## Terms and Conditions NIPSCO DependaBill Program

NIPSCO's DependaBill program is a 12-month plan that prevents changes in your gas bill, including changes due to gas price and weather fluctuations. A monthly program fee is included in this service and covers the expenses necessary to lock in a gas price, calculate your amount, and guarantee your bill – with the DependaBill program.

Table 1 : NON-DependaBill

Table 2: Weather

Heating Season

2009-2010

2008-2009

2007-2008

2006-2007

2005-2006

\$0.56

\$1.94

\$1.16

\$1.01

\$1.55

Low Per Therm

\$0.37

\$1.07

\$1.03

\$0.90

\$1.20

% colder or warmer than normal

3% warmerr

5% colder

4% colder

5% warmer

Residential Gas Price

Heating

Seasor

2009-2010

2008-2009

2007-2008

2006-2007

2005-2006

I. The DependaBill Program Description - This is not meant to be a savings program. The program guarantees a fixed monthly bill but cannot guarantee savings. In a warmer than normal year, or in a year when gas prices are lower than the fixed price calculated in the DependaBill program, you will likely pay considerably more under DependaBill than you would pay under the standard tariff. The DependaBill program, which includes a program fee, is locked in and no adjustments will be made during the program year unless the term length is significantly greater than or less than one year. (See "Term" below). The quote amount you have received is for a 12-month period specific to a service address and is not transferable to another customer or service address. Your quote amount does not include electric service or applicable sales tax. Your monthly bill will reflect sales tax as a separate line item. Customers who wish to cancel their enrollment must do so by calling 1-866-777-9151 within 10 days of enrollment in order to avoid termination fees. Table 1 shows monthly high and low gas prices including all commodity, distribution and delivery charges over the past several years. Table  $2\,$ shows historical heating season conditions (Nov-Mar) compared to "normal" weather. Weather data is provided by the National Weather Service regional weather stations. Please remember that past gas prices and past weather are not accurate predictors of future gas prices and weather.

II. Usage Requirements - As part of this program, you agree to use energy as you have in the past.
Increased gas use due to cold weather is expected and covered under this program. Since all
consumers benefit when gas is not wasted, there is an energy conservation safeguard built into
this program that assures there is no abuse. If you use 15% more cumulative non-weather related
gas, you may be removed from the program and returned to a standard gas tariff. Termination fees
outlined in Section IV apply to program removal for excessive non-weather related gas usage. No

customer will be removed from the program for increasing non-weather related usage without prior notification by NIPSCO and the opportunity to modify their gas usage. Non-weather use could include such things as increasing your thermostat settings, adding gas appliances or increasing your living space.

III. Term - The DependaBill program is a 12-month (i.e., 365-day) agreement. If the number of days that you are served on the program during this term was much more or less than 365, your final bill will be adjusted to reflect the actual time that you received service on the program, based upon the average cost per day of your quote.

IV. Termination / Cancellation Fee - If you decide to end your enrollment in this 12-month program, you must contact us at 1-866-777-9151 within 10 days of enrollment in order to avoid termination fees described below. To avoid termination / cancellation fees, we simply ask that you:

- Continue the program for 12-months at the same service location.
- Keep monthly payments up to date.
- Use natural gas as you have in the past and as described in Section II.

If you do not complete a full 12-month term for one of the reasons listed above, NIPSCO will compare the amount you paid while on the DependaBill program to an amount calculated by multiplying the actual gas consumed times the fixed price used to calculate your DependaBill. If the amount you paid while on the program is greater, NIPSCO will refund the difference. If the amount you paid is less, you will owe the difference. Early termination will require you to pay \$30 to cover administrative costs associated with early separation. In addition, customers with an average historical weather-normalized yearly gas consumption of less than 5,000 therms will be charged \$10 per month for each month remaining in the program year to cover costs associated with the pre-purchase of gas contracts for the 12-month term. Customers with an average historical weather-normalized yearly gas consumption greater than 5,000 therms per year will be subject to the greater of a \$10/month cancellation fee or a fee calculated using the following formula: The average historical gas use for the remaining month(s) in the contract term times the difference of the NYMEX gas price at contract termination versus the NYMEX gas price used to calculate the DependaBill program amount quote for all months remaining in the contract term. An average residential customer uses approximately 1,000 therms per year. The total cost to terminate your DependaBill program contract will never exceed 40 percent of your annual program amount. For example, a customer with a \$600 annual bill on the DependaBill program (\$50 monthly) will never pay more than \$240 to exit the program.

V. Renewal - At the end of each 12-month DependaBill program year, your new program amount will be calculated based on your most recent 12-month usage patterns and the current gas prices. Your new DependaBill program quote amount will be mailed to you at least 30 days prior to the start of a new 12-month period. Your enrollment will be renewed automatically only if the monthly price to be paid under the DependaBill program is equal to, or lower than, the price paid in the previous year.

VI. Dispute Resolution – If a dispute arises concerning the DependaBill program, consumers should contact NIPSCO Customer Service at 1-866-777-9151. If a resolution is not achieved, the consumer may contact the Consumer Affairs Division of the Indiana Utility Regulatory Commission at National City Center, W. Washington Street, Suite 1500E, Indianapolis, Indiana 46204 or at 1-800-851-4268. Decisions rendered by Consumer Affairs shall be considered binding by all parties.

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**NIPSCO** 

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