

**NiSource, Inc.**  
**2013 Final Pricing (Design Changes)**

Beginning Date: 01/01/2013  
 Ending Date: 12/31/2013

**PPOs**  
**Active and Pre 65 (Med)**

	Period 3	Period 2	Period 1	Projection Period	
(1) Experience Period					
(a) Beginning	05/01/2009	05/01/2010	05/01/2011	01/01/2013	
(b) Ending	04/30/2010	04/30/2011	04/30/2012	12/31/2013	
(c) Midpoint of Period	10/30/2009	10/30/2010	10/30/2011	07/02/2013	
(d) Months	12	12	12		
(2) Average Members Covered					
(a) Kokomo PPO	77	72	49	49	
(b) PPO	7,861	5,788	5,579	5,579	
(c) NIPSCO USWA C	3,076	0	0	0	
(d) NIPSCO USWA D	64	0	0	0	
(e) NIPSCO PPO	1,892	5,551	5,238	5,238	
(f) Total Members	12,770	11,411	10,867	10,867	
(3) Incurred Medical Claims					
(a) Kokomo PPO	\$140,105	\$715,851	\$105,899		
(b) PPO	\$27,856,141	\$28,453,657	\$28,280,343		
(c) NIPSCO USWA C	\$18,448,875	\$0	\$0		
(d) NIPSCO USWA D	\$199,303	\$0	\$0		
(e) NIPSCO PPO	\$7,402,539	\$22,896,844	\$23,304,777		
(f) Total	\$54,046,963	\$52,066,152	\$51,890,819		
(4) ERRP Reimbursement	\$857,807	\$1,859,804	\$0		
(5) Adjusted Incurred Cost for Period	\$53,189,156	\$50,406,347	\$51,890,819		
(6) Annual Cost Per Member	\$4,185	\$4,417	\$4,757		
Actual Per Member Increase	--	6.0%	7.7%		
(7) Medical Trend					
(a) Annual Trend	8.00%	7.50%	7.50%	8.00%	
(b) Trend Period in Months	44.1	32.1	20.1		
(c) Factor for Total Period	1.316	1.219	1.134		
(d) Average Annual Medical Trend %	7.8%	7.7%	7.8%		
(8) Projected Cost Per Member	\$5,483	\$5,384	\$5,393		
Trended Cost Per Member Increase	--	-1.8%	0.2%		
(9) Medical Adjustment Factors					
(a) 2013 PPO Plan Design	0.8916	0.9008	0.8900		
(b) Medical Network Discount Adjustment	0.9482	1.0000	1.0000		
(c) Medical Discount Adjustment	0.9826	1.0000	1.0000		
(d) Health Care Reform Impacts	1.0161	1.0161	1.0130		
(e) Geographic Adjustment	0.9927	0.9937	0.9970		
(f) Demographic Adjustment	1.0000	1.0000	1.0000		
(g) High Claims Adjustment	1.0000	0.9800	1.0000		
(h) Combined Adjustment Factor	0.8379	0.8913	0.8989		
(10) Adjusted Per Member Medical Cost	\$4,594	\$4,798	\$4,848		
Adjusted Cost Per Member Increase	--	4.4%	1.0%		
(11) Weights	0.0%	40.0%	60.0%		
(12) Weighted Adjusted Medical Cost Per Member		Current	Add DP's		
2013 HHS Mandate		\$4,828	\$13		
Total 2013 Adjusted Medical Cost Per Member		\$4,841			
(13) Weighted Adjusted RX Cost Per Member		\$1,437			
(14) Total Medical and RX Cost Per Member		\$6,278	\$6,278		
Average Employees During Period		5,383			
Average Members		10,867			
Member to Employee Ratio		2.02	2.03		
Adjusted Per Employee Cost		\$12,674	\$12,772		
(15) Admin Fees Per Employee		\$485	\$485		
(16) Total Adjusted Cost Per Employee		\$13,159	\$13,257		
(17) Current Employees		5,439	5,439	Additional Cost	
(18) Total 2013 Adjusted Cost		\$74,534,306	\$75,090,074	\$555,768	
(19) Projected 2013 Rates (per employee/retiree)		\$12,674	\$12,772	RV	
Kokomo PPO		\$14,891	\$15,003	1.137	
PPO		\$13,159	\$13,257	1.000	
NIPSCO PPO		\$14,407	\$14,515	1.098	
(20) Current Enrollment	EE	SP	CH	FM	Total
Kokomo PPO	0	2	0	0	2
PPO	1,433	951	257	426	3,067
NIPSCO PPO	876	733	231	530	2,370
Total	2,309	1,686	488	956	5,439
(21) Projected 2013 Monthly Rates	EE	SP	CH	FM	
	1.00	2.00	1.95	3.25	
Kokomo PPO	\$698.15	\$1,396.30	\$1,381.39	\$2,268.99	
PPO	\$616.93	\$1,233.86	\$1,203.01	\$2,006.02	
NIPSCO PPO	\$675.44	\$1,350.88	\$1,317.11	\$2,195.18	



## NIPSCO Union Health & Welfare Plans Changes Effective 1/1/2013

Note - Per NIPSCO Union contract PPO and Dental Plus employee contribution will increase from 23% in 2012 to 25% in 2013.

### Medical Plans

#### PPO Company Premiums/Employee Contributions

<u>2013- PPO</u>	<u>2012- PPO</u>
EE: \$675.44/\$168.86	\$604.38/\$139.01
SP: \$1,350.88/\$337.72	\$1,208.76/\$278.01
CH: \$1,317.11/\$329.28	\$1,178.54/\$271.06
FM: \$2,195.18/\$548.80	\$1,964.24/\$451.78

  

<u>2013- HDPPPO 1 (min. contr.)</u>	<u>2012- HDPPPO 1 (min. contr.)</u>
EE: \$40	\$35.00
SP: \$55.00	\$45.00
CH: \$55.00	\$45.00
FM: \$70.00	\$55.00

  

<u>2013-HDPPPO 2 (min. contr.)</u>	<u>2012-HDPPPO 2 (min. contr.)</u>
EE: \$5.00	\$5.00
SP: \$10.00	\$10.00
CH: \$10.00	\$10.00
FM: \$15.00	\$15.00

### Dental Plans

<u>2013- Dental</u>	<u>2012- Dental</u>
EE: \$34.31/\$0.00	\$35.83/\$0.00
SP: \$68.62/\$0.00	\$71.65/\$0.00
CH: \$66.90/\$0.00	\$69.86/\$0.00
FM: \$111.51/\$0.00	\$116.44/\$0.00

  

<u>2013- Dental Plus</u>	<u>2012- Dental Plus</u>
EE: \$38.42/\$9.61	\$43.04/\$9.90
SP: \$76.84/\$19.21	\$86.08/\$19.80
CH: \$74.92/\$18.73	\$83.93/\$19.30
FM: \$124.87/\$31.22	\$139.89/\$32.17

### Vision Plan

<u>2013- Vision</u>	<u>2012- Vision</u>
\$18.56/\$0	\$18.56/\$0

**Pre Age 65 Retiree Medical (retiring before 1/1/05)**

<u>2013 - PPO (85% Co. Subsidy)</u>	<u>2012 - PPO (85% Co. Subsidy)</u>
EE/Surv Sp/Ch only: \$101.32	\$90.66
SP: \$202.63	\$181.31
CH: \$197.57	\$176.78
FM: \$329.28	\$294.64

HDPPO 1 and 2 for 2013 and 2012-same as employee's minimum contribution

**Pre Age 65 Retiree Medical Participant Contributions (retiring on or after 1/1/05)**

<u>2013-PPO (77% Co. Subsidy)</u>	<u>2012-PPO (77% Co. Subsidy)</u>
EE/Surv Sp/Ch only: \$155.35	\$139.01
SP: \$310.70	\$278.01
CH: \$302.94	\$271.06
FM: \$504.89	\$451.78

HDPPO 1 and 2 for 2013 and 2012 -same employee's minimum contribution

**Post Age 65 Retiree Medical Participant Contributions (retiring on or after 1/1/05)**

**Note: 100% Company subsidy before 1/1/05**

<u>2013 (77% Co. Subsidy)</u>	<u>2012 (77% Co. Subsidy)</u>
EE/Surv Sp/Ch only: \$41.08	\$40.45
SP: \$82.16	\$80.90
CH: \$82.16	\$80.90
FM: \$123.24	\$121.34