

**GENERAL RULES AND REGULATIONS  
APPLICABLE TO ELECTRIC SERVICE**

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**1. RULES AND REGULATIONS ON FILE**

A copy of all rates, rules and regulations under which service will be supplied is posted or filed for the convenience of the Public in the office of the Company and with the Indiana Utility Regulatory Commission (IURC).

**2. WRITTEN APPLICATION OR CONTRACT REQUIRED**

A written application for service or properly executed contract may be required from Customers before the Company will be required to supply service. The Company shall have the right to reject any application or contract for valid reason. When special construction or equipment expense is necessary to furnish service, the Company may require contracts for a suitable period of time and reasonable guarantees.

**3. MODIFICATION OF CONTRACT**

No promises, agreements or representation of any agent of the Company shall be binding upon the Company unless the same shall have been incorporated in a written contract before such contract is signed and approved.

**4. ACCESS TO PREMISES**

The properly authorized agents of the Company shall have the right to enter upon the premises of the Customer at all reasonable times for the purpose of inspecting, reading, testing, repairing or replacing the meter or meters, appliances and equipment used in connection with its service and removing the same on the termination of the contract or the discontinuance of the service.

**5. EQUIPMENT LOCATION PERMIT**

If the Customer is not the owner of the premises served or of intervening property between such premises and the Company's equipment, the Customer shall obtain from such owner, or owners, in form satisfactory to Company, such permits or easements as are, in the opinion of the Company, necessary for the installation and maintenance on such premises and on such intervening property, all poles, wires, or other equipment required for the supplying of electric service to the Customer.

**6. CUSTOMER BILLING**

**A. Payment of Bills**

Bills will be issued and payable monthly and must be paid at an office or an established collection agency of the Company. If a bill is not paid within seventeen days from the date mailed, the Customer shall be considered delinquent in payment, and the Company may, upon complying with Rule 16 of the Rules and Regulations of Service for Electrical Utilities in Indiana of the IURC (IURC Rules and Regulations), disconnect service. Failure to receive the bill shall not entitle the Customer to relief from the deferred payment provisions of the rate if he fails to make payment within said seventeen-day period, nor shall it affect the right of the Company to disconnect service for non-payment as above provided.

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**6. CUSTOMER BILLING (continued)**

**B. Senior Citizen Payment Plan**

The Company may, upon request, extend the due date (i.e., the date 17 days following the billing date) to the sixth day of the month following the month in which a customer is billed, provided that the Customer applies for and is accepted by the Company as a participant in the Senior Citizen Payment Plan. In order to participate in the Senior Citizen Payment Plan, the Customer must meet the following conditions:

1. The Customer must be taking Residential service, which must be in the Customer's name;
2. The Customer must be retired and must show proof of receiving monthly social security benefits;
3. The Customer must be sixty years of age or older and must show proof of age in a form acceptable to the Company; and
4. The Customer's normal due date falls either on or between the first and the fourth day, or on or between the twenty-first and last day of the month.

**7. PAYMENT AFTER DUE DATE OF SERVICE BILL**

Once in each half calendar year, but not more often, the Company may upon the Customer's request waive the deferred payment charge on a delinquent bill, provided payment is tendered not later than the last date for payment of net amount of the next succeeding month's bill.

**8. RECONNECTION CHARGE**

Whenever the service has been turned off by the Company for non-payment of bills or whenever a reconnection of service is made for a Customer at the same location, more often than once in a twelve-month period, and service in each such case has been turned off at the Customer's request, a charge will be made by the Company to cover the cost of reconnection of service, which charge shall be in accordance with reconnection charges listed on Sheet No. 57 of this tariff.

**9. DEPOSIT TO INSURE PAYMENT OF BILLS**

**A. Applicable to Residential Customers**

The Company shall determine the credit worthiness of an applicant or customer in an equitable non-discriminatory method and may require a deposit to insure payment of bills in accordance with Rule 15 of the IURC Rules and Regulations.

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**9. DEPOSIT TO INSURE PAYMENT OF BILLS (continued)**

**B. Applicable to Commercial and Industrial Customers**

The Company may require from any applicant or customer, as a guarantee against the non-payment of bills, a cash deposit equal to the amount payable for service for a 60-day period as estimated by the Company. In all cases, where the monthly amount payable is in excess of that covered by the deposit, the Company may increase the amount of deposit required, but such deposit shall not exceed the estimated amount payable for a sixty-day period.

In the case of a cash deposit as a guarantee against the non-payment of bills, simple interest thereon at the rate established by the Indiana Utility Regulatory Commission shall be paid by the Company for the time such deposit is held by the Company, but for no period less than twelve months. Upon discontinuance of service, the amount of the final bill will be deducted from the sum of the deposit and interest due, and the balance, if any, shall be remitted to the depositor.

**10. PREDICATION OF RATES**

The Company's electric rates are predicated upon the supply of service to the Customer separately for each premises and for the ultimate usage of such separate premises. The combining of service of two or more separate classifications through a single meter, or of two or more premises, or of two or more separate living quarters of the same premises, will be permitted only under such rules and regulations as filed by the Company and approved by the Indiana Utility Regulatory Commission. (See Rules No. 11, 12 and 13). An outlying or adjacent building of the Customer, if located on the same premises, may be served from the supply to the main residence or building, provided the use of such supply to the adjacent building is supplementary to the usage in the main building. "Premises" as herein used shall mean the main residence, or living quarters for the use of a single family, or main building of a commercial Customer, and shall include the outlying or adjacent buildings used by the same provided the use of the service in the outlying or adjacent buildings is supplemental to the service used in the main residence or building.

**11. BUILDING CONTAINING TWO OR MORE SEPARATE LIVING QUARTERS**

Where RESIDENTIAL service is supplied through one meter to an apartment house or to a building containing two or more separate living quarters, the Customer shall have the option, by written application to the Company, of electing whether:

- (a) the service shall be classed as Residential, in which case, for billing purposes, the blocks and minimum payment of the Residential rate shall be multiplied by the number of living quarters served through the meter.
- (b) the service shall be classed as General Service, in which case, for billing purposes, the General Service rate shall be applied on the basis of a single customer.

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**11. BUILDING CONTAINING TWO OR MORE SEPARATE LIVING QUARTERS (continued)**

The election made by the Customer shall continue for a period of twelve months and thereafter until the Customer notifies the Company, in writing, of his election to have the selected classification of such service changed. Each such election subsequent to the initial election shall continue for a twelve-month period and thereafter until the Customer again notifies the Company, in writing, of his election to change his selection of the classification of such service.

The Customer may arrange the wiring at his own expense, so as to separate the combined service and permit the Company to install a separate meter for each separate living quarter. In each such case the readings of each such meter shall be billed separately on the Residential rate. In such case the wiring shall be arranged to provide for the grouping of all meters at the service entrance.

This rule has no application to rooming houses.

**12. COMBINED RESIDENTIAL AND COMMERCIAL SERVICE**

Where both residential and commercial classes of service are supplied through one service and one meter to the same Customer on the same premises and where the principal use of energy will be for residential purposes, but a small amount of energy will be used for non-residential purposes, the Customer will be billed under the residential service rate only when the equipment for such non-residential use is within the capacity of one 120 volt, 30 ampere branch circuit (or is less than 3,000 watts capacity) and the non-residential equipment exceeds the above-stated maximum limit, the entire non-residential wiring may be separated from the residential wiring, so that the residential and non-residential loads may be metered separately. If the separation is accomplished, the residential and non-residential consumption will be billed under the appropriate tariffs. In the event the Customer elects to not separate the residential and non-residential wiring, the total metered consumption will be billed under the appropriate general service tariff.

**13. RESALE OF THE SERVICE**

Service will not be furnished under any schedule of the Company on file with the Commission to any Customer, applicant, or group of applicants desiring service with the intent or for the purpose of reselling any or all of such service.

**14. CHOICE OF OPTIONAL RATE**

Where optional rate schedules are available for the same class of service, the Customer shall designate the Schedule he desires. Where selection of the most favorable schedule is difficult to pre-determine, the customer will be given reasonable opportunity to change to another schedule, provided, however, that after one such change is made, the Customer may not make a further change in schedule until twelve (12) months have elapsed.

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**14. CHOICE OF OPTIONAL RATE (continued)**

The Company will, at the request of the Customer, assist the Customer in the choice of the schedule most advantageous to the Customer, but the Company does not guarantee that the Customer will at all times be served under the most favorable rate, nor will the Company make refunds representing the difference in charges between the rate under which service has actually been billed and another rate applicable to the same class of service; provided that if the Customer is placed on an unfavorable rate through erroneous advice of the Company, the Customer shall be changed to the most advantageous rate immediately upon discovering such error.

**15. COMPANY RESERVES THE RIGHT TO SHUT OFF SUPPLY**

The Company reserves the right to shut off the supply of all service to all or any part of the premises in accordance with applicable IURC Rules and Regulations for any of the following reasons:

- (1) if a condition dangerous or hazardous to life, physical safety or property exists; or
- (2) upon order by any court, the Commission or other duly authorized public authority; or
- (3) if fraudulent or unauthorized use of electricity is detected and the utility has reasonable grounds to believe the affected Customer is responsible for such use; or
- (4) if the utility's regulating or measuring equipment has been tampered with and the utility has reasonable grounds to believe that the affected Customer is responsible for such tampering; or
- (5) for violation of any of the Rules and Regulations applicable to the service, and
- (6) for repairs; or
- (7) for non-payment of bills upon compliance with the IURC Rules and Regulations;
- (8) for want of supply; or
- (9) for any lawful reason. Such discontinuance shall not, however, invalidate any contract and said Company shall have the right to enforce any contract notwithstanding such discontinuance.

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**15. COMPANY RESERVES THE RIGHT TO SHUT OFF SUPPLY (continued)**

A Customer may request that the Utility notify a predesignated third party of an electric service disconnection notice issued to the Customer. Such request shall be made in writing in the form of a Third Party Designation Authorization. When requested, the Utility shall notify the predesignated third party, by mail, of the pending service disconnection at the time the Utility renders the disconnection notice to the Customer. The Utility may restrict the use of this Third Party Designation Authorization to its customers who are elderly, handicapped, ill, or otherwise unable to act upon a service disconnection notice, as determined by the Utility.

**16. FAILURE OF METER**

Whenever it is discovered that a meter is not recording within the limits of accuracy as prescribed in the IURC Rules and Regulations, adjustment shall be made in accordance with such rules.

**17. COMPANY'S PROPERTY AND PROTECTION THEREOF**

All meters, or other appliances and equipment furnished by and at the expense of the Company, which may at any time be on or in the Customer's premises, shall, unless otherwise expressly provided, be and remain the property of the Company, and the Customer shall protect such property from loss or damage, and no one who is not an agent of the Company shall be permitted to remove such property or tamper therewith.

**18. INTERRUPTION OF SERVICE, ETC.**

The Company shall not be responsible in damages for any failure to supply electric service or for interruption or reversal of the supply of electrical energy, or for defective wiring on the Customer's premises, or for damages resulting to a Customer or to third persons from the use of electricity or the presence of the Company's equipment on the Customer's premises, unless due to fault, neglect, or culpability on the part of the Company. Neither party shall be liable to the other for any failure or delay in case such failure or delay is caused by strikes, the Act of God, or unavoidable accidents or contingencies beyond its control and is not due to fault, neglect or culpability on its part.

**19. DISCONTINUANCE OF SERVICE**

The Customer shall be responsible and pay for all electric service supplied to the Customer's premises until the third working day following the requested disconnection date given by the Customer at the office of the Company to discontinue service.

**20. MONTH**

A "Month" means the period between any two consecutive regular readings by the Company of the meter or meters on the premises, such readings being taken as nearly as practicable every thirty (30) days.

**21. DESCRIPTION OF SERVICE TO BE FURNISHED**

The Customer shall (upon request of the Company) provide the Company with the load and demand characteristics to be served. This information will be used by the Company to determine the character of the service and the conditions under which it will be served.

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**22. EXTENSION OF DISTRIBUTION LINES AND SERVICES**

Upon proper application, the Company will provide necessary distribution and service facilities for rendering service. A contribution or minimum guarantee will be necessary when the estimated revenue for a two and one-half year period is less than the estimated cost of such facilities.

See Appendix A to Rule 22 attached "Rules and Procedures for Overhead or Underground Services." (Sheets Nos. 60W through 60EE).

**23. INSIDE WIRING AND ENTRANCE EQUIPMENT**

Applicants for service must at their own expense equip their premises with all wiring and entrance equipment, all of which shall be constructed and maintained, subject to the approval of any authorized inspectors, and in accordance with the rules of the Company in force at the time. The Company shall be under no duty to inspect the wiring and equipment of the Customer.

The applicant shall at all times maintain the service entrance and the wires inside the building.

**24. LOCATION OF COMPANY TRANSFORMERS, METERS, AND EQUIPMENT**

When the form of service requires, the Customer shall provide free of expense to the Company, and at a location satisfactory to the Company, a suitable place for necessary transformers, meters, or other equipment which may be furnished by the Company.

**25. METERS TO BE INSTALLED BY THE COMPANY**

The electrical energy, unless otherwise specified, shall be measured by a meter or meters of standard manufacture, installed by the Company.

If more than one meter is installed on different classes of service (each class being charged for at different rates), each meter shall be considered by itself in calculating the amount of any bills. Where building codes or other governmental regulation require a separate service for lighting or indicating exits of buildings, each meter shall be considered by itself in calculating the amount of any bills.

When for the convenience of the Company more than one meter is installed on the same class of service in the same premises for the same Customer, the sum of the registration shall in all cases be taken as the total registration.

**26. METER TESTING**

The Company will test meters used for billing Customers in accordance with the IURC Rules and Regulations. A copy of these rules is on file at the Company's office.

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**27. GENERAL SERVICE**

A Customer will be considered a general service Customer when so designated by the applicable rate or when either of the following service characteristics are present: ( i ) the Customer operates an electric motor on the premises with a rating in excess of ten (10) horsepower, or (ii) the required transformer capacity exceeds 100 KVA.

**I. Residential**

A residential Customer, at his option, and in accordance with current provisions of the National Electric Code, may have a general service in addition to his residential service billed separately under applicable rates.

**II. Commercial and Industrial**

A commercial or industrial Customer, at his option, and in accordance with current provisions of the National Electric Code, may have at a single delivery point, two (2) services billed separately under applicable rates.

**28. FRAUD, THEFT OR UNAUTHORIZED USE**

When the Company detects fraudulent or unauthorized use of electricity, or that the Company's regulation, measuring equipment or other service facilities have been tampered with, the Company may reasonably assume that the Customer or other user has benefited by such fraudulent or unauthorized use or such tampering and, therefore, is responsible for payment of the reasonable cost of the service used during the period such fraudulent or unauthorized use or tampering occurred or is reasonably assumed to have occurred and is responsible for the cost of field calls and for the cost of effecting repairs necessitated by such use and/or tampering. In any event, the Company may make a charge for such out-of-pocket costs. Under circumstances of fraud, theft, unauthorized use of electricity, tampering or alteration of the Company's regulation, measuring equipment and/or other service facilities, the Company may disconnect service without notice and is not required to reconnect the service until a deposit and all the aforementioned charges, or an estimate of such charges are paid in full, subject to any provision of the Indiana Utility Regulatory Commission rules to the contrary. In the event of fraud, theft or unauthorized use of electricity which is not upon or connected with a Customer's premises, the ultimate user of the service shall be liable in the same manner as a Customer for electric service used, the incurred costs of field calls and the cost of effecting repairs, and disconnection without notice.

**29. CHARGE FOR NONSUFFICIENT FUND CHECKS**

A charge will be made to reimburse the Company for its cost in handling a check returned by any bank for nonsufficient funds, which charge shall be \$20.00.

**30. TEMPORARY SERVICE**

The charge for temporary service, where existing facilities can be utilized to supply single phase 120 or 120/240 volt service no larger than 100 amps, shall be \$379.00 for overhead service or \$462.00 for underground service. The applicable rate schedule shall apply for service furnished. The charge for temporary service other than those stated above shall be determined by estimating the cost of construction and removal

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**30. TEMPORARY SERVICE (continued)**

of facilities, including labor, material, stores freight and handling, and job order overhead, less any estimated salvage value of material recovered.

**31. NOTIFY COMPANY BEFORE INCREASING LOAD**

The service connections, transformers, meters and equipment supplied by the Company have definite capacity and no substantial addition to the equipment or connected load thereto will be allowed except upon written consent from the Company.

**32. EXCLUSIVE SERVICE ON INSTALLATION CONNECTION**

Except for emergency generating equipment approved by the Company, no other electric light or power service shall be used by the Customer on the same installation in conjunction with the Company's service, either by means of a "throw-over" switch or any other connection, except under a contract for auxiliary service. (See Rule 33)

**33. AUXILIARY SERVICE**

Auxiliary Service is herein defined as electric service rendered by the Company to a Customer wherein such Customer's premises are supplied with electricity from a source of supply other than the Company, or whose electric requirements are wholly or partially at any time relieved by other power generating equipment. The Customer, where service is rendered under such circumstances, shall have the privilege of using the Company's electrical service as reserve or auxiliary service in connection with his alternative or other source of supply upon the conditions herein prescribed.

A. Where total connected load to be supplied by Company's service does not exceed 15 kilowatts:

A suitable contract shall be entered into with the Customer, listing the apparatus and connected load in kilowatts of the equipment to be supplied auxiliary service.

The Customer shall agree to pay for all energy used computed under any rate he shall select in effect for the location and for the class of service rendered, except that the minimum monthly payment for such auxiliary service shall be calculated on the basis of \$10.00 per month for the first 3 kilowatts or less of total connected load and \$3.00 per month for each additional kilowatt or fraction thereof of total connected load; provided, however, that the minimum monthly payment for such auxiliary service so calculated shall not in any case be less than the monthly minimum payment called for in the rate and contract.

For the purpose of determining the demand of the total connected load contracted for, the Company may install a demand meter which shall measure the highest average load in kilowatts occurring during any thirty (30) consecutive minutes of the month; provided, however, that if such load shall be less than fifty percent (50%) of the maximum momentary demand in kilowatts, then the maximum demand shall be taken at fifty percent (50%) of such maximum momentary demand; provided, further

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**33. AUXILIARY SERVICE (continued)**

that if the Customer's load is three-phase, the maximum demand shall not be less than eighty percent (80%) of the product of the actual voltage multiplied by the maximum amperes in any phase multiplied by 1.73. If such measured maximum demand exceeds the connected load contracted to be supplied with standby service, then such measured demand shall be used in calculating the minimum charge in the current and subsequent month's billing until exceeded by a higher measured demand.

The Company further reserves the right to require the Customer to provide, at his own expense, suitable apparatus to reasonably limit any intermittence or fluctuations of the Customer's requirement, where in the Company's judgment such apparatus is necessary to prevent undue interference with the service of the Company, and the Company further reserves the right to refuse, at any time, service where electric welding machines or other equipment producing high and intermittent fluctuations constitute a part of the Customer's connected load. Paralleled operations of the Company's and the Customer's electric generating equipment shall not be permitted hereunder.

The term of the contract shall be for a period of not less than one (1) year from the beginning of service thereunder. If the parties continue thereafter to furnish and accept the electrical service thereunder, it shall operate to renew and continue the service by yearly periods until cancelled by sixty (60) days notice being given by one party to the other, prior to any such yearly expiration, of such party's election to discontinue the service.

B. Where total connected load to be supplied by Company's service exceeds 15 kilowatts:

In such cases, auxiliary service shall be furnished only upon execution of a special contract.

**34. LOAD REDUCTION AND CURTAILMENT**

**34.1 Company Load Reduction During Fuel Shortages**

This step will be taken by the Company when its fuel supplies are decreasing and the remaining fuel supplies are sufficient in its opinion for not more than approximately 60 days' operation of its generation facilities.

A. Company use of electric energy will be reduced in any way that will not jeopardize essential operations.

B. The Company will partially or fully terminate the availability of electric energy under the "Surplus Capacity" provisions of rates for "Industrial Power Service" or "General Service – Large Use".

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**34. LOAD REDUCTION AND CURTAILMENT (continued)**

**34.2 Economic Dispatch During Curtailment**

Fuel supply levels at the Company's generating stations will become a determinant in economic dispatch decisions in an effort to maintain a reasonable supply of fuel at all generating stations at the time the Indiana Utility Regulatory Commission determines that a fuel emergency exists or at the time the Company is required to initiate either voluntary or mandatory curtailment under this plan. In the event of a decision to depart from economic dispatch, the Company shall file with the Commission its planned methodology and implementation for departing from economic dispatch. Economic dispatch shall be resumed on the conclusion of the emergency and/or voluntary or mandatory curtailment unless the Company is authorized by the Commission to continue its fuel conservation methodology beyond the period of the emergency and/or voluntary or mandatory curtailment.

**34.3 Customer Voluntary Load Reduction During Fuel Shortages**

If fuel supplies continue to decrease and the Company's remaining fuel supply is sufficient, in its opinion, for not more than 50 days' operation of its generating facilities, appeals to users will be made for the voluntary curtailment of load. Efforts would be made to obtain a decrease in usage of at least 15 percent.

A. Public appeals will be made by the Company through appropriate news media asking customers to reduce their use of electric energy by at least 15 percent because of the impending fuel shortage.

B. Direct appeals will be made by the Company to major industrial and commercial customers and to wholesale customers requesting them to shut off nonessential loads and curtail usage in an effort to obtain a 15 percent reduction.

**34.4 Relief to Customers for Voluntary Load Reduction During Fuel Shortages**

If an appeal has been made by the Company through appropriate news media or by direct appeal to the customer for voluntary electric energy reduction because of an impending fuel shortage, the Company will reward those customers who do reduce their electrical consumption by suspending the minimum demand charge for the period of the requested voluntary curtailment. No relief from the minimum demand charge will be given for those customers who do not reduce their electrical consumption.

**34.5 Mandatory Load Reduction During Fuel Shortages**

If fuel supplies continue to decrease, and the Company's remaining fuel supply is sufficient, in its opinion, for not more than 40 days' operation of its generating facilities, mandatory curtailment will commence pursuant to Sections 34.6 through 34.14 hereof, unless the Company has achieved no less than a 10 percent reduction in daily kilowatt-hour usage on a consistent basis through voluntary curtailment. If a reduction of 10 percent or more has been achieved, mandatory curtailment may be deferred until a 30-day fuel supply remains.

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**34. LOAD REDUCTION AND CURTAILMENT (continued)**

**34.6 Mandatory Curtailment, Limitation and Priorities of Service**

When fuel supplies reach the levels specified in Section 34.5 or when for any reason sufficient amounts of electric power in the judgment of the Company are not available to the Company to meet all existing and reasonably anticipated demands for service or to protect the integrity and stability of the system, the Company shall have the right to restrict, limit, or curtail electric service within any of its systems so affected in accordance with any of the provisions of this Rule.

**34.7 Definitions**

For the purpose of this Rule, the following terms shall have the following meanings:

**A. Human Needs Requirements**

Human needs requirements for electricity shall consist of only that portion of the electrical requirements of customers which are essential to preserve and maintain the public health, safety and welfare as determined by the Company, including the following requirements:

1. Minimum essential requirements of hospitals, medical centers, medical products and supplies, doctors' offices, nursing homes, and life support equipment such as kidney machines and respirators.
2. Minimum essential requirements of fire departments, police departments, civil defense and emergency Red Cross services.
3. Minimum essential requirements of those customers engaged in the production, distribution, and storage of essential dairy products, meat, fish, poultry, eggs, fresh produce, bread, rolls and buns (including the raw materials to manufacture bread, rolls and buns) to be prepared and consumed by humans.
4. Minimum essential requirements of those customers engaged in the production, distribution and storage of essential feed which will be fed to livestock and poultry.
5. Minimum essential water, sewerage, and communication facilities.
6. Minimum essential requirements of facilities used for the production, transportation, and distribution of essential energy supplies.
7. Any other use of electricity which is essential to public health, safety, and welfare as determined by the Company.

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**34. LOAD REDUCTION AND CURTAILMENT (continued)**

**34.7 Definitions (continued)**

For the purpose of this Rule, the following terms shall have the following meanings:

**B. Residential Customers**

Residential customers shall be residential dwellings, mobile homes, apartments, or condominiums.

**C. Commercial Customers**

Commercial customers shall be customers engaged primarily in wholesale or retail trade and services including clubs, institutions, and local, state and federal governmental agencies.

**D. Industrial Customers**

Industrial customers shall be customers who are engaged primarily in a process that creates or changes raw or unfinished materials into another form or product.

**E. Service Obligation**

Service obligation shall be the smaller of the following:

1. KW demand specified in the customer's contract for electric service;
2. Largest metered demand (peak period demand for customers served on rates designating peak periods) in the previous 12 months. If no such demand information is available, an estimate will be used determined by dividing the KWH in the maximum usage month in the previous 12 months by 200 hours. Adjustments may be made for customers with changed circumstances that have caused the present 12-month usage to be non-representative of current usage.

**F. Living Quarters**

Living quarters as used in Service Priority Class II shall mean hotels, motels, dormitories and similar dwelling places.

**G. General Service Customers**

Commercial and Industrial customers served on one of the "General Service" rates.

**H. Base Monthly Consumption**

Base monthly consumption will be the customer's average billing month usage based upon the three (3) month period in the prior year which corresponds to the billing month being curtailed and the immediately preceding and succeeding months. Adjustments may be made for customers with changed circumstances that have caused the prior year's usage during the period to be non-representative of current usage during the period.

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**34. LOAD REDUCTION AND CURTAILMENT (continued)**

**34.7 Definitions (continued)**

**I. New Customers**

The service obligation and the base monthly consumption for a new customer with less than 12 months' service history shall be estimated by the Company.

**J. Days of Fuel Supply**

As used in this plan, the number of days fuel supply will be determined by the Company after considering the following and such other factors as it deems pertinent:

- (a) Amount of fuel in inventory.
- (b) Projected availability of additional fuel.
- (c) Projected availability of electric energy from interconnected utilities.
- (d) Projected use by customers.

**34.8 Emergency Curtailment Without Regard to Priority**

The Company reserves the right to order electric service curtailment during fuel shortages without regard to priority. (See Rule 35)

**34.9 Priority of Service**

Priority of service, in the event of mandatory curtailment, shall be as set forth below. The highest priority is Service Priority Class I and the lowest priority of service is Service Priority Class IX.

**Service Priority Class**

- I Human Needs
- II Residential, living quarters, commercial and industrial customers with a service obligation of 50 KW or less
- III General Service customers with a service obligation of more than 50 KW but less than 500 KW and Class VIII customers after initial curtailment
- IV General Service Customers with a service obligation of 500 KW but less than 1,000 KW
- V General Service Customers with a service obligation of 1,000 KW but less than 3,000 KW
- VI General Service customers with a service obligation of 3,000 KW but less than 10,000 KW

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**34. LOAD REDUCTION AND CURTAILMENT (continued)**  
**Service Priority Class (continued)**

- VII General Service customers with a service obligation of 10,000 KW or more and all customers served on "Industrial Power Service" rates
- VIII Schools, colleges, universities and other educational institutions, night-time sports entertainment and recreational activities
- IX "Surplus Capacity" customers

**34.10 Mandatory Curtailment Procedure**

Curtailment, unless pursuant to 34.8, shall begin with Service Priority Class VIII and IX and continue as necessary through Service Priority Classes VII, VI, V, IV, III, II, and I as follows:

1. Telephone calls, confirmed by written notice, shall be given to service Priority Class IX customers to fully (100 percent) curtail such service.
2. Public notice, by press release, shall be given to Service Priority Class VIII customers to curtail their electric requirement to 60 percent of their service obligation or base monthly consumption, whichever is applicable.
3. After notice is given to Service Priority Class VIII and IX curtailment will commence in Service Priority Class VII and continue until a service level is reached of not more than 90 percent but no less than 80 percent of service obligation or base monthly consumption, whichever is applicable. If further curtailment is necessary, curtailment will commence and proceed sequentially as necessary through Service Priority Classes VI, V, IV, III, and II, provided that the curtailment to each succeeding lower numbered Service Priority Class shall be at least 10 percent but not more than 20 percent less than the next higher numbered Service Priority Class beginning with Service Priority Class VII. Customers in Class VIII shall be further curtailed with Class III customers as the curtailment level of Service Priority Class III reaches 60 percent.
4. When Service Priority Class VII is curtailed to a level of 35 percent of service obligation or base monthly consumption, any further necessary curtailments shall be made from next succeeding Service Priority Classes, beginning with Service Priority Class VI, until each class through Service Priority Class II reaches 35 percent level, provided that each reduction, until a Service Priority Class shall be curtailed to the 35 percent level, shall maintain the interval of at least 10 percent but not more than 20 percent between succeeding Service Priority Classes.

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34. **LOAD REDUCTION AND CURTAILMENT (continued)**

34.10 **Mandatory Curtailment Procedure (continued)**

5. After Service Priority Classes VII, VI, V, IV, III, and II are curtailed to a level of not more than 35 percent of service obligation or base monthly consumption, Service Priority Classes VII through II, both inclusive, will be further curtailed by equal percentages until full (100 percent) curtailment occurs.
6. After Service Priority Classes VII, VI, V, IV, III, and II are in full (100 percent) curtailment, curtailment shall commence in Service Priority Class I as necessary.

Except as provided in Sections 34.10,1. and 34.10,2., the Company will give notice of curtailment in the most effective manner possible and as much in advance as possible with regard to the exigencies and the number of customers to be notified. The curtailment shall be effective as of the time and date specified in the notice.

34.11 **Curtailment by Short-Term Service Interruption**

In the event mandatory curtailment is imposed, as above provided, the Company, in addition may employ, for not more than two (2) hours duration at any one time selective short-term service interruptions by operation on a rotational basis of distribution switching equipment to effect the necessary curtailment in one or more service priority classes. Customers so interrupted shall be deemed to have complied with the specific curtailment ordered at that time and accordingly will not be subject to the penalty provision of Section 34.13 A and B.

34.12 **Restoration of Service**

Service shall be restored in the reverse order of the original curtailment.

34.13 **Penalty for Non-Compliance**

- A. Demand use in excess of that permitted under curtailment shall be subject to \$22.62 per KW per calendar day penalty, in addition to normal billing charges, for all electric service taken in excess of mandatory curtailment limitations.
- B. Energy use in excess of that permitted under curtailment shall be subject to a 12 cent per KWH penalty, in addition to normal billing charges, for all electric energy taken in excess of mandatory curtailment limitations.
- C. Penalty charges collected hereunder shall be segregated in a separate account, and may be expended only for ( i ) pollution control facilities, or ( ii ) costs of research and development.
- D. Customer failing to comply with the specified curtailment for more than a seven (7) day period will be subject to disconnection for the duration of the emergency.

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**34. LOAD REDUCTION AND CURTAILMENT (continued)**

**34.14 Applicability**

The terms and provisions of this Rule shall control notwithstanding any terms and provisions of rate schedules, General Rules and Regulations of the Company, or any contract or agreement between the Company and any customer to the contrary.

**35. EMERGENCY CURTAILMENT WITHOUT REGARD TO PRIORITY**

The Company reserves the right to order electric service curtailment without regard to the priority of service when in its judgement such curtailment is required to forestall imminent and irreparable injury to life, property, or the electric system. Curtailment may include interruption of selected distribution circuits. A curtailment pursuant to this Rule shall not exceed 72 consecutive hours but may be extended by Order of the Indiana Utility Regulatory Commission.

**36. CUSTOMER'S EQUIPMENT**

Where any of the Customer's utilization equipment has characteristics which, in the Company's judgement, may cause interference with service to other Customers or result in operation at a low power factor, the Customer shall, at the request of the Company, provide suitable facilities to preclude such interference or improve such power factor, or both, as the case may be. Otherwise, the Company shall have the right to provide, at the expense of the Customer, the facilities necessary to preclude such condition or conditions.

**37. VOLTAGES**

The standard nominal distribution service voltages within the service area of the Company are:

<b>SECONDARY</b>		<b>PRIMARY</b>	<b>TRANSMISSION</b>
<b>Single Phase</b>	<b>Three Phase</b>	<b>Three Phase</b>	<b>Three Phase</b>
120/240 volts	120/208 volts	4,330/ 2,500 volts	34,500 volts
120/208 volts	240 volts	12,470/ 7,200 volts	69,000 volts
	277/480 volts		138,000 volts
	480 volts		

The availability and application of these voltages will be determined by the Company and applicable Rate Schedule. Exceptions to the above standard voltages are a 11,000 volt industrial system in the Hammond Operating District and a 13,800 volt underground system in the City of Gary, both of which are limited to existing customers and in the process of being converted to the Company's standard voltage.

**38. NONE**

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**39. ADJUSTMENT OF CHARGES FOR COST OF FUEL**

A. Energy charges in the rate schedules included in this tariff are subject to charges for fuel cost and such charges shall be increased or decreased to the nearest 0.001 mill (\$.000001) per KWH in accordance with the following:

$$\text{Fuel Cost Charge} = \frac{F}{S} - \$0.022556$$

where:

1. "F" is the estimated expense of fuel based on a three-month average cost beginning with the month immediately following the twenty-day period allowed by the Commission in IC 8-1-2-42 (b) and consisting of the following costs:
  - (a) the average cost of fossil fuel consumed in the Company's own plants, such cost being only those items listed in Account 151 of the Federal Power Commission's Uniform System of Accounts for Class A and B Public Utilities and Licensees;
  - (b) the actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in (c) below;
  - (c) the net energy cost, exclusive of capacity or demand charges, of energy purchased on an economic dispatch basis, and energy purchased as a result of a scheduled outage, when the costs thereof are less than the Company's fuel cost of replacement net generation from its own system at that time; less
  - (d) the cost of fossil and nuclear fuel recovered through inter-system sales including fuel costs related to economy energy sales and other energy sold on an economic dispatch basis;
2. "S" is the estimated kilowatt-hour sales for the same estimated period set forth in "F", consisting of the net sum in kilowatt-hours of:
  - (a) net generation
  - (b) purchases
  - (c) interchange-in, less
  - (d) inter-system sales
  - (e) energy losses and Company use

B. The fuel cost charge as computed above shall be further modified to allow the recovery of gross receipts taxes and other similar revenue based tax charges occasioned by the fuel cost charge revenues.

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**39. ADJUSTMENT OF CHARGES FOR COST OF FUEL (continued)**

- C. The fuel cost charge shall be further modified to reflect the difference the estimated incremental fuel cost billed and the incremental fuel cost actually experienced during the first and succeeding billing cycle month(s) or calendar months(s) in which such estimated incremental fuel cost was billed for those months not previously reconciled.
- D. See Appendix B for fuel cost charge.

**40. NONE**

**41. EXCESS FACILITIES**

Unless otherwise provided for in the Rate Schedule:

- (1) the Company will furnish as a normal installation, facilities adequate to supply service at a single point of delivery,
- (2) each normal installation shall include, where necessary, facilities for one standard transformation, and
- (3) the Company will furnish as a normal metering installation meters adequate to measure at a single point of delivery the demand and energy consumption of the entire premises, the type of such meters to be determined by the Company.

In the event service facilities in excess of a normal installation are requested by the Customer or are required to serve the Customer's load, the Company, subject to rules currently approved by the Indiana Utility Regulatory Commission, shall determine whether to extend facilities therefore, and if so, the Company shall furnish, install, and maintain such facilities, subject to the following conditions and such others as are reasonably necessary due to special conditions of service:

- (a) The type, extent, and location of such service facilities shall be determined by the agreement between the Company and the Customer.
- (b) Such service facilities shall be the property of the Company.
- (c) The Customer shall agree to pay to the Company a monthly rental equal to two percent (2%) of the estimated installed cost of the excess facilities.
- (d) The monthly rental shall be appropriately adjusted if a change is made in the excess facilities provided by the Company.

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**42. New Residential Development Procedures**

Before the Company will undertake facility investment and extensions of service to residential developments or phase thereof:

- (a) As used in this Rule, “extensions” shall refer to extension of Company facilities required in order to provide electric service as requested by Customer(s) or prospective Customer(s).
- (b) As used in this Rule, “Margin Credits” shall be equal to the total product of the planned number of residential meters multiplied by \$3,500. This amount shall be subject to change in any proceeding proposing adjustment to NIPSCO’s basic rates and charges initiated after 2010, or in a separate proceeding filed in conformance with the Commission’s rules and regulations.
- (c) As used in this Rule, “Margin Costs” shall be equal to 0.52 multiplied by the total amount of actual costs for the extension of electric facilities to a specific development, as estimated by the Company using the information provided to the Commission in the Company’s annual filings pursuant to 170 IAC § 4-1-27(E).
- (d) Upon request for electric service by initial applicants (a developer or a group of prospective Customers located in the same area), Company will extend, without charge, its facilities including wires, poles, transformers and other equipment necessary to provide the service, provided:
  1. the Margin Credits for the specific development are equal to or greater than the Margin Costs for that development; and
  2. the prospective patronage or demand is of such permanency as to warrant the capital expenditure involved.
- (e) If the Margin Costs of the facilities necessary to provide the electric service requested by initial applicant(s) exceeds the Margin Credits from such extension as provided in (d) above, Company shall make such extension if the initial applicant(s) meets one of the following conditions:
  1. Upon adequate provision for payment to Company by initial applicant(s) of that part of the Margin Costs in excess of the Margin Credits as provided in (d) above; or
  2. If in the opinion of Company (a) the estimated cost of such extension and the prospective margin to be received from it is so meager or speculative as to make it doubtful whether the Margin Credits from the extension would ever pay a fair return on the investment involved in such extension, or (b) with slight or no immediate demand for service, or (c) in the case of an installation requiring extensive equipment with slight or irregular service, or (d) the estimated cost of the extension otherwise places Company and/or other customers at risk of recovering the costs associated with the investment; then in any of the above cases Company may require, in advance of materials procurement or construction, a deposit or adequate provision of payment from the initial applicant(s) in the amount of the total estimated cost of construction and other improvements.

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**New Residential Development Procedures (continued)**

- i. Deposits held may be returned to initial applicant(s) based on the amount of Margin Credits received by Company, for a period of six (6) years and up to the amount of the original deposit, in at least annual installments.
  - ii. In the event that the initial applicant(s) is (are) required to make any deposit, Company shall upon request make available to the initial applicant(s) the information used to establish the basis for the applicable deposit amount.
- (f) Initial applicant(s) may, at its (their) option, submit, or require Company to submit, to the Commission the terms of service and deposit or Contribution determined by Company under (e)(1) or (e)(2) for review and determination as to the reasonableness of said terms.
- (g) For each new Customer, exclusive of the initial applicant(s) considered in the making of an extension, connected to such an extension within the period of six (6) years from the completion of such extension, Company shall refund to such initial applicant(s), in proportion to their respective contribution(s) toward the cost of such extension, an amount equal to the Margin Credits from such new Customer(s), less the Margin Costs to serve such new Customer(s), but the total of all refunds to any such initial applicant(s) shall in no event exceed the individual contribution of such applicant. Where a deposit is required under (e)(2) above, the total of all refunds to all initial applicant(s) in aggregate shall in no event exceed the total aggregate deposit of all initial applicant(s). Such estimated Margin Credits from new Customer(s) shall also be subject to the provisions of (e)(2) above.
- (h) Company shall not be required to make extension as provided in this Rule unless Customer(s) to be initially served by such extension upon its installation has (have) entered into an agreement with Company setting forth the obligations and commitments of the parties consistent with the provisions of this tariff.
- (i) Company reserves the right, with respect to Customers whose establishments are remote from Company's existing suitable facilities, whose potential load qualifies for any economic development rider as may be applicable in Company's tariff, or whose load characteristics or load dispersal require unusual investments by Company in service facilities, to make special agreements as to duration of contract, reasonable guarantee of revenues, or other service conditions, provided that such special agreements are made on a non-discriminatory basis.

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**43. UNMETERED SERVICE – CABLE TELEVISION - (Obsolete)**

For continuous loads of constant wattage used for Cable Television service the kilowatt-hour usage shall be estimated. The monthly kilowatt-hours to be billed shall be equal to the product of 730 times the connected load in kilowatts.

Prior to the commencement of service at any delivery point, the Customer shall notify the Company of the initial connected load to be served. Thereafter the Customer shall notify the Company of every subsequent change of such load. The Company reserves the right to inspect the Customer's equipment at any time to verify the actual load.

Each point of delivery shall be billed separately.

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**43. UNMETERED SERVICE – CABLE TELEVISION – (Obsolete) (continued)**

The available General Service rate schedule shall be applicable to service furnished hereunder.

This Rule shall be applicable only until such time as the Company is capable of installing meters at all existing unmetered installations. All new installations shall be metered.

**44. UTILITY RESIDENTIAL WEATHERIZATION PROGRAM (URWP)**

The Company has replaced its Utility Residential Weatherization Loan Program (URWP) with a program for NIPSCO Energy Saver Loans as follows:

A NIPSCO Energy Saver Loan will be available through branch offices of NBD Bank and its affiliates located throughout the Company's service territory. The loans will be available for energy improvements to any residential customer upon approval for credit by NBD. The loans will be available at NBD's current interest rates, with principal amounts ranging from a minimum of \$1,000 to a maximum of \$10,000.

Customers must contact a participating NBD Bank or affiliated branch during regular business hours to apply for or inquire about the specific terms and conditions of a NIPSCO Energy Saver Loan. NBD is an Equal Housing and Equal Opportunity Lender.

**45. DEFAULT SCHEDULE FOR LARGE USE GENERAL SERVICE OR INDUSTRIAL CUSTOMERS**

Notwithstanding the conditions of service under Rate 824, in the absence of a contract between a Large Use General Service or Industrial Customer and Company, the rates and charges under Rate 824 will be applicable to any Large Use General Service or Industrial Customer requiring service from the Company.

**46. CUSTOMER CREDIT ADJUSTMENT FACTOR**

Rates and charges in the Rate Schedules included in this tariff are subject to a percentage credit approved by the Indiana Utility Regulatory Commission to reflect the Settlement Agreement and in accordance with the Order of the Indiana Utility Regulatory Commission approved September 23, 2002, in Cause No. 41746, and calculated as follows:

Customer Credit Adjustment Factor = G/R

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**46. CUSTOMER CREDIT ADJUSTMENT FACTOR (continued)**

Where:

- a.) "G" equals the guaranteed Customer Credit for the annual period coinciding with the twelve- (12-) total jurisdictional operating revenues in "R". The amount shall be computed to credit a Guaranteed Credit of Two Hundred Twenty-Five Million Dollars (\$225,000,000) over a minimum term of forty-nine (49) months. This amount shall be adjusted for any over or under crediting based on actual electric consumption in prior periods.
- b.) "R" equals the twelve- (12-) month total jurisdictional electric operating revenues collected by the Company adjusted for revenues from (a) special contract rates, (b) economic development rates, and (c) other revenues (i.e., miscellaneous service fees, NSF check charges and reconnection fees).

The Customer Credit adjustment factor shall be periodically computed with every Fuel Cost Adjustment filing and be made effective for the billing cycles included with each Fuel Cost Adjustment filing. In no event shall the Customer Credit adjustment factor reflect a net debit to eligible customers.

The Customer Credit shall be adjusted in Year 1 of the minimum term to reimburse One Million Eight Hundred Thousand Dollars (\$1,800,000) in litigation expenses incurred by the Parties to the Settlement Agreement, other than the Company, in Cause No. 41746.

Customer served under (a) special contract rates approved by the Commission, pursuant to I.C. 8-1-2-24 and/or I.C. 8-1-2-25, or (b) economic development rates, are not eligible for the Customer Credit.

See Appendix C, Sheet No. 59A, for the applicable Customer Credit percentage.

**47. ADJUSTMENT OF CHARGES FOR ENVIRONMENTAL COST RECOVERY MECHANISM FACTOR**

Energy charges in the Rate Schedules included in this tariff are subject to charges approved by the Indiana Utility Regulatory Commission to reflect rate base treatment for qualified pollution control property. and such charges shall be increased or decreased to the nearest 0.001 mill (\$.000001) per KWH in accordance with the following:

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**47. ADJUSTMENT OF CHARGES FOR ENVIRONMENTAL COST RECOVERY MECHANISM FACTOR  
(continued)**

Environmental Cost Recovery Mechanism Factor ("ECRM") =  $(R \times P) / S$   
Where:

- a.) "ECRM" is the rate adjustment for each Rate Schedule representing the ratemaking treatment for qualified pollution control property.
- b.) "R" equals the total revenue requirement based upon the costs for the qualified pollution control property.
- c.) "P" represents the Production Demand Allocation percentage for the Rate Schedule.
- d.) "S" is the forecast 6-month KWH sales for the Rate Schedule.

The ECRM as computed above shall be further modified to allow the recovery of gross receipts taxes and other similar revenue based tax charges occasioned by the ECRM revenues and later reconciled with actual sales and revenues.

See Appendix D, Sheet No. 59B, for ECRM's per KWH charge for each Rate Schedule.

**48. ADJUSTMENT OF CHARGES FOR ENVIRONMENTAL EXPENSE RECOVERY**

Energy charges in the Rate Schedules included in this tariff are subject to charges to reflect the recovery of operation and maintenance and depreciation expenses for qualified pollution control property placed in service, and such charges shall be increased or decreased to the nearest 0.0001 mill (\$.000001) per KWH in accordance with the following:

Environmental Expense Recovery Mechanism Factor ("EERM") =  $((D \times P) + (O \& M \times P_c)) / S$   
Where:

- a.) "EERM" is the rate adjustment for each Rate Schedule representing the recovery of operation and maintenance and depreciation expenses for qualified pollution control property placed in service.
- b.) "D" equals the total annual depreciation expense for the qualified pollution control property placed in service.
- c.) "P" represents the Production Demand Allocation percentage for the Rate Schedule.
- d.) "O&M" equals the total annual operation and maintenance expense for the qualified pollution control property placed in service.

**ENVIRONMENTAL EXPENSE RECOVERY MECHANISM FACTOR**

The above rates are subject to an Environmental Expense Recovery Mechanism Factor set forth in Rule 48 of the accompanying General Rules and Regulations, in accordance with the Order of the Indiana Utility Regulatory Commission approved November 26, 2002, in Cause No. 42150. The Environmental Expense Recovery Mechanism Factor stated in Appendix E, Sheet No. 59C, is applicable hereto and is issued and effective at the dates shown on Appendix E.

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**48. ADJUSTMENT OF CHARGES FOR ENVIRONMENTAL EXPENSE RECOVERY  
MECHANISM FACTOR (continued)**

- e.) "Pc," a percentage value, equals a composite allocation based on:
  - (1)  $x(\%)$  times P defined in (c) above for each Rate Schedule; and
  - (2)  $(1-x)(\%)$  times "Te," where:  
"Te" represents the Energy Allocation Percentage for each Rate Schedule; and
- f.) "S" is the forecast 12-month KWH sales for each Rate Schedule.

The EERM as computed above shall be further modified to allow the recovery of gross receipts taxes and other similar revenue based tax charges occasioned by the EERM revenues and later reconciled with actual sales and revenues.

See Appendix E, Sheet No. 59C, for EERM's per KWH charge for each Rate Schedule.

**49. DEFINITION OF STREET LIGHTING**

As used in the Company's tariff herein, the term "STREET LIGHTING" shall include the lighting of streets and other public areas for customers, subject to the limitations and conditions contained in the tariff.

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**50. NET METERING**

In accordance with 170 IAC 4-4.2, the Indiana Utility Regulatory Commission Rules applicable to net metering, all Customers may own and operate a solar, wind or hydro electrical generating facility ("Facility") and may be considered an eligible net metering customer if the Customer is in good standing and the Facility:

1. has a total nameplate capacity less than or equal to one Megawatt (MW);
2. is located on the eligible net metering Customer's premises and operated by the Customer; and
3. is used primarily to offset all or part of the eligible net metering Customer's own electricity requirements

If Customer has a total nameplate capacity in excess of the amount designated as being subject to this Rule, Customer may apply for treatment under the Company's Experimental Rate 850, Renewable Feed-In, to the extent available.

The Company may offer net metering to other Customers at the Company's discretion.

An eligible net metering customer whose account is not more than thirty (30) days in arrears and who does not have any legal orders outstanding pertaining to any account with the Company is qualified as an eligible net metering Customer in good standing.

The aggregate amount of net metering capacity allowable to all eligible customers under this rule shall be determined by the sum of each Facility's nameplate capacity treated under this rule and shall not exceed thirty (30) megawatts (MW), forty percent (40%) of which shall be reserved for use by residential customers.

Before the Company will allow interconnection with an eligible net metering customer's Facility and before net metering service may begin, the Customer will be required to enter into an interconnection agreement applicable to the Facility as set forth in Appendix A to Rule 50 of the General Rules and Regulations Applicable to Electric Service.

The eligible net metering Customer shall install, operate and maintain the Facility in accordance with the manufacturer's suggested practice for safe, efficient and reliable operation interconnected to the Company's electric system.

The Company will determine an eligible net metering customer's monthly bill as follows:

1. Rates and adjustments will be in accordance with the Company's electric service tariff and general rules that would apply if the eligible net metering customer did not participate in net metering.
2. The Company will measure the difference between the amount of electricity delivered by the Company to the eligible net metering customer and the amount of electricity generated by the eligible net metering customer and delivered to the Company during the billing period, in accordance with the Company's normal metering practices. If the kilowatt hours (kWh) delivered by the Company to the eligible net metering customer exceed the kWh delivered by the eligible net metering customer to the Company during the billing period, the eligible net metering customer will be billed for the kWh difference at the rate applicable to the eligible net metering customer if it was not an eligible net metering customer. If the kWh generated by the eligible net metering customer and delivered to the Company exceeds the kWh supplied by the Company to the eligible net metering customer during the billing period, the eligible net metering customer shall be credited in the next billing cycle for the kWh difference.
3. When eligible net metering customer elects to no longer participate in net metering under this Rule, any unused credit shall revert to the Company.

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**51. INTERCONNECTION STANDARDS**

In accordance with 170 IAC 4-4.3 of the Indiana Utility Regulatory Commission Rules, as the same may be revised from time to time by the Commission, applicable to Customer-generator Interconnection Standards, ("Rule 4.3") eligible customers may own, operate, and interconnect generation equipment to the NIPSCO electric system after meeting the requirements of Rule 4.3, these rules and the approval process is defined.

The Company may offer net metering to other Customers at the Company's discretion.

An eligible net metering customer whose account is not more than thirty (30) days in arrears and who does not have any legal orders outstanding pertaining to any account with the Company is qualified as an eligible Customer in good standing.

A customer shall initiate the approval process by submitting the appropriate application (see Appendix C or D to Rule 51 of the General Rules and Regulations Applicable to Electric Service for the appropriate application) and fees based on the size and type of the generating unit as defined by the following:

Level 1: Inverter-based customer-generator facilities with a name plate rating of 10kW or less which meet certification requirements of section 5 of Rule 4.3.

Level 2: Customer-based generator facilities with a name plate rating fo 2 MW or less which meet the certification requirements of section 5 of Rule 4.3.

Level 3: Customer-based generator facilities which do not qualify for either Level 1 or Level 2.

The interconnection review fees shall be as follows:

Level 1: There is no charge.

Level 2: The charge for a Level 2 interconnection review is fifty dollars (\$50) plus one dollar (\$1) per kW of the customer-generator facility's name plate capacity.

Level 3: The charge for a Level 3 review is one hundred dollars (\$100) plus two dollars (\$2) per kW of the customer-generator facility's name plate capacity, as well as one hundred dollars (\$100) per hour for engineering work performed as part of any impact or facilities study. The cost of additional facilities in order to accommodate the interconnection of the customer-generator facility shall be the responsibility of the applicant.

The interconnection review procedures are prescribed by the following sections of Rule 4.3:

Level 1: Section 6

Level 2: Section 7

Level 3: Section 8

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Before the Company may allow interconnection with an eligible customer's facility, the Customer shall be required to enter an interconnection agreement with the Company applicable to the facility. See Appendix A or B to Rule 51 of the General Rules and Regulations Applicable to Electric Service for the appropriate agreement.

The above stated agreements and associated applications are found in the General Rules and Regulations as Appendices to Rule 51, as follows:

1. Appendix A: Interconnection Agreement for Interconnection and Parallel Operation of Certified Inverter-Based Equipment 10kW or Smaller
2. Appendix B: Interconnection Agreement for Level 2 or Level 3 Facilities
3. Appendix C: Application for Interconnection - Level 1, Certified Inverter Based Generation Equipment of 10kW or Smaller
4. Appendix D: Application for Interconnection - Level 2 or Level 3
5. Appendix E: is Exhibit A

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- 52. ADJUSTMENT FOR CHARGES FOR DEMAND SIDE MANAGEMENT ADJUSTMENT FACTORS**  
Energy charges in the Rate Schedules included in this tariff along with Rate Code 847 are subject to charges approved by the Indiana Utility Regulatory Commission on May 25, 2011 in Cause No. 43618 to reflect the recovery of annual costs applicable to the Demand Side Management (DSM) programs. These charges shall be increased or decreased to the nearest 0.001 mill (\$.000001) per kWh in accordance with the following:

$$\text{Adjustment Factor}_{\text{Rate}} = \text{Sum of } \frac{\text{DSM}_p \times \text{Cust}_{\text{Rate}}}{\text{Cust}_p \times \text{BE}_{\text{Rate}}} \text{ for all programs (P)}$$

where:

"DSM<sub>p</sub>" is the estimated DSM Costs for the current six (6) month period for each DSM/EE program (P). Subject to Commission approval, DSM Costs shall include all program costs, incentives, and net lost margins.

"Cust<sub>Rate</sub>" is the estimated number of customers in the rate eligible for DSM/EE program (P).

"Cust<sub>p</sub>" is the sum of the Cust<sub>Rate</sub> for all rates eligible for DSM/EE program (P).

"BE<sub>Rate</sub>" is the estimated jurisdictional billing kWh for each rate for the current six (6) month period.

The DSMA as computed above shall be further modified to allow the recovery of gross receipts taxes and other similar revenue based tax charges occasioned by the DSMA revenues and later reconciled with annual sales and revenues.

The DSMA factors stated in Appendix G, Sheet No. 59E, is applicable hereto and is issued and effective at the dates shown on Appendix G.

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**APPENDIX A TO RULE 22  
GENERAL RULES AND REGULATIONS  
APPLICABLE TO ELECTRIC SERVICE**

No. 1 of 9 Sheets

Rules and Procedures for Overhead or Underground Services.

**REFERENCE:** National Electric Code, latest revision.  
Rule 25 and 26, IURC Rules and Regulations of Services for Electrical Utilities, March, 1976.

1. **DEFINITION**

- A. A service is defined as the facilities necessary for delivering energy from the electric supply system of the Company to the wiring system of the premises served.
- B. A secondary service is defined as one operating at 600 volts and below. A primary service is defined as one operating above 600 volts.
- C. A multiple-occupancy building shall be defined, from the standpoint of providing service, as one with one or more internal firewalls which are recognized and approved by the authority enforcing the National Electric Code.

2. **GENERAL**

- A. The Company will locate the point to which the service will be attached to the Customer's building. The section of the Customer's service entrance to which the overhead or underground service will be attached shall be installed according to the rules of the Company.
- B. The Customer or his contractor shall consult the Company prior to construction.
- C. See paragraph 6, etc., for examples delineating service ownership.
- D. The Company will make the connection to the Company's facilities and to the Customer's service entrance.
- E. Distribution lines and service lines, installed, owned and maintained by the Company, will be provided at no charge when the ratio of estimated cost to serve to the estimated annual revenue is no greater than 2.5 to one, subject to service length limitations indicated in this standard.
- F. In case of large commercial and industrial service, suitable arrangements shall be made between the Company and the Customer with regard to the extent of the service installed by the Company.

Issued Date

May 11, 1989

Issued By  
Edmund A. Schroer  
Chairman and Chief Executive Officer  
Hammond, Indiana

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**2. GENERAL (continued)**

G. The Company shall serve a multiple-occupancy building as though each area subdivided by approved firewalls is an individual, free-standing structure of single occupancy. More than one service to each of these areas is permissible provided the Customer assumes all responsibility for installation, ownership and maintenance of all the additional services, subject to the physical, mechanical and electrical limitations of the Company's equipment.

**3. SERVICE – RESIDENTIAL, COMMERCIAL, INDUSTRIAL – SECONDARY -  
OVERHEAD, UNDERGROUND**

A. Distribution lines of unspecified length, including transformation equipment, and up to 135 feet of secondary service, will be installed, owned and maintained by the Company per paragraphs 2(E) and 4(A).

B. The Company will furnish, own and install a service, with associated hardware, up to 135 feet in length from the easement line (or property line if no easement exists). Service in excess of 135 feet will be installed and owned by the Company at the Customer's expense. See paragraph 4(A).

C. Replacement of Company Service Deemed Inadequate Because of New Load

1. The Company will replace the existing service with new service facilities at no cost to the customer.

D. Replacement of Company Service Deemed Adequate

1. Relocation or Change in Company's Service Facilities

If a Customer requests for his convenience, or by his actions requires, that the Company's service facilities be redesigned, reengineered, relocated, removed, modified or reinstalled, the Customer shall be charged the full cost of performing such service.

E. Customer Option to Install Service

Provision F(2) of Rule 25 of the Commission Rules for Electric Utilities permits the Customer to install and own a secondary service subject to specifications and inspection by the Company. When a Customer elects to install his own service, the following policy will apply:

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3. **SERVICE – RESIDENTIAL, COMMERCIAL, INDUSTRIAL – SECONDARY –  
OVERHEAD, UNDERGROUND (continued)**

E. Customer Option to Install Service

1. The Company will be responsible for supplying the connectors and connecting the service to the Company's distribution facilities. These costs will be included in the costs to serve.
2. The Company shall assume no responsibility for services installed by the Customer.

4. **SERVICE – RESIDENTIAL, COMMERCIAL, INDUSTRIAL – PRIMARY – SECONDARY –  
OVERHEAD, UNDERGROUND**

A. Overhead

See paragraph 6, etc., for examples delineating ownership of supporting poles or structures to be located on Customer's property.

B. Overhead and Underground

1. Relocation or Change in Company's Service Facilities

If a Customer requests for his convenience, or by his actions requires, that the Company's service facilities be redesigned, reengineered, relocated, removed, modified or reinstalled, the Customer shall be charged the full cost of performing such service.

C. Underground

Unless otherwise required by local ordinance, the service may be direct buried, including where it passes under street, alleys, driveways, patios, walks and other hard surface areas that do not provide the only access to an area and are not used for emergency purposes. Where conduit is required to enclose, protect and provide for the installation and replacement of the service, it shall be PVC suitable for direct burial or heavy wall galvanized steel. Conduit shall be buried in clean soil free from ashes, cinders and muck. The Customer shall furnish, install, own and maintain all service conduit on his property and the Company will install, own and maintain all service conduit on public thoroughfares and utility easements. The Company will install, own and maintain all conduit and u-guard on Company poles.

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**5. SERVICE – COMMERCIAL, INDUSTRIAL – PRIMARY METERING**

**A. Overhead**

An overhead primary service line of unspecified length, the transformer pole and the transformation and metering equipment will be provided by the Company. The Customer is to install, own and maintain any additional line and supporting poles, per paragraph 6.

**B. Underground**

An underground primary service line of unspecified length and the transformation and metering equipment will be provided by the Company, per paragraph 8.

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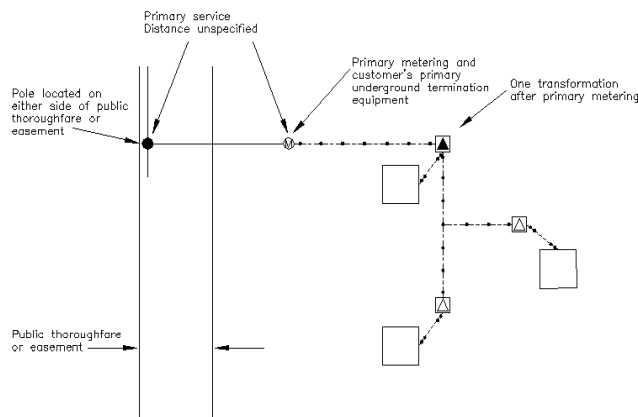
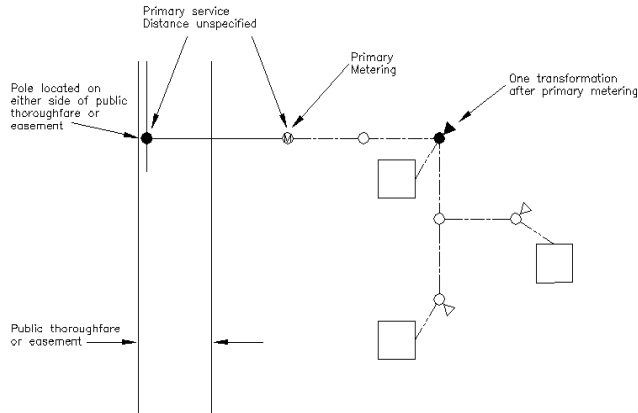
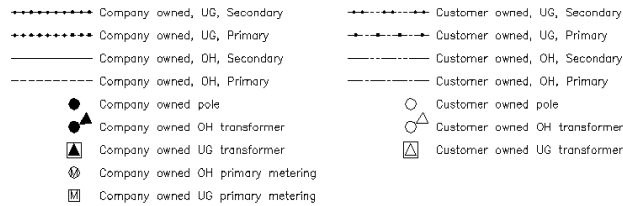
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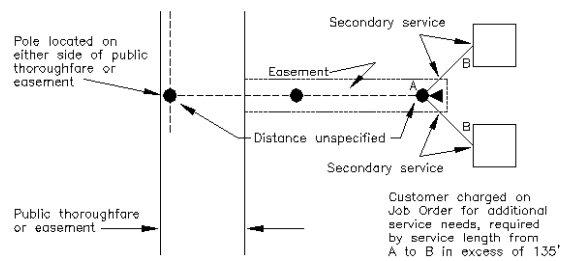
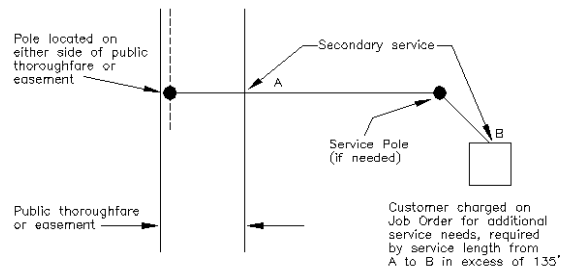
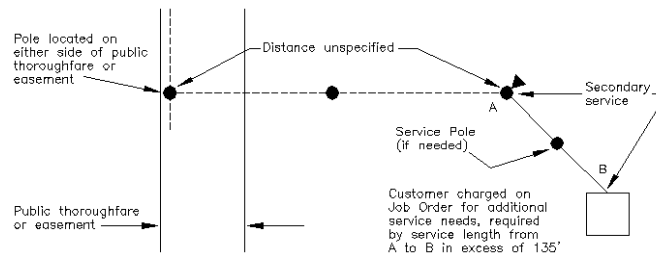
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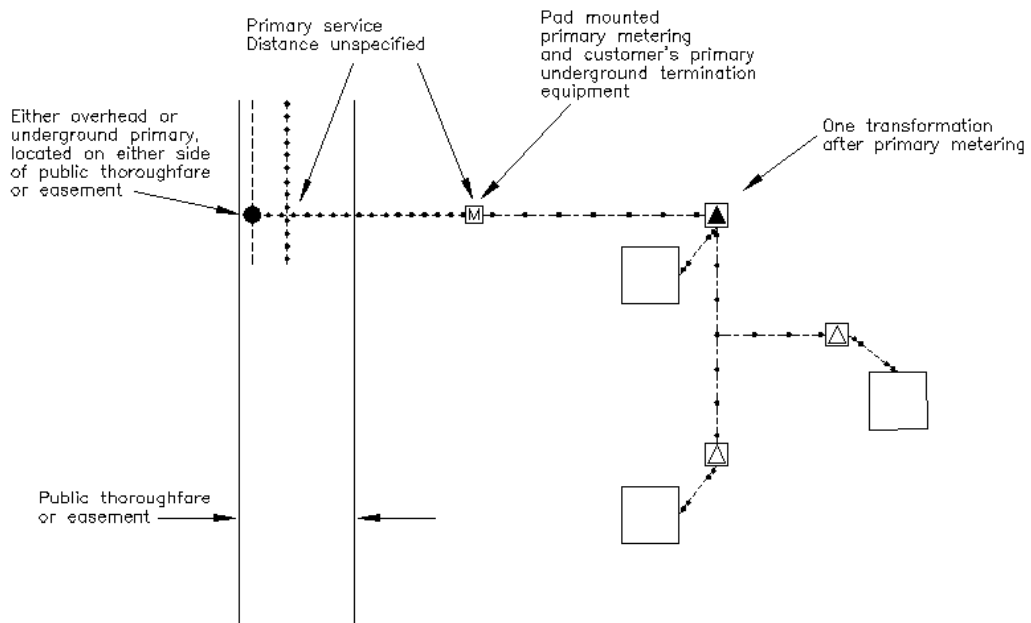
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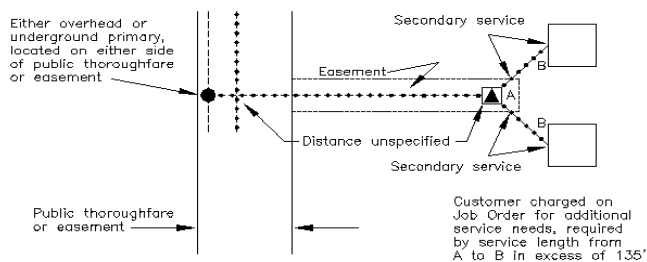
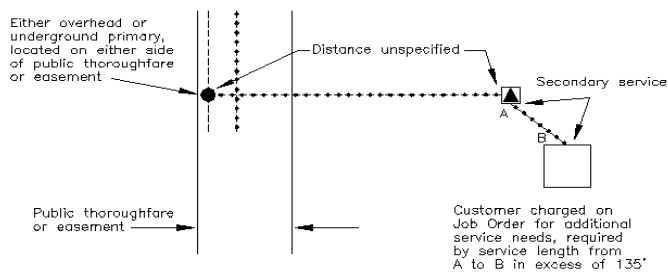
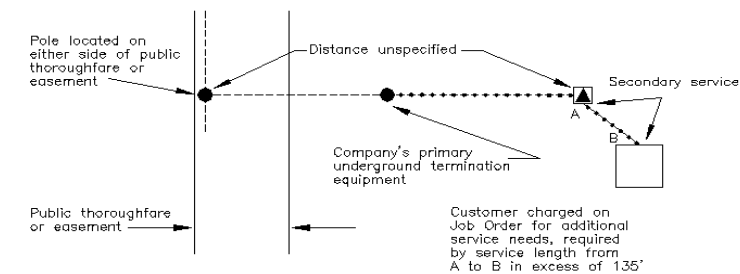
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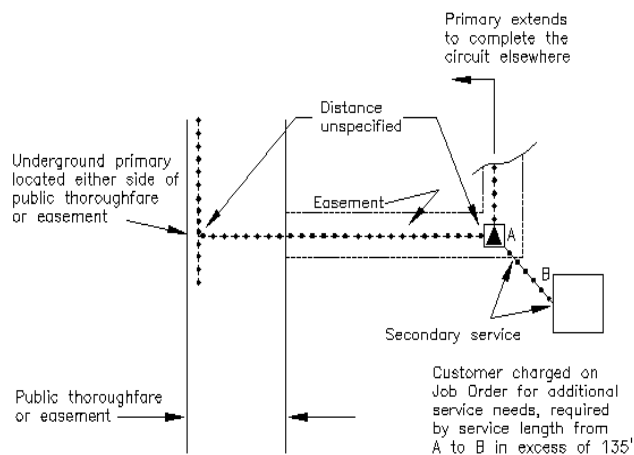
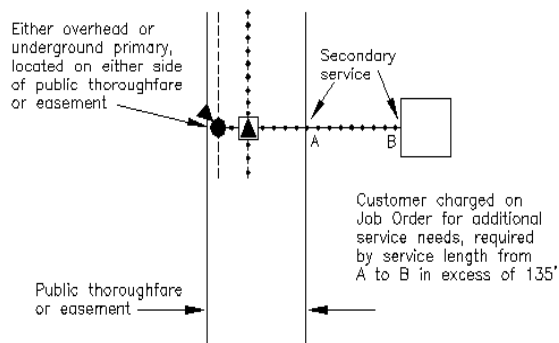
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**APPENDIX A TO RULE 22  
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**APPENDIX A TO RULE 51  
GENERAL RULES AND REGULATIONS  
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No. 1 of 2 Sheets

Application For Interconnection

Level 1\*\* - Certified\* Inverter-Based Generation Equipment  
10kW or Smaller

Customer Name: \_\_\_\_\_

Customer Address: \_\_\_\_\_

Home/Business Phone No.: \_\_\_\_\_ Daytime Phone No.: \_\_\_\_\_

Email Address (Optional): \_\_\_\_\_

Type of Facility:

Solar Photovoltaic  Wind Turbine  Other (specify) \_\_\_\_\_

Inverter Power Rating: \_\_\_\_\_ Quantity: \_\_\_\_\_ Total Rated "AC" Output: \_\_\_\_\_

Inverter Manufacturer and Model Number: \_\_\_\_\_

Name of Contractor/Installer: \_\_\_\_\_

Address: \_\_\_\_\_

Phone No.: \_\_\_\_\_ Email Address (Optional): \_\_\_\_\_

\* Certified as defined in 170 Indiana Administrative Code 4-4.3-5.

\*\* Level 1 as defined in 170 Indiana Administrative Code 4-4.3-4(a).



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Attach documentation confirming that a nationally recognized testing and certification laboratory has listed the equipment.

Attach a single line diagram or sketch one below that includes all electrical equipment from the point where service is taken from Northern Indiana Public Service Company to the inverter which includes the main panel, sub-panels, breaker sizes, fuse sizes, transformers, and disconnect switches (which may need to be located outside and accessible by utility personnel).



Mail to: NIPSCO, Attn: Business Link, 801 E. 86<sup>th</sup> Avenue, Merrillville, IN 46410

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Application For Interconnection  
Level 2\*\* or Level 3\*\*

Customer Name: \_\_\_\_\_

Customer Address: \_\_\_\_\_

Project Contact Person: \_\_\_\_\_

Phone No.: \_\_\_\_\_ Email Address (Optional): \_\_\_\_\_

Provide names and contact information for other contractors and engineering firms involved in the design and installation of the generation facilities:

\_\_\_\_\_  
\_\_\_\_\_

Total Generating Capacity of Customer-Generator Facility:

\_\_\_\_\_

Type of Generator:  Inverter-Based  Synchronous  Induction

Power Source:  Solar  Wind  Diesel-fueled Reciprocating Engine  
 Gas-Fueled Reciprocating Engine  Gas Turbine  Microturbine  
 Other (Specify) \_\_\_\_\_

Is the Equipment "Certified" as defined by 170 Indiana Administrative Code ("IAC") 4-4.3-5

Yes  No

Indicate all possible operating modes for this generator facility:

- Emergency / Standby – Operated when Northern Indiana Public Service Company ("NIPSCO") service is not available. Paralleling is for short durations.
- Peak Shaving – Operated during peak demand periods. Paralleling is for extended times.
- Base Load Power – Operated continuously at a pre-determined output. Paralleling is continuous.
- Cogeneration – Operated primarily to produce thermal energy. Paralleling is extended or continuous.

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- Renewable non-dispatched – Operated in response to an available renewable resource such as solar or wind. Paralleling is for extended times.
- Other – Describe: \_\_\_\_\_

Will the Customer-Generator Facility export power? ☺ Yes ☺ No If yes, how much? \_\_\_\_\_

Level of Interconnection Review Requested:

- Level 2\*\*
- Level 3\*\*

**Fees**

Refer to General Rules and Regulations, Rule 51

For this application to be considered complete, adequate documentation and information must be submitted that will allow NIPSCO to determine the impact of the generation facilities on NIPSCO's electric system and to confirm compliance by Customer with the provisions of 170 IAC 4-4.3 and other applicable requirements. Typically this should include the following:

1. Single-line diagram of the customer's system showing all electrical equipment from the generator to the point of interconnection with NIPSCO's distribution system, including generators, transformers, switchgear, switches, breakers, fuses, voltage transformers, and current transformers.
2. Control drawings for relays and breakers.
3. Site Plans showing the physical location of major equipment.
4. Relevant ratings of equipment. Transformer information should include capacity ratings, voltage ratings, winding arrangements, and impedance.
5. If protective relays are used, settings applicable to the interconnection protection. If programmable relays are used, a description of how the relay is programmed to operate as applicable to interconnection protection.
6. For Certified\* equipment, documentation confirming that a nationally recognized testing and certification laboratory has listed the equipment.
7. A description of how the generator system will be operated including all modes of operation.

For inverters, the manufacturer name, model number, and AC power rating, Operating manual or link to manufacture's web site containing such manual.

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9. For synchronous generators, manufacturer and model number, nameplate ratings, and impedance data ( $X_d$ ,  $X'_d$ , &  $X''_d$ ).
10. For induction generators, manufacturer and model number, nameplate ratings, and locked rotor current.

This application is subject to further consideration and study by NIPSCO and the possible need for additional documentation and information from Customer.

Mail to:  
NIPSCO  
Attn: Business Link, 801 E. 86<sup>th</sup> Avenue, Merrillville, IN 46410

\*\* Level 2 and Level 3 as defined in 170 Indiana Administrative Code 4-4.3-4(a).

**APPENDIX C TO RULE 51  
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No. 1 of 3 Sheets

**INTERCONNECTION AGREEMENT  
FOR INTERCONNECTION AND PARALLEL OPERATION  
OF CERTIFIED INVERTER-BASED EQUIPMENT 10 kW OR SMALLER**

THIS INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_, by and between Northern Indiana Public Service Company ("Company"), and \_\_\_\_\_ ("Customer").

Customer is installing, or has installed, inverter-based Customer-generator facilities and associated equipment ("Generation Facilities") to interconnect and operate in parallel with Company's electric distribution system, which Generation Facilities are more fully described as follows:

Location: \_\_\_\_\_

Type of facility:  Solar  Wind  Other \_\_\_\_\_

Inverter Power Rating: \_\_\_\_\_ (Must have individual inverter name plate capacity of 10kW or less.)

Inverter Manufacturer and Model Number:  
\_\_\_\_\_

Description of electrical installation of the Generation Facilities, including any field adjustable voltage and frequency settings:

- As shown on a single line diagram attached hereto as "Exhibit A" and incorporated herein by this reference; or
- Described as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

Customer represents and agrees that the Generation Facilities are, or will be prior to operation, certified as complying with:

- (i) The requirements of the Institute of Electrical and Electronics Engineers ("IEEE") Standard 1547-2003, "Standard for Interconnecting Distributed Resources with Electric Power Systems", as amended and supplemented as of the date of this Agreement, which standard is incorporated herein by this reference ("IEEE Standard 1547-2003"); or
- (ii) The requirements of the Underwriters Laboratories ("UL") Standard 1741 concerning

Issued Date  
December 6, 2006

Effective Date  
December 6, 2006

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Inverters, Converters and Controllers for Use in Independent Power Systems, as amended and supplemented as of the date of this Agreement, which standard is incorporated herein by this reference.

Customer further represents and agrees that:

- (i) The Generation Facilities are, or will be prior to operation, designed and installed to meet all applicable requirements of IEEE Standard 1547-2003, the National Electrical Code and local building codes, all as in effect on the date of this Agreement;
- (ii) The voltage and frequency settings for the Generation Facilities are fixed or, if field adjustable, are as stated above; and
- (iii) If requested by Company, Customer will install and maintain, at Customer's expense, a disconnect switch located outside and accessible by Company personnel.

Customer agrees to maintain reasonable amounts of insurance coverage against risks related to the Generation Facilities for which there is a reasonable likelihood of occurrence, as required by the provisions of 170 Indiana Administrative Code ("IAC") 4-4.3-10, as the same may be revised from time to time by the Indiana Utility Regulatory Commission ("Commission"). Prior to execution of this Agreement and from time to time after execution of this Agreement, Customer agrees to provide to Company proof of such insurance upon Company's request.

With respect to the Generation Facilities and their interconnection to Company's electric system, Company and Customer, whichever is applicable, (the "Indemnifying Party") shall indemnify and hold the other harmless from and against all claims, liability, damages and expenses, including attorney's fees, based on any injury to any person, including the loss of life, or damage to any property, including the loss of use thereof, arising out of, resulting from, or connected with, or that may be alleged to have arisen out of, resulted from, or connected with, an act or omission by the Indemnifying Party, its employees, agents, representatives, successors or assigns in the construction, ownership, operation or maintenance of the Indemnifying Party's facilities, as required by the provisions 170 IAC 4-4.3-10(b)(2), as the same may be revised from time to time by the Commission.

Company agrees to allow Customer to interconnect and operate the Generation Facilities in parallel with Company's electric system in accordance with the provisions of 170 IAC 4-4.3, as the same may be revised from time to time by the Commission, which provisions are incorporated herein by this reference.

In the event that Customer and Company are unable to agree on matters relating to this Agreement, either Customer or Company may submit a complaint to the Commission in accordance with the Commission's applicable rules.

For purposes of this Agreement, the term "certify" (including variations of that term) has the meaning set forth in 170 IAC 4-4.3-5, as the same may be revised from time to time by the Commission, which provision is incorporated herein by this reference.

Customer's use of the Generation Facilities is subject to the rules and regulations of Company, including Company's General Rules and Regulations Applicable to Electric Service, as contained in Company's Retail Electric Tariff, as the same may be revised from time to time with the approval of the Commission.

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Both Company and this Agreement are subject to the jurisdiction of the Commission. To the extent that Commission approval of this Agreement may be required now or in the future, this Agreement and Company's commitments hereunder are subject to such approval.

IN WITNESS WHEREOF, Customer and Company have executed this Agreement, effective as of the date first above written.

\_\_\_\_\_

CUSTOMER

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Mail To:  
NIPSCO  
Attn: Business Link  
801 E. 86th Avenue  
Merrillville, IN 46410

**APPENDIX D TO RULE 51  
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APPLICABLE TO ELECTRIC SERVICE**

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**THIS INTERCONNECTION AGREEMENT** (“Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_, by and between Northern Indiana Public Service Company (“Company”), and \_\_\_\_\_ (“Customer”). Company and Customer are hereinafter sometimes referred to individually as “Party” or collectively as “Parties”.

**WITNESSETH:**

**WHEREAS**, Customer is installing, or has installed, generation equipment, controls, and protective relays and equipment (“Generation Facilities”) used to interconnect and operate in parallel with Company’s electric system, which Generation Facilities are more fully described in Exhibit A, attached hereto and incorporated herein by this Agreement, and as follows:

Location: \_\_\_\_\_

Generator Size and Type: \_\_\_\_\_

**NOW, THEREFORE**, in consideration thereof, Customer and Company agree as follows:

- 1. Application.** It is understood and agreed that this Agreement applies only to the operation of the Generation Facilities described above and on Exhibit A.
- 2. Interconnection.** Company agrees to allow Customer to interconnect and operate the Generation Facilities in parallel with Company’s electric system in accordance with any operating procedures or other conditions specified in Exhibit A. By this Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Company does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the Generation Facilities. The Generation Facilities installed and operated by or for Customer shall comply with, and Customer represents and warrants their compliance with: (a) the National Electrical Code and the National Electrical Safety Code, as each may be revised from time to time; (b) Company's General Rules and Regulations Applicable to Electric Service as each may be revised from time to time with the approval of the Indiana Utility Regulatory Commission (“Commission”); (c) the rules and regulations of the Commission, including the provisions of 170 Indiana Administrative Code 4-4.3, as such rules and regulations may be revised from time to time by the Commission; and (d) all other applicable local, state, and federal codes and laws, as the same may be in effect from time to time.

Customer shall install, operate, and maintain, at Customer’s sole cost and expense, the Generation Facilities in accordance with the manufacturer’s suggested practices for safe, efficient and reliable operation of the Generation Facilities in parallel with Company's electric system. Customer shall bear full responsibility for the installation, maintenance and safe operation of the Generation Facilities. Customer shall be responsible for protecting, at Customer’s sole cost and expense, the Generation Facilities from any condition or disturbance on Company’s electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges.

Customer agrees that, without the prior written permission from Company, no changes shall be made to the configuration of the Generation Facilities, as that configuration is described in Exhibit A, and no relay or other control or protection settings specified in Exhibit A shall be set, reset, adjusted or tampered with, except to the extent necessary to verify that the Generation Facilities comply with Company approved settings.



**APPENDIX D TO RULE 51  
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3. **Operation by Customer.** Customer shall operate the Generation Facilities in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. At all times when the Generation Facilities are being operated in parallel with Company's electric system, Customer shall so operate the Generation Facilities in such a manner that no disturbance will be produced thereby to the service rendered by Company to any of its other customers or to any electric system interconnected with Company's electric system. Customer understands and agrees that the interconnection and operation of the Generation Facilities pursuant to this Agreement is secondary to, and shall not interfere with, Company's ability to meet its primary responsibility of furnishing reasonably adequate service to its customers.

Customer's control equipment for the Generation Facilities shall immediately, completely, and automatically disconnect and isolate the Generation Facilities from Company's electric system in the event of a fault on Company's electric system, a fault on Customer's electric system, or loss of a source or sources on Company's electric system. The automatic disconnecting device included in such control equipment shall not be capable of reclosing until after service is restored on Company's electric system. Additionally, if the fault is on Customer's electric system, such automatic disconnecting device shall not be reclosed until after the fault is isolated from Customer's electric system. Upon Company's request, Customer shall promptly notify Company whenever such automatic disconnecting devices operate.

Customer shall coordinate the location of any disconnect switch required by Company to be installed and maintained by Customer.

4. **Access by Company.** Upon reasonable advance notice to Customer, Company shall have access at reasonable times to the Generation Facilities whether before, during or after the time the Generation Facilities first produce energy, to perform reasonable on-site inspections to verify that the installation and operation of the Generation Facilities comply with the requirements of this Agreement and to verify the proper installation and continuing safe operation of the Generation Facilities. Company shall also have at all times immediate access to breakers or any other equipment that will isolate the Generation Facilities from Company's electric system. The cost of such inspection(s) shall be at Company's expense; however, Company shall not be responsible for any other cost Customer may incur as a result of such inspection(s). Company shall have the right and authority to isolate the Generation Facilities at Company's sole discretion if Company believes that: (a) continued interconnection and parallel operation of the Generation Facilities with Company's electric system creates or contributes (or will create or contribute) to a system emergency on either Company's or Customer's electric system; (b) the Generation Facilities are not in compliance with the requirements of this Agreement, and the non-compliance adversely affects the safety, reliability or power quality of Company's electric system; or (c) the Generation Facilities interfere with the operation of Company's electric system. In non-emergency situations, Company shall give Customer reasonable notice prior to isolating the Generating Facilities.
5. **Rates and Other Charges.** This Agreement does not constitute an agreement by Company to purchase or wheel power produced by the Generation Facilities, or to furnish any backup, supplemental or other power or services associated with the Generation Facilities, and this Agreement does not address any charges for excess facilities that may be installed by Company in connection with interconnection of the Generation Facilities. It is understood that if Customer desires an agreement whereby Company wheels power, or purchases energy and/or capacity, produced by the Generation Facilities, or furnishes any backup, supplemental or other power or services associated with the Generation Facilities, then Company and Customer may enter into another mutually acceptable separate agreement detailing the charges, terms and conditions of such purchase or wheeling, or such backup, supplemental or other power or services. It is also understood that if any such excess facilities are required, including any additional metering equipment, as determined by Company, in order for the Generation Facilities to interconnect with and operate in parallel with Company's electric system, then such excess

**APPENDIX D TO RULE 51  
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facilities shall be detailed in Exhibit B of this Agreement including the facilities to be added by the Company to facilitate the interconnection of the Customer's Generation Facilities and the costs of such excess facilities shall be paid by the Customer to the Company.

6. **Insurance.** Customer shall procure and keep in force during all periods of parallel operation of the Generation Facilities with Company's electric system, the following insurance to protect the interests of Company under this Agreement, with insurance carriers acceptable to Company, and in amounts not less than the following:

**Coverage**

**Limits**

**Comprehensive General Liability**

**Contractual Liability**

(To be inserted depending upon the nature  
and size of the Generation Facilities.)

Bodily Injury

Property Damage

Customer shall deliver a CERTIFICATE OF INSURANCE verifying the required coverage to:

NIPSCO \_\_\_\_\_  
Attention: Corporate Insurance  
801 E. 86<sup>th</sup> Avenue  
Merrillville, IN 46410 \_\_\_\_\_

at least fifteen (15) days prior to any interconnection of the Generation Facilities with Company's electric system, and thereafter as requested by Company.

If Customer is sufficiently creditworthy, as determined by Company, then, in lieu of obtaining all or part of the above-specified required insurance coverage from insurance carriers acceptable to Company, Customer may self insure all or part of such required insurance coverage provided that Customer agrees to defend Company and to provide on a self insurance basis insurance benefits to Company, all to the same extent as would have been provided under this Agreement pursuant to the above insurance provisions of this Section 6. By utilizing self insurance to provide all or part of the above-specified required insurance, Customer shall be deemed to have agreed to the provisions of the previous sentence of this Section 6.

7. **Indemnification.** Each Party (the "Indemnifying Party") shall indemnify and hold harmless the other Party from and against all claims, liability, damages and expenses, including attorney's fees, based on any injury to any person, including the loss of life, or damage to any property, including the loss of use thereof, arising out of, resulting from, or connected with, or that may be alleged to have arisen out of, resulted from, or connected with, an act or omission by the Indemnifying Party, its employees, agents, representatives, successors or assigns in the construction, ownership, operation or maintenance of the Indemnifying Party's facilities used in connection with this Agreement. Upon written request of the Party seeking relief under this Section 7, the Indemnifying Party shall defend any suit asserting a claim covered by this Section 7. If a Party is required to bring an action to enforce its rights under this Section 7, either as a separate action or in connection with another action, and said rights are upheld, the Indemnifying Party shall reimburse such Party for all expenses, including attorney's fees, incurred in connection with such action.
8. **Effective Term and Termination Rights.** This Agreement shall become effective when executed by both Parties and shall continue in effect until terminated in accordance with the provisions of this Agreement. This Agreement may be terminated for the following reasons: (a) Customer may terminate this Agreement at any time by giving Company at least sixty (60) days'

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prior written notice stating Customer's intent to terminate this Agreement at the expiration of such notice period; (b) Company may terminate this Agreement at any time following Customer's failure to generate energy from the Generation Facilities in parallel with Company's electric system within twelve (12) months after completion of the interconnection provided for by this Agreement; (c) either Party may terminate this Agreement at any time by giving the other Party at least sixty (60) days' prior written notice that the other Party is in default of any of the material terms and conditions of this Agreement, so long as the notice specifies the basis for termination and there is reasonable opportunity for the Party in default to cure the default; or (d) Company may terminate this Agreement at any time by giving Customer at least sixty (60) days' prior written notice in the event that there is a change in an applicable rule or statute affecting this Agreement.

**9. Termination of Any Applicable Existing Agreement.** From and after the date when service commences under this Agreement, this Agreement shall supersede any oral and/or written agreement or understanding between Company and Customer concerning the service covered by this Agreement and any such agreement or understanding shall be deemed to be terminated as of the date service commences under this Agreement.

**10. Force Majeure.** For purposes of this Agreement, the term "Force Majeure" means any cause or event not reasonably within the control of the Party claiming Force Majeure, including, but not limited to, the following: acts of God, strikes, lockouts, or other industrial disturbances; acts of public enemies; orders or permits or the absence of the necessary orders or permits of any kind which have been properly applied for from the government of the United States, the State of Indiana, any political subdivision or municipal subdivision or any of their departments, agencies or officials, or any civil or military authority; unavailability of a fuel or resource used in connection with the generation of electricity; extraordinary delay in transportation; unforeseen soil conditions; equipment, material, supplies, labor or machinery shortages; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; drought; arrest; war; civil disturbances; explosions; breakage or accident to machinery, transmission lines, pipes or canals; partial or entire failure of utilities; breach of contract by any supplier, contractor, subcontractor, laborer or materialman; sabotage; injunction; blight; famine; blockade; or quarantine.

If either Party is rendered wholly or partly unable to perform its obligations under this Agreement because of Force Majeure, both Parties shall be excused from whatever obligations under this Agreement are affected by the Force Majeure (other than the obligation to pay money) and shall not be liable or responsible for any delay in the performance of, or the inability to perform, any such obligations for so long as the Force Majeure continues. The Party suffering an occurrence of Force Majeure shall, as soon as is reasonably possible after such occurrence, give the other Party written notice describing the particulars of the occurrence and shall use commercially reasonable efforts to remedy its inability to perform; provided, however, that the settlement of any strike, walkout, lockout or other labor dispute shall be entirely within the discretion of the Party involved in such labor dispute.

**11. Dispute Resolution.** In the event that Customer and Company are unable to agree on matters relating to this Agreement, either Customer or Company may submit a complaint to the Commission in accordance with the Commission's applicable rules.

**12. Commission Jurisdiction and Company Rules.** Both Company and this Agreement are subject to the jurisdiction of the Commission. To the extent that Commission approval of this Agreement may be required now or in the future, this Agreement and Company's commitments hereunder are subject to such approval. Customer's use of the Generation Facilities is subject to the rules and regulations of Company, including Company's General Rules and Regulations Applicable to Electric Service, as contained in Company's Retail Electric Tariff, as the same may be revised from time to time with the approval of the Commission.

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**IN WITNESS WHEREOF**, the Parties have executed this Agreement, effective as of the date first above written.

**Northern Indiana Public Service Company**\_\_\_\_\_

By:\_\_\_\_\_

(Title)\_\_\_\_\_

\_\_\_\_\_  
"Customer"

By:\_\_\_\_\_

(Title)\_\_\_\_\_

Mail To:

NIPSCO  
Attn: Business Link  
801 E. 86<sup>th</sup> Avenue  
Merrillville, IN 46410

Issued Date  
August 15, 2007

Effective Date  
August 15, 2007

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Sheet No. 60SS has been cancelled and is reserved for future use.

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**EXHIBIT A  
Interconnection Agreement – (Customer Name)**

Exhibit A should include:

- (i) Single Line Diagram;
- (ii) Relay Settings;
- (iii) Description of Generator and Interconnection Facilities; and
- (iv) Conditions of Parallel Operation.