

NISOURCE, INC.

EIN: 35-2108964

ATTACHMENT TO IRS FORM 8937 — PART II

REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

**CONSULT YOUR TAX ADVISOR**

The information in this attachment represents the general understanding of NiSource Inc. (“NiSource”) as to the application of certain existing U.S. federal income tax laws and regulations relating to the Distribution (as defined below). It does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. You are urged to consult your own tax advisor regarding the particular consequences of the Distribution to you, including the applicability and effect of all U.S. federal, state and local and foreign tax laws. You are also urged to consult the Information Statement, as filed by Columbia Pipeline Group, Inc., with the Securities and Exchange Commission on Form 10 on May 8, 2015 (the “Information Statement”), noting in particular the discussion under the heading “The Separation—Material U.S. Federal Income Tax Consequences of the Separation.”

Certain NiSource stockholders that owned 5% or more of NiSource common stock (by vote or value) who received shares of CPG common stock in the Distribution (including any cash in lieu of a fractional share of CPG common stock) are also required to include a statement related to the Distribution in their U.S. federal income tax returns for the tax year in which the Distribution occurred.

**PART II**

***Item 14: Describe the organizational action and, if applicable, the date of the action or the date against which stockholders' ownership is measured for the action***

Effective at 11:59 p.m. on July 1, 2015, NiSource Inc. completed the separation of its natural gas transmission pipeline, midstream and storage business from NiSource. The separation was effected through a tax free, pro rata distribution of shares of Columbia Pipeline Group, Inc. (“CPG”) to NiSource stockholders (the “Distribution”). Each holder of NiSource common stock on the applicable record date received one share of CPG stock for each share of NiSource common stock held on June 19, 2015 (the “Record Date”). No fractional shares of CPG stock were distributed. Instead, all fractional shares were aggregated into whole shares and sold in the open market at prevailing market prices. The aggregate cash proceeds of the sales, net of brokerage fees and other costs, were distributed pro rata to each NiSource stockholder who would otherwise have been entitled to receive a fractional share of CPG common stock in the Distribution.

***Item 15: Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis***

NiSource stockholders that acquired shares of NiSource common stock at different times or different prices will need to calculate their tax basis in each block of shares of NiSource common stock. If a NiSource stockholder purchased shares of NiSource common stock for cash, the tax basis in that stockholder’s shares of NiSource common stock would generally equal the cost of these shares, including commissions. If a NiSource stockholder received shares of NiSource common stock as a gift, through an employee

compensation arrangement, or through some other means, that stockholder should consult his or her own tax advisor to determine his or her tax basis in these shares. NiSource stockholders that bought or sold shares of NiSource common stock between the Record Date and July 1, 2015 (the date of the Distribution) should consult their own tax advisors regarding the determination of tax basis and other consequences of such transaction.

For U.S. federal income tax purposes, the allocation of tax basis between shares of NiSource common stock and CPG common stock (including any fractional share interest in CPG common stock for which cash is received) is based on their relative fair market values at the time of the Distribution. U.S. federal income tax law does not specify how to determine these fair market values, and stockholders should consult with their own tax advisors. One approach is to use the official New York Stock Exchange adjusted closing price of CPG common stock and NiSource common stock on July 2, 2015.

Based on that approach and the assumptions and calculations set forth under Item 16, below, 35.9% of a NiSource shareholder's aggregate tax basis in his or her shares of NiSource common stock immediately prior to the Distribution would be allocated to such shareholder's shares of NiSource common stock and 64.1% would be allocated to such shareholder's shares of CPG common stock received in the Distribution (including any fractional share interest in CPG for which cash was received). NiSource stockholders are not bound by this approach and may use another approach in determining fair market values for shares of NiSource and CPG common stock. This approach and the example below are illustrative and are being provided pursuant to Section 6045B of the Code and as a convenience to NiSource stockholders and their tax advisors

***Item 16: Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates***

The following is an example of how the previously-described approach to basis allocation would be applied:

The official New York Stock Exchange adjusted closing prices of NiSource and CPG common stock on July 2, 2015 were \$16.99 for NiSource and \$30.34 for CPG. Using the method described in Item 15, the pre-distribution tax basis in NiSource shares would be allocated 35.9% to NiSource shares and 64.1% to CPG shares. The example below illustrates such an allocation, assuming a hypothetical pre-distribution tax basis of \$20 per share in 100 shares of NiSource common stock:

	Number of Shares After Distribution	Closing NYSE Trading Price on July 2, 2015	Total Fair Market Value at July 2, 2015	Percentage of Total Fair Market Value at July 2, 2015	Allocated Tax Basis
NiSource Common Stock	100	\$16.99	\$1,699	35.9%	\$718 (35.9% of aggregate tax basis of \$2,000)
CPG Common Stock	100	\$30.34	\$3,034	64.1%	\$1,282 (64.1% of aggregate tax basis of \$2,000)
Total			\$4,733	100.00%	\$2,000

***Item 17: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based***

Sections 355, 358(a)–(c), 1001(a), 1221, 1222, and 1223(1)

***Item 18: Can any resulting loss be recognized?***

Loss may be recognized for U.S. federal income tax purposes only with respect to cash received in lieu of fractional shares of CPG common stock.

***Item 19: Provide any other information necessary to implement the adjustment, such as the reportable tax year***

The Distribution took place on July 1, 2015. Therefore, for calendar year taxpayers, the reportable tax year would be 2015.

NOTE: This Document must remain available to investors via the investor website through July, 2025.



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
See Attached Statement

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18 Can any resulting loss be recognized? ▶  
See Attached Statement

Blank lined area for providing information on resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶  
See Attached Statement

Blank lined area for providing other information necessary to implement the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here  
Signature ▶ *Donald Brown* Date ▶ 7/7/15  
Print your name ▶ DONALD BROWN Title ▶ CHIEF FINANCIAL OFFICER

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.