

**APPENDIX B
BASE RATE COST OF GAS**

The base rate cost of gas included in Rates 311, 315, 316, 317, 321, 322, 323, 324, 325, 333, 334 and 338 in accordance with the Order of the Indiana Utility Regulatory Commission, approved October 26, 1988 in Cause No. 38380, is as follows:

Rate	Base Rate Cost of Gas
311, 315, 316, 317	32.71 cents per therm used per month
321, 322, 323, 324, 325, 338	31.26 cents per therm used per month
333	27.42 cents per therm used per month

The commodity cost of gas included in SCDS 311, 315, 316, 317, 321, and 325, and Rate 338 is as follows:

	Commodity Cost of Gas Credit
SCDS 311, 315, 316, 317	22.52 cents per therm per month
SCDS 321, 325	22.16 cents per therm per month
338	22.16 cents per therm of Customer-Owned gas used per month

The interstate pipeline transportation demand cost of gas included in SCDS and PPS 311, 315, 316, 317, 321 and 325 is as follows:

	Interstate Pipeline Transportation Cost of Gas Credit
SCDS, PPS 311, 315, 316, 317	8.77 cents per therm per month
SCDS, PPS 321, 325	7.87 cents per therm per month

The base rate cost of gas credit applicable to Rate 322 is as follows:

	Base Cost of Gas Credit
322	5.26 cents per therm used per month

The applicable base gas supply reduction for Rate 343 for determining annual revenue yield:

	Base Gas Supply Reduction
343 (FDTS)	30.03 cents per therm used per month

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Issued By

Patrick J. Mulchay
President and Chief Operating Officer
Hammond, Indiana

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