No. 1 of 4 Sheets

## **TO WHOM AVAILABLE**

This Rider for Firm No-Notice Backup Supply Service (FNBS) is available to Customers receiving service under Rates 428 or 438, Firm Distribution Transportation Service (FDTS), Firm Transportation Service (FTS) and suppliers and marketer aggregators utilizing Supplier Aggregation Service (Qualifying Customers), who shall execute a Service Agreement with the Company for service hereunder.

## **CHARACTER OF SERVICE**

FNBS will entitle Qualifying Customer who is also taking service under the Company's Rate 428 or 438, FDTS and FTS to gas delivery on a firm, no-notice basis from the Company on those days when Qualifying Customer's gas supply, delivered by other suppliers on its behalf, fails, for any reason, to equal to the volume of gas actually used by the Qualifying Customer on that day. Quantity of natural gas delivered to the Qualifying Customer hereunder shall be billed under the Company's applicable rate schedules utilized by the Qualifying Customer for basic transportation service, and, in addition, the charges as described herein.

FNBS will entitle Qualifying Customers who are suppliers and marketers to gas supply on a firm, no-notice basis from the Company on those days when suppliers' or marketers' requirements are greater than their confirmed nominated quantity of natural gas.

# **SERVICE AGREEMENT**

As a condition for receiving service under FNBS, Qualifying Customer shall be required to execute a Service Agreement for FNBS.

The FNBS Service Agreement shall, among other things, establish the Qualifying Customer's entitlement rights to back-up gas supply on a daily (maximum daily contract quantity (MDQ)), and annual (Annual Contract Quantity (ACQ)) basis.

# **REQUEST FOR SERVICE**

A Qualifying Customer desiring service under FNBS shall submit a request for service to the Company, with the following information:

- a. The maximum daily quantity of supply requested;
- b. The maximum number of days during the year that back-up supply is requested;
- c. The meter location or City Gate receipt point, whichever applicable, where back-up supply will be delivered.

NIPSCO

No. 2 of 4 Sheets

# **REQUEST FOR SERVICE** (continued)

Based on the information provided by the Qualifying Customer in the request for service hereunder, the Company will, in its sole discretion, determine whether it can provide the requested service consistent with its other contractual commitments and its overall operational requirements.

In the event that requests for service under FNBS exceed available supply and capacity, the requests yielding the greatest economic benefit to the Company, as determined by the Company, shall be granted first. As used in this paragraph "economic benefit" shall be determined, on a net present value basis, based upon: 1) the proposed contract rate to be paid for the FNBS service, 2) the proposed term of the FNBS service agreement and 3) the proposed MDQ for the FNBS service. In the event the net present value is equal among requests, then available capacity will be allocated on a pro rata basis among requesting Qualifying Customers. Allocation of capacity pursuant to this section shall not change the otherwise applicable curtailment priority of FNBS service.

Company shall notify Qualifying Customer whether it can provide the requested service under FNBS.

#### **DELIVERY OF GAS BY THE COMPANY**

The Company shall deliver to the Qualifying Customer on a firm no-notice basis daily quantities of gas up to the Qualifying Customer's contract MDQ on days its scheduled supplies are not delivered.

The Company is not obligated to deliver gas quantities on a firm basis in excess of the Qualifying Customer's MDQ or ACQ but may choose to do so in its sole discretion. In the event Company agrees to allow the Qualifying Customer's takes of gas to exceed its MDQ, the Qualifying Customer shall be obligated to pay for such deliveries at the applicable authorized overrun charges under this Rider. Deliveries in excess of the Qualifying Customer's MDQ not authorized by the Company shall be treated as unauthorized overruns and such quantity of natural gas will be billed at the applicable unauthorized overrun charges as specified in this Rider.



No. 3 of 4 Sheets

#### **RATE**

Upon electing FNBS, and a determination by the Company that service to the Qualifying Customer hereunder is available, Qualifying Customer will be billed and obligated to pay the following charges for service, such charges to be stated in the Qualifying Customer's Service Agreement:

#### Service Charge

\$250.00 per month, one month minimum.

# **Demand Charge**

A negotiated charge per month per Dth of MDQ contracted for under FNBS, not to exceed \$10.00 per Dth, said demand charge to be paid each month of the term of service specified in the executed FNBS Agreement.

## **Commodity Charge**

A negotiated charge per Dth for gas actually delivered hereunder in the month to Customer's utilizing service under the Company's applicable transportation rate schedules, or per Dth of gas actually supplied in the month to Customers who are suppliers or marketers. Such negotiated charge will not be less than the arithmetic average of the range of prices posted for "Chicago LDC's, large and users" under the table City Gate, Pooling Point Prices as published in Gas Daily price for gas on the date the gas was actually used, adjusted for unaccounted for gas as applicable.

#### **Adjustment for Authorized Overruns**

The Qualifying Customer may request, and the Company, in its sole discretion, may agree on a daily basis to grant authorized overtakes of natural gas, such authorization shall not be unreasonably withheld, in excess of the Qualifying Customer's MDQ for each day. The charge per Dth for such authorized overruns on any day shall be the applicable 100% load factor rate, which shall be equal to the demand charge divided by 30.42, plus the commodity charge.



No. 4 of 4 Sheets

## **RATE** (continued)

## **Adjustment for Unauthorized Overruns**

If the Qualifying Customer takes in any day a quantity of gas which is greater than Qualifying Customer's MDQ for said day and which quantity does not constitute authorized overtakes, the Customer shall pay, \$10.00 per Dth, on the quantity of gas so delivered which is in excess of the MDQ, except that the charge will be \$60.00 per Dth during any period identified by the Company as a Critical Period. Critical Periods shall be as defined in the Company's Daily Imbalance Cash-out Provisions Rider.

The payment of a penalty for unauthorized overtake as provided above shall not under any circumstances be considered as giving the Qualifying Customer the right to take unauthorized overtakes, nor shall such payment be considered as a substitute for any other remedies available to the Company, or any other Customer, against the offending Qualifying Customer for failure to respect its obligation to adhere to the provisions of its Service Agreement with the Company.

## **MINIMUM PAYMENT**

The Qualifying Customer's minimum monthly payment under this Rider shall be as stated in the Service Agreement hereunder.

## **AVAILABILITY FOR RESALE**

The prohibition of availability for resale to others under any rate schedules of the Company does not apply where the resale of gas supply as purchased hereunder is by a supplier or marketer.

## **RULES AND REGULATIONS**

Service herein shall be subject to the Company's General Rules and Regulations Applicable to Gas Service and IURC Rules.

