

**GENERAL RULES AND REGULATIONS**  
**Applicable to Gas Service**

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**1. DEFINITIONS**

Unless otherwise specified in the Rate Schedule, the following terms shall have the meanings defined below when used in this Tariff for Gas Service:

- 1.2 Applicant. Any new customer requesting a new or current customer changing existing Rate Schedules.
- 1.3 Automated Meter Reading (AMR). The hardware, equipment and technology used to automatically remotely collect consumption data and status from the gas service metering device and transferring that data to a central database for billing, troubleshooting, and analysis.
- 1.4 Average Daily Quantity (ADQ). The average quantity of gas specified in the Customer's annual plan for a particular calendar month.
- 1.5 Bill. An itemized list or statement of fees and charges for gas service. A Bill may be rendered by mail or by electronic means.
- 1.6 Billing Demand. That Demand, stated in Therms, upon which the Demand Charge in the Customer's Bill is determined in any given month.
- 1.7 Billing Period. The Billing Period is defined as the period for which a Customer has been billed. The Billing Period is the duration from the Bill's start date to the Bill's end date.
- 1.8 British Thermal Unit or Btu. The average amount of heat necessary to increase the temperature of one pound of water by 1 degree Fahrenheit in the temperature range of 32 degrees to 212 degrees Fahrenheit at 14.73 pounds per square inch absolute pressure.
- 1.9 Burner Tip. The point of commodity transfer between the Company and the Customer.
- 1.10 Cash-Out. The monetary settlement of over-delivery and under-delivery gas imbalances between the Company and Pool Operators or Transportation Customers.
- 1.11 C.C.T. Central Clock Time. Either Central Standard Time or Central Daylight Time, whichever is in effect in Chicago, Illinois.
- 1.12 Central Standard Time. One of the standard times used in North America based on the local time of 90° meridian, six hours behind Greenwich Mean Time. All times referred to herein are Central Standard Time unless another time zone is expressly identified.
- 1.13 Commercial Customer. Any Customer primarily engaged in wholesale or retail trade and services, any local, state and federal government agency and any Customer not covered by another classification.

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**1. DEFINITIONS (Continued)**

- 1.14 Commission or IURC. Indiana Utility Regulatory Commission, or its successor.
- 1.15 Commodity Charge. The portion of a Customer's Bill based on the Customer's energy consumption, in Therms, under the applicable Rate Schedule.
- 1.16 Company. Northern Indiana Public Service Company LLC.
- 1.17 Company Rules. The part of the Company's Tariff setting forth the General Rules and Regulations Applicable to Gas Service, as approved by the Commission.
- 1.18 Critical Overtake Day. See Rider 131 – Critical Undertake Day or Critical Overtake Day Penalty.
- 1.19 Critical Period. Any time declared by the Company whenever any of the following conditions occurs or is anticipated to occur, which jeopardizes the operational integrity of all or a portion of the Company's system:
- (1) Any area of the Company's system is operating or is expected to be operating at or near design capacity;
  - (2) Failure or operational constraint of the Company's transmission, distribution, or gas storage facilities;
  - (3) System pressure, affected by pipelines' delivery pressures or other unusual conditions;
  - (4) The Company's transmission, storage, and supply resources are being used at or near their maximum rated deliverability; and
  - (5) The Company's pipeline transporters, suppliers or other utilities issue or declare an Operational Flow Order or the equivalent of a Critical Period.
- 1.20 Critical Undertake Day. See Rider 131 – Critical Undertake Day or Critical Overtake Day Penalty.
- 1.21 Curtailement. The reduction of a Customer's delivery at the request of the Company pursuant to the Tariff.
- 1.22 Curtailement Threshold. The daily gas usage level that a Customer shall not exceed.
- 1.23 Customer. Any person, firm, corporation, municipality, or other government agency which has agreed orally or otherwise, to pay for gas service received from a public utility.
- 1.24 Customer Charge. The dollar amount set forth in each Rate Schedule.
- 1.25 Days. Unless otherwise noted, "days" means calendar days.

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**1. DEFINITIONS (Continued)**

- 1.26 Delinquent Bill. A Customer Bill that has remained unpaid for the period set forth in 170 IAC 5-1-13.
- 1.27 Demand. The daily average of the quantity of gas used by the Customer for the Billing Period that the Company's Peak Day occurs. It is calculated by taking the Customer's total quantity of gas that is delivered in the Billing Period that the Peak Day occurs and dividing by the number of days in that Billing Period.
- 1.28 Demand Charge. The portion of a Customer's Bill based on the Customer's Demand and calculated on the Billing Demand under the applicable Rate Schedule.
- 1.29 Disconnection. The termination or discontinuance of gas service.
- 1.30 Distribution Charge. The portion of a Customer's Bill based on the Customer's per unit Therm consumption under the applicable Rate Schedule.
- 1.31 Dwelling Unit. A residential living quarter.
- 1.32 FERC. Federal Energy Regulatory Commission, or its successor.
- 1.33 Gas Cost Adjustment (GCA). The additional charges or credits the Company includes in a Customer's Bill to offset the variance in the gas cost component in base rates compared to actual gas costs. This adjustment is represented as cents per Therm.
- 1.34 Gas Day. A period of 24 consecutive hours beginning at 8:00 AM Central Standard Time.
- 1.35 General Service. Service provided to a Non-Residential Customer.
- 1.36 Gross Margin. Revenues minus cost of gas.
- 1.37 Human Needs Customers. Customers that include hospitals, medical centers, nursing homes and Customers where Curtailments would adversely affect public health and safety such as municipal fire departments, police departments, civil defense and emergency Red Cross services.
- 1.38 Industrial Customer. Any Customer who is engaged primarily in a process that creates or changes raw or unfinished materials into another form or product.
- 1.39 Interruption. The reduction of a Customer's usage at the request of the Company pursuant to the Company's Tariff.
- 1.40 Island Customer. A Customer located in the area served by the Company where there is only one supplying pipeline.

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**1. DEFINITIONS (Continued)**

- 1.41 IURC Rules. Rules and regulations for gas utilities promulgated by the IURC, codified in Title 170 of the Indiana Administrative Code (IAC), Article 5.
- 1.42 Living Quarters. Hotels, motels, dormitories and similar dwelling places.
- 1.43 Maximum Allowable Delivery Factor. The Company determined uniform percent reduction applicable to all Choice Suppliers electing the Base Load Option for forecasting.
- 1.44 Maximum Daily Quantity (MDQ). The maximum amount of gas that the Company is contractually required to deliver to the Customer during any day in the billing month.
- 1.45 NIPSCO or Northern Indiana Public Service Company. Northern Indiana Public Service Company LLC.
- 1.46 Non-Residential Customer. Any customer that is not a Residential Customer.
- 1.47 Non-Sufficient Funds. An account shall be considered to have Non-Sufficient Funds for the following reasons:
1. The Customer's payment is considered delinquent by the banking institution.
  2. The Customer has supplied the incorrect bank account number.
  3. The Customer's bank account number is no longer available.
  4. The Customer has issued a stop payment by the banking institution to the Company.
  5. The Customer pays electronically, and a chargeback is subsequently assessed by the Customer's financial institution.
  6. Any other instance when the financial institution refuses to honor the tendered payment.
- 1.48 Non-Swing Pipeline. The upstream interstate pipeline that a Customer or the customer's agent or supplier has elected to nominate gas to the Company that is not the Swing Pipeline. Volumes nominated on the Non-Swing Pipeline will be considered first through the meter.
- 1.49 Notification Period. The timeframe in which the Company shall provide notification of its intent to implement a Critical Period. Such timeframe shall be as far as is practicable in advance of such implementation, but not less than thirty (30) minutes.
- 1.50 Operational Flow Order. An order declared by a transporting pipeline that increases the otherwise normal charges for failure to comply with specific operational constraints.
- 1.51 Peak Day. The day of the year that the maximum throughput of gas occurs for the Company.

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**1. DEFINITIONS (Continued)**

- 1.52 Percentile of Daily Usage. A measure of daily gas usage over the specified period where the given percentile represents the percentage of days in which a Customer's actual daily gas usage was at, or below, that level.
- 1.53 Pool. A group of Transportation Customers under Rate 128 or Rate 138 or Supplier Choice Customers under Rider 180 who are aggregated by a Pool Operator to manage daily imbalances.
- 1.54 Pool Operator. A marketer or supplier who has been designated to manage daily imbalances as an agent for Transportation Customers under Rate 128 or Rate 138, or for Supplier Choice Customers under Rider 180.
- 1.55 Premise (also Single Premise). The main residence, or Living Quarters for the use of a single family, or main building of a Commercial Customer, which includes the outlying or adjacent buildings used by the Customer provided the use of the service in the outlying or adjacent buildings is supplemental to the service used in the main residence or building.
- 1.56 Present Value. The current value of a future payment, or stream of payments, discounted at the rate of return allowed in the Commission rate order at the time the Company's Rate Schedules go into effect.
- 1.57 Producer. A company or its agent that makes or processes Renewable Gas.
- 1.58 PSIG. Pounds per square inch gauge.
- 1.59 Rate Schedules. The part of the Company's Tariff setting forth the availability and charges for service supplied to a particular group of Customers, as approved by the Commission.
- 1.60 Renewable Gas. Gas produced from agricultural or municipal waste that, with or without further processing, has characteristics (a) consistent with the provisions of 170 IAC 5-1-22 and (b) consistent with the provisions of all applicable NIPSCO Gas Standards, and (c) that in sole view of the Company does not otherwise pose a hazard to inclusion in the Company's transmission and/or distribution lines when co-mingled with natural gas.
- 1.61 Residential Customer. Any Customer that resides in a residential dwelling, mobile home, apartment or condominium using gas service.
- 1.62 Residential Service. Service provided to a Residential Customer.
- 1.63 Riders. The part of the Company's Tariff setting forth supplemental provisions applicable to specific Rate Schedules, as approved by the Commission.

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**1. DEFINITIONS (Continued) no.**

- 1.64 Sales Customer. A Customer receiving Sales Service from the Company.
- 1.65 Sales Service. Gas service involving the delivery by the Company to the Customer of Company supplied gas.
- 1.66 Service. The supply of gas by the Company to Customer.
- 1.67 Supplier. Any party that arranges for delivery of gas to the Company's gas system on behalf of NIPSCO Customers.
- 1.68 Swing Pipeline. The upstream interstate pipeline that a Customer or the Customer's agent or supplier has contracted service with to manage daily imbalances.
- 1.69 Tariff. The entire body of the Rules, Rate Schedules and Riders.
- 1.70 Therm. Commercial unit of heat. One Therm equals one hundred thousand Btu.
- 1.71 Transportation Customer. A Customer receiving Transportation Service from the Company.
- 1.72 Transportation Service. Gas service involving the delivery by the Company to the Customer of Customer-delivered gas.

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**2. TARIFF ON FILE**

**2.1 Tariff on File**

Gas service furnished by the Company is subject to this Tariff which is at all times subject to revision, change, modification, or cancellation by the Company, subject to the approval of the Commission, and which is, by reference, made a part of all standard agreements (both oral and written) for service. Failure of the Company to enforce any of the terms of this Tariff shall not be deemed a waiver of its right to do so.

A copy of the Tariff under which service will be supplied is posted or filed for the convenience of the public in the office of the Company, with the Commission, and on the Company's website. The Commission has continuing jurisdiction over the Tariff in its entirety. The Tariff, or any part thereof, may be revised, amended, or otherwise changed from time to time and any such change, when approved by the Commission, will supersede the present Tariff, or the applicable part thereof.

**2.2 Special Conditions and Provisions**

The Rules set forth the conditions under which service is to be rendered, and govern all Rate Schedules to the extent applicable. In case of conflict between any provision of a Commission-approved agreement, Rate Schedule, Rider and/or Rule, the order of priority in interpretation shall be the (1) agreement, (2) Rate Schedule, (3) Rider, and (4) Rule.

The Company shall have the right to execute agreements for service under any Rate Schedule or Rider that requires an agreement. The Company shall also have the right to execute other agreements for service provided, however, such agreements requiring Commission approval shall be contingent upon receipt of such approval.



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**3. CHARACTER OF SERVICE**

3.1 Standard Installation

The Company shall provide, as a standard installation, facilities required to supply a Residential Customer with service from a medium pressure system (60 PSIG or less) without charge for a service of not more than 150 feet in length from the property line of the Customer to the service connection at the meter. A charge will be applied by the Company for a service in excess of 150 feet in length from the property line of the customer to the service connection at the meter in accordance with Rule 6.1.

For Residential Service, the maximum Customer required delivery pressure shall be 2 PSIG. Any Customer requiring pressure exceeding 2 PSIG will be ineligible for the Residential Rate, and will instead be served under the applicable General Service.

The Company will supply a Non-Residential Customer served from a medium pressure system (60 PSIG or less) without charge for a service 150 feet or less of 2 inch Iron Pipe Size or smaller pipe from the property line of the Customer to the service connection at the meter set with a delivery pressure of 10 PSIG or less. A charge will be applied by the Company for a service in excess of 150 feet, an iron pipe size (IPS) pipe larger than 2 inches or a delivery pressure of greater than 10 PSIG in accordance with Rule 6.1.

For General Service, suitable arrangements shall be made between the Company and the Customer with regard to the extent of the service facilities installed by the Company in accordance with Rules 4.1 and 6.1.

The Company will locate the point at which the Company's meter installation will attach to the Customer's piping, and the Customer's piping shall be run to this point for attachment to the meter. In no event shall the service line be run under or through any portion of the building then constructed or to be constructed at a future date, except at the point immediately preceding the metering location. The Company will extend its distribution mains a reasonable distance, as may be determined by the Company for the purpose of supplying gas service for a new connection.

After installation, any required relocation of the Company's facilities due to changes made either at the Customer's request or as the result of the Customer's activity that causes the installation to be out of compliance with the Minimum State Safety Standards for the Transportation of Gas and Related Pipeline Facilities shall be made at the Customer's expense.

3.2 Average Heating Value

Gas supplied under the Rate Schedules shall have a monthly average heating value of approximately 1,000 Btu per Cubic Foot.

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**4. APPLICATION, SERVICE REQUEST OR AGREEMENT**

4.1 Written Application or Agreement Required

A written application for service may be required from a Customer before the Company will be obligated to supply service. The Company shall have the right to reject any application or agreement for valid reason. When special construction or equipment expense is necessary to furnish service, the Company may require an agreement for a suitable period of time and reasonable guarantees pursuant to Rule 6. Certain Rate Schedules may require the execution of an agreement for service, and specify a minimum agreement term. By receiving service under a specific Rate Schedule or Rider, the Customer or Customer's heirs, successors and assigns has agreed to all terms and conditions of this Tariff and the applicable Rate Schedule or Rider. A Customer's refusal or inability to sign an agreement as specified by the Tariff, Rate Schedule or Rider in no way relinquishes the Customer's obligations as specified herein.

4.2 Service to be Furnished

4.2.1 New Customers

The Customer shall provide in writing upon request of the Company its gas usage characteristics to be served. This information will be used by the Company to determine the character of the service and the conditions under which the Customer will be served. For the purposes of Rule 13.5.2.1, the calculation of Curtailment Threshold level 1 will be based upon best efforts forecast usage.

4.2.2 Existing Customers: Notify Company Before Increasing Load

The service connections, regulators, meters and equipment supplied by the Company have definite capacity, and no substantial addition to the gas consuming equipment should be made without first consulting with the Company. The Customer shall notify the Company in writing of any material increase in load no less than sixty (60) days prior to the addition of that load. For the purposes of Rule 13.5.2.1, the Company will work with Customer to calculate Curtailment Threshold level 1 utilizing historical and best efforts forecast usage.

4.3 Modification of Agreement

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 agreement before such agreement is signed and approved by an agent of the Company with apparent authority to sign such agreement on behalf of the Company.

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**5. PREDICATION OF RATES AND RATE SCHEDULES SELECTION**

5.1 Single Premise

The Rate Schedules are predicated upon the supply of service to the Customer separately for each Premise and for the ultimate usage of such separate Premise. The combining of service of two (2) or more separate classifications through a single meter, or of two (2) or more Premises, or of two (2) or more separate Dwelling Units of the same Premise, will be permitted only under such Rules as approved by the Commission. An outlying or adjacent building of the Customer, if located on the same Premise, 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 residence or building.

5.2 Premise Containing Two (2) Meters

If the Customer chooses not to supply the outlying or adjacent buildings by the main service, the Company will consider this a non-standard installation and may install a separate service pursuant to Rule 6. The installed separate service shall be classified under one of the Rate Schedules based on the Customer's gas usage characteristics.

5.3 Building Containing Two (2) or More Separate Dwelling Units

Where Residential Service is supplied through one (1) meter to an apartment house or to a building, each containing five (5) or less separate Dwelling Units, the Customer shall be served under Rate 115 – Multiple Family Housing Service.

The Customer may arrange the piping at the Customer's own expense, so as to separate the combined service and permit the Company to install a separate meter for each separate Dwelling Unit. In each such case, the readings of each separate meter shall be billed separately under Rate 111 – Residential Rate. In such case, the piping shall be arranged to provide for the grouping of all meters at the service entrance.

5.4 Combined Residential and General Service

Where both Residential and General Service are supplied through one service and one meter to the same Customer on the same Premise, such combined service shall be classed as Non-Residential and billed under the applicable General Service rate.

At the option of the Customer, the connections may be arranged at the Customer's expense so as to separate the Residential and General Service to permit installation of two (2) meters, in which case Rate 111 – Residential Rate will apply to the Residential Service and the applicable General Service rate will apply to the General Service.

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**5. PREDICATION OF RATES AND RATE SCHEDULES SELECTION (Continued)**

5.5 Choice of Optional Rate

Where optional Rate Schedules are available for the same class of service, the Customer shall designate the applicable Rate Schedule by signing an agreement where required by the Rate Schedule or signing a rate release form when an agreement is not required. Where selection of the most favorable Rate Schedule is difficult to predetermine, the Customer will be given a reasonable opportunity to change to another Rate Schedule, provided, however, that after one (1) such change is made, the Customer may not make a further change in Rate Schedule until twelve (12) months have elapsed.

The Company will, at the request of the Customer, assist the Customer in selecting the Rate Schedule most advantageous to the Customer, but the Company does not guarantee that the Customer will at all times be served under the most advantageous Rate Schedule.

In no case will the Company refund any difference in charges between the Rate Schedule under which service was supplied in prior periods and the newly selected Rate Schedule.

5.6 Resale of Service

Service shall be for the sole use of Customer and shall not be furnished under any Rate Schedule to any Customer for the purpose of reselling any or all such service.

5.7 Agreement Termination upon Implementation of New Base Rates and Charges

Except as provided otherwise in this Tariff, all agreements for retail service shall terminate without further notice upon the effective date of the Company's implementation of new base rates and charges (either temporary or permanent) resulting from a general rate proceeding. For purposes of this Tariff provision, new base rates and charges shall not include a subsequent adjustment of rates made by the Company after implementation of rates and charges to comply with the Order. An example of such an adjustment is an adjustment to base rates required by the Commission Order to reflect the expiration of an amortization period.

5.8 Default Schedule for Non-Residential Customers

In the absence of an executed agreement between the Company and the Customer, service to a Non-Residential Customer shall be provided at the rates and charges set forth in Rate 121.

5.9 Transportation and Sales Service

Any Customer not served under Rider 180 requesting a switch from or to a third-party supplier of gas to or from the Company's supply service option will be in accordance with the following provisions:

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**5. PREDICATION OF RATES AND RATE SCHEDULES SELECTION (Continued)**

- 5.9.1 The Customer shall provide a 120-day notice to the Company.
- 5.9.2 As a condition precedent to such a request, the Customer shall enter into a written agreement with the Company. The initial term of the agreement will be for twenty-four (24) months and will continue thereafter on a month-to-month basis for a maximum additional thirty-six (36) months, until terminated in accordance with the notice provision above.
- 5.9.3 Upon the Customer's switching from a third-party supplier of gas to the Company's supply service option, the Customer will be subject to any applicable Riders as identified in Appendix A for the Rate Schedule.
- 5.9.4 Upon receipt of such notice, the Company will determine whether Customer's request will require the Company to modify its interstate transportation, storage and supply positions. The Company may charge the Customer for costs that are incurred to accommodate Customer's request.

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**6. SERVICE EXTENSIONS AND MODIFICATIONS**

6.1 Extension of Services Beyond Standard Installations

Upon request by a Residential Customer or Non-Residential Customer for service, the Company will provide necessary facilities for rendering a standard installation under Rule 3.1 at no charge.

6.1.1 The following definitions shall be applicable to this Rule:

6.1.1.1 "Margin Credits" for Residential Customers shall be equal to \$1,800 for each residential meter. "Margin Credits" for Non-Residential Customers shall be equal to the Present Value of Gross Margin associated with each Non-Residential meter as estimated by the Company for a six (6) year period.

6.1.1.2 "Margin Costs" shall be equal to 0.52 multiplied by the total amount of actual costs for the extension of gas facilities, as estimated by the Company using the information provided to the Commission in the Company's annual filings pursuant to 170 IAC 5-1-27(D).

6.1.1.3 The values identified in 6.1.1.1 and 6.1.1.2 shall be subject to change in any proceeding proposing adjustment to NIPSCO's basic rates and charges or in a separate proceeding filed in conformance with the IURC Rules.

6.1.2 For extension of lines and services beyond standard installations for Residential Customers, a contribution must be provided when the Margin Costs exceed the Margin Credits.

For extension of lines and services beyond standard installations for Non-Residential Customers, the Non-Residential Customer must provide a contribution, a letter of credit (in a form satisfactory to the Company), or minimum guarantee prior to installation of the facilities when the Margin Costs exceed the Margin Credits; provided, however, if in the opinion of Company (i) the estimated cost of such extension and the prospective margin to be received 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 (ii) there will be slight or no immediate demand for service, or (iii) the installation will require extensive equipment with slight or no immediate demand for service, or (iv) the estimated cost of the extension otherwise places Company and/or other Customers at risk of recovering the costs associated with the investment; then 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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**6. SERVICE EXTENSIONS AND MODIFICATIONS (Continued)**

6.1.2.1 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.

6.1.2.2 In the event that the initial Applicant(s) is (are) required to make a deposit, Company shall, upon request, make available to the initial Applicant(s) the information used to establish the basis for the applicable deposit amount.

6.1.3 For each Non-Residential Customer, exclusive of the initial Applicant(s) considered in the making of an extension, that has connected to such an extension within the six (6) year period from the completion of such extension, the Company shall credit to each initial Applicant's minimum guarantee or initial contribution on an annual basis, an amount equal to the actual Gross Margin of each subsequent meter less the Margin Costs to service such new Customer. This credit shall be in proportion to each Applicant's respective contribution toward the cost of such initial extension. The total of all credits from all customers to any such Applicant shall in no event exceed the aforesaid contribution of such Applicant.

6.1.4 For each Residential Customer, exclusive of the initial Applicant(s) considered in the making of an extension, that has connected to such an extension within the six (6) year period from the completion of such extension, the Company shall credit to each initial Applicant's initial contribution, an amount equal to the Margin Credits for Residential Customer, less the Margin Costs to service such new Customer. This credit shall be in proportion to each Applicant's respective contribution toward the cost of such initial extension. The total of all credits from all customers to any such Applicant shall in no event exceed the aforesaid contribution of such Applicant.

6.2 Modification or Relocation of Company's Facilities at Customer's Request

If Customer requests for Customer's convenience or by Customer's actions that the Company's facilities be redesigned, reengineered, relocated, removed, modified or reinstalled, Customer shall reimburse Company for the entire cost incurred in making such change, including any and all required engineering studies.

6.3 New Residential Development Procedures

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

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**6. SERVICE EXTENSIONS AND MODIFICATIONS (Continued)**

- 6.3.1 As used in this Rule, “extensions” shall refer to extension of Company facilities required in order to provide gas service as requested by Customer(s) or prospective Customer(s). The following definitions shall be applicable to this Rule:
- 6.3.1.1 “Margin Credits” shall be equal to the total product of the planned number of residential meters multiplied by \$1,800. This amount shall be subject to change in any proceeding proposing adjustment to NIPSCO’s basic rates and charges, or in a separate proceeding filed in conformance with the IURC Rules.
- 6.3.1.2 “Margin Costs” shall be equal to 0.52 multiplied by the total amount of actual costs for the extension of gas 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 5-1-27(D).
- 6.3.2 Upon request for gas 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 distribution mains, underground service pipes, meters and other equipment necessary to provide the service, provided:
- 6.3.2.1 the Margin Credits for the specific development are equal to or greater than the Margin Costs for that development; and
- 6.3.2.2 the prospective patronage or demand is of such permanency as to warrant the capital expenditure involved.
- 6.3.3 If the Margin Costs of the facilities necessary to provide the gas service requested by initial Applicants exceeds the Margin Credits from such extension as provided in Rule 6.3.2, Company shall make such extension if the initial Applicants meet one of the following conditions:
- 6.3.3.1 Upon adequate provision for payment to Company by initial Applicants of that part of the Margin Costs in excess of the Margin Credits as provided in Rule 6.3.2; or



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**6. SERVICE EXTENSIONS AND MODIFICATIONS (Continued)**

6.3.3.2 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) there will be slight or no immediate demand for service, or (c) the installation will require extensive equipment with slight or no immediate demand for 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 Company may require, in advance of materials procurement or construction, a deposit or adequate provision of payment from the initial Applicants in the amount of the total estimated cost of construction and other improvements.

6.3.3.2.1 Deposits may be returned to initial Applicants based on the amount of Margin Credits received by Company, for a six (6) year period and up to the amount of the original deposit, in at least annual installments.

6.3.3.2.2 In the event that the initial Applicants are required to make any deposit, Company shall, upon request, make available to the initial Applicants the information used to establish the basis for the applicable deposit amount.

6.3.4 Applicants may, at their option, submit, or require Company to submit, to the Commission the terms of service and deposit or contribution determined by the Company under Rule 6.3.3.1 or 6.3.3.2 for review and determination as to the reasonableness of said terms.

6.3.5 For each Customer, exclusive of the initial Applicants considered in the making of an extension, that has connected to such an extension within the six (6) year period from the completion of such extension, Company shall credit to each initial Applicant's minimum guarantee or initial contribution on an annual basis, an amount equal to the actual Gross Margin over a six (6) year period of each subsequent meter. The total of all credits from all Customers to any such Applicant shall in no event exceed the aforesaid contribution of such Applicant. Where a deposit is required under Rule 6.3.3.1, the total of all refunds to all initial Applicants in aggregate shall in no event exceed the total aggregate deposit of all initial Applicants. Such estimated Margin Credits from new Customer(s) shall also be subject to the provisions of Rule 6.3.3.2.

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**6. SERVICE EXTENSIONS AND MODIFICATIONS (Continued)**

6.3.6 Company shall not be required to make extension as provided in this Rule unless Customers to be initially served by such extension have entered into an agreement with Company, prior to the beginning of construction, setting forth the obligations and commitments of the parties to the agreement consistent with the provisions of this Tariff. The terms of the agreement may require Customer to provide a satisfactory guarantee to the Company of the performance of the Customer's obligations thereunder.

6.3.7 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 agreement, reasonable guarantee of revenues, or other service conditions, provided that such special agreements are made on a non-discriminatory basis.

6.4 Temporary Service

The charge for temporary service, where existing facilities can be utilized to supply gas is consistent with the cost filings submitted annually to the Commission pursuant to 170 IAC 5-1-27. 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 of facilities, including labor, material, stores freight and handling, and job order overhead, less any estimated salvage value of material recovered. Temporary installation may continue for a period of more than twelve (12) months, if such installation conforms to the requirements of a permanent installation.

6.5 Excess Facilities

In the event service facilities in excess of a standard service under Rule 3.1 are requested by the Customer or are required to serve the Customer's load, the Company will extend such facilities therefore, subject to the following conditions:

6.5.1 The type, extent, and location of such service facilities shall be determined by agreement between the Company and the Customer;

6.5.2 Such service facilities shall be the property of the Company;

6.5.3 The Customer shall agree to pay to the Company a monthly rental equal to two and two tenths percent (2.20%) of the estimated installed cost of the excess facilities;

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**6. SERVICE EXTENSIONS AND MODIFICATIONS (Continued)**

- 6.5.4 The monthly rental shall be appropriately adjusted if a change is made in the excess facilities provided by the Company;
- 6.5.5 The Customer shall provide power as specified by the Company, if so required, to operate such service facilities; and
- 6.5.6 Such other conditions as are reasonably necessary due to special conditions of service.

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**7. CUSTOMER INSTALLATIONS**

**7.1 Customer Piping and Equipment**

The Applicant for service must, at the Applicant's expense, equip the Applicant's Premise with all piping and equipment from the meter to the appliances or equipment served. Such piping and equipment shall be installed and maintained in accordance with effective applicable state and local codes and in accordance with the Company Rules. The Company shall be under no duty to inspect the piping and equipment of the Applicant/Customer and in no event shall the Company be responsible therefore. The Applicant/Customer shall at all times maintain its piping and equipment beyond the outlet side of the meter.

7.1.1 Where an Applicant is located in a municipality or other governmental subdivision where inspection laws or ordinances are in effect, the Company may withhold furnishing service to new installations or disconnected existing installations until it has received evidence that the inspection laws or ordinances have been complied with. In addition, if such municipality or other governmental subdivision shall determine that such inspection laws or ordinances are no longer being complied with in respect to an existing installation, the Company may suspend the furnishing of service thereto until it has received evidence of compliance with such laws or ordinances.

7.1.2 Where an Applicant's Premise is located in an area not governed by local inspection laws or ordinances, gas piping shall be installed in accordance with the requirements of the National Fuel Gas Code. Before furnishing service, the Company may require a certificate or notice of approval from a duly recognized authority stating that Applicant's gas piping has been installed in accordance with the requirements of the National Fuel Gas Code.

7.1.3 No responsibility shall attach to the Company because of any waiver of these requirements.

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**8. EQUIPMENT ON CUSTOMER'S PREMISE**

8.1 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 Premise, 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 or tamper with such property. If Company property is damaged or destroyed, through the negligence of the Customer or in violation of applicable provisions of the Tariff by the Customer, the cost of necessary repairs or replacements shall be paid by the Customer.

8.2 Location of Company Regulators, Meters and Equipment

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

8.3 Equipment Location Permit

If the Customer is not the owner of the Premise served or of intervening property between such Premise and the Company's main, the Customer shall obtain from such owner, or owners, in a form satisfactory to the Company, such permits or easements as are, in the opinion of the Company, necessary for the installation and maintenance on such Premise and on such intervening property, all piping, or other gas equipment as may be necessary for the supplying of gas service to the Customer.

8.4 Access to Premise

The properly authorized agents of the Company shall have the right to enter upon the Premise of the Customer at all reasonable times for the purpose of locating, inspecting, maintaining and providing access to facilities and reading, testing, repairing or replacing the meter(s), appliances and other equipment used in connection with its service and removing the same on the termination of the agreement or the discontinuation of service. Each meter and service regulator, whether inside or outside a building, must be installed in a readily accessible location and be protected from corrosion and other damage, including, if installed outside a building, vehicular damage that may be anticipated. "Readily accessible" means the location should accommodate immediate access at the request of the Company for reading, inspection, repairs, testing, maintenance, and replacement and operation of the gas shut-off valve. If a location is not readily accessible, or jeopardizes the safety of an authorized agent of the Company, as determined by the Company, the Company may request that the Customer take steps to correct the problem, or the Company may require the Customer to make payment to the Company of the full cost of correcting the problem.

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**8. EQUIPMENT ON CUSTOMER'S PREMISE (Continued)**

8.5 Tampering, Fraud, Theft or Unauthorized Use

When the Company detects fraudulent or unauthorized use of gas, 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 effecting repairs necessitated by such unauthorized use and/or tampering. In any event, the Company may require Customer payment for such out-of-pocket costs. Under circumstances of fraud, theft, unauthorized use of gas, 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 in the IURC Rules to the contrary. In the event of fraud, theft or unauthorized use of gas which is not upon or connected with a Customer's Premise, the ultimate user of the service shall be liable in the same manner as a Customer for gas service used, the incurred costs of field calls and effecting repairs, and Disconnection without notice.

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**9. METERING**

9.1 Meters to be Installed by Company

The gas supplied, unless otherwise specified, shall be measured by a meter or meters of standard manufacture, installed and owned by the Company. If more than one meter is installed for a Customer that is charged under two (2) or more Rate Schedules, each meter shall be considered by itself in calculating the amount of any bills. If, for the convenience of the Company, more than one (1) meter is installed on the same class of service at the same Premise for the same Customer, the sum of the registrations shall in all cases be taken as the total registration.

Where service is supplied at pressures in excess of ten (10) inches of water column or where gas temperature varies from 60° F., the Company may correct the volume of gas metered to correspond to gas of standard condition on a water vapor free basis, at an absolute pressure of 14.65 pounds per square inch, and at a temperature of 60° F.

Charges for metering may be imposed in accordance with Rule 17.5.

9.2 Meter Testing

The Company will test meters used for billing Customers in accordance with 170 IAC 5-1-9.

9.3 Failure of Meter and/or Instrumentation

Whenever it is discovered that a meter or associated instrumentation when used to correct metered gas volumes to standard conditions is not operating within the limits of accuracy as prescribed in the IURC Rules, an adjustment shall be made in accordance with such IURC Rules. In the event of the stoppage of or the failure of any meter or metering instrumentation equipment to register an accurate amount of gas consumed, the Customer will be charged or credited for such period on an estimated consumption based upon engineering calculations and measurements or Customer's use of gas in a similar period of like use and consistent with 170 IAC 5-1-14(B).

9.4 Correction of Metered Quantities for Billing

For the purpose of billing under this Rule, a Therm shall be one hundred cubic feet of gas at a temperature of 60° F, at an absolute pressure of 14.65 pounds per square inch, having an average total heating value equivalent to 100,000 Btu. Metered quantities of gas, corrected for temperature and pressure conditions, shall be adjusted for Btu content by multiplying by the average heating value per Cubic Foot of gas, as determined for the latest monthly period available, and dividing by 1,000.

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**9. METERING (Continued)**

9.5 Extra Meters at Customer's Request

The Company will not supply meters other than those deemed necessary by the Company to render gas service to the Customer except for temporary installation. When such temporary extra meters are installed at the request of the Customer, the Customer shall be required to pay the cost (with the exception of the meter) required for the installation and removal. A rental charge in accordance with Rule 6.5, dependent upon size and type of meter, but in no case less than \$1.00 per meter per month, will be made for each extra meter.

9.6 Meter Reading Charge – Missed Appointment (Trip Charge)

For Customers with hard-to-access meters, a Trip Charge shall be added to Customer's account in accordance with Rule 17 if Customer fails to provide access to the meter during a scheduled appointment. For purposes of this Rule, a hard-to-access meter is defined as a meter that (a) is located inside the premises of Customer, located behind a locked gate, located in an area proximate to an animal that in the judgment of the meter reader is dangerous, or is otherwise inaccessible to the meter reader or presents an unsafe condition; and (b) has not been read by a meter reader during the previous four (4) consecutive months. No Trip Charge shall be assessed if (1) the appointment is cancelled by the Customer with four hours' prior notice; (2) the Customer is not present due to a medical emergency; or (3) in NIPSCO's reasonable discretion, for any other reason that is outside of the Customer's control. Customer shall be provided the opportunity to set the time of the appointment, which must be during regular business hours and within a two-hour window of time. If two (2) appointments scheduled by the Customer are cancelled (with four hours' prior notice) at the request of Customer or Customer fails to set an appointment, then the Company shall set the time of the next appointment, during regular business hours, which cannot be cancelled by the Customer. At the Company's option, assessment of a Trip Charge may be waived if Customer agrees to and permits the installation of a remote meter-reading device.

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

10.1 Applicable to Residential Customers

The Company shall determine the creditworthiness of an Applicant or Customer in an equitable non-discriminatory manner and may require a deposit to insure payment of bills in accordance with 170 IAC 1-5-15.

10.2 Applicable to Non-Residential Customers

The Company shall determine the creditworthiness of an Applicant or Customer in an equitable non-discriminatory manner.

A Customer shall be deemed creditworthy if it has no Delinquent Bills to the Company for gas service within the last twenty-four (24) months and, within the last two (2) years has not: (a) had service disconnected for nonpayment or (b) filed a voluntary petition, has a pending petition, or has an involuntary petition filed against it, under any bankruptcy or insolvency law. For purposes of this determination a contested bill shall not be considered delinquent.

In determining the creditworthiness of Applicants, the Company shall consider the size of the credit exposure and the availability of objective and verifiable information about the Applicant. The Company may consider the Applicant's payment history from other utilities and verifiable conditions such as, but not limited to: Applicant 's independently audited annual and quarterly financial statements, including an analysis of its leverage, liquidity, profitability and cash flows; and credit rating agency information.

The Company may require from any uncreditworthy Applicant or Customer, as a guarantee against the non-payment of bills, a deposit payable in cash or by letter of credit in an amount equal to the Customer's two (2) highest months usage based upon the most recent twelve (12) months historical usage or two (2) months of projected usage for an Applicant. For Customers with multiple accounts, each account will be treated individually for purposes of this Rule.

If the Company requires a deposit as a condition of providing service, upon request of the Customer or Applicant, the Company must: (a) provide written explanation of the facts upon which the utility based its decision; and (b) provide the Applicant or Customer with an opportunity to rebut the facts and show other facts demonstrating its creditworthiness.

Upon the request of the Customer, but no more than once every twenty-four (24) consecutive months, the Company will conduct a reevaluation of Customer's creditworthiness with repayment of the security deposit or portion thereof as appropriate, within sixty (60) days and with written notice identifying the basis for any continued deposit.

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**10. DEPOSIT TO INSURE PAYMENT OF BILLS (Continued)**

In the case of a cash deposit as a guarantee against the payment of bills, simple interest thereon at the rate established by the Commission shall be paid by the Company for the time such deposit is held by the Company. Upon a Customer's annual request, NIPSCO will credit any accrued interest to the Customer's Bill. 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.

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**11. RENDERING AND PAYMENT OF BILLS**

11.1 Payment of Bills

Bills will be issued monthly at intervals of approximately thirty (30) days and must be paid by the due date specified on the Customer's Bill at an office or an established collection agency of the Company. Bills rendered on estimated readings for service in months in which meters are not read shall have the same force and effect as those based on actual meter readings. Failure to receive a Bill shall not entitle the Customer to pay the Bill after the designated due date has passed. Upon request, the Company will advise the Customer of the approximate date on which the Bill will be mailed each month, and if the Bill is lost, the Company will issue a duplicate.

11.2 Payment After Due Date of Bill

A Bill is delinquent unless payment is received by the due date printed on the Bill. The due date is seventeen (17) days from the next business day of the statement date printed on the Bill. A Delinquent Bill may be assessed a Late Payment Charge equal to ten percent (10%) of the first three dollars (\$3.00) and three percent (3%) of the remaining amount that is delinquent and the Company may disconnect service after complying with any applicable IURC Rules. The Company will not apply the Late Payment Charge to previous Late Payment Charges.

Failure to receive the Bill shall not entitle the Customer to relief from the deferred payment provisions of the Bill if the Customer fails to make payment within said seventeen (17) day period, nor shall it affect the right of the Company to disconnect service for non-payment as above provided.

Once in each half calendar year, but not more often, the Company will upon the Customer's request waive the Late 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.

11.3 Billing Disputes

A Customer shall not be disconnected for failing to pay an outstanding Bill in full if the unpaid portion of the Bill is disputed by the Customer and the Customer complies with the applicable IURC Rules.

11.4 Social Security Payment Plan

The Company may, upon request, revise the due date by up to ten (10) calendar days, provided that the Customer applies for and is accepted by the Company as a participant in the Social Security Payment Plan. In order to participate in the Social Security Payment Plan, the Customer must meet the following conditions:

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**11. RENDERING AND PAYMENT OF BILLS (Continued)**

11.4.1 The Customer must be taking Residential Service, which must be in the Customer's name;  
and

11.4.2 The Customer must be retired or legally disabled and must show proof of receiving  
monthly social security or retirement benefits.

**11.5 Interruption or Curtailment of Service**

The minimum Bill shall not be reduced for any billing month because of any interruption, suspension, reduction or Curtailment of the delivery of gas except in the event it shall be due to, occasioned by, or in consequence of, a default of the Company, a strike or strikes of employees or workmen of the Company, differences between the Company and its employees or workmen, inability of the Company to secure gas or other material, supplies or equipment, failure of the gas supply, or Curtailment or diminution of gas deliveries to the Company by its supplier or suppliers, breakage or failure of the Company's machinery, equipment, compressors, mains, pipes, delivery lines, storage or delivery facilities, federal, state or other governmental laws, orders, decrees, restraints or regulations applicable to the operations of the Company when, in any event, if the Company does not supply and deliver gas in sufficient quantity that the bill therefore calculated at the applicable rate is at least equal to the minimum monthly payment hereunder, then the minimum for such month shall be based on the maximum daily demand for the month multiplied by a fraction, the numerator of which is the hours in the month that gas service was not curtailed, and the denominator of which is the total hours in the month.

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**12. DISCONNECTION AND RECONNECTION OF SERVICE**

12.1 Customer Request for Disconnection

The Customer shall be responsible and pay for all gas service supplied to the Customer's Premise until the third business day following the requested Disconnection date given by the Customer to the Company to discontinue service.

12.2 Company Right to Disconnect Service Without Notice

The Company reserves the right to disconnect the supply of all service to all or any part of the Customer's Premise without notice in accordance with the IURC Rules for any of the following reasons:

12.2.1 If a condition dangerous or hazardous to life, physical safety or property exists;

12.2.2 Upon order by any court, the Commission or other duly authorized public authority;

12.2.3 If fraudulent or unauthorized use of gas is detected and the Company has reasonable grounds to believe the affected Customer is responsible for such fraudulent or unauthorized use; or

12.2.4 If the Company's regulating or measuring equipment has been tampered with and the Company has reasonable grounds to believe that the affected Customer is responsible for such tampering.

No Disconnection shall invalidate any agreement with the Customer and the Company shall have the right to enforce any agreement notwithstanding such Disconnection. The Disconnection shall not abrogate any monthly Minimum Charge or other fee as specified in the applicable Rate Schedule or Rider.

12.3 Company Right to Disconnect Service With Notice

The Company may disconnect the supply of all service to the Customer's Premises (and refuse to serve any other member of the same household or firm at the same Premises) in accordance with the IURC Rules or other applicable law and with reasonable written notice, which shall be provided to such Customer at the address shown upon the Company's records no less than fourteen (14) days prior to Disconnection, for any of the following reasons:

12.3.1 For repairs (if required);

12.3.2 For non-payment of Bills or failure to post a required security deposit or collateral;

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**12. DISCONNECTION AND RECONNECTION OF SERVICE (Continued)**

12.3.3 For Customer's denial of access, including through actions or inactions not permitting adequate access, by employees of the Company to the Customer's meter or other facilities;  
or

12.3.4 For any other lawful reason.

No Disconnection shall invalidate any agreement with the Customer and the Company shall have the right to enforce any agreement notwithstanding such Disconnection. The Disconnection shall not abrogate any monthly Minimum Charge or other fee as specified in the applicable Rate Schedule or Rider.

12.4 Reconnection Charges

Whenever service has been discontinued at a Premise (1) for non-payment of charges; (2) for failure to provide a security deposit or collateral; (3) at the request of a Customer; or (4) for any other reason authorized under the Company Rules and caused by the Customer's actions, a charge will be made by the Company to cover the cost of reconnection of service, in accordance with the Reconnection Charges shown in Rule 17.

In the event a Customer requests to discontinue service and requests to be reconnected within nine (9) months, the Company may assess an additional charge equal to the applicable Customer Charge multiplied by the number of months the service was disconnected. The Company may waive this charge at its sole discretion based on the nature of the discontinuance of service.

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**13. SERVICE CURTAILMENTS**

13.1 Applicability

The terms and provisions of this Rule shall be applicable notwithstanding any provisions contained in the Tariff, or in any agreement between the Company and Customer.

13.2 Curtailement of Service

Prior to issuing a Curtailement of Service the Company shall first declare a Critical Period and shall further exhaust all reasonable efforts and utilize all available alternatives that do not require the curtailement of gas service to firm customers. When sufficient volumes of gas, 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 operational integrity of its system, the Company shall declare a Curtailement within any or all parts of its systems so affected and thereafter shall have the right to restrict, limit, or curtail gas service within any or all parts of its systems so affected in accordance with the provisions of this Rule.

The Company shall not be responsible in damages for any failure to supply gas service or for Curtailement of the supply of gas, or for defective piping on the Customer's premises, or for damages resulting to a Customer or to third persons from the use of gas or the presence of the Company's equipment to the Customer's Premise, 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 acts of God, strikes, or unavoidable accidents or contingencies beyond its control and is not due to fault, neglect or culpability on its part.

13.3 Emergency Curtailement Without Regard to Priority

The Company reserves the right to order gas service Curtailement without first declaring a Critical Period and without regard to the priority of service when in its judgment such Curtailement is required to forestall imminent and irreparable injury to life, property or the gas system. A Curtailement pursuant to this Rule shall not exceed ten (10) consecutive days unless otherwise authorized by the Commission.

13.4 Curtailement of Customer's Gas

The Company shall reimburse Customer for the gas used by reason of the Curtailement at an amount equal to the greater of (1) the published daily Chicago City-gate Midpoint price, or (2) the published daily Mich-Con City-gate Midpoint price for the day on which the gas is utilized times the quantity of gas utilized.

Any gas purchased by the Company under these provisions will be included in the Company's reconciliation of gas costs under Rider 170 – Gas Cost Adjustment (GCA) Rider for the time period of such Company use of Customer-owned gas.

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**13. SERVICE CURTAILMENTS (Continued)**

13.5 Priority of Service Curtailment

Priority of service shall be as set forth below.

13.5.1 Interruptible Service

Upon a declaration of Curtailment, all interruptible service under Rates 130, 134A, and 140, and Riders 142A, 147, and 148 within any or all parts of the Company's system subject to that declaration will be interrupted prior to the Curtailment of any firm services.

13.5.2 Firm Service Curtailment

Upon a declaration of Curtailment, firm services shall be prioritized and curtailed. In the event a Curtailment is issued for a partial Gas Day, compliance shall be measured on a proratable basis based on the number of hours of curtailed service. Customers shall reduce their usage to the specified level within two (2) hours after Company notification as follows:

13.5.2.1 Transportation service under Rates 128 and 138 above the annual Curtailment Threshold level 1, calculated as 50<sup>th</sup> Percentile of Daily Usage over the last twenty-four (24) months calculated by Company on an annual basis. Subject to Rule 4.2.2, the Company will work with Customer to calculate Curtailment Threshold level 1 utilizing historical and best efforts forecast usage. For new customers, the calculation of Curtailment Threshold level 1 will be based upon best efforts forecast usage.

13.5.2.2 Service under all other firm Rates.

13.6 Restoration of Service Levels

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

13.7 Penalties

13.7.1 For Zone A, any Non-Residential Customer who exceeds the limitations specified in the Curtailment notice in excess of five percent (5%) during such Curtailment shall be subject to a penalty charge of the greater of (a) five (5) times the published daily Chicago City gate Midpoint price or (b) \$6.00 per Therm for all gas taken in excess of the limitation. Intentional overruns by a Customer who has made no good faith effort to avoid overruns shall authorize the Company to terminate gas service to such Customer.



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**13. SERVICE INTERRUPTIONS AND CURTAILMENTS (Continued)**

13.7.2 For Zones B and E, any Non-Residential Customers who exceed the limitations specified in the Curtailment notice in excess of five percent (5%) during such Curtailment shall be subject to a penalty charge of the greater of (a) five (5) times the published daily Mich Con City-gate Midpoint price or (b) \$6.00 per Therm for all gas taken in excess of the limitation. Intentional overruns by a Customer who has made no good faith effort to avoid overruns shall authorize the Company to terminate gas service to such Customer.

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**14. LIMITATIONS OF LIABILITY AND INDEMNIFICATION**

- 14.1. Neither Company nor Customer shall be liable to the other for any act, omission or event caused by strikes, acts of God, or unavoidable accidents or contingencies beyond its control.
- 14.2. Company shall not be liable for damages for any failure to supply gas or for an Interruption, limitation, or Curtailment of Gas Service, whether or not such disruption is ordered by a governmental agency having jurisdiction, if such failure, Interruption, limitation, or Curtailment is due to the inability of Company to obtain sufficient gas supplies at economical prices from its usual and regular sources or due to any other cause whatsoever other than willful default or negligence of Company.
- 14.3. Company shall not be liable for damages caused by defective piping or appliances on Customer's Premises.
- 14.4. Company shall not be liable for damages resulting to Customer or to third persons from the presence or use of gas or the presence of Company's equipment on Customer's Premises, unless due to the willful default or negligence on the part of Company.
- 14.5. Customer shall not make any internal or external adjustment to or otherwise interfere with or break the locks or security seals of meters or any other Company owned equipment ("Company Property") installed on Customer's Premise, and Customer shall insure that no one except employees or agents of the Company do so. Customer shall provide and maintain suitable protective devices on Customer property to prevent any loss, injury, or damage that might result from a gas leak or any other fluctuation or irregularity in the supply of gas to Customer's premises. The Company shall not be liable for any loss, injury, or damage resulting from gas pressure fluctuations or irregularity in the supply of energy gas which could have been prevented by the use of such protective devices. In the event of loss or damage to the Company's personal property, including Company Property, through willful misconduct, misuse, or negligence on the part of Customer or its employees, agents or representatives, Customer shall be liable and shall pay to the Company the cost of the necessary repairs or replacement of Company Property. The Company shall not be liable for any injury to any person, including the loss of life, to the extent caused by willful misconduct, misuse or negligence on the part of Customer or its employees, agents or representatives. Customer shall indemnify and hold harmless Company from and against all claims, liability, damages, losses, fines, penalties and expenses based on any injury to any person, including the loss of life, or damage to any property, including the loss of use thereof, to the extent arising out of, resulting from or connected with, or that may be alleged to have arisen out of, resulted from, or connected with, willful misconduct, misuse or negligence on the part of Customer or its employees, agents or representatives.

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**15. GAS COST INCENTIVE MECHANISM**

The Company will adjust the Gas Cost Adjustment factors for billing purposes by the effect of the application of the Gas Cost Incentive Mechanism most recently approved in Cause No. 44081.

The Gas Cost Incentive Mechanism rewards and/or penalizes the Company for its performance of gas supply acquisition when compared to a market standard (“Benchmark”).

The Benchmark shall incorporate a “Benchmark Price,” which (1) for daily purchases will be the mid-point average of the “Daily Pricing” as published in Gas Daily “Daily Price Survey, Daily Midpoint” and NGI’s “Daily Gas Price Index” natural gas commodity price applicable as of the date of purchase, and (2) for purchases designated as monthly will be the mid-point average of the month “FOM Pricing” as published Inside FERC and NGI Bidweek. These gas prices shall reflect the gas prices for the geographic locations representative of the supply basin/location where the gas was purchased and delivered to the primary and secondary receipt points of the Company’s transportation capacity. The “Benchmark Price” will be determined for each month (“FOM Pricing”) and each day (“Daily Pricing”) of the year.

The Benchmark Dollars are calculated by applying the Benchmark Prices from the indices to the actual units purchased within the geographic supply zones. The aggregated dollars are the Benchmark Dollars which will be compared to the Company’s actual gas commodity purchases on a monthly basis in order to determine the Company’s performance under the Gas Cost Incentive Mechanism. If the Company’s actual gas commodity purchase dollars are less than the Benchmark Dollars, a Positive Performance exists. If the Company’s actual gas commodity purchase dollars are greater than the Benchmark Dollars plus the Tolerance Band, a Negative Performance exists. Sharing of the dollar differences between the Company and the Customers will be as follows:

Negative Differential (Actual cost > Benchmark Price)

% of Benchmark Price <u>above Benchmark Price</u> >0%	% of Sharing <u>Customer</u> 50	% of Sharing Company 50
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Positive Differential (Actual cost < Benchmark Price)

% of Benchmark Price <u>above Benchmark Price</u> >0%	% of Sharing <u>Customer</u> 50	% of Sharing Company 50
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The Customers’ share of dollars as determined on a monthly basis will be included in the Gas Cost Adjustment calculations for Sales Customers.



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**16. CAPACITY RELEASE SHARING MECHANISM**

Revenues generated by releasing interstate pipeline capacity not assigned to Choice Suppliers on a recallable or non-recallable basis in the interstate market on a monthly basis shall be shared with 75% of such revenues credited to GCA customers through the GCA mechanism and 25% retained by NIPSCO. Revenues generated by releasing upstream capacity assigned to Choice Suppliers, but mitigated by Choice Suppliers, shall be shared with 85% of revenues generated by such releases being donated to a NIPSCO Care Plan-Universal Service Plan, and 15% retained by NIPSCO.

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**17. MISCELLANEOUS AND NON-RECURRING CHARGES**

17.1 Reconnection Charges

Whenever the service has been turned off by the Company in accordance with Rule 12, a charge will be made by the Company to cover the cost of reconnection of service, which charge shall be as follows:

- |  |          |
|--|----------|
| A. Reconnect during normal working hours<br>(8:00 AM to 5:00 PM C.C.T.)        | \$90.00  |
| B. Reconnect after normal working hours<br>(Monday through Friday)<br>Saturday | \$110.00 |
| C. Reconnect on Sunday and Holidays  | \$130.00 |

17.2 Non-Sufficient Funds

A charge of \$20.00 to reimburse the Company for its cost incident to Non-Sufficient Funds will be assessed.

17.3 After Hours / Same Day Charge.

If Customer requests that gas service be initially connected, reconnected or disconnected outside of normal business hours or on the same day the request is submitted, Customer shall be charged an After Hours / Same Day Charge of \$75.00 in addition to any other applicable charges for each connection, reconnection or Disconnection.

17.4 Trip Charge.

If Customer schedules an appointment in association with a service request, and the Company's serviceman is not able to gain access to Company's facilities due to the absence of the Customer, the Customer shall be charged a Trip Charge in the amount of \$55.00 at the time an appointment is rescheduled by the Customer.

17.5 AMR Opt-Out Charge.

If Customer does not permit Company to install a meter employing AMR on Customer's Premise, Company shall charge Customer a monthly AMR Opt-Out Charge of \$15 per service location each month to recognize the cost of manually reading the meter. Customers receiving both Gas and Electric service will receive one \$15 charge per service location each month. The charge shall cease to be applied once an AMR meter is installed and Company receives the first automatic reading from the meter. If Customer already has an AMR meter, Company will not replace it with a non-AMR meter at Customer's request. In the event that a non-AMR fails, Company will replace it with an AMR meter.

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**GENERAL RULES AND REGULATIONS**  
**Applicable to Gas Service**

**17. MISCELLANEOUS AND NON-RECURRING CHARGES (Continued)**

A Customer who does not permit installation includes a Customer who communicates to the Company that AMR installation is refused; does not timely respond to the Company's request to schedule an AMR meter installation; fails to complete the installation appointment; or otherwise does not allow the Company to use AMR for the Customer's service. A Customer who misses an AMR installation appointment will also be subject to the Trip Charge under Rules 9.6 and 17.4.

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