

**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:

- 1.1 Applicant. Any new customer requesting a new or current customer changing existing Rate Schedules.
- 1.2 Advanced Metering Infrastructure (AMI). The hardware, equipment, and information technology used to enable two-way communication between Company and Customer's gas service metering device to automatically collect consumption and status data and transfer that data to a central database for billing, troubleshooting, and analysis.
- 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.

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**1. DEFINITIONS (Continued)**

- 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.
- 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 Gas Standards. The Gas Quality Specifications in Rule 18 below.
- 1.18 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.
- 1.19 Critical Overtake Day. See Rider 231 – Critical Undertake Day or Critical Overtake Day Penalty.
- 1.20 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.
- 1.21 Critical Undertake Day. See Rider 231 – Critical Undertake Day or Critical Overtake Day Penalty.
- 1.22 Curtailment. The reduction of a Customer's delivery at the request of the Company pursuant to the Tariff.
- 1.23 Curtailment Threshold. The daily gas usage level that a Customer shall not exceed.
- 1.24 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.
- 1.25 Customer Charge. The dollar amount set forth in each Rate Schedule.

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**1. DEFINITIONS (Continued)**

- 1.26 Days. Unless otherwise noted, “days” means calendar days.
- 1.27 Delinquent Bill. A Customer Bill that has remained unpaid for the period set forth in 170 IAC 5-1-13.
- 1.28 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.
- 1.29 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.
- 1.30 Disconnection. The termination or discontinuance of gas service.
- 1.31 Distribution Charge. The portion of a Customer’s Bill based on the Customer’s per unit Therm consumption under the applicable Rate Schedule.
- 1.32 Dwelling Unit. A residential living quarter.
- 1.33 FERC. Federal Energy Regulatory Commission, or its successor.
- 1.34 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.
- 1.35 Gas Day. A period of 24 consecutive hours beginning at 8:00 AM Central Standard Time.
- 1.36 General Service. Service provided to a Non-Residential Customer.
- 1.37 Gross Margin. Revenues minus cost of gas.
- 1.38 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.
- 1.39 Industrial Customer. Any Customer who is engaged primarily in a process that creates or changes raw or unfinished materials into another form or product.
- 1.40 Interruption. The reduction of a Customer’s usage at the request of the Company pursuant to the Company’s Tariff.

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**1. DEFINITIONS (Continued)**

- 1.41 Island Customer. A Customer located in the area served by the Company where there is only one supplying pipeline.
- 1.42 IURC Rules. Rules and regulations for gas utilities promulgated by the IURC, codified in Title 170 of the Indiana Administrative Code (IAC), Article 5.
- 1.43 Living Quarters. Hotels, motels, dormitories and similar dwelling places.
- 1.44 Maximum Allowable Delivery Factor. The Company determined uniform percent reduction applicable to all Choice Suppliers electing the Base Load Option for forecasting.
- 1.45 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.
- 1.46 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 228 or Rate 238 or Supplier Choice Customers under Rider 280 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 228 or Rate 238, or for Supplier Choice Customers under Rider 280.
- 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)**

- 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 215 – 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 211 – 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 211 – 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 221.

**5.9 Transportation and Sales Service**

Any Customer not served under Rider 280 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 extension of lines and services for Residential Customers shall be equal to the prescribed Present Value of incremental Gross Margin as estimated by the Company for a period of six (6) years, which shall not in any event be less than \$1,800, for each residential meter. “Margin Credits” for Non-Residential Customers shall be equal to the Present Value of incremental 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 a service line 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 Margin Credits 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 the prescribed Present Value of incremental Gross Margin as estimated by the Company for a period of six (6) years. 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.
- 6.3.3.2.1 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 a service line 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 Margin Credits 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 Company's authorized agent is dangerous, or is otherwise inaccessible to the Company's authorized agent or presents an unsafe condition; and (b) has not been read by the Company's authorized agent 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 Curtailment of Service**

Prior to issuing a Curtailment 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 curtailment 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 Curtailment 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 Curtailment 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 Curtailment Without Regard to Priority**

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

**13.4 Curtailment of Customer's Gas**

The Company shall reimburse Customer for the gas used by reason of the Curtailment 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 270 – 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 230, 234A, and 240, and Riders 242A, 247, and 248 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 228 and 238 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. Penalty charges assessed will be credited to customers under Rider 270 – Gas Cost Adjustment (GCA) Rider.

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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. Penalty charges assessed will be credited to customers under Rider 270 – Gas Cost Adjustment (GCA) Rider.

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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 above Benchmark Price	% of Sharing Customer	% of Sharing Company
>0%	50	50

Positive Differential (Actual cost < Benchmark Price)

% of Benchmark Price above Benchmark Price	% of Sharing Customer	% of Sharing Company
>0%	50	50

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.

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17.5 AMI Self-Read Charge.

Customers may enroll in AMI Self-Read as described below, which is available only to eligible Customers taking Residential gas service. To be eligible, Customer shall have no documented instances of known unauthorized use, theft, or fraud and zero instances of documented threats of violence toward Company employees or its agents. Company may refuse to provide Self-Read service, as described below, if such service creates a safety hazard to Customer, its Premise, the public, or the Company's personnel or facilities or Customer does not allow Company's employees or agents access to the meter at Customer's Premise for maintenance, connection/disconnection, meter reading, or any other utility need.

A Customer who does not permit AMI installation includes a Customer who: communicates to the Company that AMI installation is refused; does not timely respond to the Company's request to schedule an AMI installation; fails to complete the installation appointment; or otherwise does not allow the Company to use AMI for the Customer's service. By failing to permit AMI installation, Company will follow disconnection procedures set forth in Rule 12 of NIPSCO's Gas Tariff and approved by the Commission. A Customer who misses a Company AMI installation appointment will also be subject to the Trip Charge under Rules 9.6 and 17.4.

Customer may not retain a gas AMR metering device. If Customer chooses AMI Self Read as described below, Company will install a gas AMI device with communications capabilities turned off and Customer will then be required to provide self-read usage from the AMI device, subject to conditions described below ("Self-Read"), and Company shall charge Customer a recurring monthly AMI Self-Read Charge of \$7.00. The AMI Self-Read charge shall cease on the customer's next bill once a gas AMI device is set to standard AMI mode and Company receives the first over the air reading from the gas AMI device.

Customers receiving both Self-Read Gas AMI service and Electric AMI opt-out service will incur one \$7.00 Charge per service location each month. Customers who are currently Gas AMR Opt-Out will continue to be charged \$15.00 per month until an AMI device is installed, at which point the charge will drop to \$7.00 per month for customers who opt for Self-Read Gas AMI service.

By opting to Self-Read, Customer accepts the responsibility to provide accurate and timely readings to Company. To confirm accuracy of the Self-Read device readings, Company shall perform one annual, in-person meter reading and shall true-up billings as necessary ("Annual Audit"). If Customer's self-read usage deviates by greater than 5% of the amount recorded at the Annual Audit, Customer will be removed from AMI Self-Read program and moved into standard Gas AMI service with no monthly recurring Self-Read Charge. If Customer fails to provide a timely device self-read three times in a rolling twelve-month period, Customer will be removed from AMI Self-Read program and moved into standard Gas AMI service with no monthly recurring Self-Read Charge.

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**17.6    Gas Interconnection Application and Interconnection Study Charge.**

If Customer or Applicant requires a new point of interconnection between NIPSCO's gas distribution facilities and the Customer facilities for purposes of accepting deliveries of gas from Customer's facilities, the Customer shall pay \$100.00 per hour gas interconnection study charge for any engineering work performed over ten hours. The gas interconnection study charge will determine the costs for any improvements, upgrades, or new facilities to be constructed by Company to facilitate the interconnection of the customer facilities with the Company. The costs of additional facilities in order to accommodate the interconnection of the Customer facility shall be the responsibility of the Customer.

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**18. GAS SUPPLY GAS QUALITY SPECIFICATIONS**

Effective Date: 09/01/2021	<b>Gas Supply Gas Quality Specifications</b>	Standard Number: <b>GS 2910.010</b>
Supersedes: 07/01/2014		Page 1 of 11

**REFERENCE** AGA Report 4A, “Natural Gas Contract Measurement and Quality Clauses”  
AGA NGC+: White Paper on Natural Gas Interchangeability and Non-Combustion End Use;  
AGA Bulletin #36  
Interconnect Guide for Renewable Natural Gas (RNG) in New York State, August 2019, Northeast Gas Association & Gas Technology Institute

**18.1 General**

In the absence of overriding tariff specifications, contracts for gas purchased, transported, or exchanged shall conform to the following gas quality specification.

The gas quality specifications in this standard do not supersede specifications in existing or future Company tariffs or contracts. These specifications can be applied in the absence of tariff or contract specifications.

This standard does not apply to sources of internal supply, such as propane-air peak shaving and LNG plants.

**18.2 Gas Quality**

**18.2.1 Specification of Components**

The following Table 1 specifies the limits for components found in natural gas. The intent is that all criteria are met.

In Table 1, “Btu” means British thermal unit; “scf” means standard cubic foot; “MM” means one million; “CHDP” means cricondentherm hydrocarbon dew point; “ppmv” means parts per million by volume; and “ppbv” means parts per billion by volume.

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**18. GAS SUPPLY GAS QUALITY SPECIFICATIONS GAS STANDARD (Continued)**

**Table 1 – Gas Quality Minimum Considerations<sup>1</sup>**

Gas Quality Specification	Low	High
Heat Content (BTU/scf) <sup>2</sup>	967	1110
Wobbe Index	1287	1400
Water Vapor Content (lbs./MM scf)		<7
Product Gas Mercaptans (ppmv, does not include gasodorants)		<1
Hydrocarbon Dew Point, (°F) CHDP		15
Hydrogen Sulfide (grain/100 scf)		0.25
Total Sulfur (grain/100 scf)		20
Total Diluent Gases including the following individual constituent limits: Carbon Dioxide (CO <sub>2</sub> ) 2% max Nitrogen (N) 4% max Oxygen (O <sub>2</sub> ) 1% max Carbon Monoxide (CO) 2% max		5%
Hydrogen		0.3%
Total Bacteria <sup>3</sup> (If no filter installed, then limit is 6.4 x10 <sup>7</sup> per 100 SCF total bacteria)	Comm Free (≤0.2 microns)	
Mercury	Comm Free (<0.06 µg/m <sup>3</sup> )	
Other Volatile Metals (Lead)	Comm Free (<213 µg/m <sup>3</sup> )	
Siloxanes as Octamethylcyclotetrasiloxane <sup>4</sup>	Comm Free (<0.5 mg Si/m <sup>3</sup> )	
Ammonia	Comm Free (<10 ppmv)	
Non-Halogenated Semi-Volatile and Volatile Compounds	Comm Free (<500 ppmv)	
Halocarbons (total measured halocarbons) <sup>5</sup>	Comm Free (<3 ppmv)	
Aldehyde/Ketones	Aldehydes/Ketones must be at a level that does not unreasonably interfere with odorization of the Company's gas.	
PCB's/Pesticides	Comm Free (<1 ppbv)	

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**18. GAS SUPPLY GAS QUALITY SPECIFICATIONS GAS STANDARD (Continued)**

NOTES - TABLE 1:

1. For purposes of this standard "Commercially Free", or "Comm Free", is defined as "Not Detectable" relative to typical pipeline gas flowing at the interconnect location that results in Renewable Natural Gas (RNG) being compositionally equivalent to flowing supplies. The analytical method, associated detection threshold, and testing facility shall be determined by the Company. Periodic testing will be required where potential constituents of concern (COC) are reasonably expected.
2. Higher Heating Value is dry, @ 14.73 psia 60°F. This applies to both high and low Btu values.
3. An acceptable alternative to Total Bacteria testing would be to include installation of a 0.2 micron particulate filter, coupled with appropriate filter maintenance practices. Initial start-up testing may include filter effectiveness analysis. Site operator shall be responsible for all costs associated with acceptable alternatives, including but not limited to initial start-up testing.
4. Historical testing and data presented in this document include a siloxane detection threshold of <0.5mg Si/m<sup>3</sup>. Analytical methods have recently been improved resulting in a reduced detection threshold of < 0.1mgSi/m<sup>3</sup>. Due to specific limitations of certain identified applications within an affected zone of influence, an operator and developer may consider the reduced threshold.
5. Company may refuse to accept gas containing lower levels of halocarbons if Company reasonably determines that such gas is causing harm to its facilities or the gas-burning equipment of its customers, or is adversely affecting the operation of such facilities. In addition, Company and Supplier may agree upon a different specification for halocarbons, provided that (1) Supplier has delivered RNG to Company for a period of at least five years prior to the effective date of this section, and (2) Supplier has demonstrated, to the reasonable satisfaction of Company, that RNG meeting the agreed-upon specification will not adversely affect (a) the quality of public utility service provided by Company; (b) the operation of Company's equipment; or (c) the operation of the gas-burning equipment of Company's customers.

The Total Heating Value of the gas shall be determined by taking samples of the gas at the point(s) of receipt at such reasonable times as may be designated by the Company. The Btu content per cubic foot of gas shall be determined by an accepted type of calorimeter or other suitable instrument for a cubic foot of gas at a temperature of sixty (60) degrees Fahrenheit when saturated with water vapor and at a pressure of 14.73 psia. The Btu determination designated by the Company shall be made by the Company at its expense. Any additional Btu determinations requested by the Supplier shall be at the Supplier's expense.

The Company may, on a not-unduly discriminatory basis, accept volumes of gas, including Renewable Natural Gas (RNG), that fail to meet the quality specifications set forth in this Statement, if the Company determines that it can do so without adversely affecting (1) system operations; (2) the operation of the Company's equipment; (3) the operation of gas-burning equipment of Company's other customers; or (4) the quality of public utility service provided by the Company. In deciding whether to accept such volumes of gas, the Company shall consider, without limitation, (1) which specifications are not being met; (2) the sensitivity of customer equipment and potential impact on such equipment; (3) the Supplier's plan to improve gas quality; (4) the effect on system supply; (5) interchangeability; (6) the anticipated duration of the quality deviation; and (7) the blending ratio between geological natural gas and RNG in the area of the Company's distribution system where RNG is being injected.

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**18. GAS SUPPLY GAS QUALITY SPECIFICATIONS GAS STANDARD (Continued)**

The Company shall not be obligated to accept gas which it reasonably believes may adversely affect the standard of public utility service offered by the Company, or gas which it reasonably believes may adversely affect the operation of its equipment or the gas-burning equipment of its customers.

If any gas delivered hereunder fails to meet the quality specifications set forth in this section, the Company may, at any time, elect to refuse to accept all or any portions of such gas until the Supplier brings the gas into conformity with such specifications. If a Supplier has more than one source of supply into the Company's system, each source will be independently evaluated to determine if it meets the required specifications.

**18.2.2 Gas Quality Testing**

Gas delivered to the Company must be monitored to ensure it meets the quality specifications set forth in Section 18.2.1 "Specification of Components". For geological gas, the primary concern will be Water Vapor, Heat Content and Hydrogen Sulfide. Renewable Natural Gas shall be continuously monitored for certain items, based on the source of the gas.

Constituents that are not monitored using currently available technology shall be tested in a laboratory initially at the Company's expense, and as necessary thereafter at the Supplier's expense. If the quality of the gas, based on a laboratory test, does not meet the standards in Section 18.2.1 "Specification of Components", the gas must be tested in a laboratory monthly, at the Supplier's expense, until the gas meets the standards in that section for three consecutive months or the Supplier otherwise demonstrates to the Company, in the Company's reasonable discretion, that it has remediated the constituent deficiency. Such tests shall include only the test method or methods that tests for the specific standard or standards that were not met, but the Company may consider any results provided by such test method(s). Company may, at its option, require the Customer to install automatic shutoff devices, at the Supplier's expense to prevent gas that fails to meet the quality specifications set forth in Section 18.2.1 from entering the Company's pipeline system.

**18.2.3 Gas Temperature**

Excessively high or low gas temperature can be detrimental to the piping system and its equipment. High gas temperatures can contribute to steel pipe stress corrosion cracking. It also de-rates the maximum pressures of flanges and components if over 100 degrees F. There is a similar effect on plastic pipe as the temperature used to determine its design pressure is normally 73 degrees F. High temperatures can be generated by compressors or piping exposed to solar radiation.

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**18. GAS SUPPLY GAS QUALITY SPECIFICATIONS GAS STANDARD (Continued)**

Cold temperatures cause piping and components to be more brittle and fail from cracking. Gas Temperatures must not be below -20 degrees F.

**18.2.4 Interchangeability**

Gas Interchangeability is defined as the ability to substitute one gaseous fuel for another in a combustion application without materially changing operational safety, efficiency, or performance, or materially increasing air pollutant emissions.

Interchangeability is described in technically based quantitative measures, such as indices, that have demonstrated broad application to end-uses, and can be applied to either end-users or individual suppliers.

The Wobbe index (Utilization Factor) is one interchangeability indication of a gas' ability to pass through a burner orifice and generate heat by combustion. The factor is determined by:

$$UF = \frac{HV}{\sqrt{SG}}$$

Where:

UF = Wobbe index (Utilization Factor)  
HV = Heating Value [Btu's / 1,000 cu. ft.]  
SG = Specific gravity of the gas (air = 1.0)

The Wobbe index must be within a range of 1287 to 1400. It is not intended that the gas supply vary by this range, but that a burner can be adjusted for proper combustion if the Wobbe index is within the range.

Additionally, a further analysis can be completed for gas interchangeability to check indices of yellow-tipping, flame lift-off, and flash-back. This analysis will compare the substitute gas with the specific reference gas in the system.

**18.3 Renewable Natural Gas (RNG)**

Non-traditional sources of methane gas for end-use are mainly produced by bacterial breakdown of biomass/biowaste to create "biogas". This biogas must be conditioned by removing harmful and undesirable components, producing a "biomethane" a.k.a. Renewable Natural Gas (RNG), before it can be injected into the natural gas system for delivery. The conditioning of non-traditional, alternate gas sources requires safeguards and for the Company to closely monitor the end product prior to it entering the distribution system. The specific source of the RNG might dictate additional measures in monitoring the end-gas quality.

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**18. GAS SUPPLY GAS QUALITY SPECIFICATIONS GAS STANDARD (Continued)**

Some sources of RNG, include the following.

- a. Landfills – methane gas produced from anaerobic bacteria.
- b. Manure digester (e.g., dairy farms).
- c. Other biomass (e.g., waste water treatment).

**18.3.1 Evaluation of Gas Supply**

When the Company is contacted by a Supplier to accept an alternate gas source (biomethane a.k.a. RNG), Field Engineering, Design Engineering, Gas Systems Planning and New Business, shall coordinate the activities to evaluate the supply volume and location of the proposed source, determine a viable injection site into the Company's pipeline system and complete a gas component list and an estimate for a testing, odorizing, metering and regulating station to be used in an agreement to be presented to the Supplier.

It is incumbent on the Supplier to insure the gas will meet the Quality Specifications listed in Table 1 once the RNG processing plant and after the new station has been commissioned. The gas source considered for new potential supply, shall have an initial gas analysis to determine their acceptability based on the specifications listed in Table 1 prior to being permitted into the Company's pipeline system.

If the RNG sample does not meet the specification, the Company's Manager Field Engineering or designee may further evaluate acceptance based on additional considerations, such as the following.

- a. Which quality item is not being met.
- b. Company's customer equipment sensitivity and potential impact.
- c. Supplier's plan to improve the RNG quality.
- d. Effect on the system supply.
- e. Interchangeability.
- f. Anticipated duration of quality deviation.

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**18. GAS SUPPLY GAS QUALITY SPECIFICATIONS GAS STANDARD (Continued)**

The Supplier's provided gas sample can be reviewed for initial evaluation, but the Company shall acquire its own sample and use its own testing laboratories for final determination of acceptance.

**18.3.2 System Considerations**

It is important for the Company's distribution system design to consider the alternate gas source as a supplement to the system. An upset of the biogas supply or conditioning system may trigger safeguards that immediately terminate the supply into the Company's distribution system. Therefore, the Company should not rely on RNG to maintain service to customers.

**18.3.2.1 System/Supply Planning**

Unless otherwise approved by the Manager Field Engineering or designee, the alternate RNG source is to enter the Company's system at a point having significant flow to blend with the natural gas. Typically the point of receipt for RNG will have to be into a high flow transmission or other arterial pipeline. This strategy will minimize the RNG's effect on customers' utilization equipment.

The resultant gas mixture should be monitored to record the actual heating value and Wobbe index based on the contribution of each gas. It follows that end-of-line feeds and systems where the alternate gas source would dominate the flow into it should be avoided, but if they can't, gas interchangeability should be closely checked.

The Company's Gas Systems Planning group shall be consulted to provide entry point details from modeled simulations. Properties from initial gas samples, such as specific gravity, should be provided to the group to prepare the models.

The Company's system pressure must also be considered as these alternate sources require compression to at least the level of the system. The greater the compression to higher pressures, the more likely it is that increased operation and maintenance work will be required by the Supplier, resulting in a less reliable supply.

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**18. GAS SUPPLY GAS QUALITY SPECIFICATIONS GAS STANDARD (Continued)**

**18.3.2.2 Customer Supply Sensitivity**

When considering receipt of the alternate gas source, the effect of the supply on downstream customers' equipment should be examined. Some utilization equipment, such as boilers and burners for certain processes, can handle changes in gas heating value and specific gravity better than other equipment. For example, typical residential heating equipment may not tolerate diverse gas quality, and the result may be incomplete combustion or flame lifting. Contact should be made with customers having unique equipment/processes to inquire about their equipment's specifications. Processes involving precise heating (e.g., glass factories or paint drying booths) are sensitive to the gas heating value. Also, customers that burn more than a certain amount of natural gas must maintain air-quality permits, which are directly affected by the gas quality.

**18.3.2.3 Interchangeability with System Gas**

An important consideration is how the RNG gas burns in comparison to the current system's natural gas in the distribution system, called interchangeability. The two gases must not be so different that their varying mixture would cause problems in end-use equipment. Interchangeability qualities to consider are the Wobbe index and indices of burner yellow-tipping, lift-off, and flashback (see AGA Bulletin #36).

If the RNG is not within the interchangeability parameters, the site operator may be required to further remove constituents or to enrich the supply. The site operator's further measures, such as an enrichment process, may prompt additional monitoring to be installed by the site operator, and subsequently checked by the Company.

**18.3.2.4 Specific Source Considerations**

While the Supplier is required to provide gas that meets the Company's standards, specific sources will have different impacts on the Company's systems in the event of a site's malfunction of equipment safeguards. In addition, there are different types of gas conditioning that affect the ability to remove the undesirable constituents.

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**18. GAS SUPPLY GAS QUALITY SPECIFICATIONS GAS STANDARD (Continued)**

**18.3.2.5 Landfills**

The normal composition of landfill biogas includes about 45% carbon dioxide (CO<sub>2</sub>). Removal of this component is critical to avoid combustion problems and internal steel pipe corrosion. Other known constituents that must be limited are siloxanes, hydrogen sulfide (H<sub>2</sub>S), volatile organic compounds (VOCs), halocarbon compounds (including, but not limited to, CFC 11, CFC 113, CFC 114, CFC 12, Tetrachloroethanes (perc from dry cleaning process)), heavy metals (lead, mercury), siloxanes, biologicals (APB – Acid producing Bacteria; SRB – Sulfate-reducing Bacteria; IOB – Iron-oxidizing Bacteria), the water content (H<sub>2</sub>O), nitrogen (N<sub>2</sub>), and oxygen (O<sub>2</sub>). Other constituents may be present, as indicated by the gas sample analysis. Each of these may require specific investigation and proactive measures.

**18.3.2.6 Dairy Farms**

The components of biogas from dairy farms that must be removed are CO<sub>2</sub> (35%), ammonia, H<sub>2</sub>S, and high water content. Anaerobic bacteria from the digester could be a component of the end gas if not completely removed. All of these components could be detrimental to a steel piping system and equipment. They could also cause utilization equipment combustion problems and pose health risks.

The biogas composition can widely vary with the biomass feedstock composition. Other ingredients can be added to the digester, such as plant waste, to change the biogas. Other constituents in the biogas can include copper sulfate siloxanes, biologicals (APB – Acid producing Bacteria; SRB – Sulfate-reducing Bacteria; IOB – Iron-oxidizing Bacteria), and antibiotics from the animal manure.

**18.3.2.7 Minimum Safeguards**

Due to harmful and/or undesirable components in unconditioned biogas, the Supplier shall employ certain safeguards to ensure these do not enter the natural gas system.

The conditioned biogas (RNG) must be continuously monitored for these components, and reactionary devices, such as automatic shut-off valves, must be employed to stop the biogas flow in the event that the conditioning equipment fails to perform adequately.

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**18. GAS SUPPLY GAS QUALITY SPECIFICATIONS GAS STANDARD (Continued)**

Constituents of concern (COC) that cannot be continuously monitored due to lack of current technology will be required to be tested in a laboratory a minimum of once per month, at the Company's sole discretion and at the Supplier's cost. Testing requirements will be specified in an agreement with the Supplier.

If new technology for continuous monitoring becomes available to measure the gas quality standard contained herein, the Supplier shall be required to install, at their cost, an additional continuous monitor system if the Company believes that gas quality variability can allow COC to enter the commercial gas stream. Any data gathered from the continuous monitoring system shall be provided to the Company.

The Company may also install continuous monitoring equipment, or utilize access to the Supplier's monitoring equipment, to determine when an abnormal condition exists at the site. Remotely operated valves can be used by the Company in the event the Supplier's safeguards fail. In addition, the Company may install corrosion monitoring, such as coupons or probes, for corrosive agents that may not be identified by typical gas quality monitoring equipment.

If manually monitoring the site, the frequency should initially be no less than quarterly basis until experience shows that less frequent monitoring is justified.

**18.3.2.8 Acceptance of Supply Source**

Upon review of the Company's initial gas sample analysis and specific source and system conditions, the Manager Field Engineering, or their designee, shall decide on the ability to accept the supply.

If it is decided to accept the alternate gas source, the details of the decision shall be documented and Energy Supply and Optimization shall be notified to execute a contract with the Supplier. The Supplier shall also be notified of the decision. Specific equipment, such as a chromatograph or gravitometer, may be required to constantly record the RNG and/or blended gas properties, and shall be installed at the Supplier's cost.

If the supply cannot be accepted, then the decision shall be documented and the Supplier notified as to the reasons.

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**18. GAS SUPPLY GAS QUALITY SPECIFICATIONS GAS STANDARD (Continued)**

The performance of the alternate gas source operation shall be monitored to ensure compliance. Any injection of the raw biogas into the Company's system will result in immediate termination of the supply. Frequent disturbances shall prompt a complete review of the site's operations to ensure safeguards are performing as required, and to obtain assurance from the Supplier that problems are promptly corrected.

**18.4 Remediation.**

The following remedial actions shall be completed by M&R/GM&T when gas supplies do not meet the limits in Section 18.2. At no time will NiSource accept gas with toxic or hazardous substances. These supplies shall be shut off.

1. Call and inform the Supplier of the situation.
2. Request the Supplier to remedy the situation.
3. Inform the Supplier the expectations of the time frame allowed for remediation. If the situation warrants, the supply may be shut off immediately.
4. Inform the Supplier that if remediation has not been completed by the allowed time frame, then shut off of the supply will be considered.
5. While the Supplier attempts to remedy the situation, gather information pertaining to operation issues with the current supply. Involve Field Engineering and local Corrosion personnel to consider operational issues such as: internal corrosion; pressure regulation downstream of supply point; amount of pressure drop before supply reaches customers; heaters at regulator downstream of supply point; and regulator or meter distance downstream of supply point. There may be no operation issues.
6. Determine if the situation is detrimental to pipeline operations, corrosion, measurement operation and regulator operations. Discuss the situation with Operating Center Managers, System O&M Managers, and Field Engineers.
7. Determine if shutting off gas supplies will limit gas supply to NiSource customers.
8. Shut off Supplier if supply can be shut off without limiting the supply to NiSource customers and the Supplier has not remedied the situation.

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

**18. GAS SUPPLY GAS QUALITY SPECIFICATIONS GAS STANDARD (Continued)**

Increased monitoring of facilities may be required if supply cannot be shut off and the issues have not been resolved.

**18.5 Returning Supply to Service**

When a Supplier requests to be turned back on after being shut off due to not meeting the gas quality specification, the Supplier shall provide documentation that the gas meets the required Gas Quality specifications. The Company shall then perform tests to insure the gas now meets the Gas Quality specifications, and shall be completed by field personnel with input from local Corrosion personnel and Field Engineering. The cost of the tests, if any, shall be borne by the Supplier.

**18.6 Records**

All records of gas analyses shall be retained in WMS Docs (infrastructure records) or NiDocs. The group initiating the tests shall ensure that the records are properly retained.

All records retained for this standard shall be kept for the life of the pipeline system the gas enters.