarter of 2008.

Regulatory Matters

Significant Rate Developments. To settle a proceeding regarding Northern Indiana's request to recover intermediate dispatchable power costs, Northern Indiana has agreed to file an electric base rate case on or before July 1, 2008.

During 2002, Northern Indiana settled certain regulatory matters related to an electric rate review. On September 23, 2002, the IURC issued an order adopting most aspects of the settlement. The order approving the settlement provides that electric customers of Northern Indiana will receive bill credits of approximately \$55.1 million each year. The credits will continue at the same annual level and per the same methodology, until the IURC enters a basic rate order that approves revised Northern Indiana's electric rates. The order included a rate moratorium that expired on July 31, 2006. The order also provides that 60% of any future earnings beyond a specified earnings level will be retained by Northern Indiana. The revenue credit is calculated based on electric usage and therefore in times of high usage the credit may be more than the \$55.1 million target. Credits amounting to \$44.3 million and \$37.9 million were recognized for electric customers for the first nine months of 2007 and 2006, respectively.

MISO. As part of Northern Indiana's participation in the MISO transmission service and wholesale energy market, certain administrative fees and non-fuel costs have been incurred. IURC Orders have been issued authorizing the deferral for consideration in a future rate case proceeding the administrative fees and certain non-fuel related costs incurred after Northern Indiana's rate moratorium, which expired on July 31, 2006. During the first nine months of 2007 non-fuel costs were \$13.4 million, all of which was deferred in accordance with the aforementioned orders. In addition, administrative, FERC and other fees of \$4.9 million were deferred. In total, for the nine months ended September 30, 2007 and 2006, MISO costs of \$18.3 million and \$4.0 million, respectively, were deferred.

On April 25, 2006, the FERC issued an order on the MISO's Transmission and Energy Markets Tariff, stating that MISO had violated the tariff on several issues including not assessing revenue sufficiency guarantee charges on virtual bids and offers and for charging revenue sufficiency guarantee charges on imports. The FERC ordered MISO to perform a resettlement of these charges back to April 1, 2005. This resettlement began on June 9, 2007 and is anticipated to conclude in January 2008. Northern Indiana is estimating that this resettlement will result in a \$6 million reduction in purchased power expenses that will positively impact net revenues within the Statements of Consolidated Income. As of September 30, 2007, Northern Indiana has recorded a \$3.5 million credit in purchased power costs and a \$7.8 million regulatory asset related to this resettlement. In addition, Northern Indiana anticipates recording approximately \$13 million in related charges on the balance sheet as a regulatory asset, in accordance with previous IURC orders allowing deferral of certain non-fuel MISO costs. On August 10, 2007, Northern Indiana, along with Ameren Corporation, filed a joint protest at FERC that includes disagreements with MISO's interpretation of the order regarding the financial allocation of revenue sufficiency guarantee payments.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NISOURCE INC.****Electric Operations (continued)**

On September 14, 2007, MISO filed a tariff with FERC outlining the development of an ASM. The ASM will allow participants to buy and sell operating reserves and regulation services that are essential to reliability. The pricing of these markets will be co-optimized with the current energy markets and MISO is targeting the start of the ASM for 2008. Northern Indiana is an active stakeholder in the process used in designing, testing and implementing the ASM and in developing the surrounding business practices. At this time, Northern Indiana is unable to determine what impact the ASM will have on its operations or cash flows.

Cost Recovery and Trackers. A significant portion of the Northern Indiana's revenue is related to the recovery of fuel costs to generate power and the fuel costs related to purchased power. These costs are recovered through a FAC, a standard, quarterly, "summary" regulatory proceeding in Indiana.

On October 16, 2007, Northern Indiana announced that an agreement was reached with the OUCC, LaPorte County and a group of Northern Indiana industrial customers to resolve questions relating to the costs paid by customers for power purchased by Northern Indiana versus the amount of these costs absorbed by Northern Indiana. This Settlement Agreement is subject to approval by the IURC. Northern Indiana has agreed to pay a one-time refund to customers of \$33.5 million to resolve this question as it relates to power purchased from January 1, 2006 through September 30, 2007. A reserve for this amount was recorded in the third quarter of 2007. Effective October 1, 2007, Northern Indiana will implement a new "benchmarking standard" that will govern the allocation of costs for purchased power between customers and Northern Indiana. The benchmark defines the price below which customers will pay for power purchases and above which Northern Indiana must absorb a portion of the costs. The benchmark is based upon the costs of power generated by hypothetical natural gas fired CCGT's using gas purchased and delivered to Northern Indiana. This will most likely result in Northern Indiana absorbing some purchased power costs that will reduce net revenues during future periods. The agreement also contemplates Northern Indiana adding generating capacity to its existing portfolio. The benchmark will be adjusted as new capacity is added. However, the added generating capacity will substantially reduce the amount of purchased power and mitigate the impact of the adjusted benchmark. Further, the settling parties agreed to support Northern Indiana's deferral and future recovery of carrying costs and depreciation associated with the acquisition of new generating facilities.

On November 1, 2007, Northern Indiana filed its bi-annual IRP with the IURC. The plan showed a need for adding approximately 1,000 mw of new capacity. Additionally, during November 2007, Northern Indiana plans to file a CPCN as well as contracts to purchase power generated with renewable energy, specifically with wind. The CPCN will seek approval to purchase two CCGT power plants — the Whiting Clean Energy facility owned by PEL, a wholly owned subsidiary of NiSource, and the Sugar Creek facility located in west central Indiana and owned by LS Power Group. The combined cost of these two facilities is estimated to exceed \$500 million. Northern Indiana will request the IURC and the FERC to approve these purchases by the second quarter of 2008.

On November 26, 2002, Northern Indiana received approval from the IURC for an ECT. Under the ECT, Northern Indiana is permitted to recover (1) AFUDC and a return on the capital investment expended by Northern Indiana to implement IDEM's NOx State Implementation Plan through an ECRM and (2) related operation and maintenance and depreciation expenses once the environmental facilities become operational through an EERM. Under the IURC's November 26, 2002 order, Northern Indiana is permitted to submit filings on a semi-annual basis for the ECRM and on an annual basis for the EERM. In December 2006, the IURC approved Northern Indiana's emissions compliance plan at that time with an estimated cost of \$312.8 million. Northern Indiana also filed a petition with the IURC in December 2006 for appropriate cost treatment and recovery of emission control construction needed to address the Phase I CAIR requirements of the Indiana Air Pollution Control Board's CAIR rules that became effective on February 25, 2007. On July 3, 2007, Northern Indiana received an IURC order issuing a certificate of public convenience and necessity for the CAIR and CAMR Phase I Compliance Plan Projects, estimated to cost approximately \$23 million. Northern Indiana will include the CAIR and CAMR Phase I Compliance Plan costs to be recovered in the semi-annual and annual ECRM and EERM filing six months after construction costs begin. On October 10, 2007, Northern Indiana filed for approval a revised cost estimate to meet the NOx, SO2 and Mercury emissions environmental standards. Northern Indiana anticipates a total capital investment of approximately \$339 million. On October 10, 2007, the IURC approved ECR-10 for capital expenditures (net of accumulated depreciation) of \$237.4 million.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSOURCE INC.****Electric Operations (continued)**

Mitchell Station. In January 2002, Northern Indiana indefinitely shut down its Mitchell Station. In February 2004, the City of Gary announced an interest in acquiring the land on which the Mitchell Station is located for economic development, including a proposal to increase the length of the runways at the Gary International Airport. Northern Indiana, with input from a broad based stakeholder group, is evaluating the appropriate course of action for the Mitchell Station facility in light of Northwest Indiana's need for that property and the substantial costs associated with restarting the facility including the potential increase in level of environmental controls required. Northern Indiana has received guidance from the IDEM that any reactivation of this facility would require a preconstruction New Source Review Standards permit. The detailed review of approaches to meeting customer's need for power in the future filed in the IRP did not recommend restarting the Mitchell Station.

Environmental Matters

Currently, various environmental matters impact the Electric Operations segment. As of September 30, 2007, a reserve has been recorded to cover probable environmental response actions. Refer to Note 14-C, "Environmental Matters," in the Notes to Consolidated Financial Statements for additional information regarding environmental matters for the Electric Operations segment.

Sales

Electric Operations sales quantities for the third quarter of 2007 were 5,129.8 gwh, an increase of 335.6 gwh compared to the 2006 period, due to increased usage partly due to weather as compared to the same period a year ago and increased wholesale activity.

Electric sales for the first nine months of 2007 was 13,780.0 gwh, an increase of 449.9 gwh compared to the 2006 period. This increase was a result of higher residential and commercial sales due in large part to warmer weather as compared to the same period a year ago, increased usage and customers, and increased wholesale activity, partially offset by decreased industrial sales due to lower usage.

Net Revenues

In the third quarter of 2007, electric net revenues of \$217.8 million decreased by \$17.4 million from the comparable 2006 period. This decrease was primarily a result of a \$33.5 million settlement related to the cost of power purchased by Northern Indiana in 2006 and 2007, lower residential and industrial margins of \$6.2 million and decreased environmental expense tracker revenues of \$1.0 million, which are offset in operating expenses. This decrease in net revenues was partially offset by increased wholesale revenues amounting to \$8 million, favorable weather of approximately \$5 million, higher commercial margins of approximately \$5 million and lower unrecoverable MISO costs of \$3.9 million.

In the first nine months of 2007, electric net revenues were \$620.9 million, an increase of \$4.5 million from the comparable 2006 period. This increase in net revenues is primarily due to warmer weather improving net revenues by approximately \$14 million, increased wholesale revenues amounting to \$16.7 million, increased residential usage of \$7.4 million, lower unrecoverable MISO costs of \$5.6 million and customer growth amounting to \$4.6 million. These increases in net revenues were partially offset by a \$33.5 million settlement related to the cost of power purchased by Northern Indiana in 2006 and 2007, lower industrial usage and margin amounting to \$12.4 million and the timing of revenue credits.

Operating Income

Operating income for the third quarter of 2007 was \$85.4 million, a decrease of \$22.9 million from the same period in 2006. The decrease in operating income was due to decreased net revenues described above and increased operating expenses of \$5.5 million. Operation and maintenance expenses increased primarily due to higher employee and administrative expense of \$6.5 million and higher storm damage restoration amounting to \$3.8 million incurred in the quarter, partially offset by lower electric generation expense of \$2.7 million, reduced environmental tracker operations cost of \$1.5 million, which are offset in revenues, lower MISO administrative expenses of \$0.4 million, and reduced legal and regulatory fees of \$1.3 million. Depreciation expense also increased by \$1.9 million and other taxes increased \$1.8 million.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NISOURCE INC.****Electric Operations (continued)**

Operating income for the first nine months of 2007 was \$223.2 million, a decrease of \$16.5 million from the same period in 2006. The decrease in operating income was due to increased operating expenses of \$21.0 million, partially offset by increased net revenues described above. Operation and maintenance expense increased \$14.8 million primarily due to higher employee and administrative expense of \$14.8 million, higher storm damage restoration incurred in the year of \$4.2 million and increased electric generation and maintenance expense of \$2.7 million, partially offset by lower MISO administrative costs of \$3.0 million and reduced legal and regulatory fees of \$1.3 million. The employee and administrative costs include payroll, benefits and higher corporate services costs primarily related to NiSource's business services arrangement with IBM. Depreciation expense also increased by \$3.5 million, while other taxes increased by \$2.9 million.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSource Inc.
Other Operations**

<i>(in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Net Revenues				
Products and services revenue	\$195.8	\$176.2	\$747.5	\$694.0
Less: Cost of products purchased (excluding depreciation and amortization)	175.7	162.8	701.2	664.5
Net Revenues	20.1	13.4	46.3	29.5
Operating Expenses				
Operation and maintenance	10.6	12.4	32.1	34.3
Depreciation and amortization	2.7	1.8	7.9	7.4
Impairment and gain on sale of assets	0.7	0.1	0.8	(1.2)
Other taxes	1.4	(0.7)	4.8	2.8
Total Operating Expenses	15.4	13.6	45.6	43.3
Operating Income (Loss)	\$ 4.7	\$ (0.2)	\$ 0.7	\$ (13.8)

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.

PEI Holdings, Inc.

Whiting Clean Energy. On December 18, 2006, Whiting Clean Energy and BP executed an amendment which materially changed the terms of the ESA under which Whiting Clean Energy provides steam to BP. The agreement specifies a planned termination of the ESA at the end of 2009, with options for BP to extend the term one additional year under renegotiated steam pricing. Whiting Clean Energy accrued \$17.0 million in December, 2006, for costs associated with contract termination terms under the agreement.

On July 27, 2007, Whiting Clean Energy submitted a proposal in response to the Northern Indiana-issued RFP "2008 Combined Cycle Request for Proposals." Whiting Clean Energy was notified during October 2007 that its proposal was selected by Northern Indiana. The pending sale of the Whiting Clean Energy facility to Northern Indiana would require Northern Indiana to assume commercial contracts of Whiting Clean Energy, including the agreement with BP. In addition, PEI would be required to redeem its long term debt and incur early redemption fees of approximately \$31 million, based upon current interest rates and net of accrued interest and principal already payable. PEI's long-term debt outstanding as of September 30, 2007 was \$293.8 million.

NDC Douglas Properties

NDC Douglas Properties, a subsidiary of NiSource Development Company, is in the process of exiting some of its low income housing investments. Two of these investments were disposed of during 2006 and one in 2007. Two other investments are expected to be sold or disposed of by the middle of 2008. NiSource has accounted for the investments to be sold as assets and liabilities of discontinued operations. An impairment loss of \$2.3 million was recorded in the second quarter of 2006, due to the current book value exceeding the estimated fair value of these investments.

Net Revenues

Net revenues of \$20.1 million for the third quarter of 2007 increased by \$6.7 million from the third quarter of 2006, as a result of higher revenues from the Whiting Clean Energy facility of \$8.5 million, partially offset by decreased commercial and industrial gas marketing revenues of \$1.3 million.

For the first nine months of 2007, net revenues were \$46.3 million, a \$16.8 million increase compared to the same period in 2006. This increase was due to higher revenues from the Whiting Clean Energy facility of \$17.9 million.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)****NiSOURCE INC.****Other Operations (continued)****Operating Income (Loss)**

Other Operations reported an operating income of \$4.7 million for the third quarter of 2007, versus an operating loss of \$0.2 million for the comparable 2006 period. The increase in the operating income primarily resulted from increased net revenues described above, partially offset by a \$2.1 million increase in other taxes and higher depreciation expense.

For the first nine months of 2007, operating income was \$0.7 million compared to an operating loss of \$13.8 million for the comparable 2006 period. The decrease in the operating loss primarily resulted from increased net revenues described above. Operating expenses increased by \$2.3 million due an increase in uncollectible accounts of \$3.5 million and increased other taxes of \$2.0 million, partially offset by a decrease in outside service expenses of \$2.0 million, lower employee and administrative expenses of \$1.4 million and lower maintenance expenses.

Table of Contents**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK****NiSource Inc.**

For a discussion regarding quantitative and qualitative disclosures about market risk see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Market Risk Disclosures."

ITEM 4. CONTROLS AND PROCEDURES**Evaluation of Disclosure Controls and Procedures**

NiSource's chief executive officer and its principal financial officer, after evaluating the effectiveness of NiSource's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), have concluded based on the evaluation required by paragraph (b) of Exchange Act Rules 13a-15 and 15d-15 that, as of the end of the period covered by this report, NiSource's disclosure controls and procedures were effective.

Changes in Internal Controls

On July 1, 2006, NiSource began a multi-year process of transforming its information systems. As its initial step in this process, NiSource began using new systems in the finance and accounting, supply chain and human resource functions that support the Gas Transmission and Storage Operations, Corporate and Other Operations segments. NiSource adjusted the internal controls that apply to these functional areas to align them with the new systems and revised business processes.

As a part of the transformation initiatives, many new information technology systems and process changes had an accelerated time-line for completion, which created the risk of operational delays, potential errors and control failures which could impact NiSource and its financial condition. In August 2006, further implementation of certain information technology systems was delayed due to difficulties encountered with the first wave of new system implementations. In the first quarter of 2007, NiSource decided to bring certain finance and accounting functions back within the company. These functions include general accounting, fixed assets, and budgeting. The transition back to NiSource of these functions commenced on June 1, 2007 and is expected to continue through the end of 2007. In early 2007, a high-level team of NiSource and IBM resources began an overall reassessment of the outsourcing initiative primarily to focus on operational and transformational improvements and remediation and develop an integrated plan that enables NiSource to achieve its business objectives going forward. In mid-October 2007, NiSource and IBM reached an agreement-in-principle on modifications to their long-term business services agreement. These modifications will put NiSource in a position to more effectively manage its employee and administrative expenses, while ensuring delivery of services needed to meet the company's needs. The delay in the transformation projects and proposed restructuring of the relationship will result in a reduction in the projected cost savings. The agreement-in-principle is not binding and is contingent on finalization of a definitive amendment to the agreement.

Other than the internal control changes referenced above, there have been no other changes in NiSource's internal control over financial reporting during the fiscal quarter covered by this report that has materially affected, or is reasonably likely to affect, NiSource's internal control over financial reporting.

Table of Contents**PART II****ITEM 1. LEGAL PROCEEDINGS****NiSource Inc.****1. Tawney, et al. v. Columbia Natural Resources, Inc., Roane County, WV Circuit Court**

The Plaintiffs, who are West Virginia landowners, filed a lawsuit in early 2003 against CNR alleging that CNR underpaid royalties on gas produced on their land by improperly deducting post-production costs and not paying a fair value for the gas. In December 2004, the court granted plaintiffs' motion to add NiSource and Columbia as defendants. Plaintiffs also claimed that the defendants fraudulently concealed the deduction of post-production charges. The court certified the case as a class action that includes any person who, after July 31, 1990, received or is due royalties from CNR (and its predecessors or successors) on lands lying within the boundary of the state of West Virginia. All claims by the government of the United States are excluded from the class. Although NiSource sold CNR in 2003, NiSource remains obligated to manage this litigation and for the majority of any damages ultimately awarded to the plaintiffs. On January 27, 2007, the jury hearing the case returned a verdict against all defendants in the amount of \$404.3 million; this is comprised of \$134.3 million in compensatory damages and \$270 million in punitive damages. On September 25, 2007, the Court issued an order which appears to also be its final, appealable judgment. The defendants can now perfect their appeal to the West Virginia Supreme Court of Appeals, which may or may not accept the appeal. NiSource has not established a reserve for the punitive damages portion of the verdict.

2. John Thacker, et al. v. Chesapeake Appalachia, L.L.C., U.S. District Court, E.D. Kentucky

On February 8, 2007, Plaintiff filed this purported class action, alleging that Chesapeake Appalachia, L.L.C. ("Chesapeake") has failed to pay royalty owners the correct amounts pursuant to the provisions of their oil and gas leases covering real property located within the state of Kentucky. Columbia has assumed the defense of Chesapeake in this matter pursuant to the provisions of the Stock Purchase Agreement dated July 3, 2003, among Columbia, NiSource, and Triana, Chesapeake's predecessor in interest. Plaintiffs filed an amended complaint on March 19, 2007, which, among other things, added NiSource and Columbia as defendants. All of the Defendants' Motions to Dismiss have been fully briefed and await a ruling by the court.

3. Vivian K. Kershaw et al. v. Columbia Natural Resources, Inc., et al., Chautauqua County Court, New York

Plaintiffs filed a complaint in 2000 against CNR, a former subsidiary, Columbia Transmission, Columbia and CER. The complaint alleges that plaintiffs own an interest in oil and gas leases in New York and that the defendants have underpaid royalties on those leases by, among other things, failing to base royalties on the price at which natural gas is sold to the end-user and by improperly deducting post-production costs. Plaintiffs seek the alleged royalty underpayment and punitive damages. The complaint also seeks class action status on behalf of all royalty owners in oil and gas leases owned by the defendants. The parties filed a settlement agreement with the court which the court approved. The time for appeal expires on November 2, 2007.

Table of Contents**ITEM 1A. RISK FACTORS****NiSource Inc.**

NiSource's business process outsourcing initiative with IBM will not achieve the level of savings that was originally anticipated. Additionally, many associated changes in systems and personnel have been made, increasing the potential for operational and control risk, which may have an impact on the business and its financial condition

NiSource's original expectation of the 10-year IBM Agreement was that it could deliver as much as \$530 million in gross savings in operating and capital costs. As a part of the transformation initiatives, many new information technology systems and process changes had an accelerated time-line for completion. In August 2006, further implementation of certain technology systems was delayed due to difficulties encountered with the first wave of new system implementations. In the first quarter of 2007, NiSource decided to bring certain finance and accounting functions back within the company. These functions include general accounting, fixed assets, and budgeting. The transition back to NiSource of these functions commenced on June 1, 2007 and is expected to continue through the end of 2007. In early 2007, a high-level team of NiSource and IBM resources began an overall reassessment of the outsourcing initiative primarily to focus on operational and transformational improvements and remediation and develop an integrated plan that enables NiSource to achieve its business objectives going forward. In mid-October 2007, NiSource and IBM reached an agreement-in-principle on modifications to their long-term business services agreement. These modifications will put NiSource in a position to more effectively manage its employee and administrative expenses, while ensuring delivery of services needed to meet the company's needs. The delay in the transformation projects and proposed restructuring of the relationship will result in a reduction in the projected cost savings. The agreement-in-principle is not binding and is contingent on finalization of a definitive amendment to the agreement.

Other than the risk factor disclosed above, there were no other material changes from the risk factors disclosed in NiSource's 2006 Form 10-K filed on March 1, 2007.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

Table of Contents**ITEM 6. EXHIBITS****NISOURCE INC.**

- (10.1) Guaranty of NiSource Inc. in favor of JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to the NiSource Inc. Current Report on Form 8-K filed on August 30, 2007).
- (31.1) Certification of Robert C. Skaggs, Jr., Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *
- (31.2) Certification of Michael W. O'Donnell, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *
- (32.1) Certification of Robert C. Skaggs, Jr., Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith). *
- (32.2) Certification of Michael W. O'Donnell, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith). *

* Exhibit filed herewith.

Pursuant to Item 601(b)(4)(iii) of Regulation S-K, NiSource hereby agrees to furnish the SEC, upon request, any instrument defining the rights of holders of long-term debt of NiSource not filed as an exhibit herein. No such instrument authorizes long-term debt securities in excess of 10% of the total assets of NiSource and its subsidiaries on a consolidated basis.

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SIGNATURE

NiSource Inc.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NiSource Inc.

(Registrant)

Date: November 2, 2007

By: /s/ Jeffrey W. Grossman

Jeffrey W. Grossman
Vice President and Controller
(Principal Accounting Officer
and Duly Authorized Officer)

**Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Robert C. Skaggs, Jr., certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q for the quarter ended September 30, 2007;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2007

By: /s/ Robert C. Skaggs, Jr.
Robert C. Skaggs, Jr.
Chief Executive Officer

Exhibit 31.2

**Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Michael W. O'Donnell, certify that:

1. I have reviewed this Quarterly Report of NiSource Inc. on Form 10-Q for the quarter ended September 30, 2007;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2007

By: /s/ Michael W. O'Donnell
Michael W. O'Donnell
Executive Vice President and Chief Financial Officer

Exhibit 32.1

**Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of NiSource Inc. (the "Company") on Form 10-Q for the quarter ending September 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert C. Skaggs, Jr., Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Robert C. Skaggs, Jr.

Robert C. Skaggs, Jr.
Chief Executive Officer

Date: November 2, 2007

Exhibit 32.2

**Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of NiSource Inc. (the "Company") on Form 10-Q for the quarter ending September 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael W. O'Donnell, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Michael W. O'Donnell

Michael W. O'Donnell
Executive Vice President and Chief Financial Officer

Date: November 2, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant To Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 30, 2008

NiSource Inc.

(Exact name of registrant as specified in its charter)

Commission file number 001-16189

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)

Registrant's telephone number, including area code (877) 647-5990

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions.

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))
-

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On January 30, 2008, NiSource Inc. (the "Company") reported its financial results for the year ended December 31, 2007. The Company's press release, dated January 30, 2008, is attached as Exhibit 99.1.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated January 30, 2008, issued by NiSource Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NiSource Inc.

(Registrant)

Date: January 30, 2008

By: /s/ Jeffrey W. Grossman

Jeffrey W. Grossman
Vice President and Controller

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated January 30, 2008, issued by NiSource Inc.

Exhibit 99.1

NEWS

NiSource801 E. 86th Avenue
Merrillville, IN 46410**FOR IMMEDIATE RELEASE**

January 30, 2008

FOR ADDITIONAL INFORMATION**Media**Tom Cuddy
Director, Communications
(219) 647-5581
tcuddy@nsource.com**Investors**Randy Hulen
Director, Investor Relations
(219) 647-5688
rghulen@nsource.com**NiSource Reports 2007 Earnings*****2007 Accomplishments Set Stage for 'Pivotal' 2008 Agenda***

MERRILLVILLE, Ind. — NiSource Inc. (NYSE: NI) today announced net operating earnings (non-GAAP) of \$375.8 million, or \$1.37 per share for the 12 months ended Dec. 31, 2007. The 2007 results were slightly higher than the company's earnings outlook of \$1.35 per share, and compared with prior year earnings of \$388.5 million, or \$1.43 per share. (All per share amounts are basic.)

NiSource's consolidated operating earnings (non-GAAP) for 2007 were \$997.9 million, compared to \$1,002.0 million in 2006. Schedules 1 and 2 of this news release contain a reconciliation of net operating earnings and operating earnings to GAAP.

For the three months ended Dec. 31, 2007, net operating earnings (non-GAAP) were \$118.5 million, or \$0.43 per share, compared with \$116.9 million, or \$0.43 per share for the fourth quarter of 2006.

"During 2007, our core natural gas and regulated electric operations each produced higher revenues, while our Whiting Clean Energy facility delivered significantly improved performance," NiSource President and Chief Executive Officer Robert C. Skaggs, Jr., said. "In addition to delivering business results above our outlook for 2007, our teams made significant strides during the year to clear the decks of a number of distracting legacy issues and to reposition the company to deliver on our fundamental long-term growth initiatives. With that foundational work largely completed, each of our business segments is now poised to do what they do best — and that is to execute on the key elements of our Path Forward strategy to become North America's premier regulated energy company."

2007 Accomplishments Highlighted

Skaggs highlighted a number of important 2007 accomplishments and key business initiatives that will help set the stage for NiSource's future growth.

- In December, NiSource moved forward with its development of a **master limited partnership** by announcing that its new, wholly-owned subsidiary, NiSource Energy Partners, L.P., had filed a Registration Statement with the Securities and Exchange Commission (SEC). The filing, subject to SEC review, proposed an initial public offering of 12.5 million common units, with the partnership's initial asset being the Columbia Gulf Transmission Company pipeline, an approximately 3,400-mile-long system stretching from Louisiana to Kentucky.
- NiSource's **Gas Transmission and Storage (NGT&S)** segment advanced a number of important growth projects during 2007, including a May filing with the Federal Energy Regulatory Commission (FERC) to construct the **\$140 million Eastern Market Expansion Project**, an expansion of two Columbia Gas Transmission storage fields and related pipeline capacity. Slated for completion in 2009, the project's entire 6 billion cubic feet of additional storage capacity and 97,000 dekatherms (Dth) per day of storage and transportation capacity have been subscribed under 15-year contracts. On Jan. 16, 2008, the FERC issued a certificate order approving the project.
- **Columbia Gulf Transmission** also developed a number of new growth projects during 2007, including a proposed expansion of capacity into the Florida Gas Transmission system and a recently completed project providing new firm deliveries in excess of 500,000 Dth per day to the Henry Hub and to Transcontinental Gas Pipeline at two expanded interconnection points. Columbia Gulf also entered into a binding Purchase-Sale Agreement with Tennessee Gas Pipeline Co. whereby Tennessee will buy the majority of Columbia Gulf's offshore Louisiana assets and operations in the Gulf of Mexico. The agreement is subject to regulatory approvals, with a closing anticipated during the first half of 2008.
- In April, **Hardy Storage Company, LLC**, a joint venture of subsidiaries of Columbia Gas Transmission and Piedmont Natural Gas, received initial customer injections into its new underground natural gas storage field. Hardy Storage is capable of delivering approximately 100,000 Dth of natural gas per day during the 2007-08 winter heating season, and generated approximately \$5.5 million in equity earnings for NiSource during the calendar year. When fully operational in 2009, the field will have a working storage capacity of 12 billion cubic feet, delivering more than 176,000 Dth of natural gas per day. In November, Columbia Gas Transmission completed an expansion of its system to provide capacity to deliver new Hardy Storage supplies to market.
- In June, construction began on the **Millennium Pipeline**, a 182-mile-long, 30-inch-diameter pipeline across New York's Southern Tier and lower Hudson Valley. When completed in the fourth quarter of 2008, the project will transport up to 525,400 Dth per day of natural gas to markets along its route, as well as to New York City markets through its pipeline interconnections. Millennium is jointly owned by affiliates of NiSource, KeySpan Corporation, and DTE Energy.

- During 2007, **Northern Indiana Public Service Company (NIPSCO)** logged a number of important regulatory and operational accomplishments. In May, the company received Indiana Utility Regulatory Commission (IURC) approval for its Rate Simplification program, which provides benefits for both NIPSCO and its customers, including the creation of a new energy conservation program.

In October, NIPSCO reached a settlement with regulatory stakeholders and large industrial customers regarding the cost of electric power the company purchased to meet growing market demands. The settlement resolved the purchase power matter and contained provisions addressing NIPSCO's need to add to its electric generation portfolio.

In November, NIPSCO filed a comprehensive Integrated Resource Plan (IRP) with the IURC identifying the company's plans for addressing its customers' need for approximately 1,000 megawatts (MW) of additional capacity by 2014. The IRP concluded that the best alternative for addressing this need, and reducing the amount of power purchased from third parties, is the acquisition of gas-fired combined cycle generating capacity, along with wind-generated electric purchases and energy efficiency programs. Consistent with the IRP, NIPSCO filed a request with the IURC to grant a certificate of public convenience and necessity authorizing the purchase of LS Power Group's 535-MW Sugar Creek Power Plant in West Terre Haute, Ind., and NiSource's 525-MW Whiting Clean Energy (WCE) facility for \$329 million and \$210 million, respectively. Both facilities were successful bidders in a Request for Proposal process. Subsequent to NIPSCO's filing, BP indicated it would exercise a contractual right of first refusal to purchase the WCE facility for the same amount as offered by NIPSCO, and NiSource is in discussions with BP regarding the sale. For its part, NIPSCO is currently reviewing potential alternatives in the event BP acquires the WCE facility.

During the year, NIPSCO also completed significant scheduled maintenance work on its Bailly Generating Station Unit 7. This included cyclone burner replacement and other work to improve unit reliability. Construction also started on installation of selective catalytic reduction (SCR) equipment on Bailly Unit 7, with in-service for the SCR targeted for the spring of 2008.

- As the year drew to a close, **Columbia Gas of Ohio (COH)** and other stakeholders reached an agreement that establishes the framework for operations under the company's Customer CHOICESM program for the next several years and provides for a wholesale gas supply auction by early 2010. On Jan. 23, 2008, the Public Utilities Commission of Ohio (PUCO) approved the agreement.

"This landmark agreement, which provides COH and its key stakeholders with critically important certainty for the future, is yet another example of our commitment to constructive, collaborative approaches to addressing business and regulatory issues affecting our companies and their customers" Skaggs said. "With this agreement in place — and preparations for the company's 2008 infrastructure-oriented base rate case proceeding — Columbia Gas of Ohio's course over the next several years is now clear."

During 2007, COH also filed with the PUCO a Joint Stipulation that clarifies the company's operational responsibilities for customer-owned service lines and faulty risers. The stipulation establishes a recovery mechanism to collect certain costs associated with repair or replacement of customer-owned service lines and replacement of risers and resolves outstanding issues related to this important customer safety program.

- After reaching out to stakeholders during 2007, **Columbia Gas of Pennsylvania (CPA)**, on Jan. 28, 2008, filed a base rate case with the *Pennsylvania Public Utilities Commission* seeking to increase the company's base rates by \$60 million per year. The rate case filing, which is expected to become effective in the fourth quarter of this year, follows CPA's 2007 launch of a 20-year, \$1.4 billion natural gas infrastructure enhancement program that is designed to replace in excess of 100 miles of underground natural gas distribution lines and related facilities annually.

"Our Pennsylvania team is collaborating with a wide range of stakeholders to synchronize this unprecedented infrastructure investment program with appropriate and timely regulatory recovery initiatives," Skaggs noted. "For example, CPA is actively supporting legislation in Pennsylvania that would provide for a regulatory mechanism to recover the costs associated with natural gas infrastructure improvement programs on a timely basis. We have been encouraged by the support we have seen for this initiative, as well as for CPA's overall infrastructure enhancement commitment."

- On Dec. 21, 2007, **Columbia Gas of Virginia (CGV)** received approval from the Virginia State Corporation Commission to implement an off-system sales and capacity release incentive mechanism, effective Jan. 1, 2008. The incentive mechanism provides CGV the opportunity to reduce overall gas costs for its customers and to generate incremental revenue by allowing the company to retain up to 25 percent of off-system sales and capacity release revenues, with the remainder to be returned to customers.
- At **Bay State Gas Company (BSG)**, the Massachusetts Department of Public Utilities approved a \$5.8 million increase in the company's base rates, effective Nov. 1, under the company's performance-based rate program. On Oct. 17, BSG also filed a request for a special adjustment to its base rates which, if approved, would allow it to recover an additional \$7.5 million in revenue annually. The filing also requested a bare-steel infrastructure tracker that would provide for recovery of ongoing infrastructure replacement investments.
- **Columbia Gas of Kentucky** received approval during 2007 of a base rate case settlement with regulatory stakeholders that increases total annual revenues by \$7.25 million, or 4.5 percent.
- **NiSource Finance** successfully issued \$800 million of 6.4 percent, 10.5-year senior unsecured notes that mature March 15, 2018. The proceeds were used to repay short-term bank borrowings, to fund the redemption of \$24 million of NIPSCO's variable rate pollution control bonds due November 2007, and for capital expenditures and general corporate purposes.
- In December, NiSource and IBM finalized a restructuring of their business services agreement. Under the restructured agreement, IBM will primarily provide information technology services, with a number of other business service functions to be transitioned back to the NiSource organization. Going forward, NiSource will be in a position to more effectively manage its employee and administrative expenses, while ensuring delivery of services to meet the company's needs.

"This impressive list of 2007 key accomplishments is a testament to our team's ability to execute on our game plan to position the company to deliver on our four-part business plan for long-term, sustainable growth," Skaggs said.

Investment Grade Credit Ratings Maintained

In late 2007, both Moody's and Standard & Poor's confirmed investment grade credit ratings for NiSource, with the company receiving a Baa3 rating from Moody's and a BBB- rating from Standard & Poor's.

"While obviously we would prefer to have retained our prior ratings levels, we nonetheless are encouraged by the favorable view of NiSource's business profile expressed by the ratings agencies," Skaggs said. "We will continue to report our progress on key milestones that will help set a foundation for future earnings growth. We believe these actions, when accompanied by solid financial performance, will lead to the improvement of NiSource's ratings over time."

2008: A 'Pivotal Year' in NiSource's Path Forward Strategy

Skaggs noted that NiSource's four-part business plan continues to center on expansion of and commercial growth in the natural gas pipeline and storage business, regulatory and commercial initiatives at its utilities, financial management, and process and expense management. Within that plan, NiSource will place particular emphasis on three important areas during 2008.

- **Achieving Key Regulatory Initiatives**, including gas base rate cases in Pennsylvania and Ohio, as well as NIPSCO's electric rate case scheduled for filing on July 1, 2008.
- **Advancing NGT&S' Growth Strategy**, including securing approvals and timely construction of announced projects, developing an array of potential new growth opportunities, and continuing with the formation of NiSource Energy Partners, LP.
- **Executing on Major Infrastructure Enhancement Projects**, which will constitute a significant portion of NiSource's more than \$1 billion annual capital investment program for the 2008 to 2010 period.

"Clearly, this is a pivotal year for NiSource, and the entire team is energized and focused on delivering on our business plan," Skaggs noted. "Our sights are squarely set on the fundamental components of our plan — enhancing and expanding NiSource's core strategic assets, executing on an array of promising growth projects, and synchronizing our investments with complementary commercial and regulatory initiatives. And as a regulated energy company, we welcome those priorities; it's what we do best."

Skaggs acknowledged that some of the actions taken during 2007 to establish a foundation for future growth will place pressure on NiSource earnings in 2008.

"For example, our planned acquisition of new generating facilities will impact earnings prior to the effectiveness of our electric rate case," Skaggs said. "Having said that, with our regulatory and commercial initiatives firmly in queue, we are excited about the prospects for long-term earnings growth for NiSource."

Skaggs confirmed that net operating earnings (non-GAAP) per share for the 2008-2010 period are expected to fall within a range of \$1.25 to \$1.35. On a GAAP basis, for 2008, the lower end of the range for basic earnings per share from continuing operations is \$1.23 per share due to transition costs associated with the amended IBM agreement that are projected to impact 2008 by approximately 2 cents per share. For 2009 and 2010, there are no expected differences between the ranges for the GAAP and non-GAAP measures.

"We believe that range reasonably reflects NiSource's near-term earnings expectations as our Path Forward strategy unfolds over the course of the next few years," Skaggs said. "Thereafter, we expect our ongoing capital investment program and our growth projects currently in the pipeline to begin producing meaningful and sustainable annual growth in earnings per share."

Conference Call to Be Held This Morning

NiSource will host an analyst conference call at 9 a.m. EST on Wednesday, Jan. 30, 2008, to further discuss the company's year-end and fourth-quarter 2007 results. All interested parties may hear the conference call live by logging on to the NiSource Web site at www.nisource.com.

Full Year 2007 Operating Earnings — Segment Results (non-GAAP)

NiSource's consolidated operating earnings (non-GAAP) for the year ended December 31, 2007 were \$997.9 million, compared to \$1,002.0 million in 2006. Refer to Schedule 2 for the items included in 2007 and 2006 GAAP operating income but excluded from operating earnings.

Operating earnings for NiSource's business segments for the year ended Dec. 31, 2007, are discussed below.

Gas Distribution Operations reported operating earnings of \$350.2 million compared to operating earnings of \$373.8 million in 2006. Increases in net revenues were more than offset by increased operating expenses. Net revenues, excluding the impact of trackers, were \$22.8 million higher due to customer growth and regulatory initiatives and other service programs. Operating expenses, excluding the impact of trackers, were \$47.3 million higher than last year primarily due to higher employee and administrative costs, outside service expenses, environmental reserves, property taxes, and reversal of a restructuring charge that benefited last year's results by \$5.1 million. The employee and administrative costs include payroll, benefits and corporate services. A significant portion of the increased costs during the year related to the pricing structure under the company's original agreement with IBM, which, as noted above was restructured in the fourth quarter of 2007. Going forward, costs for the functional areas involved are expected to be stabilized without compromising the quality of the underlying services.

Gas Transmission and Storage Operations reported operating earnings of \$371.8 million versus operating earnings of \$357.6 million in 2006. The increase resulted from higher net revenues and equity earnings from unconsolidated affiliates. Gas Transmission and Storage operations net revenues, excluding the impact of trackers, increased by \$13.4 million as higher net revenues from firm capacity reservation fees more than offset lower revenues from shorter term transportation and storage services.

While stabilization in the natural gas market has moderated optimization revenues this year, firm capacity and commodity revenues have been strong compared to last year. A key driver behind this improvement is that the Columbia Gulf mainline and onshore capacity is almost fully subscribed and pipeline throughput has increased as a result of higher storage injections, gas-fired electric generation demands, and increased marketing activities. Equity earnings from unconsolidated affiliates increased by \$8.7 million, due to Hardy Storage going into service in April 2007 and higher AFUDC earnings from Millennium Pipeline. Operating expenses, excluding the impact of trackers, increased by \$7.9 million, mainly due to higher employee and administrative expenses which were partially offset by the impact of legal reserves that increased operating expenses during 2006. The employee and administrative costs include payroll, benefits and corporate services.

Electric Operations reported operating earnings of \$288.8 million compared to operating earnings of \$314.1 million for 2006. Net revenues increased by \$14.5 million due to increased wholesale margins, residential and commercial volumes, lower unrecoverable MISO costs, sale of emission allowances and overall customer growth. These increases were partially offset by non-recoverable purchase power related to the settlement reached with regulatory stakeholders and large industrial customers relating to power purchased by NIPSCO to meet growing market demands, as well as decreased industrial volumes and margins and the timing of revenue credits. The impact of the settlement included an accrual that reduced third quarter operating earnings by \$16.2 million. The net increase in revenues was more than offset by higher operating expenses, which increased by \$39.8 million due primarily to higher employee and administrative costs, electric generation and maintenance expenses, and restoration costs associated with the severe storms experienced during this year, as well as higher depreciation costs. The employee and administrative costs include payroll, benefits and corporate services. A portion of such increased costs was related to the IBM contract.

Other Operations reported operating earnings of \$9.2 million versus an operating earnings loss of \$24.3 million in 2006. The \$33.5 million improvement was driven primarily by improved results at the Whiting Clean Energy (WCE) facility. As previously announced, Whiting Clean Energy and BP signed a definitive agreement at the end of 2006 redefining the terms under which WCE provides steam to BP for its oil refining process.

Other Items

Interest expense increased by \$13.3 million due to higher short-term interest rates and credit facility fees. The effective tax rate was 36.4 percent, slightly higher than last year's effective tax rate of 36 percent.

Fourth Quarter 2007 Operating Earnings — Segment Results (non-GAAP)

NiSource's consolidated operating earnings (non-GAAP) for the quarter ended Dec. 31, 2007, were \$290.1 million, compared to \$287.6 million for the same period in 2006. Refer to Schedule 2 for the items included in 2007 and 2006 GAAP operating income but excluded from operating earnings.

Operating earnings for NiSource's business segments for the three months ended Dec. 31, 2007, are discussed below.

Gas Distribution Operations reported operating earnings of \$125.2 million versus operating earnings of \$142.4 million in the fourth quarter of 2006. The decrease resulted from higher

operating expenses. Operating expenses, excluding the impact of trackers, were \$14.2 million higher than the prior year, mainly due to higher environmental reserves, employee and administrative costs, outside services and property taxes. Net revenues were essentially flat with the same period a year ago.

Gas Transmission and Storage Operations reported operating earnings of \$114.3 million versus operating earnings of \$96.4 million in the fourth quarter of 2006. The increase resulted primarily from higher net revenues. Net revenues, excluding the impact of trackers, increased by \$12.3 million due primarily to increased firm capacity reservation fees and sales of shorter term transportation and storage services. Operating expenses, excluding the impact of trackers, were \$3.9 million lower due mainly to legal reserves that increased operating expenses during the comparable period last year. Lower outside service and insurance costs during the fourth quarter of 2007 were offset by higher employee and administrative costs.

Electric Operations reported operating earnings of \$51.7 million versus operating earnings of \$63.0 million from the same quarter last year. Net revenue increased by \$6.3 million due primarily to increased wholesale margins and industrial and commercial volumes, lower unrecoverable MISO costs, and the sale of emission allowances, partially offset by non-recoverable purchase power as a result of the settlement discussed earlier. Operating expenses increased by \$17.6 million due primarily to higher employee and administrative costs and electric generation and maintenance expenses.

Other Operations reported operating earnings of \$7.5 million in the fourth quarter of 2007, compared with an operating earnings loss of \$9.4 million in the prior year period. The improvement resulted primarily from higher net revenues from the Whiting Clean Energy facility.

Other Items

Interest expense increased by \$0.7 million during the fourth quarter due to higher short-term interest rates. *Other-net* was a loss of \$4.7 million compared to income of \$0.4 million last year. The change resulted primarily from lower interest income and accruals for pledged contributions to the NiSource Foundation.

Income from Continuing Operations (GAAP)

On a GAAP basis, NiSource reported income from continuing operations for the year ended December 31, 2007, of \$322 million, or \$1.18 per share, compared with \$313.5 million, or \$1.15 per share a year ago. Operating income was \$948.8 during 2007 versus \$880.0 million in 2006. The increase in earnings was primarily due to increased revenues across all business segments which includes favorable weather versus last year and positive impacts already discussed, partially offset by \$33.5 million accrued for the purchase power settlement reached with regulatory stakeholders and large industrial customers relating to power purchased by NIPSCO to meet growing market demands.

On a GAAP basis, NiSource reported income from continuing operations for the three months ended Dec. 31, 2007, of \$74.9 million, or 28 cents per share, compared with \$92.4 million, or 34 cents per share, in the same period a year ago. Fourth quarter 2007 results include a \$40.6 million loss on early extinguishment of \$292.1 million of debt. Operating income was \$258.0 million for the fourth quarter of 2007, compared with \$243.2 million in the year-ago period.

Refer to Schedule 1 for a complete list of the items included in 2007 and 2006 GAAP Income from Continuing Operations but excluded from net operating earnings.

Definition of non-GAAP measures

NiSource focuses on net operating earnings and operating earnings, which are both non-GAAP measures, because management believes these measures better represent the fundamental earnings strength and performance of the company. NiSource uses these measures internally for budgeting, for reporting to the board of directors, and for purposes of determining the payout under NiSource's annual incentive compensation plan for its employees.

Net operating earnings are a non-GAAP financial measure that NiSource defines as income from continuing operations determined in accordance with Generally Accepted Accounting Principles (GAAP) adjusted for certain items. Operating earnings are operating income determined in accordance with GAAP adjusted for certain items. Adjustments reflected in these measures are primarily weather, restructuring and transition costs related to the outsourcing contract with IBM, gains and losses on the sale of assets, certain reserve adjustments and other items. See Schedule 1 and Schedule 2 of this news release for the reconciliations of net operating earnings and operating earnings, respectively, to GAAP.

About NiSource

NiSource Inc. (NYSE: NI), based in Merrillville, Ind., is a Fortune 500 company engaged in natural gas transmission, storage and distribution, as well as electric generation, transmission and distribution. NiSource operating companies deliver energy to 3.8 million customers located within the high-demand energy corridor stretching from the Gulf Coast through the Midwest to New England. Information about NiSource and its subsidiaries is available via the Internet at www.nisource.com. NI-F

Forward-Looking Statements

This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those statements include statements regarding the intent, belief or current expectations of NiSource and its management. Although NiSource believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved. Readers are cautioned that the forward-looking statements in this presentation are not guarantees of future performance and involve a number of risks and uncertainties, and that actual results could differ materially from those indicated by such forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, but are not limited to, the following: weather; fluctuations in supply and demand for energy commodities; growth opportunities for NiSource's businesses; increased competition in deregulated energy markets; the success of regulatory and commercial initiatives; dealings with third parties over whom NiSource has no control; the success of NiSource's restructured outsourcing agreement; actual operating experience of NiSource assets; the regulatory process; regulatory and legislative changes; changes in general economic, capital and commodity market conditions; and counter-party credit risk.

NiSource Inc.
Consolidated Net Operating Earnings (Non-GAAP)

<i>(in millions, except per share amounts)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2007	2006	2007	2006
Net Revenues				
Gas Distribution	\$1,337.1	\$1,213.4	\$4,459.5	\$4,262.3
Gas Transportation and Storage	311.4	289.4	1,090.1	1,033.2
Electric	335.3	306.4	1,385.2	1,301.0
Other	280.8	253.1	1,045.2	968.3
Gross Revenues	2,264.6	2,062.3	7,980.0	7,564.8
Cost of Sales (excluding depreciation and amortization)	1,349.0	1,178.4	4,676.2	4,365.4
Total Net Revenues	915.6	883.9	3,303.8	3,199.4
Operating Expenses				
Operation and maintenance	353.1	330.0	1,250.3	1,177.0
Operation and maintenance — trackers	54.2	51.5	202.8	182.4
Depreciation and amortization	139.8	137.9	559.2	549.2
Other taxes	52.1	48.5	207.2	195.2
Other taxes — trackers	27.9	28.3	95.8	94.3
Total Operating Expenses	627.1	596.2	2,315.3	2,198.1
Equity Earnings (Loss) in Unconsolidated Affiliates	1.6	(0.1)	9.4	0.7
Operating Earnings	290.1	287.6	997.9	1,002.0
Other Income (Deductions)				
Interest expense, net	(103.2)	(102.5)	(400.7)	(387.4)
Dividend requirements on preferred stock of subsidiaries	—	—	—	(1.1)
Other, net	(4.7)	0.4	(6.5)	(6.5)
Total Other Income (Deductions)	(107.9)	(102.1)	(407.2)	(395.0)
Operating Earnings From Continuing Operations Before Income Taxes	182.2	185.5	590.7	607.0
Income Taxes	63.7	68.6	214.9	218.5
Net Operating Earnings from Continuing Operations	118.5	116.9	375.8	388.5
GAAP Adjustment	(43.6)	(24.5)	(53.8)	(75.0)
GAAP Income from Continuing Operations	\$ 74.9	\$ 92.4	\$ 322.0	\$ 313.5
Basic Net Operating Earnings Per Share from Continuing Operations	0.43	0.43	1.37	1.43
GAAP Basic Earnings Per Share from Continuing Operations	0.28	0.34	1.18	1.15
Basic Average Common Shares Outstanding (millions)	273.9	272.9	273.8	272.6

NiSource Inc.
Segment Operating Earnings (Non-GAAP)

Gas Distribution Operations (in millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2007	2006	2007	2006
Net Revenues				
Sales Revenues	\$1,490.3	\$1,369.3	\$5,011.9	\$4,771.6
Less: Cost of gas sold	1,046.7	923.7	3,477.2	3,277.0
Net Revenues	443.6	445.6	1,534.7	1,494.6
Operating Expenses				
Operation and maintenance	168.7	156.4	621.3	580.7
Operation and maintenance — trackers	42.4	41.0	155.0	140.1
Depreciation and amortization	58.7	58.1	234.5	231.4
Other taxes	20.7	19.4	77.9	74.3
Other taxes — trackers	27.9	28.3	95.8	94.3
Total Operating Expenses	318.4	303.2	1,184.5	1,120.8
Operating Earnings	\$ 125.2	\$ 142.4	\$ 350.2	\$ 373.8
GAAP Adjustment	(23.6)	(20.8)	(17.4)	(83.8)
GAAP Operating Income	\$ 101.6	\$ 121.6	\$ 332.8	\$ 290.0

Gas Transmission and Storage Operations (in millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2007	2006	2007	2006
Net Revenues				
Transportation revenues	\$ 203.8	\$ 190.0	\$ 686.7	\$ 681.6
Storage revenues	44.6	44.4	179.4	176.8
Other revenues	1.3	1.3	4.4	6.1
Total Revenues	249.7	235.7	870.5	864.5
Less: Cost of gas sold	(0.1)	0.4	—	14.0
Net Revenues	249.8	235.3	870.5	850.5
Operating Expenses				
Operation and maintenance	83.8	87.5	293.2	288.6
Operation and maintenance — trackers	10.7	8.5	42.1	35.5
Depreciation and amortization	29.1	29.3	117.1	114.9
Other taxes	13.5	13.5	55.7	54.6
Total Operating Expenses	137.1	138.8	508.1	493.6
Equity Earnings (Loss) in Unconsolidated Affiliates	1.6	(0.1)	9.4	0.7
Operating Earnings	\$ 114.3	\$ 96.4	\$ 371.8	\$ 357.6
GAAP Adjustment	(1.8)	(13.8)	(9.8)	(16.8)
GAAP Operating Income	\$ 112.5	\$ 82.6	\$ 362.0	\$ 340.8

NiSource Inc.
Segment Operating Earnings (Non-GAAP) (continued)

Electric Operations <i>(in millions)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2007	2006	2007	2006
Net Revenues				
Sales Revenues	\$336.6	\$307.5	\$1,390.2	\$1,305.6
Less: Cost of gas sold	132.1	109.3	551.5	481.4
Net Revenues	204.5	198.2	838.7	824.2
Operating Expenses				
Operation and maintenance	88.8	71.2	291.6	258.0
Operation and maintenance — trackers	1.1	2.0	5.7	6.8
Depreciation and amortization	48.1	47.0	191.9	187.3
Other taxes	14.8	15.0	60.7	58.0
Total Operating Expenses	152.8	135.2	549.9	510.1
Operating Earnings	\$ 51.7	\$ 63.0	\$ 288.8	\$ 314.1
GAAP Adjustment	3.4	7.7	(10.5)	(3.7)
GAAP Operating Income	\$ 55.1	\$ 70.7	\$ 278.3	\$ 310.4

Other Operations <i>(in millions)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2007	2006	2007	2006
Net Revenues				
Products and services revenue	\$270.3	\$235.9	\$1,017.8	\$ 929.9
Less: Cost of gas sold	250.8	229.2	952.0	893.7
Net Revenues	19.5	6.7	65.8	36.2
Operating Expenses				
Operation and maintenance	7.8	12.2	39.7	46.4
Depreciation and amortization	2.6	2.4	10.5	9.8
Other taxes	1.6	1.5	6.4	4.3
Total Operating Expenses	12.0	16.1	56.6	60.5
Operating Earnings (Loss)	\$ 7.5	\$ (9.4)	\$ 9.2	\$ (24.3)
GAAP Adjustment	(0.1)	(17.0)	(1.1)	(15.9)
GAAP Operating Income (Loss)	\$ 7.4	\$ (26.4)	\$ 8.1	\$ (40.2)

Corporate <i>(in millions)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2007	2006	2007	2006
Operating Earnings (Loss)	\$ (8.6)	\$ (4.8)	\$ (22.1)	\$ (19.2)
GAAP Adjustment	(10.0)	(0.5)	(10.3)	(1.8)
GAAP Operating Income (Loss)	\$ (18.6)	\$ (5.3)	\$ (32.4)	\$ (21.0)

NiSource Inc.
Segment Volumes and Statistical Data

Gas Distribution Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2007	2006	2007	2006
Sales and Transportation (MMDth)				
Residential	83.3	79.3	274.8	241.8
Commercial	49.8	49.6	177.9	163.9
Industrial	101.6	92.9	380.8	365.4
Off System	22.7	13.7	88.1	54.9
Other	0.8	0.3	1.4	0.9
Total	258.2	235.8	923.0	826.9
Weather Adjustment	7.6	13.6	2.3	50.9
Sales and Transportation Volumes - Excluding Weather	265.8	249.4	925.3	877.8
Heating Degree Days	1,658	1,595	4,815	4,347
Normal Heating Degree Days	1,778	1,768	4,941	4,933
% Colder (Warmer) than Normal	(7%)	(10%)	(3%)	(12%)
Customers				
Residential			3,080,799	3,074,115
Commercial			293,322	292,566
Industrial			8,171	8,268
Other			71	73
Total			3,382,363	3,375,022

Gas Transmission and Storage Operations	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2007	2006	2007	2006
Throughput (MMDth)				
Columbia Transmission				
Market Area	287.9	263.1	1,030.0	932.1
Columbia Gulf				
Mainline	161.5	135.8	651.3	533.5
Short-haul	69.8	46.1	229.4	129.9
Columbia Pipeline Deep Water	0.5	1.6	2.6	8.3
Crossroads Gas Pipeline	9.3	10.1	36.9	38.5
Granite State Pipeline	9.7	7.8	32.3	26.9
Intrasegment eliminations	(139.8)	(121.8)	(559.7)	(491.2)
Total	398.9	342.7	1,422.8	1,178.0

NiSource Inc.
Segment Volumes and Statistical Data (continued)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2007	2006	2007	2006
Electric Operations				
Sales (Gigawatt Hours)				
Residential	781.0	752.8	3,549.2	3,293.9
Commercial	996.7	934.7	4,039.7	3,855.7
Industrial	2,442.3	2,322.5	9,525.5	9,503.2
Wholesale	126.9	53.0	909.1	661.4
Other	38.9	35.2	142.3	114.1
Total	4,385.8	4,098.2	18,165.8	17,428.3
Weather Adjustment	(43.9)	6.7	(111.2)	148.3
Sales Volumes — Excluding Weather impacts	4,341.9	4,104.9	18,054.6	17,576.6
Cooling Degree Days			919	714
Normal Cooling Degree Days			812	803
% Warmer (Colder) than Normal			13%	(11%)
Electric Customers				
Residential			400,991	398,349
Commercial			52,815	52,106
Industrial			2,509	2,509
Wholesale			6	5
Other			755	759
Total			457,076	453,728

NiSource Inc.
Schedule 1 — Reconciliation of Net Operating Earnings to GAAP

(in millions, except per share amounts)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2007	2006	2007	2006
Net Operating Earnings from Continuing Operations	\$118.5	\$116.9	\$375.8	\$ 388.5
Items excluded from operating earnings:				
Net Revenues:				
Weather — compared to normal	(6.7)	(21.0)	7.0	(83.1)
Purchased Power settlement	—	—	(17.3)	—
Unbilled revenue and other changes	(13.0)	8.3	(13.0)	8.3
Operating Expenses:				
Restructuring, transition and consulting charges (outsourcing initiative)	(9.6)	(0.5)	(13.2)	(12.3)
BP contract revision	—	(17.0)	—	(17.0)
Gain/loss on sales of assets, asset impairments and other	(2.8)	(1.2)	(12.6)	(4.9)
Loss on Equity Earnings	—	(13.0)	—	(13.0)
Total items excluded from operating earnings	(32.1)	(44.4)	(49.1)	(122.0)
Loss on early extinguishment of long-term debt	(40.6)	—	(40.6)	—
Loss on early redemption of preferred stock	—	—	—	(0.7)
Tax effect of above items and other income tax adjustments	29.1	19.9	35.9	47.7
Reported Income from Continuing Operations — GAAP	\$ 74.9	\$ 92.4	\$322.0	\$ 313.5
Basic Average Common Shares Outstanding (millions)	273.9	272.9	273.8	272.6
Basic Net Operating Earnings Per Share from Continuing Operations	0.43	0.43	1.37	1.43
Items excluded from net operating earnings (after-tax)	(0.15)	(0.09)	(0.19)	(0.28)
GAAP Basic Earnings Per Share from Continuing Operations	0.28	0.34	1.18	1.15

NiSource Inc.
Schedule 2 — Quarterly Adjustments by Segment from Operating Earnings to GAAP
For Quarter ended December 31, 2007

2007 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Other	Corporate	Total
Operating Earnings (Loss)	\$125.2	\$114.3	\$51.7	\$ 7.5	\$ (8.6)	\$290.1
Net Revenues:						
Weather (compared to normal)	(9.7)	—	3.0	—	—	(6.7)
Unbilled revenue and other changes	(13.0)	—	—	—	—	(13.0)
Total Impact — Net Revenues	(22.7)	—	3.0	—	—	(19.7)
Operating Expenses:						
Restructuring, transition and consulting charges (outsourcing initiative)	0.6	(0.3)	(0.1)	—	(9.8)	(9.6)
Gain/loss on sale of assets, asset impairments and other	(1.5)	(1.5)	0.5	(0.1)	(0.2)	(2.8)
Total Impact — Operating Expenses	(0.9)	(1.8)	0.4	(0.1)	(10.0)	(12.4)
Total Impact — Operating Income (Loss)	(23.6)	(1.8)	3.4	(0.1)	(10.0)	(32.1)
Operating Income (Loss) — GAAP	\$101.6	\$112.5	\$55.1	\$ 7.4	\$(18.6)	\$258.0

2006 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Other	Corporate	Total
Operating Earnings (Loss)	\$142.4	\$ 96.4	\$63.0	\$ (9.4)	\$ (4.8)	\$287.6
Net Revenues:						
Weather (compared to normal)	(20.5)	—	(0.5)	—	—	(21.0)
Unbilled revenue and other changes	—	—	8.3	—	—	8.3
Total Impact — Net Revenues	(20.5)	—	7.8	—	—	(12.7)
Operating Expenses:						
Restructuring, transition and consulting charges (outsourcing initiative)	(0.3)	—	(0.1)	—	(0.1)	(0.5)
BP contract revision	—	—	—	(17.0)	—	(17.0)
Gain/loss on sale of assets, asset impairments and other	—	(0.8)	—	—	(0.4)	(1.2)
Total Impact — Operating Expenses	(0.3)	(0.8)	(0.1)	(17.0)	(0.5)	(18.7)
Loss on Equity Earnings	—	(13.0)	—	—	—	(13.0)
Total Impact — Operating Income (Loss)	(20.8)	(13.8)	7.7	(17.0)	(0.5)	(44.4)

Operating Income (Loss) --**GAAP****\$121.6****\$ 82.6****\$70.7****\$(26.4)****\$ (5.3)****\$243.2**

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NiSource Inc.
Schedule 2 — Year-to-Date Adjustments by Segment from Operating Earnings to GAAP
For Twelve Months ended December 31, 2007

2007 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Other	Corporate	Total
Operating Earnings (Loss)	350.2	371.8	288.8	9.2	(22.1)	\$997.9
Net Revenues:						
Weather (compared to normal)	—	—	7.0	—	—	7.0
Purchased Power settlement	—	—	(17.3)	—	—	(17.3)
Unbilled revenue and other changes	(13.0)	—	—	—	—	(13.0)
Total Impact — Net Revenues	(13.0)	—	(10.3)	—	—	(23.3)
Operating Expenses:						
Operation and Maintenance Expenses- Restructuring, transition and consulting charges (outsourcing initiative)	(1.4)	(1.2)	(0.6)	(0.1)	(9.9)	(13.2)
Gain/loss on sale of assets, asset impairments and other	(3.0)	(8.6)	0.4	(1.0)	(0.4)	(12.6)
Total Impact — Operating Expenses	(4.4)	(9.8)	(0.2)	(1.1)	(10.3)	(25.8)
Total Impact — Operating Income (Loss)	(17.4)	(9.8)	(10.5)	(1.1)	(10.3)	(49.1)
Operating Income (Loss) — GAAP	\$332.8	\$362.0	\$278.3	\$ 8.1	\$(32.4)	\$948.8

2006 (in millions)

	Gas Distribution	Gas Transmission and Storage	Electric	Other	Corporate	Total
Operating Earnings (Loss)	373.8	357.6	314.1	(24.3)	(19.2)	\$1,002.0
Net Revenues:						
Weather (compared to normal)	(73.0)	—	(10.1)	—	—	(83.1)
Unbilled revenue and other changes	—	—	8.3	—	—	8.3
Total Impact — Net Revenues	(73.0)	—	(1.8)	—	—	(74.8)
Operating Expenses:						
Operation and Maintenance Expenses- Restructuring, transition and consulting charges (outsourcing initiative)	(8.5)	(1.4)	(1.5)	(0.1)	(0.8)	(12.3)
BP contract revision	—	—	—	(17.0)	—	(17.0)
Gain/loss on sale of assets, asset impairments and other	(2.3)	(2.4)	(0.4)	1.2	(1.0)	(4.9)
Total Impact — Operating						

<i>Expenses</i>	(10.8)	(3.8)	(1.9)	(15.9)	(1.8)	(34.2)
<i>Loss on Equity Earnings</i>	—	(13.0)	—	—	—	(13.0)
<i>Total Impact — Operating Income (Loss)</i>	(83.8)	(16.8)	(3.7)	(15.9)	(1.8)	(122.0)
Operating Income (Loss) — GAAP	\$290.0	\$340.8	\$310.4	\$ (40.2)	\$ (21.0)	\$ 880.0

NiSource Inc.
Income Statement (GAAP)
(unaudited)

<i>(in millions, except per share amounts)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2007	2006	2007	2006
Net Revenues				
Gas Distribution	\$1,314.4	\$1,192.9	\$4,446.5	\$4,189.3
Gas Transportation and Storage	311.4	289.4	1,090.1	1,033.2
Electric	338.3	314.2	1,374.9	1,299.2
Other	280.8	253.1	1,045.2	968.3
Gross Revenues	2,244.9	2,049.6	7,956.7	7,490.0
Cost of Sales (excluding depreciation and amortization)	1,348.9	1,178.4	4,676.1	4,365.4
Total Net Revenues	896.0	871.2	3,280.6	3,124.6
Operating Expenses				
Operation and maintenance	418.8	399.7	1,468.2	1,389.5
Depreciation and amortization	139.8	137.9	559.2	549.2
Impairment and (gain) loss on sale of assets	1.0	0.5	10.8	4.1
Other taxes	80.0	76.8	303.0	289.5
Total Operating Expenses	639.6	614.9	2,341.2	2,232.3
Equity Earnings (Loss) in Unconsolidated Affiliates	1.6	(13.1)	9.4	(12.3)
Operating Income	258.0	243.2	948.8	880.0
Other Income (Deductions)				
Interest expense, net	(103.2)	(102.5)	(400.7)	(387.4)
Dividend requirement on preferred stock of subsidiaries	—	—	—	(1.1)
Other, net	(4.7)	0.4	(6.5)	(6.5)
Loss on early extinguishment of long-term debt	(40.6)	—	(40.6)	—
Loss on early redemption of preferred stock	—	—	—	(0.7)
Total Other Income (Deductions)	(148.5)	(102.1)	(447.8)	(395.7)
Income From Continuing Operations Before Income Taxes and Cumulative Effect of Change in Accounting Principle	109.5	141.1	501.0	484.3
Income Taxes	34.6	48.7	179.0	170.8
Income From Continuing Operations Before Cumulative Effect of Change in Accounting Principle	74.9	92.4	322.0	313.5
Income (Loss) from Discontinued Operations — net of taxes	0.7	(29.5)	1.1	(31.7)
Gain (Loss) on Disposition of Discontinued Operations — net of taxes	1.4	(0.4)	8.3	—
Income Before Change in Accounting Principle	77.0	62.5	331.4	281.8
Cumulative Effect of Change in Accounting Principle — net of taxes	—	—	—	0.4
Net Income	\$ 77.0	\$ 62.5	\$ 331.4	\$ 282.2
Basic Earnings Per Share (\$)				
Continuing operations	\$ 0.28	0.34	\$ 1.18	1.15
Discontinued operations	—	(0.11)	0.03	(0.11)
Basic Earnings Per Share	\$ 0.28	0.23	\$ 1.21	1.04
Diluted Earnings Per Share (\$)				
Continuing operations	\$ 0.28	0.33	\$ 1.18	1.14
Discontinued operations	—	(0.11)	0.03	(0.11)
Diluted Earnings Per Share	\$ 0.28	0.22	\$ 1.21	1.03
Dividends Declared Per Common Share (\$)	\$ 0.23	0.23	\$ 0.92	0.92
Basic Average Common Shares Outstanding (millions)	273.9	272.9	273.8	272.6
Diluted Average Common Shares (millions)	274.7	274.0	274.7	273.4

NiSource Inc.
Consolidated Balance Sheets
(unaudited)

As of December 31, (in millions)	2007	2006
ASSETS		
Property, Plant and Equipment		
Utility Plant	\$ 17,543.5	\$ 17,194.9
Accumulated depreciation and amortization	(7,850.5)	(7,850.0)
Net utility plant	9,693.0	9,344.9
Other property, at cost, less accumulated depreciation	338.8	349.6
Net Property, Plant and Equipment	10,031.8	9,694.5
Investments and Other Assets		
Assets of discontinued operations and assets held for sale	41.2	43.0
Unconsolidated affiliates	72.7	59.6
Other investments	117.2	116.1
Total Investments and Other Assets	231.1	218.7
Current Assets		
Cash and cash equivalents	50.0	33.1
Restricted cash	59.4	142.5
Accounts receivable (less reserve of \$38.0 and \$42.1, respectively)	977.6	866.3
Gas inventory	458.2	550.5
Underrecovered gas and fuel costs	146.7	163.2
Materials and supplies, at average cost	88.4	89.0
Electric production fuel, at average cost	58.1	63.9
Price risk management assets	102.2	237.7
Exchange gas receivable	223.9	252.3
Regulatory assets	218.0	272.7
Prepayments and other	112.7	111.7
Total Current Assets	2,495.2	2,782.9
Other Assets		
Price risk management assets	25.2	49.9
Regulatory assets	881.2	1,127.3
Goodwill	3,677.3	3,677.3
Intangible assets	422.0	435.7
Postretirement and postemployment benefits assets	157.8	32.8
Deferred charges and other	123.5	137.4
Total Other Assets	5,287.0	5,460.4
Total Assets	\$ 18,045.1	\$ 18,156.5

NiSource Inc.
Consolidated Balance Sheets (continued)
(unaudited)

As of December 31, (in millions, except share amounts)

2007

2006

CAPITALIZATION AND LIABILITIES**Capitalization****Common Stockholders' Equity**

Common stock — \$0.01 par value, 400,000,000 shares authorized; 274,176,752 and 273,654,180 shares issued and outstanding, respectively

\$ 2.7 \$ 2.7

Additional paid-in capital

4,011.1 3,998.3

Retained earnings

1,084.5 1,012.9

Accumulated other comprehensive income

11.7 20.9

Treasury stock

(23.3) (21.2)

Total Common Stockholders' Equity**5,086.7 5,013.6****Long-term debt, excluding amounts due within one year****5,594.4 5,146.2****Total Capitalization****10,681.1 10,159.8****Current Liabilities**

Current portion of long-term debt

33.9 93.3

Short-term borrowings

1,061.0 1,193.0

Accounts payable

743.3 713.1

Customer deposits

114.4 108.4

Taxes accrued

201.7 196.0

Interest accrued

99.3 107.1

Overrecovered gas and fuel costs

10.4 126.7

Price risk management liabilities

80.3 259.4

Exchange gas payable

441.6 396.6

Deferred revenue

38.7 55.9

Regulatory liabilities

89.7 40.7

Accrued liability for postretirement and postemployment benefits

4.8 4.7

Other accruals

503.7 526.3

Total Current Liabilities**3,422.8 3,821.2****Other Liabilities and Deferred Credits**

Price risk management liabilities

1.7 38.2

Deferred income taxes

1,563.3 1,553.7

Deferred investment tax credits

53.5 61.5

Deferred credits

98.3 119.3

Deferred revenue

0.2 21.9

Accrued liability for postretirement and postemployment benefits

547.9 799.5

Liabilities of discontinued operations and liabilities held for sale

6.3 11.9

Regulatory liabilities and other removal costs

1,353.1 1,253.8

Asset retirement obligations

131.1 131.6

Other noncurrent liabilities

185.8 184.1

Total Other Liabilities and Deferred Credits**3,941.2 4,175.5****Commitments and Contingencies****Total Capitalization and Liabilities****\$ 18,045.1 \$ 18,156.5**

NiSource Inc.
Other Information
(unaudited)

<i>(in millions, except share amounts)</i>	December 31, 2007	December 31, 2006
Total Common Stockholders' Equity	\$ 5,086.7	\$ 5,013.6
Shares Outstanding (thousands)	274,177	273,654
Book Value of Common Shares	\$ 18.55	\$ 18.32

NiSource Inc.
Statements of Consolidated Cash Flow
(unaudited)

Twelve Months Ended December 31, <i>(in millions)</i>	2007	2006
Operating Activities		
Net income	\$ 331.4	\$ 282.2
Adjustments to reconcile net income to net cash from continuing operations:		
Loss on early extinguishment of long-term debt	40.6	—
Loss on early redemption of preferred stock	—	0.7
Depreciation and amortization	559.2	549.2
Net changes in price risk management assets and liabilities	1.7	(10.9)
Deferred income taxes and investment tax credits	6.5	(113.4)
Deferred revenue	(38.8)	(34.0)
Stock compensation expense	4.4	6.9
Gain on sale of assets	(0.3)	(1.1)
Loss on impairment of assets	11.1	5.2
Cumulative effect of change in accounting principle — net of taxes	—	(0.4)
Loss (Income) from unconsolidated affiliates	(14.1)	8.4
Gain on disposition of discontinued operations — net of taxes	(8.3)	—
Loss (Income) from discontinued operations — net of taxes	(1.1)	31.7
Amortization of discount/premium on debt	7.3	7.7
AFUDC Equity	(3.6)	(2.0)
Changes in assets and liabilities:		
Accounts receivable	(45.0)	407.7
Inventories	94.4	(71.7)
Accounts payable	(41.8)	(176.4)
Customer deposits	6.1	6.4
Taxes accrued	2.3	53.4
Interest accrued	(2.7)	20.9
(Under) Overrecovered gas and fuel costs	(99.7)	359.5
Exchange gas receivable/payable	44.3	(111.2)
Other accruals	(15.0)	9.3
Prepayments and other current assets	3.4	(2.8)
Regulatory assets/liabilities	62.3	(36.4)
Postretirement and postemployment benefits	(101.1)	(45.4)
Deferred credits	(0.7)	8.7
Deferred charges and other noncurrent assets	(22.4)	(6.4)
Other noncurrent liabilities	(9.5)	5.6
Net Operating Activities from Continuing Operations	770.9	1,151.4
Net Operating Activities from Discontinued Operations	0.3	4.8
Net Cash Flows from Operating Activities	771.2	1,156.2
Investing Activities		
Capital expenditures	(788.3)	(637.4)
Proceeds from disposition of assets	4.2	21.6
Restricted cash	83.1	(114.3)
Other investing activities	19.6	(2.4)
Net Cash Flows used for Investing Activities	(681.4)	(732.5)
Financing Activities		
Issuance of long-term debt	803.6	—
Retirement of long-term debt	(457.9)	(438.7)
Premiums and other cost to retire debt	(40.6)	—
Change in short-term debt	(132.0)	296.4
Retirement of preferred stock	—	(81.6)
Issuance of common stock	8.2	21.9
Acquisition of treasury stock	(2.1)	(6.1)
Dividends paid — common stock	(252.1)	(251.9)
Net Cash Flows used for Financing Activities	(72.9)	(460.0)

Increase (Decrease) in cash and cash equivalents	16.9	(36.3)
Cash and cash equivalents at beginning of year	33.1	69.4
Cash and cash equivalents at end of period	\$ 50.0	\$ 33.1

Supplemental Disclosures of Cash Flow Information

Cash paid for interest	\$ 413.2	\$ 370.0
Interest capitalized	17.1	11.1
Cash paid for income taxes	185.2	288.2

COLUMBIA GAS OF OHIO, INC.

Case No. 08-0072-GA-AIR

Supplemental Information (C)(8)

Worksheet showing, by FERC account, monthly test year data and totals which shall agree with Schedule C-2.1, Column 1. Taxes Other Than Income Taxes should be itemized and totaled. This sheet must be provided for both the original and two month update filing.

Response:

See Attached.

Line No.		Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	TOTAL
1	SALES REVENUE:													
2	Residential Base	7,256	11,708	18,509	23,021	21,950	18,130	14,927	10,092	7,677	6,915	6,937	6,904	154,926
3	Residential Excise Tax	619	2,293	4,728	5,797	5,952	5,039	3,307	1,518	763	531	481	502	32,540
4	Residential Distribution Tax	221	727	1,477	2,028	1,905	1,583	1,104	552	278	193	186	193	10,447
5	Residential PGA	12,555	46,672	95,904	137,877	120,925	102,221	67,068	30,782	15,480	10,773	9,752	10,191	680,201
6	Residential PIP Revenue	552	1,832	3,712	5,170	4,853	4,028	2,804	1,401	702	486	468	487	25,496
7	Residential Bad Debt Revenue	225	745	1,512	2,106	1,977	1,541	1,142	571	304	211	203	211	10,849
8	Residential Billable Revenue	21,427	83,978	125,842	176,999	157,572	133,543	90,353	44,916	25,204	19,109	17,927	18,488	895,458
9	Residential Unbilled Revenue	12,907	35,255	16,714	2,449	(17,997)	(13,472)	(26,918)	(12,831)	(6,563)	139	244	2,854	(7,219)
10	Total Residential Revenue	34,334	96,233	142,556	179,448	139,575	120,171	63,435	32,085	18,841	19,243	18,171	21,342	888,239
11	Commercial Base	971	1,985	3,459	4,803	4,664	3,883	2,815	1,541	1,277	1,092	1,026	1,037	28,633
12	Commercial Excise Tax	166	543	1,106	1,751	1,559	1,299	840	369	229	176	160	155	8,373
13	Commercial Distribution Tax	53	153	289	404	393	330	238	124	79	61	60	61	2,245
14	Commercial PGA Revenue	3,445	11,224	22,780	35,517	31,828	28,353	17,033	7,488	4,638	3,580	3,240	3,348	170,474
15	Commercial PIP Revenue	150	436	873	1,321	1,279	1,040	713	347	214	164	159	164	6,860
16	Commercial Bad Debt Revenue	61	177	355	538	521	424	290	141	93	71	69	71	2,811
17	Commercial Billable Revenue	4,846	14,498	28,852	44,334	40,254	33,329	21,929	10,110	6,530	5,144	4,714	4,846	219,396
18	Commercial Unbilled Revenue	1,386	8,284	4,173	2,157	(3,912)	(2,806)	(6,650)	(3,075)	(1,161)	(474)	(30)	392	(1,716)
19	Total Commercial Revenue	6,232	22,782	33,035	46,491	36,342	30,523	15,279	7,035	5,369	4,670	4,584	5,238	217,680
20	Industrial Base	36	65	88	18	17	16	14	12	11	11	11	12	311
21	Industrial Excise Tax	2	16	27	6	5	5	4	3	3	3	2	3	79
22	Industrial Distribution Tax	2	6	8	2	1	1	1	1	1	1	1	1	26
23	Industrial PGA Revenue	153	397	712	118	100	91	77	52	52	52	49	57	1,909
24	Industrial PIP Revenue	6	15	28	4	4	4	3	2	2	2	2	3	76
25	Industrial Bad Debt Revenue	3	6	11										20
26	Industrial Billable Revenue	202	505	874	148	127	117	99	70	69	69	65	76	2,422
27	Industrial Unbilled Revenue				0	0	0	0	0	(1)	0	0	0	(1)
28	Total Industrial Revenue	202	505	874	148	127	117	99	70	68	69	65	76	2,421
29	Other Base	0	1	1										2
30	Other Excise Tax	2	3											5
31	Other Distribution Tax													0
32	Other PGA Revenue													109
33	Other PIP Revenue													0
34	Other Bad Debt Revenue													0
35	Other Billable Revenue	48	58	10	0	0	0	0	0	0	0	0	0	116
36	Other Unbilled Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
37	Total Other Revenue	48	58	10	0	0	0	0	0	0	0	0	0	116
29	TOTAL SALES REVENUE	40,817	122,578	176,475	226,087	176,444	150,811	78,813	38,190	24,078	23,987	22,920	26,656	1,108,455

Line No.		Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	TOTAL
1	TRANSPORTATION REVENUE:													
2	Residential Choice Base Revenue	4,450	7,409	11,832	15,754	14,946	12,922	9,948	8,559	4,871	4,330	4,259	4,290	101,570
3	Residential Choice Excise Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Residential Choice Distribution Tax Revenue	152	494	1,004	1,425	1,334	1,106	768	363	191	132	127	131	7,247
5	Residential Choice PGA Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Residential Choice PIP Revenue	383	1,244	2,523	3,638	3,403	2,815	1,952	971	484	334	320	332	18,399
7	Residential Choice Bad Debt Revenue	156	507	1,028	1,482	1,385	1,147	795	385	210	145	139	144	7,534
8	Residential Choice Billed Revenue	5,141	9,654	16,387	22,298	21,069	17,990	13,483	8,308	5,758	4,941	4,845	4,887	134,750
9	Residential Choice Unbilled Revenue	3,997	3,810	4,550	39	(1,588)	(1,700)	(2,980)	(1,458)	(882)	(157)	57	57	(865)
10	Total Residential Choice Revenue	6,738	13,464	19,237	22,338	19,481	16,290	10,503	6,850	4,894	4,926	4,902	5,254	133,885
11	TRANSPORTATION REVENUE CONT'D:													
12	Commercial Choice Base Revenue	1,185	2,268	3,930	5,577	5,428	4,507	3,215	1,810	1,361	1,153	1,084	1,073	32,592
13	Commercial Choice Distribution Tax Revenue	69	186	345	438	438	358	263	135	83	63	62	63	2,524
14	Commercial Choice PIP Revenue	197	534	1,027	1,506	1,451	1,176	795	389	220	164	159	163	7,761
15	Commercial Choice Bad Debt Revenue	73	208	408	641	624	507	344	164	105	79	76	79	3,309
16	Commercial Choice Billed Revenue	1,524	3,196	5,710	8,174	7,941	6,558	4,617	2,478	1,789	1,459	1,381	1,378	46,185
17	Commercial Choice Unbilled Revenue	796	1,257	866	96	(686)	(725)	(1,293)	(524)	(212)	25	46	(10)	(385)
18	Total Commercial Choice Revenue	2,320	4,453	6,576	8,270	7,255	5,832	3,324	1,954	1,557	1,484	1,427	1,368	45,820
19	Commercial GTS Base Revenue	1,004	2,264	4,126	5,029	5,029	4,107	2,895	1,823	1,018	828	778	838	29,664
20	Commercial GTS Distribution Tax Revenue	94	205	378	382	371	313	235	145	95	77	73	78	2,345
21	Commercial GTS PIP Revenue	196	527	769	1,144	1,085	889	611	330	186	159	148	159	6,213
22	Commercial GTS Bad Debt Revenue	88	258	405	740	719	596	436	263	190	162	157	167	4,171
23	Commercial GTS Billed Revenue	1,381	3,244	5,880	7,427	7,204	5,895	4,178	2,361	1,489	1,226	1,155	1,242	42,393
24	Commercial GTS Unbilled Revenue	110	170	118	54	(139)	(61)	(213)	(79)	(64)	(21)	25	34	(56)
25	Total Commercial GTS Revenue	1,491	3,414	5,998	7,481	7,065	5,834	3,965	2,282	1,425	1,205	1,181	1,276	42,337
26	Total Commercial Transportation Revenue	3,811	7,867	12,274	15,751	14,320	11,666	7,289	4,216	2,992	2,689	2,608	2,644	88,147
27	Industrial Choice Base Revenue	14	30	72	45	39	36	30	24	23	23	24	28	388
28	Industrial Choice Distribution Tax Revenue	1	2	4	4	3	3	3	2	2	2	2	2	31
29	Industrial Choice PIP Revenue	1	7	19	13	11	10	8	6	6	6	7	8	103
30	Industrial Choice Bad Debt Revenue	0	3	6										10
31	Industrial Choice Billed Revenue	17	42	102	62	53	49	41	32	31	31	33	38	532
32	Industrial Choice Unbilled Revenue	0	0	0	1	0	0	0	0	(1)	0	0	0	0
33	Total Industrial Choice Revenue	17	42	102	63	53	49	41	32	30	31	33	38	532
34	Industrial GTS Base Revenue	1,941	2,238	2,768	2,957	2,855	2,628	2,250	1,817	1,692	1,585	1,726	1,779	26,166
35	Industrial GTS Distribution Tax Revenue	212	241	262	299	288	275	244	209	198	187	203	208	2,846
36	Industrial GTS PIP Revenue	198	254	368	395	363	337	275	207	194	186	199	230	3,208
37	Industrial GTS Bad Debt Revenue	45	82	121										248
38	Industrial GTS Billed Revenue	2,296	2,815	3,559	3,651	3,516	3,240	2,769	2,233	2,084	1,958	2,128	2,217	32,466
39	Industrial GTS Unbilled Revenue	118	128	26	46	(91)	(371)	(128)	(59)	(34)	(7)	30	36	8
40	Total Industrial GTS Revenue	2,414	2,943	3,585	3,697	3,425	3,203	2,641	2,175	2,050	1,951	2,156	2,253	32,475
41	Total Industrial Transportation Revenue	2,431	2,966	3,687	3,748	3,478	3,252	2,802	2,207	2,060	1,982	2,161	2,291	33,006
42	TOTAL TRANSPORTATION REVENUE	12,980	24,317	34,196	41,848	37,279	31,208	20,474	13,301	9,946	9,597	9,701	10,189	255,038

Line No.	OTHER OPERATING REVENUE	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	TOTAL
1	495 Off System Sales Revenue	39,801	57,205	45,473	3,322	2,769	2,768	2,104	2,104	2,104	1,694	547	325	160,216
2	495 Misc. Revenue	297	239	235	320	320	320	320	320	320	320	320	320	3,651
3	487/488/493/495-9900 Cost of Capital	(336)	(328)	0	(223)	(111)	0	0	0	0	0	0	0	(1,000)
4	495 Trans Revenue Contribution/Ship	2,804	2,830	3,019	3,068	3,075	3,070	2,275	2,298	2,298	2,297	2,299	2,297	31,550
5	495 Planning Revenues	0	0	0	0	0	0	0	0	0	0	0	0	0
6	495 Total Other Revenue	42,564	59,947	48,727	6,487	6,052	6,108	4,659	4,722	4,722	4,311	3,166	2,942	194,447
7														
8														
9	TOTAL OPERATING REVENUES:	96,390	206,841	259,408	274,423	219,375	188,127	103,965	57,213	39,746	37,895	35,787	39,787	1,557,941
10	COST OF GAS PURCHASED:													
11	801/804 Local Purchases	2,652	3,608	5,783	5,494	6,584	4,742	3,636	2,293	2,087	2,199	2,080	2,175	43,314
12	803/804 Transmission Line Purchases	42,416	50,826	67,630	93,887	63,891	38,384	88,989	91,376	79,807	90,761	83,326	83,053	864,336
13	806 Exchange Purchase	50	17,752	(24,474)	(25,001)	(24,645)	0	0	0	0	0	0	0	(56,318)
14	808 Storage Purchase	(9,691)	25,115	86,220	84,921	83,200	67,839	(37,224)	4,721	4,781	4,777	4,783	4,777	(5,233)
15	803 Storage Demand Charges	3,538	3,588	3,689	4,815	4,833	4,801	4,721	4,781	(63,870)	(53,021)	(64,467)	(50,957)	(53,864)
16	812 Gas Used in Company Operations	(127)	(333)	(405)	(275)	(264)	(180)	(201)	(148)	(211)	(146)	(137)	(158)	(2,568)
17	805 Deferred Gas Purchase	(28,496)	(51,653)	(27,180)	16,484	16,085	19,919	26,365	8,873	2,324	(4,971)	(7,349)	(10,123)	(36,762)
18	805 Unbilled Deferred Gas Purchase	11,144	35,107	16,936	4,129	(18,367)	(12,795)	(27,034)	(12,772)	(6,047)	(221)	134	2,503	(7,283)
19	803/805 Contract Cost Arrangements	(1,832)	(2,353)	(2,516)	(5,383)	(5,383)	(5,383)	(4,289)	(4,067)	(4,097)	(4,044)	(4,044)	(4,044)	(47,465)
20	803/804 Non-System Purchases	38,574	55,437	45,127	0	0	0	0	0	0	0	0	0	139,138
21	806 Transportation Imbalances	9,817	13,950	13,013	0	0	0	0	0	0	0	0	0	36,880
22	Total Cost of Gas Purchased:	68,145	151,044	183,802	179,051	135,914	117,327	57,983	26,638	15,146	15,322	14,326	17,227	891,903
23	OPERATING AND MAINTENANCE EXPENSE: (1)													
24	1010 Net Labor	4,179	3,850	4,470	4,676	4,293	4,567	4,461	4,432	4,234	4,083	4,349	4,373	51,967
25	9041 Medical Insurance	747	682	692	751	751	751	751	751	751	751	751	751	8,890
26	9043 Life Insurance	(2)	(2)	(2)	16	16	16	16	16	16	16	16	16	138
27	904x Other Benefits	137	122	129	81	81	81	81	81	81	81	81	81	1,117
28	9046 OPEB Medical	262	262	262	205	205	205	205	205	205	205	205	205	2,631
29	9047 OPEB Life	(55)	(55)	(55)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(54)	(651)
30	9048 OPEB Amortization	324	324	324	324	324	324	324	324	324	324	324	324	3,886
31	9049 FAS 112 Amortization	14	14	163	14	14	14	14	14	14	14	14	14	317
32	9051 Trans Emp Insurance	(329)	(254)	(253)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(215)	(2,811)
33	9061 Retirement Income Plan	(206)	(208)	(206)	(322)	(322)	(322)	(322)	(322)	(322)	(322)	(322)	(322)	(3,553)
34	9058 Retirement Income Plan Amortization	88	88	88	88	88	88	88	88	88	88	88	88	1,056
35	9071 Transfer Retirement Income Plan													0
36	9081 Thrift Plan Matching	168	232	204	177	177	177	177	177	177	177	177	177	2,197
37	9091 Transfer Thrift Plan	(54)	(49)	(42)	(49)	(49)	(49)	(49)	(49)	(49)	(49)	(49)	(49)	(595)
38	9085 Thrift Plan Profit Sharing			305										305
39	900x Net Benefits	1,592	1,118	1,576	1,016	1,016	1,016	1,016	1,016	1,016	1,016	1,016	1,016	12,928

Line No.		Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	TOTAL
1	OPERATING AND MAINTENANCE EXPENSE cont'd:													
2	20XX Materials & Supplies	500	493	414	345	367	403	393	378	385	341	385	365	4,782
3	300X Audit Fees	0	0	0	82	82	82	82	82	82	82	82	82	736
4	30XX Consulting Services	0	0	0	62	212	87	62	62	87	62	87	162	883
5	30XX Legal Fees	0	0	0	0	50	50	100	0	0	0	0	0	200
6	3XXX Other Outside Services	2,262	2,124	4,565	1,841	2,129	2,185	2,224	2,505	2,682	2,555	2,571	2,699	30,352
7	401X Building Leases	0	0	0	42	42	42	42	42	42	42	42	42	378
8	40XX Other Rents and Leases	186	137	111	156	138	126	133	126	159	154	132	147	1,705
9	45XX Corporate Insurance	487	455	462	482	492	482	492	492	493	562	562	562	6,043
10	49XX P&S Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
11	50XX Employee Expense	140	163	226	112	122	321	29	145	153	128	315	97	1,953
12	55XX Company Memberships	0	0	77	36	5	85	0	85	75	1	0	85	449
13	60XX Fuel Used in Company Operation	163	370	433	386	313	360	294	231	194	182	215	234	3,375
14	80XX System Services	6,517	6,393	6,461	8,292	8,273	8,774	7,944	7,666	7,888	6,880	6,977	7,044	89,189
15	8510 Uncollectible-General	(3)	0	0	0	0	0	0	0	0	0	0	0	(3)
16	8515 Uncollectible-BD Tracker	1,012	2,786	4,116	5,286	4,593	3,895	2,126	1,116	674	633	644	726	27,406
17	8520 Uncollectible-Rev Tracker	2,700	7,102	10,340	13,303	11,461	9,255	5,278	2,743	1,506	1,493	1,527	1,749	68,457
18	8525 Uncollectible-CAP	0	0	0	0	0	0	0	0	0	0	0	0	0
19	8530 Uncollectible-High Pressure	(1)	35	(4)	0	0	0	0	0	0	0	0	0	30
20	88XX Miscellaneous Revenue Adjustment	(220)	(282)	(157)	(154)	(149)	(164)	(183)	(180)	(180)	(185)	(197)	(184)	(2,235)
21	8911 Amortizations	228	332	531	745	680	556	364	236	173	166	178	188	4,357
22	8940 Injuries & Damages	228	2	436	0	0	250	0	250	0	0	0	251	1,417
23	89XX Miscellaneous & Other Expense	(381)	(599)	(555)	(444)	(844)	(512)	(526)	(681)	(535)	(498)	(636)	(531)	(6,743)
24	92XX Well & Lease Rent	0	0	0	0	0	0	0	0	0	0	0	0	0
25	93XX Advertising Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
26	95XX Clearing Accounts	890	1,105	1,194	874	850	884	959	858	834	840	845	973	11,106
27	Other O&M	14,708	20,616	25,840	31,458	28,308	28,951	19,813	15,906	14,943	13,548	13,730	14,582	243,839
28	TOTAL O&M	19,979	25,582	34,686	37,148	34,115	32,574	25,288	21,354	20,193	18,547	19,095	20,071	308,734
29	TOTAL O&M EXPENSE	88,124	176,626	218,488	216,199	178,029	149,901	83,253	47,990	35,338	33,989	33,421	37,298	1,290,837
30	Depreciation	3,316	3,290	3,319	3,413	3,413	3,413	3,413	3,413	3,413	3,412	3,412	3,412	40,839
31	Taxes Other than Income:													
32	408 Payroll Taxes	248	269	279	313	341	304	347	261	234	345	240	428	3,809
33	408 Gross Receipts Tax	2,667	6,885	9,563	13,464	9,840	8,087	4,480	2,323	1,593	1,474	2,412	1,905	64,364
34	408 PUOC & OCC Fees	438	188	198	200	200	200	200	200	200	200	200	200	2,634
35	408 Property Tax	1,437	1,409	1,436	1,387	1,386	1,386	1,386	1,386	1,386	1,386	1,386	1,385	16,758
36	408 Distribution tax	1,200	2,878	4,086	5,024	4,365	3,691	2,145	1,211	727	714	742	818	27,501
37	408 DOE Tax	10	10	10	10	10	10	10	10	10	10	10	10	120
38	408 Other Taxes	66	64	62	59	47	44	61	59	57	57	55	51	693
39	Total Taxes Other than Income	5,966	11,713	15,526	20,457	15,989	13,802	8,828	5,450	4,287	4,186	5,046	4,688	115,679
40	Income Taxes:													
41	409/410/411 Income Taxes-Federal	(1,278)	5,186	7,711	12,171	10,760	7,506	3,028	43	(1,735)	(1,464)	(2,609)	(2,394)	37,113
42	408 Income Tax Credit	(59)	(59)	(59)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(57)	(690)
43	409 Income Taxes-State	1,608	21	149	0	0	0	0	0	0	0	0	0	1,778
44	Total Income Taxes	271	5,148	7,501	12,114	10,653	7,549	2,969	(15)	(1,782)	(1,521)	(2,586)	(2,451)	38,201
45	TOTAL OPERATING EXPENSES:	97,777	196,777	245,234	252,183	210,124	174,465	98,284	55,239	41,157	40,947	38,313	42,557	1,485,156

Line No.		Oct-07 (1,417)	Nov-07 10,065	Dec-07 14,168	Jan-08 22,230	Feb-08 19,251	Mar-08 13,862	Apr-08 5,722	May-08 375	Jun-08 (2,421)	Jul-08 (2,152)	Aug-08 (3,526)	Sep-08 (3,170)	TOTAL 72,785
1	NET OPERATING REVENUE:													
2	Non-Operating Income:													
3	Interest Income	84	84	69	73	73	73	73	73	73	73	73	73	894
4	Other Income	(365)	(545)	(1,508)	(1,446)	(1,776)	(1,918)	(1,277)	(1,192)	(484)	(320)	(686)	(651)	(12,038)
5	Misc. Deductions	(102)	(141)	(373)	(99)	(63)	(313)	(63)	(72)	(63)	(63)	(77)	(66)	(1,465)
6	Temp Cash Investments	505	491	887	345	819	944	910	501	32	0	0	0	5,438
7	Income Tax on Non-Operating	(44)	39	353	384	331	425	125	242	155	319	231	225	2,790
8	Other Income	82	(72)	(688)	(713)	(616)	(788)	(232)	(449)	(287)	(592)	(429)	(419)	(5,181)
9	Total Non-Operating Income	1,904	1,770	1,749	1,926	1,618	1,702	2,019	1,866	2,279	2,118	2,808	2,767	24,326
10	System Financing Interest Expense	(241)	(85)	(143)	(166)	(166)	(132)	(218)	(273)	(288)	(304)	(306)	(269)	(2,591)
11	Miscellaneous Interest Expense	(884)	(945)	(952)	(532)	(537)	(653)	(673)	(702)	(759)	(933)	(856)	(910)	(9,386)
12	AFUDC/PISCC	779	740	654	1,228	915	907	1,128	891	1,192	881	1,446	1,598	12,349
13	Total Interest Expense	(2,114)	9,232	12,846	20,289	17,720	11,966	4,362	(965)	(3,900)	(3,624)	(5,401)	(5,177)	55,255
14	NET INCOME													

Line No.	Statistical Information:	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	TOTAL
1	SALES VOLUMES:													
2	Billed Res MMCF	1,379	4,576	9,271	12,912	12,121	10,052	7,004	3,498	1,753	1,215	1,169	1,216	66,176
3	Unbilled Res MMCF	1,139	2,588	1,218	5	(1,059)	(1,137)	(2,005)	(973)	(390)	12	57	259	(475)
4	Total Residential MMCF	2,518	7,164	10,489	12,918	11,062	8,925	4,999	2,525	1,363	1,227	1,226	1,475	65,701
5														
6	Billed Commercial MMCF	374	1,091	2,180	3,298	3,184	2,597	1,781	866	534	410	398	410	17,133
7	Unbilled Commercial MMCF	128	624	308	127	(215)	(241)	(502)	(237)	(112)	(41)	8	37	(116)
8	Total Commercial MMCF	502	1,715	2,488	3,425	2,979	2,356	1,279	629	422	369	406	447	17,017
9														
10	Billed Industrial MMCF	24	39	67	11	10	9	8	6	6	6	6	7	199
11	Unbilled Industrial MMCF	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Total Industrial MMCF	24	39	67	11	10	9	8	6	6	6	6	7	199
13														
14	Billed Other MMCF	5	5	1	0	0	0	0	0	0	0	0	0	11
15	Unbilled Other MMCF	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Total Other MMCF	5	5	1	0	0	0	0	0	0	0	0	0	11
17	TOTAL SALES MMCF	3,049	8,923	13,045	16,354	14,051	11,290	6,286	3,160	1,691	1,602	1,638	1,929	82,928
18	TRANSPORTATION VOLUMES:													
19	Billed Res Choice MMCF	958	3,108	6,301	9,086	8,499	7,030	4,874	2,424	1,209	835	799	829	45,952
20	Unbilled Res Choice MMCF	799	1,814	853	17	(758)	(809)	(1,407)	(580)	(404)	6	37	175	(357)
21	Total Residential Choice MMCF	1,757	4,922	7,154	9,103	7,741	6,221	3,467	1,844	805	841	836	1,004	45,595
22														
23	Billed Commercial Choice MMCF	541	1,395	2,661	3,933	3,826	3,108	2,108	1,005	607	456	440	453	20,535
24	Unbilled Commercial Choice MMCF	419	845	437	49	(344)	(377)	(564)	(280)	(141)	19	47	9	(181)
25	Total Commercial Choice MMCF	960	2,040	3,098	3,982	3,484	2,731	1,444	725	466	475	487	462	20,354
26														
27	Billed Commercial GTS MMCF	1,180	2,563	3,631	4,931	4,795	3,908	2,904	1,753	1,188	1,015	981	1,045	29,894
28	Unbilled Commercial GTS MMCF	175	167	69	38	(145)	(64)	(205)	(64)	(58)	(15)	42	46	(14)
29	Total Commercial GTS MMCF	1,355	2,730	3,700	4,969	4,650	3,844	2,699	1,689	1,130	1,000	1,023	1,091	29,880
30														
31	Total Commercial Transp. MMCF	2,315	4,710	8,798	8,951	8,134	6,575	4,143	2,414	1,596	1,475	1,510	1,553	59,234
32														
33	Billed Industrial Choice MMCF	7	19	53	32	28	25	21	16	16	16	17	20	270
34	Unbilled Industrial Choice MMCF	0	0	0	0	0	0	0	0	0	0	0	0	0
35	Total Industrial Choice MMCF	7	19	53	32	28	25	21	16	16	16	17	20	270
36														
37	Billed Industrial GTS MMCF	6,749	7,495	8,867	9,177	8,888	8,503	7,578	6,514	6,152	5,706	6,285	6,351	88,064
38	Unbilled Industrial GTS MMCF	244	163	9	80	(159)	(38)	(213)	(82)	(108)	(18)	68	60	7
39	Total Industrial GTS MMCF	6,993	7,658	8,876	9,257	8,730	8,465	7,365	6,432	6,044	5,687	6,353	6,411	88,071
40														
41	Total Industrial Transp. MMCF	7,000	7,677	8,729	9,289	8,758	8,490	7,386	6,448	6,060	5,703	6,370	6,431	88,341
42														
43	TOTAL TRANSPORTATION MMCF	11,072	17,389	22,681	27,243	24,633	21,286	14,986	10,808	8,461	8,019	8,746	8,968	184,179
44														
45	TOTAL MMCF	14,121	26,292	35,726	43,697	38,684	32,576	21,282	13,768	10,462	9,621	10,354	10,917	267,098

Line No.		Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	TOTAL
1	CUSTOMERS													
2	SALES CUSTOMERS:													
3	Customers-Residential Sales	797,309	811,060	814,236	812,772	814,912	815,767	814,928	811,539	807,342	803,878	801,555	801,971	808,939
4	Customers-Commercial Sales	55,725	56,809	57,294	56,643	56,807	56,825	56,628	56,198	55,732	55,292	55,144	55,184	56,190
5	Customers-Industrial Sales	1,213	1,223	1,220	1,133	1,159	1,182	1,208	1,231	704	707	716	715	1,034
6	Customers-Other Sales	1	1	1	1	1	1	1	1	1	1	1	1	1
7	TOTAL SALES CUSTOMERS	854,248	869,093	872,751	870,549	872,879	873,775	872,765	868,987	863,778	859,878	857,416	857,871	866,164
8	TRANSPORTATION CUSTOMERS:													
9	Customers-Residential Choice	480,419	482,749	493,008	503,048	502,709	501,481	499,091	494,985	490,313	486,185	482,850	481,376	491,516
10	Customers-Commercial Choice	48,755	48,898	49,521	50,645	50,754	50,720	50,479	50,010	49,512	49,038	48,847	48,838	49,668
11	Customers-Commercial GTS	4,744	4,760	4,771	4,943	4,942	4,955	4,802	4,756	4,690	4,694	4,892	4,904	4,849
12	Total Commercial Transp. Customers	53,499	53,658	54,292	55,588	55,696	55,673	55,281	54,766	54,402	53,832	53,739	53,742	54,517
13	Customers-Industrial Choice	204	205	208	192	194	193	198	198	173	174	177	172	191
14	Customers-Industrial GTS	925	929	923	935	935	944	937	934	937	941	939	939	935
15	Total Industrial Transp. Customers	1,129	1,134	1,131	1,127	1,130	1,137	1,135	1,132	1,110	1,115	1,116	1,111	1,125
16	TOTAL TRANSPORTATION CUSTOMERS	535,047	537,541	548,431	559,763	559,535	558,193	555,507	550,933	545,825	541,232	537,705	538,229	547,158
17	TOTAL CUSTOMERS	1,389,295	1,406,634	1,421,182	1,430,312	1,432,414	1,431,968	1,428,272	1,419,920	1,409,604	1,401,110	1,395,121	1,396,100	1,413,323

Line No.		Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	TOTAL
1	Detail of O&M by FERC Account:													
2	Purchased Gas Expenses	14,877	15,089	16,758	19,929	18,516	19,805	19,167	19,260	18,541	17,851	19,086	19,066	216,945
3	Operation Supervision & Engineering	585,728	(279,416)	221,736	175,123	171,088	186,908	169,081	167,842	170,514	154,415	182,496	182,149	2,047,765
4	Load Dispatching	6,649	25,898	24,827	22,270	20,403	20,767	20,995	20,273	20,978	20,417	20,234	21,364	244,885
5	Mains & Services Expense	1,255,083	1,220,804	1,479,047	1,394,876	1,331,180	1,472,215	1,379,003	1,358,282	1,363,328	1,270,551	1,362,363	1,425,231	16,312,964
6	Mess & Reg Station Expense General	147,944	166,537	119,822	170,799	157,142	172,048	159,975	163,106	147,010	140,285	151,481	156,617	1,842,766
7	Mess & Reg Station Expense Industrial	30,628	52,162	32,888	28,388	25,963	27,963	26,947	25,933	24,636	23,845	25,517	26,151	351,022
8	Mess & Reg Station Expense City Gate	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Meter & House Regulator	1,068,667	1,582,082	947,215	980,175	911,688	985,754	956,304	936,719	907,342	889,156	929,810	950,882	12,025,774
10	Customer Installation Expense	645,671	790,486	1,422,243	921,988	855,540	911,636	892,726	874,232	838,346	809,809	858,019	882,137	10,702,605
11	Other Expenses	578,958	603,807	649,880	649,880	626,547	691,617	643,245	628,954	634,279	588,590	636,971	652,691	7,876,148
12	Rent Expenses	38,060	23,910	26,179	27,280	26,002	23,335	24,288	23,421	27,618	27,059	24,152	26,109	315,421
13	Maint Supervision & Engineering	6,627	5,532	7,134	12,884	12,148	13,500	12,311	12,726	12,365	11,812	13,086	12,521	132,645
14	Maint of Structures & Improvements	53,774	47,482	44,668	44,764	45,096	48,514	46,516	46,084	46,997	43,537	46,079	48,287	561,799
15	Maint of Mains	1,032,617	1,017,216	994,840	1,010,054	1,022,580	1,090,106	1,069,968	1,086,714	1,108,497	1,037,951	1,088,825	1,134,169	12,893,538
16	Maint of Mess & Reg Station Expense General	155,305	114,085	63,710	125,116	118,792	127,082	123,968	122,109	118,216	113,531	121,696	122,386	1,425,987
17	Maint of Mess & Reg Station Expense Industrial	43,002	45,811	33,089	35,483	34,319	36,363	37,482	34,908	33,934	33,436	34,586	37,611	440,024
18	Maint of Mess & Reg Station Expense City Gate	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Maint of Services	343,937	363,278	374,361	334,772	318,484	347,727	333,835	326,831	328,051	303,277	322,582	342,594	4,039,729
20	Maint of Meter & House Regulator	29,813	25,611	(41,401)	25,898	25,593	27,094	26,527	26,867	25,346	23,790	25,433	25,433	245,413
21	Maint of Other Expenses	117,136	120,194	115,389	146,107	138,448	146,500	147,292	142,048	137,323	133,458	139,984	146,159	1,630,039
22	Operation Supervision	0	0	0	660	522	632	502	546	527	501	605	520	4,915
23	Meter Reading Expense	527,225	530,785	531,582	580,478	643,247	668,374	671,799	741,442	780,844	747,382	758,629	790,252	7,971,818
24	Customer Records & Collection Expenses	340,288	211,254	446,839	372,961	379,940	408,121	360,212	403,862	420,586	386,789	387,348	436,576	4,950,786
25	Uncollectibles	3,707,605	9,923,171	14,460,374	18,589,000	16,044,000	12,980,000	7,404,000	3,859,000	2,180,000	2,126,000	2,171,000	2,475,000	95,889,650
26	Mis Customer Accounts Expense	5,062	17,179	6,329	787	763	734	749	715	826	776	739	766	36,423
27	Operation Supervision	12,602	13,336	13,882	13,138	12,408	14,581	12,180	12,983	12,634	12,008	14,056	12,588	158,455
28	Customer Assistance	245,386	337,304	1,055,436	971,253	553,326	713,636	553,731	405,005	393,528	532,190	427,724	402,065	6,590,594
29	Informational & Instructional Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other	17,211	15,367	12,193	423	479	487	487	555	601	575	570	602	49,561
31	Supervision	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Demonstration	45,496	32,430	27,960	2,932	3,277	10,861	236	3,893	5,026	3,248	9,802	3,135	148,297
33	Advertising Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
34	Other Expenses	0	0	0	348	391	406	397	382	389	344	389	389	3,406
35	Salaries	205,520	223,572	900,359	287,843	264,110	280,909	274,416	272,626	250,451	251,187	267,559	269,006	3,757,359
36	Office Supplies and Expense	201,605	147,859	246,582	164,349	151,136	269,841	110,637	155,987	204,035	149,987	225,731	177,023	2,204,573
37	Administrative Expenses Transferred	86	3	25	0	0	0	0	0	0	0	0	0	84
38	Outside Services	6,575,885	6,526,989	7,529,880	8,377,352	8,572,247	8,942,988	8,153,693	7,792,353	8,026,692	7,120,100	7,142,754	7,292,884	92,063,607
39	Property Insurance	68,726	33,762	68,726	84,040	84,011	84,793	83,495	83,063	83,500	91,980	91,976	92,083	980,149
40	Injuries and Damages	648,613	388,472	828,808	421,471	421,468	671,330	421,615	421,403	672,043	480,741	480,528	730,968	6,595,445
41	Employee Pensions and Benefits	1,146,710	1,171,762	1,510,365	1,070,477	1,070,477	1,070,477	1,070,477	1,070,477	1,070,477	1,070,477	1,070,477	1,070,479	13,583,131
42	Regulatory Commission Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
43	Misc. General Expenses	2,000	0	76,804	30,816	3,962	74,140	(159)	74,016	66,413	650	(222)	74,167	401,776
44	Rent Expenses	58,382	58,780	41,823	42,301	41,293	40,555	40,975	40,593	42,450	42,297	40,916	41,782	533,067
45	Equipment, Structures and Improvements	16,557	11,202	15,804	11,885	11,039	12,686	11,252	10,309	10,874	9,307	10,152	11,482	142,247
46	TOTAL O&M	19,979,413	25,583,596	34,685,550	37,147,886	34,116,603	32,572,164	25,290,332	21,354,587	20,194,528	18,649,832	19,093,545	20,072,052	308,737,810

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(9)

For CWIP included in the authorized rate base of prior rate case, incorporate by reference that data provided on Schedule B-9.

Response:

There was no CWIP included in the prior rate case 94-0987-GA-AIR.

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(10)

Copy of the latest certificate of valuation from department of taxation. A copy of any updated certificates on valuation shall be provided to Staff when available.

Response:

See Attached.



*Personal Property Tax Division
Public Utility Tax Section
30 E. Broad Street, 21st Floor
P O Box 530
Columbus, Ohio 43216-0530
(614) 466-7371 Fax (614) 752-2496
www.oh.ond/tax*

May 14, 2007

MARK FEHLING
COLUMBIA GAS OF OHIO INC
200 CIVIC CENTER DRIVE
P O BOX 117
COLUMBUS, OH 43216-0117

Re:2007 Valuation Notice of Taxable Personal Property

Dear: MARK FEHLING:

I have completed my review of your company's 2007 Annual Report filed with the Ohio Department of Taxation. The enclosed valuation notice reflects the proposed taxable value of your company's personal property. Please review the notice and compare with your own calculations.

In addition, our records indicate that we have not received a copy of your company's Annual Report filed with the Public Utility Commission of Ohio for the year ending December 31, 2006. This report is considered part of the filing requirement. If the report is not completed at this time, please forward a copy when it has been completed. MAILED 5/18/07

If you desire a conference concerning the proposed value, please contact the undersigned within three weeks from the date of this letter.

Sincerely,

Keith L Smith

Keith L Smith
Tax Agent
Phone: (614) 752-2495
E-mail: Keith_Smith@tax.state.oh.us

2007 VALUATION NOTICE

NAME: COLUMBIA GAS OF OHIO INC
EIN: 31-0673990
CLASS: NATURAL GAS

TAXABLE PROPERTY:

TRUE VALUE:

Schedule C - Production Plant

Schedule C - Natural Gas Storage Plant

Schedule C - Transmission Plant

Schedule C - Distribution Plant

Schedule C - General Plant

777,144,220 ✓

13,116,506 ✓

Account 105- Gas Plant Held for Future Use

1,245 ✓

Account 114- Gas Plant Acquisition Adjustments

Account 121- Nonutility Plant

Account 117- Gas Stored Underground - Noncurrent @35%

Account 151- Fuel Stock

Account 154- Plant Materials and Supplies

1,635,755 ✓

Account 155- Merchandise

Account 156- Other Materials and Supplies

Account 164.1- Gas Stored Underground - Current

88,340,593 ✓

TOTAL TRUE VALUE

880,238,319 ✓

ASSESSMENT PERCENTAGE

25%

TOTAL TAXABLE VALUE

220,059,580 ✓

PENALTY (IF APPLICABLE)

PERCENT:

PROPOSED TAXABLE VALUE (ROUNDED)

220,059,580 ✓

AGENT: KEITH L. SMITH

DATE: 05/11/2007

COLUMBIA GAS OF OHIO, INC.

Case No. 08-0072-GA-AIR

Supplemental Information (C)(11)

Copy of monthly sales for the test year by rate schedule classification and/or customer classes. Data provided shall be consistent with the information contained in the Operating Income schedule C-2.1 in both the original and updated filings.

Response:

See attached.

Line No	Rate Code	Description	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	McF	Total
1	10	Small General Service - SGS Residential	1,166,457	3,891,277	7,853,151	11,045,435	10,323,203	8,593,881	5,936,121	2,851,591	1,479,909	1,042,664	1,010,980	1,052,895	56,352,563	
2	10	Small General Service - SGS Commercial	71,762	269,056	662,807	1,082,165	1,113,383	975,937	691,424	341,935	224,930	151,796	150,279	138,254	5,873,517	
3	2	Small General Service - SGS Industrial	299	1,231	7,199	244	245	198	309	133	263	55	53	47	10,277	
4	50	Small General Service - SGS PIPP Res	188,790	630,427	1,318,625	1,750,775	1,690,804	1,393,632	1,008,818	512,720	253,532	158,488	144,169	149,290	9,186,890	
5	50	Small General Service - SGS PIPP Comm	5	0	0	16	8	8	0	2	1	2	1	12	55	
6	20	General Service - GS Residential	15,083	43,452	77,464	89,052	84,403	67,907	47,729	27,744	18,021	12,817	13,043	14,600	515,320	
7	20	General Service - GS Commercial	300,078	810,894	1,506,530	2,198,749	2,053,985	1,607,860	1,079,818	518,447	305,044	254,794	244,410	288,210	11,158,421	
8	20	General Service - GS Industrial	15,445	37,957	59,338	10,421	9,754	8,260	7,559	5,958	5,738	5,845	5,943	6,953	178,791	
9	21	General Service - Commercial Fallback	21	476	668	0	0	0	0	0	0	0	0	0	1,163	
10	21	General Service - Industrial Fallback	7,336	949	1,013	0	0	0	0	0	0	0	0	0	9,298	
11	29	General Service - GS Schools	7	7	207	506	460	228	181	39	0	0	0	0	1,641	
12	60	General Service - PIPP	1,303	10,112	20,219	24,346	20,974	15,455	10,428	5,880	1,315	877	602	9	11,213	
13	872	Large General Service - LGS Commercial	0	0	0	16,519	16,061	13,080	9,729	5,871	3,978	3,399	3,284	3,500	75,431	
14	872	Large General Service - LGS Industrial	0	5	1,238	335	0	522	131	9	0	0	0	5	0	
15	110	Murphy Gas Sales - Residential	274	959	1,408	2,321	1,768	1,097	881	348	220	154	183	206	9,818	
16	110	Murphy Gas Sales - Commercial	19	43	67	46	103	77	67	6	47	0	18	15	508	
17	150	Murphy Gas PIPP	4	36	55	70	52	28	24	11	3	2	2	4	290	
18	65	Suburban Gas	0	15	877	0	0	0	0	0	0	0	0	0	382	
19		Change in Estimate-SALES	8,022	14,028	7,549										29,599	
20		TOTAL SALES	1,781,886	5,710,523	11,519,572	16,221,600	15,324,959	12,658,081	8,792,999	4,370,000	2,393,000	1,831,000	1,573,000	1,633,000	83,517,932	
21	1	Small Gas Trans Service - SGTS Interruptible Com	128	269	651	2,208	2,362	2,471	1,549	637	268	284	197	174	11,138	
22	1	Small Gas Trans Service - SGTS Interruptible Ind	17	11	1,173	215	397	317	180	48	34	10	13	13	2,409	
23	23	Small Gas Transportation - Choice Res	935,472	3,056,233	6,206,045	8,974,851	8,388,860	6,934,561	4,804,641	2,387,787	1,188,931	817,436	780,480	810,547	45,266,757	
24	1030	Small Gas Transportation - Choice Comm	81,485	244,781	541,164	944,553	972,586	815,736	558,520	220,821	125,795	82,957	87,178	75,312	4,750,868	
25	1030	Small Gas Transportation - Choice Ind	436	1,318	2,533	1,280	477	265	912	547	250	256	449	522	9,286	
26	111	SGTS - Interruptible Schools	283	183	1,745	3,486	3,843	2,755	2,131	752	382	193	242	280	16,283	
27	130	Murphy - Choice Residential	37	134	225	412	306	164	134	44	32	22	25	26	1,591	
28	130	Murphy - Choice Commercial	5	18	35	64	46	40	20	1	3	2	2	2	238	
29	40	SGTS - Schools 100%	14	3	72	56	30	70	32	17	5	8	2	16	375	
30	70	SGTS - 100% Commercial	5	401	804	94	102	182	37	44	4	2	0	8	1,683	
31	70	SGTS - 100% Industrial	73	96	0	6	6	4	4	5	82	44	23	98	440	
32	71	SGTS - 10%	5	5	39	508	414	393	169	78	46	4	5	6	1,671	
33	74	SGTS - 40%	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	1040	Gas Transportation Service - Choice Res	22,216	52,581	94,861	110,737	109,805	95,422	67,225	36,169	19,977	17,542	18,495	18,427	663,457	
35	1040	Gas Transportation Service - Choice Comm	390,227	1,008,268	1,983,453	2,791,543	2,690,959	2,138,482	1,436,000	718,140	436,595	335,074	316,543	339,139	14,535,423	
36	1040	Gas Transportation Service - Choice Ind	4,869	16,765	25,870	14,720	5,222	3,794	11,858	8,454	11,420	11,834	14,362	17,078	146,697	
37	121	GTS - Interruptible Schools Comm	92,480	79,955	394,699	880,289	895,953	888,815	486,748	235,512	83,168	67,748	48,411	88,334	3,941,101	
38	121	GTS - Interruptible Schools Ind	241	1,351	2,525	3,177	3,177	2,391	1,333	587	64	418	5	324	12,518	
39	2	GTS - Interruptible Comm	351,075	407,134	1,035,909	2,313,065	2,268,353	1,879,976	1,345,547	778,173	514,450	417,129	409,784	424,056	12,144,551	
40	2	GTS - Interruptible Ind	202,747	247,822	508,603	720,096	680,551	595,228	426,361	280,884	225,678	226,898	226,075	266,358	4,576,867	
41	30	GTS 100% Commercial	10,080	13,577	33,577	86,579	82,736	75,746	90,518	28,270	15,262	12,167	12,116	11,875	432,499	
42	30	GTS 100% Industrial	681	4,221	4,426	4,840	4,123	3,828	2,264	1,114	711	1,011	794	915	28,927	
43	31	GTS 10% Commercial	5,663	5,153	11,826	28,223	28,502	25,182	19,378	11,291	8,287	7,060	6,411	8,335	162,939	
44	31	GTS 10% Industrial	1,938	2,362	5,549	8,443	6,390	6,995	4,549	1,998	2,201	2,181	1,852	2,299	46,545	
45	32	GTS 20% Commercial	5	39	191	641	680	348	428	15	7	32	6	2,471		
46	32	GTS 20% Industrial	888	842	1,221	1,658	1,760	1,086	1,345	516	822	863	1,035	1,193	13,229	
47	34	GTS 40%	1,167	1,553	4,922	14,927	15,076	11,557	8,161	3,874	1,696	1,212	1,241	1,368	66,724	
48	35	GTS 50%	484	468	888	1,315	1,143	813	604	578	561	507	600	600	8,968	
49	50	GTS 100% Schools	(78)	706	806	3,738	3,398	3,365	2,167	1,853	636	379	222	311	17,472	
50	51	GTS 10% Schools	6	58	498	1,106	1,551	877	744	56	8	7	2	7	4,916	
51	52	GTS 20% Schools	67	48	233	724	593	725	396	222	48	93	8	79	3,236	
52	55	GTS 50% Schools	0	0	0	0	0	0	0	0	0	0	0	0	0	

Line No	Rate	Description	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Total
1	1070	Large Gas Transportation Service - Choice													
2	874	Large Gas Transportation Service Comm	429	457	1,608	3,328	3,581	2,598	1,793	1,136	808	587	601	450	17,363
3	874	Large Gas Transportation Service Ind	456,252	479,642	584,049	979,590	892,099	731,898	646,384	478,293	417,128	391,292	380,730	402,733	6,840,089
4	876	Large Gas Transportation Service Ind	1,540,846	1,636,734	1,653,643	2,124,609	2,067,796	1,924,336	1,763,023	1,570,118	1,514,601	1,437,044	1,589,049	1,689,261	20,511,063
5	1098	Full Reg Cooperative trans serv (FRCTS)	81,108	87,875	93,013	99,700	99,200	96,800	89,700	85,900	77,400	72,800	79,900	81,000	1,048,196
6		Flex GTS - Commercial	26	78	385	0	0	41	35	15	14	16	23	27	662
7		Flex GTS - Industrial	7,859	8,938	21,388	46,548	46,387	32,444	20,223	10,519	8,042	5,482	5,272	8,052	216,960
8		Flex LGTS - Commercial	25,790	25,882	60,448	213,982	221,782	201,045	188,044	157,273	158,907	144,304	141,487	144,574	1,679,488
9		Flex LGTS - Industrial	203,340	247,327	344,705	566,679	548,497	447,359	337,754	202,098	139,821	120,472	115,600	122,431	3,395,881
10		Flex LGTS -M/L Industrial	3,254,818	3,692,233	4,048,975	4,683,622	4,532,431	4,409,507	3,860,129	3,252,777	3,048,888	2,740,130	3,131,468	3,062,865	43,717,444
11		Flex FRCTS Commercial	967,130	1,121,531	1,108,757	1,312,896	1,267,411	1,266,757	1,240,800	1,182,000	1,124,600	1,086,500	1,113,500	1,102,900	13,892,982
12		Flex GTS - Choice Commercial	1,982	4,565	11,027	25,109	27,242	17,686	12,361	4,497	2,833	2,382	1,835	2,018	113,535
13		Flex GTS - Choice Industrial	26,520	36,305	48,208	100,084	97,310	79,311	58,944	35,575	24,100	20,594	19,898	21,208	588,952
14		Flex LGTS - Choice Commercial	0	0	16,288	16,000	21,600	21,000	8,400	7,000	4,300	3,900	2,200	2,400	103,998
15		Inactive Rate 891 Eliminated in Worksheet	19,809	19,388	38,403	71,571	68,588	58,715	42,152	25,439	17,235	14,725	14,228	15,164	405,415
16		Change in Estimate-TRANSPORTATION	786,860	2,073,730	2,448,427	4,408	3,007	2,703	2,469	910	14	0	0	0	13,541
17		TOTAL TRANSPORTATION	9,435,104	14,580,477	21,313,486	27,159,025	26,037,997	22,573,991	17,483,000	11,711,996	9,172,004	8,827,033	8,522,031	8,697,989	184,716,134

18 Total Sales and Transportation 11,217,000 20,391,000 32,832,000 43,386,025 41,362,997 35,241,992 26,277,999 18,081,996 11,465,004 9,658,833 10,095,031 18,330,989 258,234,066

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(12)

Copy of written summary explaining the forecasting method used by the utility as related to the test year data.

Response:

See Attached.

Supplemental (C) (12)
Columbia Gas of Ohio, Inc.
Case No. 08-0072-GA-AIR
SUMMARY OF BUDGETING METHODOLOGY

Overview:

The financial planning department initiates the financial plan process by identifying and requesting the appropriate budgeted information from the various budget sponsors, including:

- Operation & Maintenance
- Capital Expenditures
- Depreciation Accounting
- Energy Supply Services
- Volume Forecasting
- Revenue Forecasting
- Regulatory Accounting
- Tax

The financial planning department establishes the schedule for completion of each step of the process based on NiSource, Inc. corporate submission deadlines. All data comes to the financial planning department for compilation and editing. The financial planning department verifies that all information is complete. They review and analyze historic data, known/anticipated trends and point out areas of concern to management.

The following calendar was used to develop the financial plan used in this rate proceeding:

Supplemental (C) (12)
Columbia Gas of Ohio, Inc.
Case No. 08-0072-GA-AIR
SUMMARY OF BUDGETING METHODOLOGY

	<u>DUE DATE</u>	<u>DELIVERABLE</u>
1	Wednesday, August 29, 2007	Revenue File
2	Monday, September 10, 2007	Capital Expenditure Budget - 8&4 2007 - 2011
3	Monday, September 10, 2007	Gas Supply File - 8&4 2007 - 2011
4	Wednesday, September 12, 2007	Depreciation Expense - 2007 - 2011
5	Wednesday, September 12, 2007	Energy Supply Services Revenues - 2007 - 2011
6	Wednesday, September 12, 2007	Large Volume Customer Layer - 2007 - 2011
7	Wednesday, September 12, 2007	Accounts Receivable - 2007 - 2011
8	Wednesday, September 12, 2007	COH Choice Update - 2007 - 2011
9	Thursday, September 13, 2007	O & M Expense - 2007 due to Financial Planning
10	Friday, September 14, 2007	2007 8 & 4 financial Plan to tax
11	Monday, September 17, 2007	2007 8 & 4 taxes due back to Financial Planning
12	Tuesday, September 18, 2007	2007 8 & 4 Profit Plan due to Corporate
13	Tuesday, September 18, 2007	O & M Expense - 2008 - 2077 due to Financial Planning
14	Thursday, September 20, 2007	Submit Preliminary 8&4 2008 - 2011 to Tax
15	Monday, September 24, 2007	2008 - 2011 Income Tax Results to Financial Planning
16	Monday, September 24, 2007	Prelim 2008 - 2011 to Regulatory Teams
17	Friday, September 28, 2007	Submit 2008 - 2011 w/ Regulatory Plans to Tax
18	Monday, October 01, 2007	2008 - 2011 Income Tax Results to Financial Planning
19	Tuesday, October 02, 2007	Review 2008 - 2011 Financial Plans with Management
20	Tuesday, October 02, 2007	Review 2008 - 2011 Financial Plans with Regulatory Acctg.
21	Thursday, October 04, 2007	Prepare and Finalize Corporate Submission Templates
22	Monday, October 08, 2007	Financial Plans due to Corporate Financial Planning

SUMMARY OF BUDGETING METHODOLOGY

Operation and Maintenance Expense Budgeting:

The Operation and Maintenance (O&M) expense budgeting methodology used by Columbia Gas of Ohio, Inc. (COH) is a combination of a "top down" and "grass roots" approach. The O&M budget serves as a key component of COH's overall financial plan at a high level and as a cost management tool for Gas Distribution segment and COH company management at a more detailed level.

NiSource, Inc., the parent company of COH, establishes financial goals and objectives for the entire corporation based on its overall strategic planning objectives. These goals and objectives are communicated to each of its business segments and the NiSource Corporate Services Financial Planning and Analysis groups responsible for each segment's financial plans. It is the responsibility of these groups, working together, to ensure that: (1) its financial plans, including O&M expenses, are developed in accordance with corporate financial goals and objectives as well as certain specific corporate guidelines and assumptions and (2) individual company operational and administrative requirements are addressed.

The O&M budget for COH is based on a grass roots concept in which individuals responsible for approving expenditures are also responsible for budgeting the expenditures. The process generally follows organizational responsibility. Department heads are responsible for overseeing the development of O&M budgets for all cost centers under their control. Budgets originate in operating center locations in the field and other departments representing the major business functions of the company; these budgets are combined with a corporate-level budget to arrive at a total company budget.

The current major departmental/functional groupings for COH are as follows:

- Field Operations
- Support Operations (Applications Support, Integration Center, Damage Prevention, Training)
- Meter to Cash (Meter Reading and Collections, Billing, Revenue Recovery)
- Sales/Large Customer Relations
- Engineering/Engineering Technology/Shops
- Regulatory Policy and External Affairs
- Fleet Services
- Corporate Undistributed (corporate level expenses not allocated to individual departments)

SUMMARY OF BUDGETING METHODOLOGY

Also as part of O&M budget development, NiSource Corporate Financial Planning provides certain specific guidelines and assumptions to all companies for inclusion into the O&M budget. These include:

- NiSource Corporate Services (NCS) management fee for services rendered
- Corporate insurance premiums
- Employee benefits forecasts (prepared by Hewitt Associates)
- Gross Domestic Product Deflator and Consumer Price Index
- Wage increase guidelines
- Corporate level incentive plans
- Convenience bills (payments made by NCS on behalf of affiliated companies and billed by NCS to those affiliates) - this includes audit fees, benefits administration fees, telecommunications expenses, fleet expenses, and other items

While O&M budget development is a grass roots process, the overall corporate financial goals and objectives mentioned previously must be met at a total earnings level. Therefore, O&M budgets, along with other components of the financial plan, are reviewed by NiSource Corporate Financial Planning at a consolidated level, after which time segment and company management may be called upon to provide support for their budgetary decisions. To the extent that the Gas Distribution segment is affected by any subsequent changes to the consolidated financial plan, it is up to segment and company management to determine the best way to incorporate such changes into the plan. And to the extent that such a determination includes changes to the O&M budget, segment and company management will instruct department heads, Financial Planning and Analysis, and others as applicable to make such changes.

Once all revisions are completed and financial plans are resubmitted and approved, the next year's baseline, or original, budget is set. Over the course of that next year, the actual O&M expenses are compared to the baseline budget at a cost center, department, company and segment level. Variance reporting is used by corporate and segment management to determine the impact of O&M expenses on the financial plan; it is also used by segment, company, and departmental management to review their performance and manage their costs. As a result of the variance review, revisions are usually made to remaining budgeted O&M expenses as part of monthly financial plan updates, also known as a present estimate. Revisions to the remaining budgeted O&M expenses will be based on whether variances incurred to date are due to timing or are permanent in nature; revisions may also be required for known changes from the baseline budget not yet reflected in the plan. The present estimate, in effect, represents a current annual forecast.

SUMMARY OF BUDGETING METHODOLOGY

The O&M budgets for COH are developed at a cost element and activity level. Cost element defines the type of resources used or consumed in accomplishing the organization's goals and objectives (e.g. labor, materials, outside services, etc.). Cost elements are designed to permit uniform budgeting and cost reporting among all distribution companies. Activities describe the accomplishment or benefit derived from the expenditure (e.g. leak repair, delinquent collections, meter service, etc.).

The use of cost elements and activities reflect the business activity as seen on a day-to-day basis by the company's managers. Cost elements provide a consistent form of budgeting and reporting since, for example, labor is always labor wherever in the organization such costs are incurred. The accumulation of the various activities mirrors our organizational structure insofar as cost accountability is concerned.

Cost elements are also the basis for reporting into the segment and corporate level financial plans; this provides consistency among all of the NiSource business segments when consolidating and reviewing data at that level in the organization, even if individual companies have different specific budgeting and reporting formats at a more detailed level for managing their day-to-day activities.

Capital Expenditures:

Columbia Gas of Ohio (COH) and the other NiSource local distribution companies are committed to making prudent capital investment decisions that are consistent with the corporation's long-term strategic plans. To achieve these results, each company abides by the *Distribution Capital Allocation and Authorization Policy* ("Policy") that establishes consistent guidelines for project identification, review and approvals across a broad range of capital expenditure levels and management systems.

The Policy provides definitions for capital including the hierarchical relationship that exists between the annual capital program, business classes, and budgets. Capital expenditures are allocated across business classes in order to achieve alignment, relevance, and execution across COH and the distribution companies alike with corresponding approval levels. These approval levels are prescribed in the Policy, by position, for those employees in engineering, sales, finance, and operations. To facilitate the budgeting and tracking of capital expenditures within these business classes, the allocation of capital is further refined into budget levels that are distinguished by both the nature of the investment (i.e. growth/maintenance, discretionary, etc.) and its associated cost.

This Policy is aligned with and governed by NiSource's *Corporate Capital Allocation Policy* and is reviewed/updated each year, as necessary. Each distribution operating company and its employees involved in capital spending and retirement activities are expected to be familiar with and follow this Policy.

SUMMARY OF BUDGETING METHODOLOGY

Demand Forecasting:

The method employed by Columbia in the development of its volume forecast used the following techniques:

- (1) Econometric Models: This approach is based upon an applied branch of economics that uses mathematical and statistical techniques to relate observable economic data to one another. The goal is to identify relationships among the data.
- (2) End Use Models: A technique that considers appliance (end use) saturations and energy consumption by those appliances (end uses).
- (3) Customer Survey: A short-term technique that relies upon information obtained directly from customers.. The survey is used for forecasting major industrial accounts.
- (4) Local Forecast of Customer Additions: A two-year projection provided by the company's sales and marketing group using local area data with local and national housing market assumptions.

The method used to develop the annual demand forecasts for Ohio are discussed below. The residential, commercial, and industrial sectors are dealt with individually.

Residential Annual Demand

The residential annual demand forecast is based upon separate projections for average volume per customer and number of customers. Volume per customer is forecasted as two components: temperature-sensitive and non-temperature-sensitive for two categories of heating customers, existing, and new..

Average use of residential customers is forecasted with the trends obtained from the econometric models applied to company-level data. An econometric model of temperature-sensitive use is estimated, accounting for changes in usage due to weather, seasonality, the relative price of gas, trend, billing days, and the negative impact of furnace efficiency. An end-use model is estimated for non-temperature-sensitive usage data, incorporating data on appliance efficiencies and saturations. Average temperature-sensitive use for new customers was set at the average level observed over the most recent five years. Non-temperature sensitive use was estimated with the end use model.

Customer additions were provided by area marketing representatives based on their personal knowledge of local area economics and development. These represent new customers. The existing customer count was derived by reducing the current customer count by a rate of attrition observed in recent years.

SUMMARY OF BUDGETING METHODOLOGY

Total residential volume was calculated as customers multiplied by use-per-customer, Choice volume was set at the recently observed level.

Commercial Annual Demand

The commercial annual demand forecast, like the residential, is based upon separate projections for average use per customer and customer numbers for two categories of customers, existing and new. The procedure is the same as residential except that the non-temperature-sensitive model is econometric rather than end-use.

Since the commercial models explain and forecast the sum of tariff and transportation demand for gas, a percentage breakdown between future tariff and transportation volumes was employed to identify each of these demand components. This forecasted percentage was based upon a survey of commercial transportation customer and the professional judgment of the Columbia personnel most informed about this market. Choice volume was set at the recently observed level.

Industrial Annual Demand

The industrial forecast of major accounts was set by the major accounts group through discussions with the customers. These customers account for over 85% of the annual industrial throughput. The remaining volume was set by subtracting the major account volume from the most recently observed total for the industrial class. Choice volume was set at the recently observed level.

Revenue Forecasting:

Forecasted Number of Residential Bills Used in Pricing Revenue

Forecasted Active customer counts by month by type of service (Sales and Choice Transportation) that is provided by Demand Forecasting is spread proportionally by rate schedule based on the most recent 12 months of actual active customer counts and which rate schedules the customers are on as of the month the pricing occurs.

Forecasted Number of Commercial Bills Used in Pricing Revenue

Commercial forecasted bills are determined in the same manner as Residential with the following exceptions: 1) Gas Measurement Billed Commercial counts are based on the most recent 12 months of actual active customer counts as these customers are priced individually. Actual GMB customer counts are subtracted from total forecasted customer counts before spreading proportionally by rate schedule to determine DIS billed customer counts. 2) GTS Billed Commercial counts are also based on the most recent 12 months of actual active customer

SUMMARY OF BUDGETING METHODOLOGY

counts as these customers are priced individually as well. Demand Forecasting does not provide a total forecast for GTS accounts, however as discussed further in the development of forecasted volumes below, individual grass roots forecasted customers are added to historic customer counts for both GMB and GTS forecasted customer counts.

Forecasted Number of Industrial Bills Used in Pricing Revenue

All Industrial forecasted bills (DIS, GMB and GTS) are determined in the same manner as Commercial GTS above because all Industrial customers are priced individually.

Forecasted Residential Volumes Used in Pricing Revenue

Forecasted volumes by month by type of service (Sales and Choice Transportation) that is provided by Demand Forecasting is spread proportionally by rate schedule based on the most recent 12 months of actual usage and which rate schedules the customers are on as of the month the pricing occurs.

Forecasted Commercial Volumes Used in Pricing Revenue

Grass roots individually forecasted large volume customers from Demand Forecasting for both GMB billed and GTS billed customers (Large customers) are first subtracted from the total forecast volumes to determine the forecasted volumes to be spread based on history (Small customers). Grass roots forecasted customers are ready for pricing.

Large customer's actual physical flow usage is subtracted from total actual physical flow usage resulting in Small customer's actual physical flow usage.

Small customer forecasted volumes by month by type of service (Sales and Choice Transportation) are spread proportionally between DIS billed and GMB billed volumes based on actual physical flow usage.

DIS billed forecasted volumes are spread proportionally by rate schedule based on the most recent 12 months of actual physical flow usage and which rate schedules the customers are on as of the month the pricing occurs.

GMB and GTS billed forecasted volumes are spread proportionally by customer based on the most recent 12 months of actual physical flow usage and which rate schedules the customers are on as of the month the pricing occurs.

Supplemental (C) (12)
Columbia Gas of Ohio, Inc.
Case No. 08-0072-GA-AIR
SUMMARY OF BUDGETING METHODOLOGY

Forecasted Industrial Volumes Used in Pricing Revenue

Volumes for all Industrial customers are determined in the same manner as Commercial above with one exception, DIS Billed Industrial volumes are determined on a customer by customer basis similar to how GMB Billed and GTS Billed Commercial are instead of the manner in which DIS Billed Commercial are.

Determination of DIS Billed Usage per Rate Block

A bill frequency is created for each rate schedule for each month at 45 usage levels including those levels that coincide with the rate blocks of the pertinent rate schedule. The Ogive method is used to create the bill frequencies. Ogive is a statistical term for a distribution curve in which the frequencies are cumulative. This method has been used by Columbia since the 1950's and continues to prove to be highly accurate to within a minimum of .5% of actual billings.

Determination of GMB and GTS Billed Usage per Rate Block

A bill frequency is created for each rate schedule for each month at 45 usage levels including those levels that coincide with the rate blocks of the pertinent rate schedule by aggregating volumes on a customer by customer basis. Ogive is not used to determine GMB or GTS usage per rate block because 1) the customers do not have the predictable distribution curve that the DIS billed customers do and 2) the number of GMB Billed and GTS Billed customers are relatively few (less than 7,000 compared to 1.4 million).

DIS Billed Revenue Calculation

Revenue is calculated by multiplying customer charges and administrative charges by number of forecasted bills and volumetric rates by volumes on a month by month, rate schedule by rate schedule basis. Base rates used for forecast pricing are normally the current rates in effect at the time pricing is performed unless current rates are not representative of what is expected to be in effect during the forecast period. Revenue is separately aggregated between customer based and volumetric based margin revenue from Gas Cost and other surcharges for the Financial Plan.

GMB and GTS Billed Revenue Calculation

Revenue is calculated in the same manner as described for DIS Billed above with the exception that pricing is performed on a customer by customer basis instead of a rate schedule by rate schedule basis.

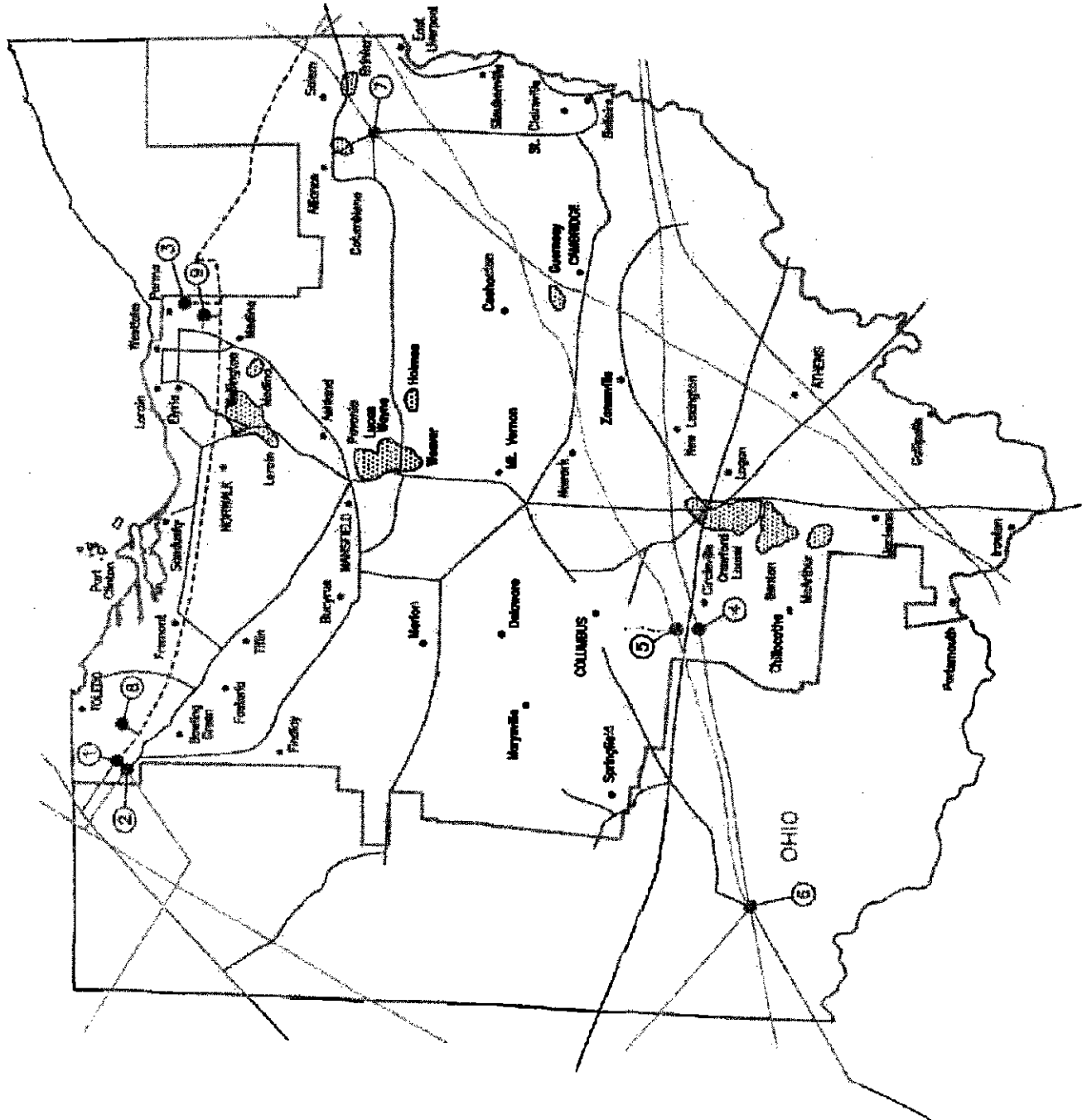
COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(13)

Copy of general system layout maps for the service territory.

Response:

See Attached.

Columbia Gas of Ohio, Inc.

[illegible]

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(14)

For the materials and supplies component listed on Schedule B-5.1 provide the following:

- (a) Explanation of computation of percentage of materials and supplies used for construction, additions and extensions.
- (b) The monthly balances by production, transmission and distribution and all other materials and supplies.
- (c) The monthly withdrawals for each of the functions specified above.

Response:

The Company has not included materials and supplies on Schedule B-5.1.

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(15)

Where depreciation expense related to specific plant accounts or sub-accounts is charged to clearing accounts provide the following:

- (a) The related plant accounts and or sub-accounts.
- (b) The test year ratios.
- (c) The clearing accounts used, a description of the methodology (including the basis of the calculation) used to allocate costs out of the clearing accounts and the accounts these costs are ultimately charged to.
- (d) If clearing accounts are not used, a description of the methodology (including the basis of the calculation) used to allocate the costs and the accounts these cost are charged to.

Response:

Not applicable as Columbia Gas of Ohio does not charge depreciation expense to clearing accounts.

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(16)

The following federal income tax information:

- (a) If the taxes included in the test year operating income were not calculated in a manner consistent with Schedule C-4 provide an additional schedule showing the methodology used.
- (b) A description of and detailed information on each individual "other reconciling item".
- (c) Calculation of "other tax deferrals". These calculations should also show the normalization of any tax deferrals reflected in the Schedule C-4.
- (d) Maximum investment tax credit available for the test year including any carry forwards.
- (e) The calculation of test year tax straight line depreciation.
- (f) The calculation of test year tax accelerated depreciation.
- (g) The amortization period for the investment tax credit.
- (h) The ITC elected in 1971 and 1975 under section 46(f) of the 1954 Internal Revenue Code.

Response:

See Attached.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
Response to Supplemental (C)(16)

The following federal income tax information:

- (a) N/A-The taxes are calculated in a manner consistent with Schedule C-4.
- (b) See attached schedule.
- (c) "Other tax deferrals" were calculated by multiplying temporary reconciling items by the statutory federal income tax rate of 35%.
- (d) There is no more current investment tax credit available. The investment tax credit amortization for the test year is \$686,450. The carry forward of investment tax credit in account 255 to be amortized in future years is \$11,723,002.

(e) Test year straight line depreciation was calculated as follows:

Book Depreciation Budgeted for 3 mos. 2007	\$ 9,707,259
Book Depreciation Budgeted for 9 mos. 2008	<u>31,740,811</u>
Straight Line Tax Depreciation	<u>\$41,448,070</u>

(f) A summary calculation of the Tax Depreciation is presented below. The detailed schedules supporting this amount are too voluminous and will be made available to the PUCO Staff during their audit review.

Tax Depreciation Budgeted for 3 mos. 2007	\$11,271,957
Tax Depreciation Budgeted for 9 mos. 2008	<u>55,870,543</u>
Total Test Year Tax Depreciation	<u>\$67,142,500</u>

- (g) The weighted average amortization period for investment tax credit is 44 years.
- (h) The ITC option elected was the special rule for ratable flow through provided under Section 46(f)(2) rather than a rate base reduction.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
Response to 16(b)
Explanation of Other Reconciling Items

Political Action Expense

Lobbying expenses deducted for book purposes are not deductible for tax purposes pursuant to IRC Sec. 162(e).

Penalties

Fines and penalties deducted for book purposes are not deductible for tax purposes pursuant to IRC Sec. 162(f).

Non-Taxable Income/Non-Deductible Expenses

The books of the Company include a federal subsidy to certain sponsors of retiree health care benefits. This is a non-taxable receipt for income tax purposes. Business meals deducted by the Company are only 50% deductible for tax purposes.

Interest on Contingent Taxes

Based on generally accepted accounting principles the Company records contingent interest income or expense on IRS audit issues having a potential of income tax over or under assessments. This interest is not recognized in taxable income until final settlement with the IRS.

LIFO Inventory Adjustment

For book purposes the Company calculates the book LIFO storage rate based on the 12 month average commodity gas purchase costs only, excluding demand costs. For tax purposes the LIFO storage rate is calculated based on the 12 month average of all gas purchase costs including demand charges. The difference in the two rates is capitalized for tax purposes and reversed as gas is withdrawn from storage.

Contributions in Aid of Construction & Customer Advances

As a result of TRA-86, Sec. 118, all contributions in aid of construction and customer advances received by a utility to provide service to the contributor must be included in taxable income for tax years 1987 and thereafter. When new gas mains are installed a customer advance is required. As the customers hook up to the gas main, a portion of the advance is refunded. If the advances are not refunded by a certain time, it is credit to plant. For tax purposes these costs are income and tax basis when billed; whereas for book purposes these amounts are credited to plant.

Restricted Stock

The Company has recorded on its books an expense related to Restricted Stock Awards. The amount has not vested to the employee and until it is included in their W-2, it is not deductible for tax purposes.

Loss on ACRS

Under the Economic Recovery Act of 1981, gain or loss on the retirement of ACRS asset retirements is to be recognized in the year of retirement (Sec. 168) for tax purposes. Normal gains and losses are recorded to the reserve for depreciation for book purposes.

Murphy Gas Goodwill Amortization

For book purposes properties purchased in this transaction had no estimated remaining life at the time of purchase, so the goodwill was fully amortized in 1999 as dictated by the FERC. For tax purposes, the goodwill is being over a 15 year period.

MAPCO Excess Depreciation

The accelerated tax depreciation of pipeline damages for vintage years 1979 and 1981 were disallowed in an IRS audit. The current tax deduction consists of the excess of straight line depreciation over ADR.

Builder Incentive Plan

Certain builder incentive costs which were expensed for book purposes must be capitalized and amortized to taxable income over a 20 year period for tax purposes.

Capitalized Interest

For book purposes the cost of capital used in the construction of plant is permitted to be capitalized. For tax purposes only the debt portion may be capitalized. The calculation of the debt portion to be capitalized is in compliance with the IRS code which is different from regulatory accounting.

Deferred Gas Purchase Costs

Certain gas purchase costs must be deferred on the books until approved for recovery from the ratepayer by the state commission. These costs remain deferred until recovered in revenues. For tax purposes gas purchases costs are deducted from taxable income when the Company incurs the cost and the gas has been received since the all events test has been met.

Uncollectible Accounts

TRA 86 abolished the reserve method of accounting for bad debts for tax purposes and established the specific charge-off method. As a result an increase or decrease in the book reserve must be reversed from taxable income.

Foreign State Taxes

The Company accrues an estimate for foreign state income taxes for book purposes. For tax purposes only the amounts actually paid or refunded are included in taxable income.

Retirement Income Plan

For book purposes retirement income expense is recorded in accordance with GAAP. For tax purposes the actual payments made for the retirement income plan are deductible when paid as long as the maximum funding limitation (Sec. 415) is not exceeded.

Capitalized Property Tax-PISCC

Regulatory orders permit the Company to defer property tax expense on certain eligible work orders for recovery through rates. For tax purposes the costs are deducted when incurred and the book amortization is reversed.

Legal Liability General Office Lease

For tax purposes the Company is entitled to deduct the levelized lease amount (total rental amount paid during the 20 year primary term of the original lease divided by 20) instead of the actual cash payments pursuant to Rev. Ruling 70-119. Actual payments are less than the levelized amount in the early years of the lease and are to exceed the levelized amount in the later.

PISCC

The Company capitalized post in service carrying charges for recovery and is amortizing the amount over a 30 year period. For tax purposes the book amortization is being reversed as the charges were deducted when the costs were incurred.

Gross Receipts Tax

The prepaid amount of gross receipts tax on the books is non-refundable and is therefore deductible for tax purposes.

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(17)

At the time of filing of the two month update a copy of all advertisements whose costs were charged to advertising expense in the actual months of the test year. Indicate on a copy of the ad the cost of the ad and the account charged. In addition, the utility shall provide the best estimate of the cost of those ads that may be included in the budgeted portion of the test year.

Response:

Not applicable since all advertising expense was removed from the test year.

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(18)

The utility shall provide a breakdown in the same general format as Schedule B-2.3 which shows the plant in service data from the last date certain to the end of that year, annually thereafter up to the most recent annual report, and from the most recent annual report to the date certain in the current case.

Response:

Detailed on Work paper B-2.3a.

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(19)

If the depreciation reserve on Schedule B-3 was allocated to accounts based on a theoretical reserve study, the utility shall provide a copy of such study. If the study is the same as that contained in applicant's latest depreciation study, reference to such study is sufficient

Response:

Not Applicable. The depreciation reserve on Schedule B-3 was not based on a theoretical reserve study.

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(20)

If the utility is proposing to revise its depreciation accrual rates and if such study has not already been filed with the Commission or provided to the staff, the utility shall provide the study supporting such revisions.

Response:

The depreciation study was filed with the Commission as part of Case No. 08-0075-GA-AAM.

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(21)

The utility shall provide a breakdown in the same general format as Schedule B-3.3 which shows depreciation reserve data from the last date certain to the end of that year, annually thereafter up to the most recent annual report, and from the most recent annual report to the date certain in the current case (1994 forward).

Response:

Detailed on Work paper B-3.3a.

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(22)

For each construction project which is seventy-five percent complete as shown on schedules B-4, B-4.1 and B-4.2, the utility shall provide the following:

- (a) Document providing project approval.
- (b) Initial project budget and estimated timetable for completion.
- (c) Most recent revised budget and timetables and dates of the revisions.
- (d) Document showing date initial construction work began.
- (e) Schedule showing distribution of construction expenditures as of the date certain (e.g. material, labor, allowance for funds used during construction, construction management, insurance, etc)
- (f) Statement from construction management attesting to the data on Schedules B-4.1 and B-4.2.
- (g) Details of computation of trended figures on Schedule B-4.2, including trend factors, source of trending factors, and rationale for their selection.

Response:

Columbia Gas of Ohio is not including CWIP in this case.

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(23)

For the fuel stock component listed on Schedule B-5.1, electric utilities shall provide the following for each generating unit and plant:

- (a) The average number of tons/gallons burned per day during the test year.
- (b) Normal inventory requirements expressed as number of days supply for each type of fuel.
- (c) Date certain average received cost for each type of fuel.
- (d) Product of (a) x (b) x (c)

Provide the documentation and/or derivation of these items.

Response:

Not applicable since Columbia Gas of Ohio's rate request is for gas distribution services.

COLUMBIA GAS OF OHIO, INC.
Case No. 08-0072-GA-AIR
Supplemental Information (C)(24)

Surviving dollars by vintage year of placement.

Response:

See attached.

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
1	101000 Gas Distribution		30100 Organization Costs	\$15,595	1925
2	101000 Gas Distribution		30100 Organization Costs	\$115	1928
3	101000 Gas Distribution		30100 Organization Costs	\$41	1932
4	101000 Gas Distribution		30100 Organization Costs	\$10,187	1964
5			30100 Organization Costs Total	\$25,937	
6	101000 Gas Distribution		30220 Franchises/Consent, Limited	\$68	1941
7			30220 Franchises/Consent, Limited Total	\$68	
8	101000 Gas Distribution		30300 Intangible PIt, General	\$876,466	1989
9	101000 Gas Distribution		30300 Intangible PIt, General	\$188,436	1990
10	101000 Gas Distribution		30300 Intangible PIt, General	\$178,576	1991
11	101000 Gas Distribution		30300 Intangible PIt, General	\$126,921	1992
12	101000 Gas Distribution		30300 Intangible PIt, General	\$2,314,879	1992
13	101000 Gas Distribution		30300 Intangible PIt, General	\$63,000	1995
14	101000 Gas Distribution		30300 Intangible PIt, General	\$44,425	1997
15	101000 Gas Distribution		30300 Intangible PIt, General	\$144,900	2003
16	101000 Gas Distribution		30300 Intangible PIt, General	\$10,000	2003
17	101000 Gas Distribution		30300 Intangible PIt, General	(\$2,477)	2003
18			30300 Intangible PIt, General Total	\$3,945,126	
19	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$6,626	1998
20	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$999	1999
21	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$281,773	2001
22	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$123,673	2004
23	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$513,259	2004
24	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$692,858	2004
25	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$137,794	2004
26	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$180,280	2004
27	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$1,999,190	2003
28	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$138,005	2004
29	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$116,760	2004
30	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$690,839	2004
31	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$349,568	2003
32	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$350,707	2004
33	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$1,307,963	2003
34	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$604,678	2004
35	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$552,300	2004
36	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$159,925	2005
37	101000 Gas Distribution		30330 Intangible PIt, Misc Software	\$27,999	2004
38			30330 Intangible PIt, Misc Software Total	\$8,235,195	
39	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$100	1929
40	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$53	1940
41	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$203	1949
42	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$738	1952
43	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$250	1954
44	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$199	1956
45	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$1,137	1956
46	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$584	1957
47	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$3,213	1958
48	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$522	1958
49	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$2,732	1959
50	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$1,406	1959
51	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$1,050	1960
52	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$3,534	1961
53	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$4,607	1962
54	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$2,609	1962
55	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$1,390	1962
56	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$1,641	1962
57	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$4,349	1963
58	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$1,606	1964
59	101000 Gas Distribution		37410 Land, City Gate/Main Line Ind	\$2,111	1964

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
60	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$3,038	1966
61	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$7,546	1967
62	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$517	1967
63	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$13,408	1968
64	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$4,455	1969
65	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$1,419	1970
66	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$31,217	1970
67	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$6,530	1971
68	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$37,854	1971
69	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$1,806	1972
70	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$12,448	1972
71	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$2,736	1973
72	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$3,202	1974
73	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$4,975	1975
74	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$2,623	1980
75	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$4,200	1981
76	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$1,486	1981
77	101000	Gas Distribution	37410 Land, City Gate/Main Line Ind	\$12,233	1982
78			37410 Land, City Gate/Main Line Ind Total	<u>\$185,714</u>	
79	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$7,161	1901
80	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$14	1902
81	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,417	1903
82	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$74	1904
83	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$239	1906
84	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$75	1907
85	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$600	1908
86	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$159	1910
87	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$80	1911
88	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$10,549	1912
89	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$136	1913
90	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$141	1913
91	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$8,821	1914
92	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$276	1915
93	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$138	1916
94	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$4,912	1917
95	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$562	1918
96	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$21	1919
97	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$151	1920
98	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$169	1921
99	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$2,831	1922
100	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$262	1923
101	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$364	1923
102	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$31	1924
103	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$208	1924
104	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$55	1925
105	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$721	1925
106	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$100	1926
107	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,671	1926
108	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$23,002	1927
109	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$250	1927
110	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$55,424	1928
111	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$200	1928
112	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$9,154	1929
113	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$2,351	1930
114	101000	Gas Distribution	37420 Land, Other Distribution Sys	(\$4,863)	1931
115	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$31	1932
116	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$270	1932
117	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$302	1932
118	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$300	1933
119	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$300	1934
120	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$522	1935

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
121	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$20	1936
122	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$915	1936
123	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,170	1937
124	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$12	1937
125	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$19	1938
126	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$2,507	1939
127	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$87	1939
128	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$31	1940
129	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,074	1940
130	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$22	1941
131	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$13,268	1941
132	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$31	1942
133	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$720	1942
134	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,228	1943
135	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,000	1943
136	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$623	1945
137	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,365	1946
138	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$4,653	1947
139	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$4,762	1948
140	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$12,340	1949
141	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$10,541	1950
142	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$13,592	1951
143	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$14,455	1952
144	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$7,478	1953
145	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$14,218	1954
146	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$246	1955
147	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$14,348	1955
148	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$881	1955
149	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$36,566	1956
150	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$170	1956
151	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$21,406	1957
152	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$971	1958
153	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$673	1958
154	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$25,625	1958
155	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$27	1959
156	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$46,073	1959
157	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$2,494	1959
158	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$957	1959
159	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$49,171	1960
160	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$190,433	1960
161	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$33,485	1961
162	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,849	1961
163	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$965	1962
164	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$42,377	1962
165	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$3,727	1962
166	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,609	1962
167	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$60,499	1963
168	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$201	1964
169	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$34,220	1964
170	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$3,391	1964
171	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,508	1964
172	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$22,406	1965
173	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$760	1966
174	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$36,666	1966
175	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,714	1966
176	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$143	1966
177	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$49,614	1967
178	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$29,391	1968
179	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,383	1968
180	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$27,360	1969
181	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$3,796	1970

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line	FERC					In
No	Account	Major Grouping	Description	Amount		Service Year
182	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$57,963		1970
183	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$2,143		1970
184	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$46,214		1971
185	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$2,810		1971
186	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,148		1971
187	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$2,611		1971
188	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$12,063		1971
189	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,627		1972
190	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$36,748		1972
191	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$2,492		1972
192	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$204		1972
193	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$852		1973
194	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$9,021		1973
195	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$7,350		1973
196	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,610		1973
197	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$2,825		1973
198	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$11,137		1974
199	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$19,401		1974
200	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$6,432		1975
201	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,889		1975
202	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$5,660		1976
203	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$13,412		1976
204	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$10,029		1976
205	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$10,845		1976
206	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$6,634		1977
207	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,475		1977
208	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$113		1977
209	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$248		1978
210	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$564		1978
211	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,712		1978
212	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$3,924		1978
213	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$2,824		1979
214	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$348		1979
215	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$6,759		1980
216	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$4,045		1980
217	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$54		1981
218	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$8,515		1982
219	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$8,857		1982
220	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$119		1983
221	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$5,866		1985
222	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$17,459		1985
223	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$340		1985
224	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$6,807		1987
225	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$38,043		1988
226	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$222		1988
227	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$25,000		1988
228	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$21,478		1991
229	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$512		1991
230	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,059		1991
231	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$13		1992
232	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$9,833		1993
233	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$37,914		1993
234	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$65,948		1994
235	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1		1994
236	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$18,791		1994
237	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$36,000		1995
238	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$1,399		1996
239	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$208,463		1996
240	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$10,962		1997
241	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$2,055		1997
242	101000	Gas Distribution	37420 Land, Other Distribution Sys	\$987,251		2001

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line	FERC				In
No	Account	Major Grouping	Description	Amount	Service Year
243			37420 Land, Other Distribution Sys Total	\$2,786,292	
244	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$27	1941
245	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$177	1953
246	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$100	1953
247	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$150	1956
248	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$72	1956
249	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$583	1957
250	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$242	1957
251	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$168	1958
252	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$375	1959
253	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$188	1959
254	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$378	1960
255	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$88	1960
256	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$851	1961
257	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$401	1961
258	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$869	1961
259	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$399	1961
260	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$1,641	1962
261	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$63	1962
262	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$260	1962
263	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$1,063	1963
264	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$1,632	1963
265	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$1,407	1964
266	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$131	1964
267	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$741	1964
268	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$727	1965
269	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$4,602	1965
270	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$589	1965
271	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$822	1965
272	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$544	1965
273	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$970	1965
274	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$397	1966
275	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$416	1966
276	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$315	1966
277	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$483	1966
278	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$1,440	1966
279	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$346	1966
280	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$222	1966
281	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$5,424	1967
282	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$981	1967
283	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$262	1967
284	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$1,818	1968
285	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$619	1969
286	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$4,262	1969
287	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$767	1970
288	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$2,351	1970
289	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$231	1970
290	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$1,909	1971
291	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$1,083	1971
292	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$216	1971
293	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$1,383	1972
294	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$358	1972
295	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$1,989	1973
296	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$1,799	1974
297	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$697	1975
298	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$234	1976
299	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$2,136	1978
300	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$1,250	1978
301	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$4,240	1979
302	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$3,359	1979
303	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$123	1980

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
304	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$8,163	1980
305	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$3,420	1981
306	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$3,207	1981
307	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$5,236	1981
308	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$5,716	1981
309	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$4,343	1981
310	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$7,101	1981
311	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$3,415	1982
312	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$2,836	1982
313	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$1,915	1982
314	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$4,031	1982
315	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$17,706	1982
316	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$3,210	1983
317	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$1,311	1983
318	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$3,496	1983
319	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$7,460	1983
320	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$4,416	1984
321	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$13,658	1984
322	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$5,199	1984
323	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$9,620	1986
324	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$5,147	1986
325	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$3,419	1987
326	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$619	1987
327	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$984	1990
328	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$1,897	1990
329	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$543	1991
330	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$10,482	1991
331	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$5,971	1992
332	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$10,147	1994
333	101000	Gas Distribution	37430 Land Rgts, Cty Gate/Main Line	\$3,028	1997
334			37430 Land Rgts, Cty Gate/Main Line Total	\$218,891	
335	101000	Gas Distribution	37431 Land Rgts, Exchange Gas M&R	\$300	1976
336	101000	Gas Distribution	37431 Land Rgts, Exchange Gas M&R	\$8,387	1984
337			37431 Land Rgts, Exchange Gas M&R Total	\$8,687	
338	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$16	1903
339	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$12	1909
340	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$25	1914
341	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4	1917
342	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$11	1928
343	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$51	1928
344	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$60	1930
345	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$811	1932
346	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$24	1933
347	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$49	1934
348	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$36	1935
349	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$12	1936
350	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$9	1936
351	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$11	1937
352	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$16	1938
353	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$55	1940
354	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$28	1941
355	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$258	1942
356	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$17	1943
357	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$54	1944
358	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$22	1945
359	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$64	1946
360	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$137	1947
361	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$264	1948
362	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$71	1948
363	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$43	1948
364	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$587	1949

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
365	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$146	1950
366	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$872	1950
367	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$110	1950
368	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,808	1951
369	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,055	1951
370	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$847	1952
371	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$27	1952
372	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$48	1953
373	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,436	1953
374	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,448	1954
375	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$52	1954
376	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$200	1954
377	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$37	1954
378	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$146	1955
379	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,304	1955
380	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$136	1955
381	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,099	1956
382	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$231	1957
383	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$56	1957
384	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,368	1957
385	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$17	1957
386	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$38	1957
387	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$110	1957
388	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,155	1958
389	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,497	1958
390	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8	1959
391	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,564	1960
392	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$210	1960
393	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,074	1961
394	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$218	1961
395	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$258	1961
396	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$279	1962
397	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,500	1962
398	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$437	1962
399	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$298	1962
400	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$591	1963
401	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$11,335	1963
402	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$207	1963
403	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,318	1964
404	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,334	1964
405	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$279	1964
406	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,219	1964
407	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$452	1965
408	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$12,063	1965
409	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$117	1965
410	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$509	1965
411	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,526	1965
412	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$36,751	1966
413	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$655	1966
414	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$588	1966
415	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$163	1966
416	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$799	1966
417	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$31,467	1967
418	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$630	1967
419	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,527	1967
420	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$26,779	1968
421	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,089	1968
422	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$9,357	1969
423	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$66	1970
424	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$18,624	1970
425	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$80	1970

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
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AS OF DECEMBER 31, 2007

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SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
426	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,043	1971
427	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,939	1971
428	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$760	1971
429	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$521	1971
430	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$253	1972
431	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$11,879	1972
432	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$833	1972
433	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$143	1972
434	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$304	1972
435	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,087	1972
436	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,135	1973
437	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$6,080	1973
438	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$439	1973
439	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$944	1973
440	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$279	1973
441	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,279	1973
442	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,469	1974
443	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,014	1974
444	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,053	1974
445	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,931	1975
446	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,458	1975
447	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,935	1975
448	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,078	1975
449	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,130	1976
450	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1	1976
451	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$734	1976
452	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,281	1977
453	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1	1977
454	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,931	1977
455	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$7,471	1977
456	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$6,256	1977
457	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,092	1977
458	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$6,825	1978
459	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$17,091	1978
460	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,985	1978
461	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,206	1978
462	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,538	1978
463	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$19,941	1978
464	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,358	1978
465	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$10,384	1978
466	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,445	1979
467	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,792	1979
468	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,104	1979
469	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,462	1979
470	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$18,122	1979
471	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$847	1979
472	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,427	1979
473	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$6,869	1980
474	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,917	1980
475	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,877	1980
476	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,984	1980
477	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$6,078	1980
478	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$7,984	1980
479	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$14,129	1980
480	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$11,217	1980
481	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$7,598	1980
482	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$606	1980
483	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,761	1981
484	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,844	1981
485	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$7,022	1981
486	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,563	1981

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line	FERC					In
No	Account	Major Grouping	Description	Amount	Year	Service
487	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,003	1981	
488	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$16,825	1981	
489	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$12,008	1981	
490	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$9,511	1982	
491	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,713	1982	
492	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,053	1982	
493	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$643	1982	
494	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$10,548	1982	
495	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$16,936	1982	
496	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$27,967	1982	
497	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$27,260	1982	
498	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$11,831	1982	
499	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$15,714	1982	
500	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$13,357	1982	
501	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$15,831	1983	
502	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$16,995	1983	
503	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$10,206	1983	
504	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$16,576	1983	
505	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$6,183	1983	
506	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$10,139	1983	
507	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,593	1983	
508	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$830	1983	
509	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$6,960	1983	
510	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,611	1984	
511	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,899	1984	
512	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,142	1984	
513	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$13,778	1984	
514	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$21,618	1984	
515	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$12,806	1984	
516	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,468	1984	
517	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,623	1984	
518	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,737	1984	
519	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$12,439	1984	
520	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,296	1984	
521	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$19,058	1985	
522	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$927	1985	
523	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$13,808	1985	
524	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,546	1985	
525	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$9,227	1985	
526	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$17,375	1985	
527	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,750	1985	
528	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,954	1985	
529	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,652	1986	
530	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$6,979	1986	
531	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$20,802	1986	
532	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,626	1986	
533	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,727	1986	
534	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$6,502	1986	
535	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$27,939	1986	
536	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$26,002	1986	
537	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,025	1986	
538	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$14,414	1986	
539	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,830	1987	
540	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,947	1987	
541	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,127	1987	
542	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$23,266	1987	
543	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$6,814	1987	
544	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,544	1987	
545	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$21,440	1987	
546	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$12,951	1987	
547	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,558	1987	

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

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SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line	FERC				In
No	Account	Major Grouping	Description	Amount	Service Year
548	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$12,548	1987
549	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$100	1988
550	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,339	1988
551	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,826	1988
552	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$9,099	1988
553	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$10,443	1988
554	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,537	1988
555	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,561	1988
556	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$25,957	1988
557	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,825	1988
558	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,416	1988
559	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,879	1989
560	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$19,910	1989
561	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$37,844	1989
562	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,415	1989
563	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$11,155	1989
564	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$10,001	1989
565	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,915	1989
566	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$9,760	1989
567	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$10,573	1989
568	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,911	1989
569	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,144	1989
570	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$11,191	1990
571	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,900	1990
572	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,083	1990
573	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,741	1990
574	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,877	1990
575	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$391	1990
576	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$21,139	1990
577	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,884	1990
578	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$9,456	1990
579	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$6,175	1990
580	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$9,958	1990
581	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,377	1991
582	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,789	1991
583	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,585	1991
584	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$9,042	1991
585	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,879	1991
586	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$6,330	1991
587	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,845	1991
588	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,343	1991
589	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$14,486	1991
590	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,638	1992
591	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,886	1992
592	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,682	1992
593	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,092	1992
594	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$14,095	1992
595	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,135	1992
596	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$7,254	1992
597	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$991	1992
598	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,452	1993
599	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$26,719	1993
600	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$26,411	1993
601	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,811	1993
602	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,585	1993
603	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$10,588	1993
604	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$23	1993
605	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$30,105	1994
606	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,461	1994
607	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$12,221	1994
608	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,100	1994

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
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SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
609	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,856	1994
610	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,547	1994
611	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,094	1994
612	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$10,118	1994
613	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$60,808	1994
614	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$10,694	1995
615	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$6,077	1995
616	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,593	1995
617	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,272	1995
618	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,378	1995
619	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$95,718	1995
620	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$36,740	1995
621	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$51,643	1995
622	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,870	1996
623	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,186	1996
624	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,425	1996
625	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$13,866	1996
626	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,584	1996
627	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,437	1996
628	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,898	1996
629	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$89,573	1996
630	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,714	1996
631	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,756	1996
632	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,683	1997
633	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$6,224	1997
634	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,485	1997
635	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,090	1997
636	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,274	1997
637	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$11,744	1997
638	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,330	1998
639	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$40,126	1998
640	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$6,039	1998
641	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$44,016	1998
642	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$27,403	1998
643	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$11,688	1998
644	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$11,134	1998
645	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$9,734	1998
646	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$22,899	1998
647	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,812	1999
648	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$12,275	1999
649	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,698	1999
650	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$39,412	1999
651	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,357	2003
652	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,041	2000
653	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,792	2005
654	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$13,762	2000
655	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$38,941	2000
656	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$480	2000
657	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$23,359	2000
658	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$241	2000
659	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$23,248	2000
660	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,618	2000
661	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$23,409	2000
662	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,792	2001
663	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,214	2001
664	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,473	2001
665	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$151	2001
666	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,177	2005
667	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,500	2001
668	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,163	2005
669	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$9,609	2001

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
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SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
670	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$6,415	2002
671	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$62,870	2002
672	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,562	2002
673	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,180	2005
674	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$343	2002
675	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	(\$930)	2003
676	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,747	2002
677	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$29,981	2003
678	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$61,157	2003
679	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,683	2006
680	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$22,076	2003
681	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$39,305	2004
682	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$11,444	2005
683	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,212	2006
684	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$7,872	2003
685	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,759	2004
686	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$3,548	2006
687	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$11,959	2003
688	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$2,542	2003
689	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,049	2004
690	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$14,897	2004
691	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$1,462	2004
692	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$7,428	2005
693	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,509	2004
694	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$10,541	2005
695	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$21,472	2004
696	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$11,384	2005
697	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$17,714	2005
698	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$30,059	2005
699	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$24,051	2005
700	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$4,354	2005
701	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$11,350	2007
702	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$5,002	2005
703	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$10,742	2005
704	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$8,520	2006
705	101000	Gas Distribution	37440 Land Rgts, Other Distr Sys	\$48	2007
706			37440 Land Rgts, Other Distr Sys Total	\$2,980,255	
707	101000	Gas Distribution	37441 Land Rgts, Oth Distr Sys, Loc	\$1	1981
708			37441 Land Rgts, Oth Distr Sys, Loc Total	\$1	
709	101000	Gas Distribution	37450 Rights of Way	\$285	1901
710	101000	Gas Distribution	37450 Rights of Way	\$266	1903
711	101000	Gas Distribution	37450 Rights of Way	\$101	1906
712	101000	Gas Distribution	37450 Rights of Way	\$429	1908
713	101000	Gas Distribution	37450 Rights of Way	\$2,051	1908
714	101000	Gas Distribution	37450 Rights of Way	\$89	1912
715	101000	Gas Distribution	37450 Rights of Way	\$107	1912
716	101000	Gas Distribution	37450 Rights of Way	\$1,485	1914
717	101000	Gas Distribution	37450 Rights of Way	\$25	1916
718	101000	Gas Distribution	37450 Rights of Way	\$122	1916
719	101000	Gas Distribution	37450 Rights of Way	\$15	1917
720	101000	Gas Distribution	37450 Rights of Way	\$60	1919
721	101000	Gas Distribution	37450 Rights of Way	\$115	1927
722	101000	Gas Distribution	37450 Rights of Way	\$882	1927
723	101000	Gas Distribution	37450 Rights of Way	\$69	1928
724	101000	Gas Distribution	37450 Rights of Way	\$43	1929
725	101000	Gas Distribution	37450 Rights of Way	\$804	1932
726	101000	Gas Distribution	37450 Rights of Way	\$1	1935
727	101000	Gas Distribution	37450 Rights of Way	\$11	1935
728	101000	Gas Distribution	37450 Rights of Way	\$10	1936
729	101000	Gas Distribution	37450 Rights of Way	\$111	1938
730	101000	Gas Distribution	37450 Rights of Way	\$49	1940

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
731	101000	Gas Distribution	37450 Rights of Way	\$31	1941
732	101000	Gas Distribution	37450 Rights of Way	\$567	1948
733	101000	Gas Distribution	37450 Rights of Way	\$2,425	1950
734	101000	Gas Distribution	37450 Rights of Way	\$221	1950
735	101000	Gas Distribution	37450 Rights of Way	\$272	1952
736	101000	Gas Distribution	37450 Rights of Way	\$71	1952
737	101000	Gas Distribution	37450 Rights of Way	\$177	1953
738	101000	Gas Distribution	37450 Rights of Way	\$1,072	1954
739	101000	Gas Distribution	37450 Rights of Way	\$388	1954
740	101000	Gas Distribution	37450 Rights of Way	\$1,422	1954
741	101000	Gas Distribution	37450 Rights of Way	\$26	1955
742	101000	Gas Distribution	37450 Rights of Way	\$25	1956
743	101000	Gas Distribution	37450 Rights of Way	\$435	1956
744	101000	Gas Distribution	37450 Rights of Way	\$1	1956
745	101000	Gas Distribution	37450 Rights of Way	\$368	1959
746	101000	Gas Distribution	37450 Rights of Way	\$98	1962
747	101000	Gas Distribution	37450 Rights of Way	\$930	1963
748	101000	Gas Distribution	37450 Rights of Way	\$2,574	1964
749	101000	Gas Distribution	37450 Rights of Way	\$671	1964
750	101000	Gas Distribution	37450 Rights of Way	\$250	1966
751	101000	Gas Distribution	37450 Rights of Way	\$103,536	1968
752	101000	Gas Distribution	37450 Rights of Way	\$21	1968
753	101000	Gas Distribution	37450 Rights of Way	\$56	1968
754	101000	Gas Distribution	37450 Rights of Way	\$5,277	1968
755	101000	Gas Distribution	37450 Rights of Way	\$103,086	1969
756	101000	Gas Distribution	37450 Rights of Way	\$812	1969
757	101000	Gas Distribution	37450 Rights of Way	\$1,596	1969
758	101000	Gas Distribution	37450 Rights of Way	\$250,456	1970
759	101000	Gas Distribution	37450 Rights of Way	\$83	1970
760	101000	Gas Distribution	37450 Rights of Way	\$1,919	1970
761	101000	Gas Distribution	37450 Rights of Way	\$9,452	1970
762	101000	Gas Distribution	37450 Rights of Way	\$522	1970
763	101000	Gas Distribution	37450 Rights of Way	\$16	1971
764	101000	Gas Distribution	37450 Rights of Way	\$199,006	1971
765	101000	Gas Distribution	37450 Rights of Way	\$377	1971
766	101000	Gas Distribution	37450 Rights of Way	\$5,480	1971
767	101000	Gas Distribution	37450 Rights of Way	\$148,365	1972
768	101000	Gas Distribution	37450 Rights of Way	\$3,644	1972
769	101000	Gas Distribution	37450 Rights of Way	\$1,238	1973
770	101000	Gas Distribution	37450 Rights of Way	\$24	1973
771	101000	Gas Distribution	37450 Rights of Way	\$77,348	1973
772	101000	Gas Distribution	37450 Rights of Way	\$723	1973
773	101000	Gas Distribution	37450 Rights of Way	\$4,243	1973
774	101000	Gas Distribution	37450 Rights of Way	\$727	1973
775	101000	Gas Distribution	37450 Rights of Way	\$2,382	1974
776	101000	Gas Distribution	37450 Rights of Way	\$18,469	1974
777	101000	Gas Distribution	37450 Rights of Way	\$6,833	1974
778	101000	Gas Distribution	37450 Rights of Way	\$32,744	1974
779	101000	Gas Distribution	37450 Rights of Way	\$1,610	1974
780	101000	Gas Distribution	37450 Rights of Way	\$4,372	1974
781	101000	Gas Distribution	37450 Rights of Way	\$1,858	1974
782	101000	Gas Distribution	37450 Rights of Way	\$4,666	1974
783	101000	Gas Distribution	37450 Rights of Way	\$17	1975
784	101000	Gas Distribution	37450 Rights of Way	\$21,105	1975
785	101000	Gas Distribution	37450 Rights of Way	\$6,174	1975
786	101000	Gas Distribution	37450 Rights of Way	\$2,966	1975
787	101000	Gas Distribution	37450 Rights of Way	\$118	1975
788	101000	Gas Distribution	37450 Rights of Way	\$15,848	1975
789	101000	Gas Distribution	37450 Rights of Way	\$348	1975
790	101000	Gas Distribution	37450 Rights of Way	\$4,449	1975
791	101000	Gas Distribution	37450 Rights of Way	\$7,832	1975

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
792	101000	Gas Distribution	37450 Rights of Way	\$10,063	1975
793	101000	Gas Distribution	37450 Rights of Way	\$1,016	1976
794	101000	Gas Distribution	37450 Rights of Way	\$9,968	1976
795	101000	Gas Distribution	37450 Rights of Way	\$4,983	1976
796	101000	Gas Distribution	37450 Rights of Way	\$3,314	1976
797	101000	Gas Distribution	37450 Rights of Way	\$4,690	1976
798	101000	Gas Distribution	37450 Rights of Way	\$13,895	1976
799	101000	Gas Distribution	37450 Rights of Way	\$89	1976
800	101000	Gas Distribution	37450 Rights of Way	\$29,862	1976
801	101000	Gas Distribution	37450 Rights of Way	\$1,626	1976
802	101000	Gas Distribution	37450 Rights of Way	\$1,572	1976
803	101000	Gas Distribution	37450 Rights of Way	\$1	1977
804	101000	Gas Distribution	37450 Rights of Way	\$940	1977
805	101000	Gas Distribution	37450 Rights of Way	\$11,396	1977
806	101000	Gas Distribution	37450 Rights of Way	\$12,809	1977
807	101000	Gas Distribution	37450 Rights of Way	\$64	1978
808	101000	Gas Distribution	37450 Rights of Way	\$7	1978
809	101000	Gas Distribution	37450 Rights of Way	\$17,739	1978
810	101000	Gas Distribution	37450 Rights of Way	\$1,594	1978
811	101000	Gas Distribution	37450 Rights of Way	\$4,688	1978
812	101000	Gas Distribution	37450 Rights of Way	\$12,177	1978
813	101000	Gas Distribution	37450 Rights of Way	\$22,849	1978
814	101000	Gas Distribution	37450 Rights of Way	\$1,027	1978
815	101000	Gas Distribution	37450 Rights of Way	\$12,283	1978
816	101000	Gas Distribution	37450 Rights of Way	\$1,392	1979
817	101000	Gas Distribution	37450 Rights of Way	\$9,894	1979
818	101000	Gas Distribution	37450 Rights of Way	\$28,384	1979
819	101000	Gas Distribution	37450 Rights of Way	\$7,181	1979
820	101000	Gas Distribution	37450 Rights of Way	\$5,014	1979
821	101000	Gas Distribution	37450 Rights of Way	\$5,020	1979
822	101000	Gas Distribution	37450 Rights of Way	\$1,256	1979
823	101000	Gas Distribution	37450 Rights of Way	\$7,845	1979
824	101000	Gas Distribution	37450 Rights of Way	\$469	1979
825	101000	Gas Distribution	37450 Rights of Way	\$1,752	1979
826	101000	Gas Distribution	37450 Rights of Way	\$6,611	1979
827	101000	Gas Distribution	37450 Rights of Way	\$6,638	1979
828	101000	Gas Distribution	37450 Rights of Way	\$1,004	1980
829	101000	Gas Distribution	37450 Rights of Way	\$7,843	1980
830	101000	Gas Distribution	37450 Rights of Way	\$3,326	1980
831	101000	Gas Distribution	37450 Rights of Way	\$2,242	1980
832	101000	Gas Distribution	37450 Rights of Way	\$6,108	1980
833	101000	Gas Distribution	37450 Rights of Way	\$3,691	1980
834	101000	Gas Distribution	37450 Rights of Way	\$22,844	1980
835	101000	Gas Distribution	37450 Rights of Way	\$19,925	1980
836	101000	Gas Distribution	37450 Rights of Way	\$16,438	1980
837	101000	Gas Distribution	37450 Rights of Way	\$5,975	1980
838	101000	Gas Distribution	37450 Rights of Way	\$19	1981
839	101000	Gas Distribution	37450 Rights of Way	\$1,271	1981
840	101000	Gas Distribution	37450 Rights of Way	\$21,994	1981
841	101000	Gas Distribution	37450 Rights of Way	\$15,003	1981
842	101000	Gas Distribution	37450 Rights of Way	\$6,576	1981
843	101000	Gas Distribution	37450 Rights of Way	\$2,539	1981
844	101000	Gas Distribution	37450 Rights of Way	\$443	1981
845	101000	Gas Distribution	37450 Rights of Way	\$3,596	1981
846	101000	Gas Distribution	37450 Rights of Way	\$11,422	1981
847	101000	Gas Distribution	37450 Rights of Way	\$13,239	1981
848	101000	Gas Distribution	37450 Rights of Way	\$15,271	1981
849	101000	Gas Distribution	37450 Rights of Way	\$13,463	1981
850	101000	Gas Distribution	37450 Rights of Way	\$15,940	1982
851	101000	Gas Distribution	37450 Rights of Way	\$58	1982
852	101000	Gas Distribution	37450 Rights of Way	\$18	1982

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
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SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
853	101000	Gas Distribution	37450 Rights of Way	\$53,224	1982
854	101000	Gas Distribution	37450 Rights of Way	\$244	1982
855	101000	Gas Distribution	37450 Rights of Way	\$2,984	1982
856	101000	Gas Distribution	37450 Rights of Way	\$2,250	1982
857	101000	Gas Distribution	37450 Rights of Way	\$7,520	1982
858	101000	Gas Distribution	37450 Rights of Way	\$7,476	1982
859	101000	Gas Distribution	37450 Rights of Way	\$3,004	1982
860	101000	Gas Distribution	37450 Rights of Way	\$19,526	1982
861	101000	Gas Distribution	37450 Rights of Way	\$167	1983
862	101000	Gas Distribution	37450 Rights of Way	\$12	1983
863	101000	Gas Distribution	37450 Rights of Way	\$1,929	1983
864	101000	Gas Distribution	37450 Rights of Way	\$731	1983
865	101000	Gas Distribution	37450 Rights of Way	\$1,429	1983
866	101000	Gas Distribution	37450 Rights of Way	\$216	1983
867	101000	Gas Distribution	37450 Rights of Way	\$8,708	1983
868	101000	Gas Distribution	37450 Rights of Way	\$6,318	1983
869	101000	Gas Distribution	37450 Rights of Way	\$22,084	1983
870	101000	Gas Distribution	37450 Rights of Way	\$599	1983
871	101000	Gas Distribution	37450 Rights of Way	\$2,530	1983
872	101000	Gas Distribution	37450 Rights of Way	\$3,035	1983
873	101000	Gas Distribution	37450 Rights of Way	\$530	1984
874	101000	Gas Distribution	37450 Rights of Way	\$791	1984
875	101000	Gas Distribution	37450 Rights of Way	\$518	1984
876	101000	Gas Distribution	37450 Rights of Way	\$1,224	1984
877	101000	Gas Distribution	37450 Rights of Way	\$3,774	1984
878	101000	Gas Distribution	37450 Rights of Way	\$2,875	1984
879	101000	Gas Distribution	37450 Rights of Way	\$744	1984
880	101000	Gas Distribution	37450 Rights of Way	\$26,554	1984
881	101000	Gas Distribution	37450 Rights of Way	\$1,168	1984
882	101000	Gas Distribution	37450 Rights of Way	\$35,908	1984
883	101000	Gas Distribution	37450 Rights of Way	\$984	1984
884	101000	Gas Distribution	37450 Rights of Way	\$1,569	1985
885	101000	Gas Distribution	37450 Rights of Way	\$273	1985
886	101000	Gas Distribution	37450 Rights of Way	\$607	1985
887	101000	Gas Distribution	37450 Rights of Way	\$429	1985
888	101000	Gas Distribution	37450 Rights of Way	\$13,048	1985
889	101000	Gas Distribution	37450 Rights of Way	\$25,172	1985
890	101000	Gas Distribution	37450 Rights of Way	\$91,491	1985
891	101000	Gas Distribution	37450 Rights of Way	\$12,010	1985
892	101000	Gas Distribution	37450 Rights of Way	\$3,833	1985
893	101000	Gas Distribution	37450 Rights of Way	\$18,488	1985
894	101000	Gas Distribution	37450 Rights of Way	\$2,271	1985
895	101000	Gas Distribution	37450 Rights of Way	\$10,027	1985
896	101000	Gas Distribution	37450 Rights of Way	\$1,835	1986
897	101000	Gas Distribution	37450 Rights of Way	\$8,196	1986
898	101000	Gas Distribution	37450 Rights of Way	\$5,025	1986
899	101000	Gas Distribution	37450 Rights of Way	\$2,719	1986
900	101000	Gas Distribution	37450 Rights of Way	\$2,137	1986
901	101000	Gas Distribution	37450 Rights of Way	\$9,276	1986
902	101000	Gas Distribution	37450 Rights of Way	\$100,618	1986
903	101000	Gas Distribution	37450 Rights of Way	\$8,252	1986
904	101000	Gas Distribution	37450 Rights of Way	\$2,668	1986
905	101000	Gas Distribution	37450 Rights of Way	\$9,401	1986
906	101000	Gas Distribution	37450 Rights of Way	\$11,168	1986
907	101000	Gas Distribution	37450 Rights of Way	\$11,456	1986
908	101000	Gas Distribution	37450 Rights of Way	\$30,085	1987
909	101000	Gas Distribution	37450 Rights of Way	\$2,106	1987
910	101000	Gas Distribution	37450 Rights of Way	\$14,561	1987
911	101000	Gas Distribution	37450 Rights of Way	\$7,332	1987
912	101000	Gas Distribution	37450 Rights of Way	\$23,400	1987
913	101000	Gas Distribution	37450 Rights of Way	\$13,927	1987

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
914	101000	Gas Distribution	37450 Rights of Way	\$4,221	1987
915	101000	Gas Distribution	37450 Rights of Way	\$7,785	1987
916	101000	Gas Distribution	37450 Rights of Way	\$40,880	1987
917	101000	Gas Distribution	37450 Rights of Way	\$23,172	1987
918	101000	Gas Distribution	37450 Rights of Way	\$3,707	1987
919	101000	Gas Distribution	37450 Rights of Way	\$24,162	1987
920	101000	Gas Distribution	37450 Rights of Way	\$34,438	1988
921	101000	Gas Distribution	37450 Rights of Way	\$6,313	1988
922	101000	Gas Distribution	37450 Rights of Way	\$378	1988
923	101000	Gas Distribution	37450 Rights of Way	\$8,274	1988
924	101000	Gas Distribution	37450 Rights of Way	\$86,310	1988
925	101000	Gas Distribution	37450 Rights of Way	\$79,101	1988
926	101000	Gas Distribution	37450 Rights of Way	\$27,534	1988
927	101000	Gas Distribution	37450 Rights of Way	\$24,683	1988
928	101000	Gas Distribution	37450 Rights of Way	\$30,119	1988
929	101000	Gas Distribution	37450 Rights of Way	\$179,209	1988
930	101000	Gas Distribution	37450 Rights of Way	\$113,487	1988
931	101000	Gas Distribution	37450 Rights of Way	\$691,224	1988
932	101000	Gas Distribution	37450 Rights of Way	\$41,418	1989
933	101000	Gas Distribution	37450 Rights of Way	\$900	1989
934	101000	Gas Distribution	37450 Rights of Way	\$81,207	1989
935	101000	Gas Distribution	37450 Rights of Way	\$108,370	1989
936	101000	Gas Distribution	37450 Rights of Way	\$17,190	1989
937	101000	Gas Distribution	37450 Rights of Way	\$14,306	1989
938	101000	Gas Distribution	37450 Rights of Way	\$17,574	1989
939	101000	Gas Distribution	37450 Rights of Way	\$859,011	1989
940	101000	Gas Distribution	37450 Rights of Way	\$10,839	1989
941	101000	Gas Distribution	37450 Rights of Way	\$59,591	1989
942	101000	Gas Distribution	37450 Rights of Way	\$462,072	1989
943	101000	Gas Distribution	37450 Rights of Way	\$1,037	1989
944	101000	Gas Distribution	37450 Rights of Way	\$61,382	1989
945	101000	Gas Distribution	37450 Rights of Way	\$4,019	1990
946	101000	Gas Distribution	37450 Rights of Way	\$33,111	1990
947	101000	Gas Distribution	37450 Rights of Way	\$62,151	1990
948	101000	Gas Distribution	37450 Rights of Way	\$132,587	1990
949	101000	Gas Distribution	37450 Rights of Way	\$16,040	1990
950	101000	Gas Distribution	37450 Rights of Way	\$5,696	1990
951	101000	Gas Distribution	37450 Rights of Way	\$31	1990
952	101000	Gas Distribution	37450 Rights of Way	\$65,700	1990
953	101000	Gas Distribution	37450 Rights of Way	\$22,522	1990
954	101000	Gas Distribution	37450 Rights of Way	\$42,886	1990
955	101000	Gas Distribution	37450 Rights of Way	\$148,637	1990
956	101000	Gas Distribution	37450 Rights of Way	\$98,608	1990
957	101000	Gas Distribution	37450 Rights of Way	\$44,963	1990
958	101000	Gas Distribution	37450 Rights of Way	\$50,600	1991
959	101000	Gas Distribution	37450 Rights of Way	\$82,681	1991
960	101000	Gas Distribution	37450 Rights of Way	\$46,590	1991
961	101000	Gas Distribution	37450 Rights of Way	\$10,475	1991
962	101000	Gas Distribution	37450 Rights of Way	\$107,399	1991
963	101000	Gas Distribution	37450 Rights of Way	\$50,869	1991
964	101000	Gas Distribution	37450 Rights of Way	\$50,993	1991
965	101000	Gas Distribution	37450 Rights of Way	\$61,428	1991
966	101000	Gas Distribution	37450 Rights of Way	\$125,148	1991
967	101000	Gas Distribution	37450 Rights of Way	\$168,283	1991
968	101000	Gas Distribution	37450 Rights of Way	\$20,882	1991
969	101000	Gas Distribution	37450 Rights of Way	\$145,850	1991
970	101000	Gas Distribution	37450 Rights of Way	\$81,197	1992
971	101000	Gas Distribution	37450 Rights of Way	\$48,357	1992
972	101000	Gas Distribution	37450 Rights of Way	\$86,854	1992
973	101000	Gas Distribution	37450 Rights of Way	\$74,344	1992
974	101000	Gas Distribution	37450 Rights of Way	\$67,304	1992

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
975	101000	Gas Distribution	37450 Rights of Way	\$60,420	1992
976	101000	Gas Distribution	37450 Rights of Way	\$16,694	1992
977	101000	Gas Distribution	37450 Rights of Way	\$7,151	1992
978	101000	Gas Distribution	37450 Rights of Way	\$11,587	1992
979	101000	Gas Distribution	37450 Rights of Way	\$65,890	1992
980	101000	Gas Distribution	37450 Rights of Way	\$8,178	1992
981	101000	Gas Distribution	37450 Rights of Way	\$89,893	1992
982	101000	Gas Distribution	37450 Rights of Way	\$17,078	1993
983	101000	Gas Distribution	37450 Rights of Way	\$30,245	1993
984	101000	Gas Distribution	37450 Rights of Way	\$58,054	1993
985	101000	Gas Distribution	37450 Rights of Way	\$45,126	1993
986	101000	Gas Distribution	37450 Rights of Way	\$61,917	1993
987	101000	Gas Distribution	37450 Rights of Way	\$144,852	1993
988	101000	Gas Distribution	37450 Rights of Way	\$44,835	1993
989	101000	Gas Distribution	37450 Rights of Way	\$40,197	1993
990	101000	Gas Distribution	37450 Rights of Way	\$61,997	1993
991	101000	Gas Distribution	37450 Rights of Way	\$13,005	1993
992	101000	Gas Distribution	37450 Rights of Way	\$92,848	1993
993	101000	Gas Distribution	37450 Rights of Way	(\$0)	2007
994	101000	Gas Distribution	37450 Rights of Way	\$148,961	1993
995	101000	Gas Distribution	37450 Rights of Way	\$4,267	1993
996	101000	Gas Distribution	37450 Rights of Way	\$13,708	1993
997	101000	Gas Distribution	37450 Rights of Way	\$29,639	1994
998	101000	Gas Distribution	37450 Rights of Way	\$72,272	1994
999	101000	Gas Distribution	37450 Rights of Way	(\$73)	1994
1000	101000	Gas Distribution	37450 Rights of Way	\$74,153	1994
1001	101000	Gas Distribution	37450 Rights of Way	\$97,070	1994
1002	101000	Gas Distribution	37450 Rights of Way	\$34,510	1994
1003	101000	Gas Distribution	37450 Rights of Way	\$25,824	1994
1004	101000	Gas Distribution	37450 Rights of Way	\$18,948	1994
1005	101000	Gas Distribution	37450 Rights of Way	\$27,147	1994
1006	101000	Gas Distribution	37450 Rights of Way	\$4,499	1994
1007	101000	Gas Distribution	37450 Rights of Way	\$149,512	1994
1008	101000	Gas Distribution	37450 Rights of Way	\$205,018	1994
1009	101000	Gas Distribution	37450 Rights of Way	\$89,462	1994
1010	101000	Gas Distribution	37450 Rights of Way	\$7,524	1995
1011	101000	Gas Distribution	37450 Rights of Way	\$38,497	1995
1012	101000	Gas Distribution	37450 Rights of Way	\$28,581	1995
1013	101000	Gas Distribution	37450 Rights of Way	\$17,715	1995
1014	101000	Gas Distribution	37450 Rights of Way	\$28,075	1995
1015	101000	Gas Distribution	37450 Rights of Way	\$7,898	1995
1016	101000	Gas Distribution	37450 Rights of Way	\$18	1995
1017	101000	Gas Distribution	37450 Rights of Way	\$6,698	1995
1018	101000	Gas Distribution	37450 Rights of Way	\$70,217	1995
1019	101000	Gas Distribution	37450 Rights of Way	\$7,332	1995
1020	101000	Gas Distribution	37450 Rights of Way	\$379,304	1995
1021	101000	Gas Distribution	37450 Rights of Way	\$226,970	1995
1022	101000	Gas Distribution	37450 Rights of Way	\$471,632	1995
1023	101000	Gas Distribution	37450 Rights of Way	\$29,672	1996
1024	101000	Gas Distribution	37450 Rights of Way	\$35,403	1996
1025	101000	Gas Distribution	37450 Rights of Way	\$133,072	1996
1026	101000	Gas Distribution	37450 Rights of Way	\$11,821	1996
1027	101000	Gas Distribution	37450 Rights of Way	\$57	1996
1028	101000	Gas Distribution	37450 Rights of Way	\$111,179	1996
1029	101000	Gas Distribution	37450 Rights of Way	\$77,359	1996
1030	101000	Gas Distribution	37450 Rights of Way	\$66,130	1996
1031	101000	Gas Distribution	37450 Rights of Way	\$97,577	1996
1032	101000	Gas Distribution	37450 Rights of Way	\$145,563	1996
1033	101000	Gas Distribution	37450 Rights of Way	\$199,255	1996
1034	101000	Gas Distribution	37450 Rights of Way	\$4,270	1997
1035	101000	Gas Distribution	37450 Rights of Way	\$27,502	1997

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
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AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line	FERC					In
No	Account	Major Grouping	Description	Amount		Service Year
1036	101000	Gas Distribution	37450 Rights of Way	\$9,267		1997
1037	101000	Gas Distribution	37450 Rights of Way	\$48,335		1997
1038	101000	Gas Distribution	37450 Rights of Way	\$52,613		1997
1039	101000	Gas Distribution	37450 Rights of Way	\$2,040		1997
1040	101000	Gas Distribution	37450 Rights of Way	\$1,109		1997
1041	101000	Gas Distribution	37450 Rights of Way	\$45,745		1997
1042	101000	Gas Distribution	37450 Rights of Way	\$60,327		1997
1043	101000	Gas Distribution	37450 Rights of Way	\$91,990		1998
1044	101000	Gas Distribution	37450 Rights of Way	\$11,811		1998
1045	101000	Gas Distribution	37450 Rights of Way	\$5,843		1998
1046	101000	Gas Distribution	37450 Rights of Way	\$7,298		1998
1047	101000	Gas Distribution	37450 Rights of Way	\$198,633		1998
1048	101000	Gas Distribution	37450 Rights of Way	\$8,915		1998
1049	101000	Gas Distribution	37450 Rights of Way	\$276,953		1998
1050	101000	Gas Distribution	37450 Rights of Way	\$8,181		1998
1051	101000	Gas Distribution	37450 Rights of Way	\$2,092		1999
1052	101000	Gas Distribution	37450 Rights of Way	\$20,067		1999
1053	101000	Gas Distribution	37450 Rights of Way	\$11,814		1999
1054	101000	Gas Distribution	37450 Rights of Way	\$7,772		1999
1055	101000	Gas Distribution	37450 Rights of Way	\$45,118		1999
1056	101000	Gas Distribution	37450 Rights of Way	\$20,464		1999
1057	101000	Gas Distribution	37450 Rights of Way	\$50,910		1999
1058	101000	Gas Distribution	37450 Rights of Way	\$26,446		1999
1059	101000	Gas Distribution	37450 Rights of Way	\$182,124		1999
1060	101000	Gas Distribution	37450 Rights of Way	\$1,748		2000
1061	101000	Gas Distribution	37450 Rights of Way	\$1,660		2000
1062	101000	Gas Distribution	37450 Rights of Way	\$285,893		2000
1063	101000	Gas Distribution	37450 Rights of Way	\$47,058		2000
1064	101000	Gas Distribution	37450 Rights of Way	\$16,131		2000
1065	101000	Gas Distribution	37450 Rights of Way	\$7,265		2000
1066	101000	Gas Distribution	37450 Rights of Way	\$25,264		2001
1067	101000	Gas Distribution	37450 Rights of Way	\$68,024		2001
1068	101000	Gas Distribution	37450 Rights of Way	\$4,354		2005
1069	101000	Gas Distribution	37450 Rights of Way	\$11,117		2001
1070	101000	Gas Distribution	37450 Rights of Way	\$25,527		2001
1071	101000	Gas Distribution	37450 Rights of Way	\$6,568		2001
1072	101000	Gas Distribution	37450 Rights of Way	\$6,326		2005
1073	101000	Gas Distribution	37450 Rights of Way	\$46,237		2001
1074	101000	Gas Distribution	37450 Rights of Way	\$11,830		2001
1075	101000	Gas Distribution	37450 Rights of Way	\$11,631		2001
1076	101000	Gas Distribution	37450 Rights of Way	\$10,776		2001
1077	101000	Gas Distribution	37450 Rights of Way	\$38,496		2002
1078	101000	Gas Distribution	37450 Rights of Way	\$37,718		2002
1079	101000	Gas Distribution	37450 Rights of Way	\$6,360		2005
1080	101000	Gas Distribution	37450 Rights of Way	\$152,917		2002
1081	101000	Gas Distribution	37450 Rights of Way	\$16,190		2002
1082	101000	Gas Distribution	37450 Rights of Way	\$51,295		2002
1083	101000	Gas Distribution	37450 Rights of Way	\$25,163		2002
1084	101000	Gas Distribution	37450 Rights of Way	(\$125)		2003
1085	101000	Gas Distribution	37450 Rights of Way	\$123,905		2002
1086	101000	Gas Distribution	37450 Rights of Way	(\$2,837)		2003
1087	101000	Gas Distribution	37450 Rights of Way	\$8,227		2002
1088	101000	Gas Distribution	37450 Rights of Way	\$14,509		2004
1089	101000	Gas Distribution	37450 Rights of Way	\$3,831		2002
1090	101000	Gas Distribution	37450 Rights of Way	\$67,359		2002
1091	101000	Gas Distribution	37450 Rights of Way	(\$435)		2003
1092	101000	Gas Distribution	37450 Rights of Way	\$25,614		2003
1093	101000	Gas Distribution	37450 Rights of Way	\$5,790		2003
1094			37450 Rights of Way Total	<u>\$13,714,775</u>		
1095	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$124		1918
1096	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$700		1927

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
1097	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$1,356	1929
1098	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$296	1929
1099	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$695	1931
1100	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$237	1932
1101	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$204	1933
1102	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$802	1934
1103	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$890	1936
1104	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$337	1938
1105	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$942	1939
1106	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$577	1940
1107	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$434	1940
1108	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$1,689	1950
1109	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$3,862	1952
1110	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$2,299	1953
1111	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$10	1953
1112	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$613	1954
1113	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$3,786	1955
1114	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$6,620	1956
1115	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$857	1956
1116	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$4,300	1957
1117	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$522	1958
1118	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$4,778	1958
1119	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$11,016	1959
1120	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$1,017	1959
1121	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$892	1959
1122	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$13,971	1960
1123	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$1,810	1961
1124	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$24,814	1961
1125	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$778	1961
1126	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$1,015	1962
1127	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$51,828	1962
1128	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$4,066	1962
1129	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$921	1963
1130	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$1,082	1963
1131	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$45,288	1963
1132	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$3,301	1963
1133	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$5,514	1963
1134	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$12,427	1964
1135	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$3,098	1964
1136	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$695	1964
1137	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$11,809	1965
1138	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$337	1965
1139	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$2,303	1965
1140	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$12,028	1966
1141	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$1,342	1966
1142	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$19,803	1967
1143	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$23,357	1968
1144	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$889	1968
1145	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$2,756	1968
1146	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$24,724	1969
1147	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$1,168	1969
1148	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$42,604	1970
1149	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$1,065	1970
1150	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$1,307	1970
1151	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$2,119	1971
1152	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$38,808	1971
1153	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$2,089	1971
1154	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$1,416	1972
1155	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$19,331	1972
1156	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$1,676	1972
1157	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$3,151	1972

COLUMBIA GAS OF OHIO, INC.
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SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
1158	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$3,081	1973
1159	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$7,285	1973
1160	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$2,340	1973
1161	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$3,344	1973
1162	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$3,614	1973
1163	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$12,984	1974
1164	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$1,666	1974
1165	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$4,428	1976
1166	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$3,577	1976
1167	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$2,888	1976
1168	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$837	1977
1169	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$3,557	1978
1170	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$4,018	1978
1171	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$5,522	1979
1172	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$662	1980
1173	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$1,377	1980
1174	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$5,955	1980
1175	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$7,553	1981
1176	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$4,061	1981
1177	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$8,629	1981
1178	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$5,392	1982
1179	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$16,022	1982
1180	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$13,001	1982
1181	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$13,436	1982
1182	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$4,372	1982
1183	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$8,789	1983
1184	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$7,004	1983
1185	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$3,890	1984
1186	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$4,549	1984
1187	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$6,133	1985
1188	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$12,340	1985
1189	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$2,439	1986
1190	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$4,598	1986
1191	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$6,795	1986
1192	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$4,645	1986
1193	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$6,728	1987
1194	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$3,834	1987
1195	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$4,561	1987
1196	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$5,859	1988
1197	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$6,374	1988
1198	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$5,379	1990
1199	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$4,508	1991
1200	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$3,909	1992
1201	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$15,039	1993
1202	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$19,550	1994
1203	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$11,634	1996
1204	101000	Gas Distribution	37520 Str, City Gate Mea & Reg	\$15,171	2000
1205			37520 Str, City Gate Mea & Reg Total	\$737,872	
1206	101000	Gas Distribution	37521 Str, Exchange Gas Mea & Reg	\$33,876	1985
1207			37521 Str, Exchange Gas Mea & Reg Total	\$33,876	
1208	101000	Gas Distribution	37530 Str, General Mea & Reg	\$2,515	1974
1209	101000	Gas Distribution	37530 Str, General Mea & Reg	\$5,761	1975
1210	101000	Gas Distribution	37530 Str, General Mea & Reg	\$24,713	1976
1211			37530 Str, General Mea & Reg Total	\$32,988	
1212	101000	Gas Distribution	37531 Str, General M&R, Local Gas	\$5,788	1976
1213	101000	Gas Distribution	37531 Str, General M&R, Local Gas	\$4,203	1983
1214			37531 Str, General M&R, Local Gas Total	\$9,991	
1215	101000	Gas Distribution	37540 Str, Regulating	\$264	1901
1216	101000	Gas Distribution	37540 Str, Regulating	\$220	1903
1217	101000	Gas Distribution	37540 Str, Regulating	\$111	1904
1218	101000	Gas Distribution	37540 Str, Regulating	\$94	1906

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
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AS OF DECEMBER 31, 2007

DATA: ACTUAL
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SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
1219	101000	Gas Distribution	37540 Str, Regulating	\$222	1910
1220	101000	Gas Distribution	37540 Str, Regulating	\$325	1911
1221	101000	Gas Distribution	37540 Str, Regulating	\$1,101	1912
1222	101000	Gas Distribution	37540 Str, Regulating	\$3,143	1912
1223	101000	Gas Distribution	37540 Str, Regulating	\$199	1913
1224	101000	Gas Distribution	37540 Str, Regulating	\$928	1914
1225	101000	Gas Distribution	37540 Str, Regulating	\$113	1915
1226	101000	Gas Distribution	37540 Str, Regulating	\$92	1916
1227	101000	Gas Distribution	37540 Str, Regulating	\$138	1917
1228	101000	Gas Distribution	37540 Str, Regulating	\$215	1918
1229	101000	Gas Distribution	37540 Str, Regulating	\$224	1919
1230	101000	Gas Distribution	37540 Str, Regulating	\$278	1920
1231	101000	Gas Distribution	37540 Str, Regulating	\$341	1922
1232	101000	Gas Distribution	37540 Str, Regulating	\$502	1923
1233	101000	Gas Distribution	37540 Str, Regulating	\$409	1924
1234	101000	Gas Distribution	37540 Str, Regulating	\$258	1925
1235	101000	Gas Distribution	37540 Str, Regulating	\$990	1926
1236	101000	Gas Distribution	37540 Str, Regulating	\$2,779	1927
1237	101000	Gas Distribution	37540 Str, Regulating	\$5,527	1928
1238	101000	Gas Distribution	37540 Str, Regulating	\$9,993	1929
1239	101000	Gas Distribution	37540 Str, Regulating	\$4,010	1930
1240	101000	Gas Distribution	37540 Str, Regulating	\$769	1930
1241	101000	Gas Distribution	37540 Str, Regulating	\$2,135	1931
1242	101000	Gas Distribution	37540 Str, Regulating	\$1,202	1932
1243	101000	Gas Distribution	37540 Str, Regulating	\$1,933	1933
1244	101000	Gas Distribution	37540 Str, Regulating	\$1,634	1934
1245	101000	Gas Distribution	37540 Str, Regulating	\$274	1934
1246	101000	Gas Distribution	37540 Str, Regulating	\$2,378	1935
1247	101000	Gas Distribution	37540 Str, Regulating	\$513	1935
1248	101000	Gas Distribution	37540 Str, Regulating	\$6,105	1936
1249	101000	Gas Distribution	37540 Str, Regulating	\$154	1938
1250	101000	Gas Distribution	37540 Str, Regulating	\$4,199	1937
1251	101000	Gas Distribution	37540 Str, Regulating	\$3,421	1938
1252	101000	Gas Distribution	37540 Str, Regulating	\$3,871	1939
1253	101000	Gas Distribution	37540 Str, Regulating	\$4,807	1940
1254	101000	Gas Distribution	37540 Str, Regulating	\$3,359	1941
1255	101000	Gas Distribution	37540 Str, Regulating	\$3,193	1942
1256	101000	Gas Distribution	37540 Str, Regulating	\$518	1943
1257	101000	Gas Distribution	37540 Str, Regulating	\$1,006	1944
1258	101000	Gas Distribution	37540 Str, Regulating	\$870	1945
1259	101000	Gas Distribution	37540 Str, Regulating	\$2,054	1946
1260	101000	Gas Distribution	37540 Str, Regulating	\$1,105	1947
1261	101000	Gas Distribution	37540 Str, Regulating	\$6,039	1948
1262	101000	Gas Distribution	37540 Str, Regulating	\$8,906	1948
1263	101000	Gas Distribution	37540 Str, Regulating	\$14,567	1949
1264	101000	Gas Distribution	37540 Str, Regulating	\$1,259	1949
1265	101000	Gas Distribution	37540 Str, Regulating	\$8,927	1950
1266	101000	Gas Distribution	37540 Str, Regulating	\$37,073	1951
1267	101000	Gas Distribution	37540 Str, Regulating	\$36,551	1952
1268	101000	Gas Distribution	37540 Str, Regulating	\$349	1953
1269	101000	Gas Distribution	37540 Str, Regulating	\$13,830	1953
1270	101000	Gas Distribution	37540 Str, Regulating	\$25,163	1954
1271	101000	Gas Distribution	37540 Str, Regulating	\$360	1954
1272	101000	Gas Distribution	37540 Str, Regulating	\$273	1954
1273	101000	Gas Distribution	37540 Str, Regulating	\$859	1955
1274	101000	Gas Distribution	37540 Str, Regulating	\$57,478	1955
1275	101000	Gas Distribution	37540 Str, Regulating	\$64,587	1956
1276	101000	Gas Distribution	37540 Str, Regulating	\$43,546	1957
1277	101000	Gas Distribution	37540 Str, Regulating	\$53,330	1958
1278	101000	Gas Distribution	37540 Str, Regulating	\$776	1958
1279	101000	Gas Distribution	37540 Str, Regulating	\$594	1958

COLUMBIA GAS OF OHIO, INC.
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AS OF DECEMBER 31, 2007

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SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line	FERC					In
No	Account	Major Grouping	Description	Amount		Service Year
1280	101000	Gas Distribution	37540 Str, Regulating	\$58,423		1959
1281	101000	Gas Distribution	37540 Str, Regulating	\$1,400		1959
1282	101000	Gas Distribution	37540 Str, Regulating	\$3,277		1959
1283	101000	Gas Distribution	37540 Str, Regulating	\$633		1960
1284	101000	Gas Distribution	37540 Str, Regulating	\$63,076		1960
1285	101000	Gas Distribution	37540 Str, Regulating	\$597		1960
1286	101000	Gas Distribution	37540 Str, Regulating	\$64,952		1961
1287	101000	Gas Distribution	37540 Str, Regulating	\$897		1961
1288	101000	Gas Distribution	37540 Str, Regulating	\$54,903		1962
1289	101000	Gas Distribution	37540 Str, Regulating	\$996		1962
1290	101000	Gas Distribution	37540 Str, Regulating	\$2,112		1962
1291	101000	Gas Distribution	37540 Str, Regulating	\$1,583		1962
1292	101000	Gas Distribution	37540 Str, Regulating	\$875		1963
1293	101000	Gas Distribution	37540 Str, Regulating	\$59,518		1963
1294	101000	Gas Distribution	37540 Str, Regulating	\$2,665		1963
1295	101000	Gas Distribution	37540 Str, Regulating	\$83,088		1964
1296	101000	Gas Distribution	37540 Str, Regulating	\$561		1964
1297	101000	Gas Distribution	37540 Str, Regulating	\$1,515		1965
1298	101000	Gas Distribution	37540 Str, Regulating	\$2,295		1965
1299	101000	Gas Distribution	37540 Str, Regulating	\$54,251		1965
1300	101000	Gas Distribution	37540 Str, Regulating	\$685		1965
1301	101000	Gas Distribution	37540 Str, Regulating	\$1,171		1965
1302	101000	Gas Distribution	37540 Str, Regulating	\$43,097		1966
1303	101000	Gas Distribution	37540 Str, Regulating	\$1,049		1966
1304	101000	Gas Distribution	37540 Str, Regulating	\$61,524		1967
1305	101000	Gas Distribution	37540 Str, Regulating	\$3,103		1967
1306	101000	Gas Distribution	37540 Str, Regulating	\$1,619		1967
1307	101000	Gas Distribution	37540 Str, Regulating	\$974		1967
1308	101000	Gas Distribution	37540 Str, Regulating	\$49,943		1968
1309	101000	Gas Distribution	37540 Str, Regulating	\$1,108		1968
1310	101000	Gas Distribution	37540 Str, Regulating	\$1,556		1969
1311	101000	Gas Distribution	37540 Str, Regulating	\$50,571		1969
1312	101000	Gas Distribution	37540 Str, Regulating	\$1,551		1970
1313	101000	Gas Distribution	37540 Str, Regulating	\$38,407		1970
1314	101000	Gas Distribution	37540 Str, Regulating	\$2,056		1970
1315	101000	Gas Distribution	37540 Str, Regulating	\$1,100		1971
1316	101000	Gas Distribution	37540 Str, Regulating	\$3,914		1971
1317	101000	Gas Distribution	37540 Str, Regulating	\$51,029		1971
1318	101000	Gas Distribution	37540 Str, Regulating	\$1,188		1971
1319	101000	Gas Distribution	37540 Str, Regulating	\$1,660		1971
1320	101000	Gas Distribution	37540 Str, Regulating	\$1,623		1972
1321	101000	Gas Distribution	37540 Str, Regulating	\$45,103		1972
1322	101000	Gas Distribution	37540 Str, Regulating	\$1,412		1972
1323	101000	Gas Distribution	37540 Str, Regulating	\$2,913		1972
1324	101000	Gas Distribution	37540 Str, Regulating	\$1,207		1972
1325	101000	Gas Distribution	37540 Str, Regulating	\$33,889		1973
1326	101000	Gas Distribution	37540 Str, Regulating	\$5,085		1973
1327	101000	Gas Distribution	37540 Str, Regulating	\$2,642		1973
1328	101000	Gas Distribution	37540 Str, Regulating	\$1,496		1973
1329	101000	Gas Distribution	37540 Str, Regulating	\$6,864		1974
1330	101000	Gas Distribution	37540 Str, Regulating	\$5,609		1974
1331	101000	Gas Distribution	37540 Str, Regulating	\$1,944		1974
1332	101000	Gas Distribution	37540 Str, Regulating	\$4,542		1974
1333	101000	Gas Distribution	37540 Str, Regulating	\$1,593		1975
1334	101000	Gas Distribution	37540 Str, Regulating	\$3,181		1975
1335	101000	Gas Distribution	37540 Str, Regulating	\$2,001		1975
1336	101000	Gas Distribution	37540 Str, Regulating	\$2,945		1975
1337	101000	Gas Distribution	37540 Str, Regulating	\$2,259		1975
1338	101000	Gas Distribution	37540 Str, Regulating	\$1,287		1975
1339	101000	Gas Distribution	37540 Str, Regulating	\$3,266		1975
1340	101000	Gas Distribution	37540 Str, Regulating	\$3,768		1975

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
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SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
1341	101000	Gas Distribution	37540 Str, Regulating	\$7,840	1976
1342	101000	Gas Distribution	37540 Str, Regulating	\$822	1976
1343	101000	Gas Distribution	37540 Str, Regulating	\$1,672	1976
1344	101000	Gas Distribution	37540 Str, Regulating	\$4,598	1976
1345	101000	Gas Distribution	37540 Str, Regulating	\$8,560	1977
1346	101000	Gas Distribution	37540 Str, Regulating	\$2,225	1977
1347	101000	Gas Distribution	37540 Str, Regulating	\$9,968	1977
1348	101000	Gas Distribution	37540 Str, Regulating	\$3,646	1977
1349	101000	Gas Distribution	37540 Str, Regulating	\$3,642	1977
1350	101000	Gas Distribution	37540 Str, Regulating	\$5,131	1977
1351	101000	Gas Distribution	37540 Str, Regulating	\$7,423	1977
1352	101000	Gas Distribution	37540 Str, Regulating	\$3,828	1978
1353	101000	Gas Distribution	37540 Str, Regulating	\$9,364	1978
1354	101000	Gas Distribution	37540 Str, Regulating	\$12,550	1978
1355	101000	Gas Distribution	37540 Str, Regulating	\$3,093	1978
1356	101000	Gas Distribution	37540 Str, Regulating	\$7,109	1978
1357	101000	Gas Distribution	37540 Str, Regulating	\$17,850	1978
1358	101000	Gas Distribution	37540 Str, Regulating	\$3,319	1979
1359	101000	Gas Distribution	37540 Str, Regulating	\$3,514	1979
1360	101000	Gas Distribution	37540 Str, Regulating	\$4,409	1979
1361	101000	Gas Distribution	37540 Str, Regulating	\$12,720	1980
1362	101000	Gas Distribution	37540 Str, Regulating	\$5,171	1980
1363	101000	Gas Distribution	37540 Str, Regulating	\$2,608	1980
1364	101000	Gas Distribution	37540 Str, Regulating	\$7,724	1980
1365	101000	Gas Distribution	37540 Str, Regulating	\$8,064	1980
1366	101000	Gas Distribution	37540 Str, Regulating	\$3,487	1981
1367	101000	Gas Distribution	37540 Str, Regulating	\$7,817	1981
1368	101000	Gas Distribution	37540 Str, Regulating	\$12,500	1981
1369	101000	Gas Distribution	37540 Str, Regulating	\$6,881	1981
1370	101000	Gas Distribution	37540 Str, Regulating	\$7,789	1981
1371	101000	Gas Distribution	37540 Str, Regulating	\$6,071	1981
1372	101000	Gas Distribution	37540 Str, Regulating	\$5,144	1981
1373	101000	Gas Distribution	37540 Str, Regulating	\$5,188	1981
1374	101000	Gas Distribution	37540 Str, Regulating	\$4,930	1981
1375	101000	Gas Distribution	37540 Str, Regulating	\$8,013	1982
1376	101000	Gas Distribution	37540 Str, Regulating	\$5,978	1982
1377	101000	Gas Distribution	37540 Str, Regulating	\$13,971	1982
1378	101000	Gas Distribution	37540 Str, Regulating	\$13,511	1983
1379	101000	Gas Distribution	37540 Str, Regulating	\$10,668	1983
1380	101000	Gas Distribution	37540 Str, Regulating	\$14,093	1983
1381	101000	Gas Distribution	37540 Str, Regulating	\$5,762	1983
1382	101000	Gas Distribution	37540 Str, Regulating	\$11,163	1984
1383	101000	Gas Distribution	37540 Str, Regulating	\$5,702	1984
1384	101000	Gas Distribution	37540 Str, Regulating	\$2,629	1984
1385	101000	Gas Distribution	37540 Str, Regulating	\$8,294	1984
1386	101000	Gas Distribution	37540 Str, Regulating	\$8,424	1984
1387	101000	Gas Distribution	37540 Str, Regulating	\$8,987	1984
1388	101000	Gas Distribution	37540 Str, Regulating	\$5,897	1984
1389	101000	Gas Distribution	37540 Str, Regulating	\$7,955	1985
1390	101000	Gas Distribution	37540 Str, Regulating	\$17,728	1985
1391	101000	Gas Distribution	37540 Str, Regulating	\$4,468	1985
1392	101000	Gas Distribution	37540 Str, Regulating	\$4,369	1985
1393	101000	Gas Distribution	37540 Str, Regulating	\$9,298	1985
1394	101000	Gas Distribution	37540 Str, Regulating	\$18,529	1985
1395	101000	Gas Distribution	37540 Str, Regulating	\$4,302	1985
1396	101000	Gas Distribution	37540 Str, Regulating	\$4,966	1985
1397	101000	Gas Distribution	37540 Str, Regulating	\$600	1986
1398	101000	Gas Distribution	37540 Str, Regulating	\$17,528	1986
1399	101000	Gas Distribution	37540 Str, Regulating	\$32,739	1986
1400	101000	Gas Distribution	37540 Str, Regulating	\$13,902	1986
1401	101000	Gas Distribution	37540 Str, Regulating	\$5,402	1986

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
1402	101000	Gas Distribution	37540 Str, Regulating	\$5,428	1986
1403	101000	Gas Distribution	37540 Str, Regulating	\$10,586	1986
1404	101000	Gas Distribution	37540 Str, Regulating	\$19,017	1988
1405	101000	Gas Distribution	37540 Str, Regulating	\$5,948	1987
1406	101000	Gas Distribution	37540 Str, Regulating	\$5,361	1987
1407	101000	Gas Distribution	37540 Str, Regulating	\$2,282	1987
1408	101000	Gas Distribution	37540 Str, Regulating	\$5,911	1987
1409	101000	Gas Distribution	37540 Str, Regulating	\$8,863	1987
1410	101000	Gas Distribution	37540 Str, Regulating	\$8,632	1987
1411	101000	Gas Distribution	37540 Str, Regulating	\$7,110	1988
1412	101000	Gas Distribution	37540 Str, Regulating	\$2,242	1988
1413	101000	Gas Distribution	37540 Str, Regulating	\$29,865	1988
1414	101000	Gas Distribution	37540 Str, Regulating	\$4,168	1988
1415	101000	Gas Distribution	37540 Str, Regulating	\$7,286	1988
1416	101000	Gas Distribution	37540 Str, Regulating	\$16,057	1988
1417	101000	Gas Distribution	37540 Str, Regulating	\$20,947	1988
1418	101000	Gas Distribution	37540 Str, Regulating	\$6,793	1988
1419	101000	Gas Distribution	37540 Str, Regulating	\$5,592	1989
1420	101000	Gas Distribution	37540 Str, Regulating	\$6,708	1989
1421	101000	Gas Distribution	37540 Str, Regulating	\$11,672	1989
1422	101000	Gas Distribution	37540 Str, Regulating	\$13,377	1989
1423	101000	Gas Distribution	37540 Str, Regulating	\$4,350	1989
1424	101000	Gas Distribution	37540 Str, Regulating	\$10,290	1990
1425	101000	Gas Distribution	37540 Str, Regulating	\$3,614	1990
1426	101000	Gas Distribution	37540 Str, Regulating	\$14,228	1990
1427	101000	Gas Distribution	37540 Str, Regulating	\$15,752	1990
1428	101000	Gas Distribution	37540 Str, Regulating	\$6,642	1991
1429	101000	Gas Distribution	37540 Str, Regulating	\$6,315	1991
1430	101000	Gas Distribution	37540 Str, Regulating	\$3,705	1991
1431	101000	Gas Distribution	37540 Str, Regulating	\$6,079	1991
1432	101000	Gas Distribution	37540 Str, Regulating	\$3,495	1992
1433	101000	Gas Distribution	37540 Str, Regulating	\$16,811	1992
1434	101000	Gas Distribution	37540 Str, Regulating	\$2,542	1992
1435	101000	Gas Distribution	37540 Str, Regulating	\$8,147	1992
1436	101000	Gas Distribution	37540 Str, Regulating	\$4,954	1992
1437	101000	Gas Distribution	37540 Str, Regulating	\$36,954	1992
1438	101000	Gas Distribution	37540 Str, Regulating	\$10,756	1992
1439	101000	Gas Distribution	37540 Str, Regulating	\$10,358	1993
1440	101000	Gas Distribution	37540 Str, Regulating	\$7,402	1993
1441	101000	Gas Distribution	37540 Str, Regulating	\$5,951	1993
1442	101000	Gas Distribution	37540 Str, Regulating	\$28,140	1993
1443	101000	Gas Distribution	37540 Str, Regulating	\$28,078	1993
1444	101000	Gas Distribution	37540 Str, Regulating	\$10,471	1993
1445	101000	Gas Distribution	37540 Str, Regulating	\$20,949	1994
1446	101000	Gas Distribution	37540 Str, Regulating	\$19,545	1994
1447	101000	Gas Distribution	37540 Str, Regulating	\$9,642	1994
1448	101000	Gas Distribution	37540 Str, Regulating	\$6,616	1994
1449	101000	Gas Distribution	37540 Str, Regulating	\$10,484	1995
1450	101000	Gas Distribution	37540 Str, Regulating	\$4,941	1995
1451	101000	Gas Distribution	37540 Str, Regulating	\$18,515	1995
1452	101000	Gas Distribution	37540 Str, Regulating	\$6,016	1995
1453	101000	Gas Distribution	37540 Str, Regulating	\$6,068	1995
1454	101000	Gas Distribution	37540 Str, Regulating	\$68,420	1995
1455	101000	Gas Distribution	37540 Str, Regulating	\$37,238	1996
1456	101000	Gas Distribution	37540 Str, Regulating	\$55,818	1996
1457	101000	Gas Distribution	37540 Str, Regulating	\$7,776	1996
1458	101000	Gas Distribution	37540 Str, Regulating	\$9,598	1996
1459	101000	Gas Distribution	37540 Str, Regulating	\$38,200	1996
1460	101000	Gas Distribution	37540 Str, Regulating	\$13,741	1996
1461	101000	Gas Distribution	37540 Str, Regulating	\$56,336	1997
1462	101000	Gas Distribution	37540 Str, Regulating	\$4,713	1997

COLUMBIA GAS OF OHIO, INC.
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AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
1463	101000	Gas Distribution	37540 Str, Regulating	\$10,900	1997
1464	101000	Gas Distribution	37540 Str, Regulating	\$8,636	1997
1465	101000	Gas Distribution	37540 Str, Regulating	\$34,437	1997
1466	101000	Gas Distribution	37540 Str, Regulating	\$8,659	1998
1467	101000	Gas Distribution	37540 Str, Regulating	\$73,997	1998
1468	101000	Gas Distribution	37540 Str, Regulating	\$8,335	1998
1469	101000	Gas Distribution	37540 Str, Regulating	\$18,609	1998
1470	101000	Gas Distribution	37540 Str, Regulating	\$14,786	1998
1471	101000	Gas Distribution	37540 Str, Regulating	\$22,512	1998
1472	101000	Gas Distribution	37540 Str, Regulating	\$7,825	1998
1473	101000	Gas Distribution	37540 Str, Regulating	\$19,517	1999
1474	101000	Gas Distribution	37540 Str, Regulating	\$11,386	1999
1475	101000	Gas Distribution	37540 Str, Regulating	\$47,012	1999
1476	101000	Gas Distribution	37540 Str, Regulating	\$25,387	1999
1477	101000	Gas Distribution	37540 Str, Regulating	\$38,975	1999
1478	101000	Gas Distribution	37540 Str, Regulating	\$40,487	2000
1479	101000	Gas Distribution	37540 Str, Regulating	\$8,034	2000
1480	101000	Gas Distribution	37540 Str, Regulating	\$31,924	2000
1481	101000	Gas Distribution	37540 Str, Regulating	\$2,801	2000
1482	101000	Gas Distribution	37540 Str, Regulating	\$28,162	2000
1483	101000	Gas Distribution	37540 Str, Regulating	\$18,954	2001
1484	101000	Gas Distribution	37540 Str, Regulating	\$6,129	2001
1485	101000	Gas Distribution	37540 Str, Regulating	\$973	2001
1486	101000	Gas Distribution	37540 Str, Regulating	\$4,353	2001
1487	101000	Gas Distribution	37540 Str, Regulating	\$4,899	2002
1488	101000	Gas Distribution	37540 Str, Regulating	\$1,848	2002
1489	101000	Gas Distribution	37540 Str, Regulating	\$5,657	2004
1490	101000	Gas Distribution	37540 Str, Regulating	\$3,792	2002
1491	101000	Gas Distribution	37540 Str, Regulating	\$17,148	2002
1492	101000	Gas Distribution	37540 Str, Regulating	\$2,152	2002
1493	101000	Gas Distribution	37540 Str, Regulating	\$13,540	2002
1494	101000	Gas Distribution	37540 Str, Regulating	\$33,848	2002
1495	101000	Gas Distribution	37540 Str, Regulating	\$50,451	2002
1496	101000	Gas Distribution	37540 Str, Regulating	\$20,551	2003
1497	101000	Gas Distribution	37540 Str, Regulating	\$3,337	2003
1498	101000	Gas Distribution	37540 Str, Regulating	\$12,590	2003
1499	101000	Gas Distribution	37540 Str, Regulating	\$3,474	2003
1500	101000	Gas Distribution	37540 Str, Regulating	\$16,519	2003
1501	101000	Gas Distribution	37540 Str, Regulating	\$40,882	2004
1502	101000	Gas Distribution	37540 Str, Regulating	\$10,754	2005
1503	101000	Gas Distribution	37540 Str, Regulating	\$31,002	2004
1504	101000	Gas Distribution	37540 Str, Regulating	\$4,498	2004
1505	101000	Gas Distribution	37540 Str, Regulating	\$4,441	2004
1506	101000	Gas Distribution	37540 Str, Regulating	\$6,258	2004
1507	101000	Gas Distribution	37540 Str, Regulating	\$13,022	2005
1508	101000	Gas Distribution	37540 Str, Regulating	\$34,489	2004
1509	101000	Gas Distribution	37540 Str, Regulating	\$8,112	2006
1510	101000	Gas Distribution	37540 Str, Regulating	\$2,546	2004
1511	101000	Gas Distribution	37540 Str, Regulating	\$14,999	2005
1512	101000	Gas Distribution	37540 Str, Regulating	\$3,290	2005
1513	101000	Gas Distribution	37540 Str, Regulating	\$4,377	2005
1514	101000	Gas Distribution	37540 Str, Regulating	\$4,677	2005
1515	101000	Gas Distribution	37540 Str, Regulating	\$26,912	2005
1516	101000	Gas Distribution	37540 Str, Regulating	\$9,377	2005
1517	101000	Gas Distribution	37540 Str, Regulating	\$5,691	2005
1518	101000	Gas Distribution	37540 Str, Regulating	\$3,559	2005
1519	101000	Gas Distribution	37540 Str, Regulating	\$9,444	2006
1520	101000	Gas Distribution	37540 Str, Regulating	\$4,778	2006
1521			37540 Str, Regulating Total	\$3,610,777	
1522	101000	Gas Distribution	37550 Str, Main Line Industrial M&R	\$8,103	1988
1523			37550 Str, Main Line Industrial M&R Total	\$8,103	

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
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SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
1524	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$263	1929
1525	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$377	1937
1526	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$380	1938
1527	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$390	1939
1528	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$723	1940
1529	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$1,731	1941
1530	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$1,860	1942
1531	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$818	1944
1532	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$516	1945
1533	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$944	1946
1534	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$312	1947
1535	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$801	1948
1536	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$930	1949
1537	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$1,261	1950
1538	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$1,903	1950
1539	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$1,238	1951
1540	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$519	1951
1541	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$1,580	1954
1542	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$1,907	1955
1543	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$139	1957
1544	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$1,125	1962
1545	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$911	1965
1546	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$956	1967
1547	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$35,789	1982
1548	101000	Gas Distribution	37560 Str, Distribtn Industrial M&R	\$4,272	1984
1549			37560 Str, Distribtn Industrial M&R Total	\$61,445	
1550	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$2,378	1903
1551	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$327	1913
1552	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$1,203	1914
1553	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$54	1924
1554	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$738	1927
1555	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$95,328	1928
1556	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$1,094	1929
1557	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$3,933	1935
1558	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$1,803	1940
1559	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$1,357	1941
1560	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$120	1942
1561	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$54	1944
1562	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$516	1946
1563	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$108,942	1947
1564	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$198,185	1948
1565	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$102	1949
1566	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$877	1950
1567	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$104,726	1951
1568	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$92,395	1952
1569	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$2,740	1953
1570	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$84	1954
1571	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$7,159	1955
1572	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$48	1956
1573	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$6,544	1957
1574	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$2,990	1958
1575	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$170,840	1959
1576	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$76,283	1960
1577	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$27,809	1960
1578	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$1,136	1961
1579	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$5,953	1961
1580	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$1,408	1961
1581	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$43,496	1962
1582	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$15,058	1962
1583	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$2,377	1963
1584	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$2,885	1964

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
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AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line	FERC					In
No	Account	Major Grouping	Description	Amount		Service Year
1585	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$99,476		1965
1586	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$7,087		1966
1587	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$2,316		1967
1588	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$3,371		1968
1589	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$5,700		1968
1590	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$5,708		1969
1591	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$2,004		1970
1592	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$68,970		1971
1593	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$19,150		1972
1594	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$36,600		1973
1595	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$71,875		1973
1596	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$3,771		1974
1597	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$7,909		1974
1598	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$13,796		1974
1599	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$8,379		1974
1600	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$10,397		1975
1601	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$5,942		1975
1602	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$17,326		1975
1603	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$1,024		1975
1604	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$10,552		1976
1605	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$12,983		1976
1606	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$5,884		1976
1607	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$3,355		1977
1608	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$8,072		1977
1609	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$35,976		1977
1610	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$10,564		1977
1611	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$24,705		1978
1612	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$5,835		1978
1613	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$9,072		1978
1614	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$6,812		1978
1615	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$30,896		1978
1616	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$838		1979
1617	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$39,836		1979
1618	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$27,126		1979
1619	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$1,326		1979
1620	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$147,222		1980
1621	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$300		1980
1622	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$54,006		1980
1623	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$25,710		1980
1624	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$26,546		1981
1625	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$28,930		1981
1626	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$9,171		1981
1627	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$96,039		1981
1628	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$22,255		1981
1629	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$50,801		1981
1630	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$26,651		1982
1631	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$10,173		1982
1632	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$35,060		1982
1633	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$172,052		1982
1634	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$715		1983
1635	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$71,968		1983
1636	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$219,726		1983
1637	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$1,145		1983
1638	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$30,800		1984
1639	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$32,334		1984
1640	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$4,616		1984
1641	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$20,630		1984
1642	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$31,292		1985
1643	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$2,274		1985
1644	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$1,628		1985
1645	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$5,674		1986

COLUMBIA GAS OF OHIO, INC.
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AS OF DECEMBER 31, 2007

DATA: ACTUAL
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SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
1646	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$8,611	1986
1647	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$882	1986
1648	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$47,518	1986
1649	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$3,800	1986
1650	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$4,809	1986
1651	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$3,377	1986
1652	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$3,824	1987
1653	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$37,123	1987
1654	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$60,324	1987
1655	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$6,122	1987
1656	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$236,812	1987
1657	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$2,946	1988
1658	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$26,303	1988
1659	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$18,376	1988
1660	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$34,129	1988
1661	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$505	1988
1662	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$2,867	1988
1663	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$14,568	1988
1664	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$23,206	1988
1665	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$22,547	1988
1666	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$1,574	1989
1667	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$79,011	1989
1668	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$51,601	1989
1669	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$19,457	1989
1670	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$14,385	1989
1671	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$50,408	1989
1672	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$117,001	1989
1673	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$14,286	1989
1674	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$4,379	1989
1675	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$2,950	1990
1676	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$17,637	1990
1677	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$19,089	1990
1678	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$5,477	1990
1679	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$1,245	1990
1680	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$20,203	1990
1681	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$227,498	1991
1682	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$18,384	1991
1683	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$3,892	1991
1684	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$6,982	1991
1685	101000	Gas Distribution	37570 Str, Other Distribution Sys	(\$783)	1992
1686	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$4,676	1992
1687	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$125,181	1992
1688	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$167,144	1992
1689	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$12,073	1993
1690	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$4,701	1993
1691	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$13,115	1993
1692	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$52,092	1993
1693	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$18,864	1993
1694	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$12,666	1993
1695	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$22,647	1993
1696	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$79,347	1993
1697	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$101,255	1993
1698	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$30,805	1993
1699	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$158,906	1993
1700	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$262,291	1994
1701	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$25,491	1994
1702	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$748	1994
1703	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$7,818	1994
1704	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$154,091	1994
1705	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$87,750	1994
1706	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$22,536	1994

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
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AS OF DECEMBER 31, 2007

DATA: ACTUAL
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SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
1707	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$17,615	1994
1708	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$56,822	1994
1709	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$5,670	1995
1710	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$4,660	1995
1711	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$42,576	1995
1712	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$360,296	1995
1713	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$5,715	1995
1714	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$23,467	1995
1715	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$311,704	1995
1716	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$76,972	1995
1717	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$76,238	1995
1718	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$21,713	1996
1719	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$1,474,846	1996
1720	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$588,516	1996
1721	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$84,508	1996
1722	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$65,404	1996
1723	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$196,574	1996
1724	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$50,047	1996
1725	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$305,547	1996
1726	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$135,125	1997
1727	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$168,511	1997
1728	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$24,991	1997
1729	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$78,819	1997
1730	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$27,579	1997
1731	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$68,281	1997
1732	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$124,867	1997
1733	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$40,766	1997
1734	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$63,013	1998
1735	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$5,161	1998
1736	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$18,755	1998
1737	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$14,558	1998
1738	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$106,618	1998
1739	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$120,960	1998
1740	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$101,647	1998
1741	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$124,448	1999
1742	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$41,570	1999
1743	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$12,436	1999
1744	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$14,448	1999
1745	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$224,083	1999
1746	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$8,034	2000
1747	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$1,133,334	2000
1748	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$4,247,086	2001
1749	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$5,145	2001
1750	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$142,924	2001
1751	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$41,860	2002
1752	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$41,343	2004
1753	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$22,928	2002
1754	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$100,116	2002
1755	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$12,636	2002
1756	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$55,562	2003
1757	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$23,007	2007
1758	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$5,003	2003
1759	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$23,928	2004
1760	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$130,099	2005
1761	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$73,857	2006
1762	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$17,958	2005
1763	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$86,379	2004
1764	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$3,847	2005
1765	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$2,399	2005
1766	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$18,141	2005
1767	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$24,801	2006

COLUMBIA GAS OF OHIO, INC.
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SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line	FERC				In
No	Account	Major Grouping	Description	Amount	Service Year
1768	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$1,670	2004
1769	101000	Gas Distribution	37570 Str, Other Distribution Sys	\$1,937	2006
1770			37570 Str, Other Distribution Sys Total	\$16,818,864	
1771	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$43,335	1985
1772	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$6,604	1986
1773	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$51,343	1986
1774	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$51,648	1987
1775	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$57,925	1987
1776	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$4,764	1988
1777	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$18,060	1989
1778	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$4,011	1990
1779	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$19,356	1990
1780	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$14,489	1990
1781	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$13,881	1991
1782	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$3,086	1991
1783	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$13,193	1992
1784	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$40,517	1992
1785	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$4,376	1992
1786	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$9,586	1993
1787	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$4,753	1993
1788	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$7,657	1993
1789	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$6,416	1993
1790	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$55,674	1994
1791	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$54,001	1994
1792	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$27,772	1994
1793	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$97,896	1994
1794	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$42,320	1994
1795	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$2,992	1994
1796	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$46,967	1995
1797	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$19,237	1995
1798	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$689	1995
1799	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$29,893	1995
1800	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$6,224	1995
1801	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$219,818	1996
1802	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$92,817	1996
1803	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$2,593	1997
1804	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$1,854	1997
1805	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$72,239	1997
1806	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$25,550	1997
1807	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$557,101	1997
1808	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$207,919	1998
1809	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$40,742	1998
1810	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$5,007	1998
1811	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$1,959	1998
1812	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$75,853	1998
1813	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$36,594	1998
1814	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$39,412	1998
1815	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$36,444	1998
1816	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$81,767	1999
1817	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$54,304	1999
1818	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$25,355	1999
1819	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$6,782	1999
1820	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$28,284	1999
1821	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$25,362	2000
1822	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$261,801	2000
1823	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$5,209	2001
1824	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$7,506	2001
1825	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$13,703	2001
1826	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$9,047	2002
1827	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$4,964	2002
1828	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$1,745	2002

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
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SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line	FERC				In
No	Account	Major Grouping	Description	Amount	Service Year
1829	101000	Gas Distribution	37571 Str, Other Dist Sys, Leased	\$12,521	2006
1830			37571 Str, Other Dist Sys, Leased Total	\$2,712,897	
1831	101000	Gas Distribution	37580 Str, Communication	\$1,026	1955
1832	101000	Gas Distribution	37580 Str, Communication	\$3,846	1958
1833	101000	Gas Distribution	37580 Str, Communication	\$1,393	1959
1834	101000	Gas Distribution	37580 Str, Communication	\$2,792	1961
1835	101000	Gas Distribution	37580 Str, Communication	\$56,653	1963
1836	101000	Gas Distribution	37580 Str, Communication	\$14,663	1965
1837	101000	Gas Distribution	37580 Str, Communication	\$22,268	1966
1838	101000	Gas Distribution	37580 Str, Communication	\$13,705	1967
1839	101000	Gas Distribution	37580 Str, Communication	\$784	1968
1840	101000	Gas Distribution	37580 Str, Communication	\$327	1969
1841	101000	Gas Distribution	37580 Str, Communication	\$3,336	1974
1842	101000	Gas Distribution	37580 Str, Communication	\$8,582	1976
1843	101000	Gas Distribution	37580 Str, Communication	\$42,021	1982
1844	101000	Gas Distribution	37580 Str, Communication	\$5,744	1982
1845	101000	Gas Distribution	37580 Str, Communication	\$27,908	1982
1846	101000	Gas Distribution	37580 Str, Communication	\$16,323	1983
1847	101000	Gas Distribution	37580 Str, Communication	\$869	1985
1848	101000	Gas Distribution	37580 Str, Communication	\$1,790	1985
1849	101000	Gas Distribution	37580 Str, Communication	\$3,053	1985
1850	101000	Gas Distribution	37580 Str, Communication	\$1,102	1986
1851	101000	Gas Distribution	37580 Str, Communication	\$4,290	1986
1852	101000	Gas Distribution	37580 Str, Communication	\$13,805	1986
1853	101000	Gas Distribution	37580 Str, Communication	\$3,671	1987
1854	101000	Gas Distribution	37580 Str, Communication	\$5,477	1990
1855	101000	Gas Distribution	37580 Str, Communication	\$6,841	1993
1856	101000	Gas Distribution	37580 Str, Communication	\$2,389	1993
1857	101000	Gas Distribution	37580 Str, Communication	\$183,080	1995
1858	101000	Gas Distribution	37580 Str, Communication	\$101,243	1995
1859	101000	Gas Distribution	37580 Str, Communication	\$37,264	1996
1860	101000	Gas Distribution	37580 Str, Communication	\$6,762	2004
1861			37580 Str, Communication Total	\$592,790	
1862	101000	Gas Distribution	37600 Mains	\$265,400	1901
1863	101000	Gas Distribution	37600 Mains	\$544	1901
1864	101000	Gas Distribution	37600 Mains	\$3,488	1901
1865	101000	Gas Distribution	37600 Mains	\$10,356	1902
1866	101000	Gas Distribution	37600 Mains	\$14,804	1903
1867	101000	Gas Distribution	37600 Mains	\$55,655	1904
1868	101000	Gas Distribution	37600 Mains	\$59,851	1905
1869	101000	Gas Distribution	37600 Mains	\$108	1906
1870	101000	Gas Distribution	37600 Mains	\$55,392	1906
1871	101000	Gas Distribution	37600 Mains	\$51	1906
1872	101000	Gas Distribution	37600 Mains	\$105	1907
1873	101000	Gas Distribution	37600 Mains	\$48,314	1907
1874	101000	Gas Distribution	37600 Mains	\$26	1907
1875	101000	Gas Distribution	37600 Mains	\$377	1907
1876	101000	Gas Distribution	37600 Mains	\$6	1907
1877	101000	Gas Distribution	37600 Mains	\$38,127	1908
1878	101000	Gas Distribution	37600 Mains	\$1	1908
1879	101000	Gas Distribution	37600 Mains	\$155	1908
1880	101000	Gas Distribution	37600 Mains	\$36	1908
1881	101000	Gas Distribution	37600 Mains	\$24,578	1909
1882	101000	Gas Distribution	37600 Mains	\$668	1909
1883	101000	Gas Distribution	37600 Mains	\$26	1909
1884	101000	Gas Distribution	37600 Mains	\$5	1909
1885	101000	Gas Distribution	37600 Mains	\$1,366	1909
1886	101000	Gas Distribution	37600 Mains	\$25,181	1910
1887	101000	Gas Distribution	37600 Mains	\$2	1910
1888	101000	Gas Distribution	37600 Mains	\$873	1910
1889	101000	Gas Distribution	37600 Mains	\$11	1910

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
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SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
1890	101000	Gas Distribution	37600 Mains	\$44,351	1911
1891	101000	Gas Distribution	37600 Mains	\$37	1911
1892	101000	Gas Distribution	37600 Mains	\$23	1911
1893	101000	Gas Distribution	37600 Mains	\$30	1911
1894	101000	Gas Distribution	37600 Mains	\$2,162	1912
1895	101000	Gas Distribution	37600 Mains	\$14	1912
1896	101000	Gas Distribution	37600 Mains	\$176,848	1912
1897	101000	Gas Distribution	37600 Mains	\$12	1912
1898	101000	Gas Distribution	37600 Mains	\$300	1912
1899	101000	Gas Distribution	37600 Mains	\$34	1912
1900	101000	Gas Distribution	37600 Mains	\$54	1912
1901	101000	Gas Distribution	37600 Mains	\$251,275	1913
1902	101000	Gas Distribution	37600 Mains	\$33	1913
1903	101000	Gas Distribution	37600 Mains	\$22	1914
1904	101000	Gas Distribution	37600 Mains	\$148	1914
1905	101000	Gas Distribution	37600 Mains	\$45,318	1914
1906	101000	Gas Distribution	37600 Mains	\$4	1914
1907	101000	Gas Distribution	37600 Mains	\$2	1914
1908	101000	Gas Distribution	37600 Mains	\$38,967	1915
1909	101000	Gas Distribution	37600 Mains	\$29	1915
1910	101000	Gas Distribution	37600 Mains	\$81	1915
1911	101000	Gas Distribution	37600 Mains	\$106,541	1915
1912	101000	Gas Distribution	37600 Mains	\$2	1915
1913	101000	Gas Distribution	37600 Mains	\$63	1915
1914	101000	Gas Distribution	37600 Mains	\$56	1915
1915	101000	Gas Distribution	37600 Mains	\$2	1915
1916	101000	Gas Distribution	37600 Mains	\$6	1916
1917	101000	Gas Distribution	37600 Mains	\$71,349	1916
1918	101000	Gas Distribution	37600 Mains	\$8	1916
1919	101000	Gas Distribution	37600 Mains	\$223	1917
1920	101000	Gas Distribution	37600 Mains	\$10,142	1917
1921	101000	Gas Distribution	37600 Mains	\$368,290	1917
1922	101000	Gas Distribution	37600 Mains	\$344	1917
1923	101000	Gas Distribution	37600 Mains	\$49	1917
1924	101000	Gas Distribution	37600 Mains	\$165	1917
1925	101000	Gas Distribution	37600 Mains	\$673	1917
1926	101000	Gas Distribution	37600 Mains	\$203	1917
1927	101000	Gas Distribution	37600 Mains	\$111	1917
1928	101000	Gas Distribution	37600 Mains	\$3,655	1917
1929	101000	Gas Distribution	37600 Mains	\$13,960	1917
1930	101000	Gas Distribution	37600 Mains	(\$50)	1918
1931	101000	Gas Distribution	37600 Mains	\$45,537	1918
1932	101000	Gas Distribution	37600 Mains	\$19	1918
1933	101000	Gas Distribution	37600 Mains	\$24	1918
1934	101000	Gas Distribution	37600 Mains	\$194	1919
1935	101000	Gas Distribution	37600 Mains	\$64,016	1919
1936	101000	Gas Distribution	37600 Mains	\$363	1919
1937	101000	Gas Distribution	37600 Mains	(\$56)	1920
1938	101000	Gas Distribution	37600 Mains	\$3,052	1920
1939	101000	Gas Distribution	37600 Mains	\$47,669	1920
1940	101000	Gas Distribution	37600 Mains	\$1,440	1920
1941	101000	Gas Distribution	37600 Mains	(\$20)	1921
1942	101000	Gas Distribution	37600 Mains	\$72,735	1921
1943	101000	Gas Distribution	37600 Mains	\$504	1921
1944	101000	Gas Distribution	37600 Mains	\$46	1922
1945	101000	Gas Distribution	37600 Mains	\$123,967	1922
1946	101000	Gas Distribution	37600 Mains	\$124	1922
1947	101000	Gas Distribution	37600 Mains	\$2,851	1922
1948	101000	Gas Distribution	37600 Mains	\$17	1923
1949	101000	Gas Distribution	37600 Mains	\$251,572	1923
1950	101000	Gas Distribution	37600 Mains	\$50	1923

COLUMBIA GAS OF OHIO, INC.
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SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
1951	101000	Gas Distribution	37600 Mains	\$93	1923
1952	101000	Gas Distribution	37600 Mains	\$7	1923
1953	101000	Gas Distribution	37600 Mains	\$95	1923
1954	101000	Gas Distribution	37600 Mains	\$86	1924
1955	101000	Gas Distribution	37600 Mains	\$237,248	1924
1956	101000	Gas Distribution	37600 Mains	\$306	1924
1957	101000	Gas Distribution	37600 Mains	\$188	1924
1958	101000	Gas Distribution	37600 Mains	\$9	1925
1959	101000	Gas Distribution	37600 Mains	\$50	1925
1960	101000	Gas Distribution	37600 Mains	\$198,855	1925
1961	101000	Gas Distribution	37600 Mains	\$2,347	1925
1962	101000	Gas Distribution	37600 Mains	\$193	1925
1963	101000	Gas Distribution	37600 Mains	\$48	1925
1964	101000	Gas Distribution	37600 Mains	\$42	1925
1965	101000	Gas Distribution	37600 Mains	\$192	1925
1966	101000	Gas Distribution	37600 Mains	\$58	1925
1967	101000	Gas Distribution	37600 Mains	\$187	1925
1968	101000	Gas Distribution	37600 Mains	\$32	1926
1969	101000	Gas Distribution	37600 Mains	\$559	1926
1970	101000	Gas Distribution	37600 Mains	\$419,689	1926
1971	101000	Gas Distribution	37600 Mains	\$35	1926
1972	101000	Gas Distribution	37600 Mains	\$498	1926
1973	101000	Gas Distribution	37600 Mains	\$113	1926
1974	101000	Gas Distribution	37600 Mains	\$6	1926
1975	101000	Gas Distribution	37600 Mains	\$271	1927
1976	101000	Gas Distribution	37600 Mains	\$222	1927
1977	101000	Gas Distribution	37600 Mains	\$728,180	1927
1978	101000	Gas Distribution	37600 Mains	\$4,278	1927
1979	101000	Gas Distribution	37600 Mains	\$50	1927
1980	101000	Gas Distribution	37600 Mains	\$78	1927
1981	101000	Gas Distribution	37600 Mains	\$186	1927
1982	101000	Gas Distribution	37600 Mains	\$41	1927
1983	101000	Gas Distribution	37600 Mains	\$207	1927
1984	101000	Gas Distribution	37600 Mains	\$298	1927
1985	101000	Gas Distribution	37600 Mains	\$3,003	1927
1986	101000	Gas Distribution	37600 Mains	\$66	1928
1987	101000	Gas Distribution	37600 Mains	\$1,177,479	1928
1988	101000	Gas Distribution	37600 Mains	\$5,245	1928
1989	101000	Gas Distribution	37600 Mains	\$63	1928
1990	101000	Gas Distribution	37600 Mains	\$1,044	1928
1991	101000	Gas Distribution	37600 Mains	\$176	1928
1992	101000	Gas Distribution	37600 Mains	\$653	1928
1993	101000	Gas Distribution	37600 Mains	(\$9)	1928
1994	101000	Gas Distribution	37600 Mains	\$275	1929
1995	101000	Gas Distribution	37600 Mains	\$772,491	1929
1996	101000	Gas Distribution	37600 Mains	\$2,767	1929
1997	101000	Gas Distribution	37600 Mains	\$52	1929
1998	101000	Gas Distribution	37600 Mains	\$266	1929
1999	101000	Gas Distribution	37600 Mains	\$1,164	1929
2000	101000	Gas Distribution	37600 Mains	\$3,240	1929
2001	101000	Gas Distribution	37600 Mains	\$757	1929
2002	101000	Gas Distribution	37600 Mains	(\$318)	1930
2003	101000	Gas Distribution	37600 Mains	\$457	1930
2004	101000	Gas Distribution	37600 Mains	\$249	1930
2005	101000	Gas Distribution	37600 Mains	\$388,818	1930
2006	101000	Gas Distribution	37600 Mains	\$5,303	1930
2007	101000	Gas Distribution	37600 Mains	\$30	1930
2008	101000	Gas Distribution	37600 Mains	\$926	1930
2009	101000	Gas Distribution	37600 Mains	\$308	1930
2010	101000	Gas Distribution	37600 Mains	\$2,704	1930
2011	101000	Gas Distribution	37600 Mains	\$725	1931

COLUMBIA GAS OF OHIO, INC.
CASE NO. 08-0072-GA-AIR
SURVIVING DOLLARS BY VINTAGE YEAR
AS OF DECEMBER 31, 2007

DATA: ACTUAL
TYPE OF FILING: ORIGINAL

SUPPLEMENTAL (C) (24)
WITNESS RESPONSIBLE:
L.W.MARTIN

Line No	FERC Account	Major Grouping	Description	Amount	In Service Year
2012	101000	Gas Distribution	37600 Mains	\$503	1931
2013	101000	Gas Distribution	37600 Mains	\$208,198	1931
2014	101000	Gas Distribution	37600 Mains	\$3,813	1931
2015	101000	Gas Distribution	37600 Mains	\$4,914	1931
2016	101000	Gas Distribution	37600 Mains	\$650	1931
2017	101000	Gas Distribution	37600 Mains	\$1,486	1931
2018	101000	Gas Distribution	37600 Mains	\$253	1931
2019	101000	Gas Distribution	37600 Mains	\$107	1931
2020	101000	Gas Distribution	37600 Mains	\$1,829	1932
2021	101000	Gas Distribution	37600 Mains	\$274	1932
2022	101000	Gas Distribution	37600 Mains	\$79	1932
2023	101000	Gas Distribution	37600 Mains	\$106,750	1932
2024	101000	Gas Distribution	37600 Mains	\$1,286	1932
2025	101000	Gas Distribution	37600 Mains	\$114	1932
2026	101000	Gas Distribution	37600 Mains	\$2,789	1932
2027	101000	Gas Distribution	37600 Mains	\$313	1932
2028	101000	Gas Distribution	37600 Mains	\$158	1933
2029	101000	Gas Distribution	37600 Mains	\$144	1933
2030	101000	Gas Distribution	37600 Mains	\$48,699	1933
2031	101000	Gas Distribution	37600 Mains	\$3,654	1933
2032	101000	Gas Distribution	37600 Mains	\$727	1933
2033	101000	Gas Distribution	37600 Mains	\$125,863	1934
2034	101000	Gas Distribution	37600 Mains	\$111	1934
2035	101000	Gas Distribution	37600 Mains	\$135	1934
2036	101000	Gas Distribution	37600 Mains	\$127,210	1935
2037	101000	Gas Distribution	37600 Mains	\$2,575	1935
2038	101000	Gas Distribution	37600 Mains	\$21	1935
2039	101000	Gas Distribution	37600 Mains	\$375	1935
2040	101000	Gas Distribution	37600 Mains	\$6	1935
2041	101000	Gas Distribution	37600 Mains	\$79	1936
2042	101000	Gas Distribution	37600 Mains	\$66	1936
2043	101000	Gas Distribution	37600 Mains	\$52,128	1936
2044	101000	Gas Distribution	37600 Mains	\$5	1936
2045	101000	Gas Distribution	37600 Mains	\$40	1936
2046	101000	Gas Distribution	37600 Mains	\$40	1936
2047	101000	Gas Distribution	37600 Mains	\$293	1936
2048	101000	Gas Distribution	37600 Mains	\$2,078	1937
2049	101000	Gas Distribution	37600 Mains	\$211	1937
2050	101000	Gas Distribution	37600 Mains	\$71,614	1937
2051	101000	Gas Distribution	37600 Mains	\$11	1937
2052	101000	Gas Distribution	37600 Mains	\$3	1937
2053	101000	Gas Distribution	37600 Mains	\$177	1937
2054	101000	Gas Distribution	37600 Mains	\$699	1937
2055	101000	Gas Distribution	37600 Mains	\$111	1937
2056	101000	Gas Distribution	37600 Mains	\$53	1938
2057	101000	Gas Distribution	37600 Mains	\$629	1938
2058	101000	Gas Distribution	37600 Mains	\$79,081	1938
2059	101000	Gas Distribution	37600 Mains	\$467	1938
2060	101000	Gas Distribution	37600 Mains	\$110,830	1939
2061	101000	Gas Distribution	37600 Mains	\$2	1939
2062	101000	Gas Distribution	37600 Mains	\$40	1939
2063	101000	Gas Distribution	37600 Mains	\$92	1939
2064	101000	Gas Distribution	37600 Mains	\$215	1939
2065	101000	Gas Distribution	37600 Mains	\$903	1940
2066	101000	Gas Distribution	37600 Mains	\$111	1940
2067	101000	Gas Distribution	37600 Mains	\$715	1940
2068	101000	Gas Distribution	37600 Mains	\$103,499	1940
2069	101000	Gas Distribution	37600 Mains	\$35	1940
2070	101000	Gas Distribution	37600 Mains	\$594	1940
2071	101000	Gas Distribution	37600 Mains	\$1,160	1941
2072	101000	Gas Distribution	37600 Mains	\$122,617	1941