

**RIDER 289**  
**PIPELINE BURNER TIP BALANCING RIDER**

Sheet No. 1 of 5

**TO WHOM AVAILABLE**

Available to Rate 228 “Category A” Customers receiving gas service from the Company whose gas requirements during the most recent calendar year average at least 3,000 Dth per day and have the propensity for large changes in intraday usage as part of normal business operations.

In the event a new Customer’s load is expected to have large swings hour to hour and the Company is unable to balance the system without placing undue burden on existing balancing services, or in the case of an existing Customer if a material change in circumstance results in large swings hour to hour and the Company reasonably determines that it is unable to balance the system without placing undue burden on existing balancing services, the Company reserves the right to require customers to take balancing services under this Rider.

Customers taking service under this Rider shall enter into a mutually agreeable written agreement for the delivery by the Company of quantities of gas obtained by the Customer from a source other than the Company and delivered to the Company for the purposes of service under this Rider.

**CHARACTER OF SERVICE**

Service under this Rider shall be considered firm service. Customers shall make all necessary agreements and obtain all necessary regulatory or governmental certificates or approvals to enable the gas transported under this Rider to be delivered to the Company to at least one interconnecting point/nominating meter with an upstream pipeline (City Gate) provided the Company's contractual arrangements and facilities are physically adequate to transport the contracted volumes to the facilities of the Customer. However, an Island Customer is restricted for transportation service of deliveries on its one supplying pipeline. The following table shows the nominating meters with upstream pipelines by zone:

<b>NIPSCO Zone</b>	<b>Upstream Pipeline</b>	<b>Nominating Meter (City Gate)</b>
A – Northwest Zone	ANR Pipeline	4375 – Michigan City 138744 – Crown Point
A – Northwest Zone	Crossroads Pipeline	736908 – Griffith
A – Northwest Zone	Natural Gas Pipeline Company of America	909260 – NIPSCO CDP
A – Northwest Zone	Northern Border	115 – North Hayden
A – Northwest Zone	Trunkline Gas Company	TRKNI – NIPSCO
A – Northwest Zone	Vector Pipeline	CP151FE001SF – Crown Point
B – Southeast Zone	ANR Pipeline	40184 – Fort Wayne
B – Southeast Zone	Panhandle Eastern Pipeline Company	NIPS – NIPSCO
E – East Zone	Crossroads Pipeline	736908 – Butler

**Issued Date**  
**07/27/2022**

**Effective Date**  
**09/01/2022**



**RIDER 289**  
**PIPELINE BURNER TIP BALANCING RIDER**

Sheet No. 2 of 5

**CHARACTER OF SERVICE (Continued)**

The Company will be the sole determinant of pipeline City Gate capacity availability, such as a nomination cap and/or meter cap, for transport quantities of gas. The Company reserves the right to further restrict the availability of approved delivery points to certain customers based on system conditions. In the event Customers do not adhere to nomination and/or meter cap restrictions, Rider 231 may apply.

Gas transported by the Company for a Customer under this Rider shall be for the sole and exclusive benefit of such Customer and shall not be available for resale.

The Company will provide each Customer requesting service under this Rider with a list of pipelines that are operationally capable of providing Pipeline Burner Tip Balancing service to the Customer. Any Customer taking service under this Rider is required to sign an agreement for all or a portion of its supply to be provided via Pipeline Burner Tip Balancing service with an upstream interconnecting pipeline(s) (i.e., "Swing Pipeline(s)"). Such agreement will be of sufficient volume to accommodate operational changes beyond which the North American Energy Standards Board ("NAESB") nomination cycles can be used to balance supply and / or demand changes. Customer and upstream interconnecting pipeline(s) agree to provide the Company verification of their agreement which shall be for a minimum term of one year and Company must be provided sixty (60) days' prior written notice before changing the upstream interconnecting pipeline providing Pipeline Burner Tip Balancing service. At the sole discretion of the Company, the Customer may utilize multiple Swing Pipelines and the Customer will be required to provide an order of preference 10 calendar days prior to the calendar month of flow.

If Customer elects to deliver gas to the Company from a pipeline(s) other than the Swing Pipeline(s) (i.e. "Non-Swing Pipeline(s)"), such gas nominated from the Non-Swing Pipeline(s) will be considered first through the meter. On an hourly basis, any gas brought in from the Non-Swing Pipeline(s) exceeding the Customer usage shall be subject to an hourly No-Notice Undertake Gas Service price for that hour. See Rate 228 No-Notice Gas Undertake Service and applicable provisions and charges. If a Critical Undertake Day is declared, Rider 231 would apply.

Customers taking service under this Rider have the potential to adversely impact the quality of service to other Customers on the system and/or place the Company in a position of receiving a pipeline penalty if the gas taken from the interconnecting pipelines are erratic from hour to hour. Therefore, no later than two (2) hours before the beginning of the Gas Day, Customers under this Rider are required to provide the Company with an hourly flow schedule for the Gas Day. If during the day the Customer's hourly flow schedule changes by more than ten percent (10%) in any given hour the Customer shall provide a new hourly schedule for the remainder of the Gas Day. If the actual hourly performance of a Customer differs from the scheduled hourly flow such that, in the sole judgment of the Company, the Customer is adversely impacting the quality of service to other Customers or the Company, the Company shall provide the Customer with at least thirty (30) minutes' notice that the Company will commence limiting the flow at the Customer's facility to the scheduled volume. If the scheduled volume exceeds the actual volume after the commencement of flow control, the Customer will be subject to a No-Notice Gas Undertake Service

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**RIDER 289**  
**PIPELINE BURNER TIP BALANCING RIDER**

Sheet No. 3 of 5

**CHARACTER OF SERVICE (Continued)**

Charge. See Rate 228 No-Notice Gas Undertake Service and applicable provisions and charges. During a Critical Undertake Day, Rider 231 would apply.

The Swing Pipeline(s) selected by the Customer must be willing to agree to accept within three (3) hours after the completion of the Gas Day, the actual use (less the volumes delivered by Non-Swing Pipeline(s)) by the Customer as the allocated volume for that Customer at the City Gate, and that such agreement by the Swing Pipeline(s) will have no adverse impact on the daily transactions of the Company or any other Transportation Customer receiving gas from the Swing Pipeline(s). Therefore, the Swing Pipeline(s) must agree that all daily imbalances allocated to the Customer each day will be assigned to the Customer, or Customer's suppliers, transportation agreement(s) and not those of the Company. If such an agreement cannot be reached with the Swing Pipeline(s), the Customer will not be eligible for service under this Rider.

Gas delivered from the Swing Pipeline(s) for the use of the Pipeline Burner Tip Balancing service will be considered second through the meter of the Swing Pipeline(s). If for any reason during the course of the day a Customer takes more gas than scheduled and the Swing Pipeline(s) does not permit the Company to draw swing volumes, the Customer shall be notified to curtail to the volume able to be supplied by the Non-Swing and Swing Pipeline(s). If the Customer fails to reduce load, the Company shall have the right to utilize the flow control at the Customers delivery point to reduce the flow to the volume being supplied.

If Customer elects to deliver gas to the Company from a Non-Swing Pipeline(s), such gas nominated from the Non-Swing Pipeline(s) will be considered first through the meter and scheduled ratably to the Customer per NAESB guidelines. On an hourly basis, any gas brought in from the Non-Swing Pipeline(s) exceeding the Customer usage shall be subject to an hourly No-Notice Undertake Gas Service price for that hour. See Rate 228 No-Notice Gas Undertake Service and applicable provisions and charges. If a Critical Undertake Day is declared, Rider 231 may apply.

**AGREEMENT**

Any Customer requesting service under this Rider shall enter into a written agreement with the Company for an initial period of one (1) year, or such other period as shall be mutually agreeable to the parties, and such agreement shall continue from month to month thereafter unless canceled by either party giving to the other party sixty (60) days' prior written notice of the termination of such agreement at the end of the initial period or any monthly period thereafter.

**DELIVERY OF GAS BY THE COMPANY**

All gas delivered by the Company to a Customer under this Rider shall be subject to an unaccounted for gas adjustment set forth in Appendix E.

The Company will allow a Customer to change nominations daily. Daily changes in nominations must be supplied to the Company no later than the time required for such nominations by the delivering pipeline(s).

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**RIDER 289**  
**PIPELINE BURNER TIP BALANCING RIDER**

Sheet No. 4 of 5

**DELIVERY OF GAS BY THE COMPANY (Continued)**

The Company acknowledges that the volume of Customer-owned gas delivered to the Company in any day, as adjusted for unaccounted for gas, may not, due to operating conditions, equal the amount of gas consumed by the Customer in the same day. However, the Company requires all Customers to be administratively in balance on a daily basis utilizing the Pipeline Burner Tip Balancing service secured by the Customer with the Swing Pipeline(s).

**METERING AND CONTROL REQUIREMENTS**

As a condition of service under this Rider, the Company shall install flow control, remotely accessible hourly meter recording device, and necessary communication, which may include software, at the Customer's facility at the Customer's expense. The Customer and Swing Pipeline(s) agree that the hourly and daily measurement of gas usage provided by the Company shall represent the quantities of gas used by Customer. This volume shall be the basis of balancing provided by Swing Pipeline(s) and Non-Swing Pipeline(s) allocation.

**IMBALANCE NETTING OPTION**

Imbalance netting option will be available at the sole discretion of the Company.

**NO-NOTICE GAS UNDERTAKE SERVICE**

No-Notice Gas Undertake Service will be available to Customers under this Rider on the Non-Swing Pipeline(s).

The volume of undertake gas as measured on an hour by hour basis as compared to hourly usage will be charged the No-Notice Undertake Gas Service price for that day. See Rate 228 No-Notice Gas Undertake Service and applicable provisions and charges. If a Critical Undertake Day is declared, Rider 231 would apply.

No-Notice Undertake Gas Service prices are allocated to Customers through Rider 270 – Gas Cost Adjustment (GCA) Rider by means of purchasing gas at a discount to the respective index price.

**NOMINATED GAS OVERTAKE SERVICE**

A Customer may elect to take service under the Company's Nominated Gas Overtake Service. Such service shall be nominated to the Company within the required NAESB timely cycle, and shall be treated as Non-Swing Pipeline(s) volume. The Company, in any case, reserves the sole and exclusive right under this Rider to accept or reject nominations for Nominated Gas Overtake Service. All quantities of gas nominated by the Customer and delivered by the Company shall be considered taken by the Customer in the Gas Day requested by the Customer and accepted by the Company.

**Issued Date**  
**07/27/2022**

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**RIDER 289  
PIPELINE BURNER TIP BALANCING RIDER**

Sheet No. 5 of 5

**RATE**

The rates for this Rider are those included in the Rate provisions of Rate 228.

**RATE ADJUSTMENT**

This Rider is subject to the Riders identified in Appendix A.

**RULES AND REGULATIONS**

Service herein shall be subject to the Company Rules and IURC Rules.

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