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September 24, 2008

Janice M. Myer
Office of the Attorney General
900 East Main Street
Richmond, VA 23219

Dear Janice:

I am writing to you on the recommendation of Kiva Bland Pierce pursuant to the requirements of Virginia's Personal Information Privacy Act §59.1-442 et seq. to notify you that Columbia Gas of Virginia, Inc. ("Columbia Gas ") recently experienced a security breach of a limited amount of customer information contained within its gas utility customer database. This letter describes the nature of the breach of security, the type of personal information disclosed; the number of residents of the State affected by such incident, and the steps taken relating to the incident.

Due to a technical error in the computer system that permits customers to view their own bills over the internet, two customers created the same login identification. This error permitted one customer to view customer information for another customer. While Columbia Gas has no reason to believe that any of this bill information was used inappropriately, we regret that this incident occurred and we wanted to explain the steps that Columbia Gas has taken to help protect this information.

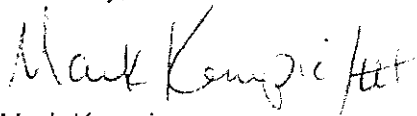
The Columbia Gas self-service website includes the customer's name, phone number, address, account number, gas consumption, past payment, current balance and current charges. This is the only identifying information that was viewed by another customer else. Importantly, the Columbia Gas self-service website does not include the customer's bank account information, social security number or credit card information, so none of this information was viewed by any unauthorized person.

Protecting our customers' information has always been a high priority of Columbia Gas and we regret that this incident has happened. To prevent unauthorized changes to customer accounts, Columbia Gas customer service representatives always ask callers to provide the last four digits of their social security number to ensure that only authorized callers can make account changes. Columbia Gas has worked with the vendor of the self-service website that is used by customers to view their bills over the internet to take the steps necessary to prevent this from happening again.

While we have no reason to believe that customer information has been or will be improperly used elsewhere as a result of this incident, we provided a letter to the customer in which we encouraged the customer to learn more about identity theft and the steps they can take to protect themselves. We provided the customer with the website address for the Federal Trade Commission.

Please understand that Columbia Gas considers customer privacy to be very important and we regret that this incident has occurred. If you have any questions, please feel free to contact me at 724-416-6328.

Sincerely,

A handwritten signature in black ink that reads "Mark Kempic" followed by a stylized flourish.

Mark Kempic
NiSource, Inc.
Assistant General Counsel

cc: Carl W. Levander, President, Columbia Gas of Virginia, Inc.
Carol Fox, Executive Vice President of Customer Relations, NiSource Corporate
Services Company