NORTHERN INDIANA PUBLIC SERVICE COMPANY IURC Gas Service Tariff Original Volume No. 7

First Revised Sheet No. 86 Superseding Original Sheet No. 86

RATE 440 RATE FOR GAS SERVICE LIQUEFIED NATURAL GAS (LNG) SERVICE

No. 1 of 2 Sheets

TO WHOM AVAILABLE

This Rate is available for liquefied natural gas (LNG) service on an interruptible basis when in the judgment of the Company, gas supplies are available for non-firm service, and its LNG service facilities are adequate to render proper service without impairing the quality of the Company's service to other Customers.

CHARACTER OF SERVICE

Gas service under this rate shall only be available at the sole discretion of the Company.

This Rate applies to gas having a monthly average total heating value of approximately 1,000 British thermal units (Btu) per cubic foot.

A properly executed Service Agreement is required before any service may be taken under this rate schedule. Said Service Agreement shall set forth the specifics of the service to be provided.

The customers must arrange for the transportation of the LNG which will be delivered at one of the Company's LNG facilities, with the specific facility to be determined by the Company.

The composition of the liquefied natural gas to be supplied under this rate schedule is dependent on the composition of the pipeline gas that the Company receives. Historical data demonstrates the composition to be in the following range:

Methane	93.8 - 95.2	Mole %
Ethane	3.9 - 4.6	Mole %
Propane	0.7 - 1.1	Mole %
Other		Balance

RATE

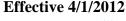
Transaction Charge

\$50.00 per Transaction

Liquefaction Charge

The Company shall determine, based on alternative fuel prices, the liquefaction charge component to be included in the commodity charge.

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RATE 440 RATE FOR GAS SERVICE LIQUEFIED NATURAL GAS (LNG) SERVICE

No. 2 of 2 Sheets

RATE (continued)

Supply and Delivery Charge

The Supply and Delivery Charge shall include, where applicable, Gas Supply Charges, Transportation Charges, Fuel Use Charges, Delivery Charges and Administrative Charges.

Customers taking service hereunder may elect to supply the appropriate quantity of natural gas to the Company's gas system to compensate the Company for the volume of gas required for the LNG delivery.

The Liquefaction Charge and Supply and Delivery Charge will be individually negotiated charges, such charges to be set forth in each Customer Service Agreement.

MINIMUM PAYMENT

The Customer's minimum monthly payment under this Rate Schedule shall be the Transaction Charge as stated in this Rate Schedule.

RULES AND REGULATIONS

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

