

**RATE 452**  
**RATE FOR GAS SERVICE**  
**RENEWABLE GAS BALANCING SERVICE**

No. 1 of 6 Sheets

**TO WHOM AVAILABLE**

This Rate is available to Producers of Renewable Gas as those terms are defined herein that (a) are connected to the Company's natural gas system, and (b) certify in writing and demonstrate that their gas production will average at least 100 Dth but no more than an average of 5,000 Dth per day on a calendar year basis, unless otherwise agreed to by Company.

Eligible Producers electing service under this Rate shall enter into a mutually agreeable written contract for the balancing of the Producer's quantities of Renewable Gas delivered to Company's natural gas system for use by one of the following:

- Customer taking service under Rate 428 (Large Transportation and Balancing Service)
- Customer taking service under Rate 438 (General Transportation and Balancing Service)
- Imbalance Netting Pool Operator
- Choice Supplier taking service under Rate 445 (Supplier Aggregation Service)

The Customer shall be solely responsible for compliance with applicable federal laws and regulations.

**CHARACTER OF SERVICE**

Service under this Rate shall be for balancing service. The Delivery Point shall be the mutually agreed upon point of interconnection of the Producer's facilities to NIPSCO's transmission or distribution system. Renewable Gas delivered to the Company under this Rate shall be deliverable to and included in the daily nominations for any one of the following:

- Customer taking service under Rate 428 (Large Transportation and Balancing Service)
- Customer taking service under Rate 438 (General Transportation and Balancing Service)
- Imbalance Netting Pool Operator
- Choice Supplier taking service under Rate 445 (Supplier Aggregation Service)

The Producer shall deliver, and the eligible customer, Imbalance Netting Pool Operator or Choice Supplier shall receive within the same transportation zone.

During a Critical Period, the Company will have the right to restrict the availability of deliveries and receipts made under this Rate.

Service under this Rate is available on a best efforts basis, and the quantity of Renewable Gas the Company will accept from the Producer each day may be limited, and is dependent on (a) the Company's ability to physically accept deliveries at the Delivery Point each day; and (b) the Renewable Gas meeting all applicable NIPSCO standards.

**Effective 6/18/2014**



**RATE 452  
RATE FOR GAS SERVICE  
RENEWABLE GAS BALANCING SERVICE**

No. 2 of 6 Sheets

**BALANCING AND SCHEDULING**

Balancing and scheduling of Renewable Gas delivered by the Producer shall be in accordance with one of the following options chosen by the Producer in conjunction with its Contract with the Company. The Producer may alter its election of Option A or Option B to be effective on July 1 of each year upon written notification to the Company on or before June 1 of each year. If the Producer fails to provide written notice of a change in election by June 1 of any year, then the balancing option elected for the prior period shall remain in effect for the next 12 months.

**OPTION A - NOMINATED GAS DELIVERY**

Each Delivery Point will be balanced separately for each Producer.

Producer shall provide daily nomination by 11:30 a.m. Central Prevailing Time the day prior to the start of the gas day.

The daily imbalance is the difference between the nominated production volume and the actual produced volume as measured at the delivery point. If the actual produced volume exceeds the nominated production volume, an over-production occurs. If the actual produced volume is less than the nominated production volume, an under-production occurs.

**Provisions for Cash-Out of Daily Imbalances:**

The Producer shall use its best efforts to balance within plus or minus five percent (5%) (except during Critical Periods) on a daily basis its confirmed nominations of gas at the Producer's Delivery Point with its production at the same Delivery Point. Volume imbalances shall be subject to the daily charges provided herein.

**Daily Imbalances During Non-Critical Periods**

**For Under Production Imbalances** (the Producer's nominated volume is greater than its metered volume) the Producer will reimburse the Company at the rates below:

<b>Imbalance Level</b>	<b>Producer Reimburses Company</b>
-0% to -4.99%	100% of the Greater of Daily Index or First of Month Index
-5% to -9.99%	110% of the Greater of Daily Index or First of Month Index
-10% to -20%	120% of the Greater of Daily Index or First of Month Index
Under -20%	140% of the Greater of Daily Index or First of Month Index

Effective 6/18/2014



**RATE 452  
 RATE FOR GAS SERVICE  
 RENEWABLE GAS BALANCING SERVICE**

No. 3 of 6 Sheets

**OPTION A - NOMINATED GAS DELIVERY** (continued)

**For Over Production Imbalances** (the Producer’s nominated volume is less than its metered volume) the Company will reimburse the Producer at the rates below:

<b>Imbalance Level</b>	<b>Company Reimburses Producer</b>
+ 0% to 4.99%	100% of the Lesser of Daily Index or First of Month Index
+ 5% to 9.99%	90% of the Lesser of Daily Index or First of Month Index
+10% to 20%	80% of the Lesser of Daily Index or First of Month Index
Over + 20%	60% of the Lesser of Daily Index or First of Month Index

The Daily Index price shall be the prices posted under the table City Gate, Pooling Point Prices as published in Gas Daily. Zone A will be the daily price posted in “Gas Daily” daily Chicago City Gate Midpoint Price, and Zones B and E will be the daily price posted in “Gas Daily” daily MichCon City-gate Midpoint Price. In the event this posting is unavailable, Company will establish a new Daily Index price. The First of Month Index price shall be the “Prices of Spot Gas Delivered to Pipeline” for the first day of each Month appearing under the table “Upper Midwest” as published in the INSIDE FERC Gas Market Report. Zone A will be priced using Chicago City Gate index, and Zones B and E will be priced using the MichCon City-gate index.

**Daily Imbalances During Critical Periods**

**For Under Production Imbalances** (the Producer’s nominated volume is greater than its metered volume) the Producer will reimburse the Company at the rates below:

<b>Imbalance Level</b>	<b>Producer Reimburses Company</b>
-0% to -0.99%	100% of the Greater of Daily Index or First of Month Index
-1% to -4.99%	110% of the Greater of Daily Index or First of Month Index
-5% to -10%	120% of the Greater of Daily Index or First of Month Index
Under -10%	140% of the Greater of Daily Index or First of Month Index

Effective 4/1/2015



**RATE 452**  
**RATE FOR GAS SERVICE**  
**RENEWABLE GAS BALANCING SERVICE**

No. 4 of 6 Sheets

**OPTION A - NOMINATED GAS DELIVERY** (continued)

**For Over Production Imbalances** (the Producer's nominated volume is less than its metered volume) the Company will reimburse the Producer at the rates below:

<b>Imbalance Level</b>	<b>Company Reimburses Producer</b>
+ 0% to 0.99%	100% of the Lesser of Daily Index or First of Month Index
+ 1% to 4.99%	90% of the Lesser of Daily Index or First of Month Index
+ 5% to 10%	80% of the Lesser of Daily Index or First of Month Index
Over + 10%	60% of the Lesser of Daily Index or First of Month Index

In addition to the above charges, Producer will pay the greater of the applicable rates under Rider 431 (Commercial and Industrial Temporary Emergency Service Rider) or the allocated pipeline penalty charges.

The Company shall use reasonable efforts to notify Producers when a Critical Period is in effect on its system, as defined under Notification Period herein.

Should the Producer be in an imbalance during a Critical Period which is opposite the Company's imbalance during the Critical Period, the Producer shall be assessed as follows:

- (1) The greater of Daily Index or First of Month Index for all Under Delivery Imbalances; or
- (2) The greater of Daily Index or First of Month Index for all Over Delivery Imbalances.

The Daily Index price and the First of Month Index price shall be as defined above under Daily Imbalances during Non-Critical Periods.

**OPTION B – BEST EFFORTS NO NOTICE BALANCING**

The Company will on a best efforts basis take available deliveries into its system.

The contracted delivery party receiving this supply must accept the actual volumes produced as measured at the delivery point by the Producer and metered by the Company. This daily produced quantity shall be considered a daily city gate supply and included with the contracted transportation customer, Imbalance Netting Pool Operator or Choice Supplier under Supplier Aggregation Service total daily nominated supply for balancing under the balancing provisions as defined in the applicable tariff. If such an agreement has not been reached with the contracted delivery party, the Producer will not qualify for Option B service.

Effective 6/18/2014



**RATE 452  
RATE FOR GAS SERVICE  
RENEWABLE GAS BALANCING SERVICE**

No. 5 of 6 Sheets

**OPTION B – BEST EFFORTS NO NOTICE BALANCING (continued)**

Any Producer choosing Option B will be required to notify Company, in a written contract, which transportation customer, Imbalance Netting Pool Operator or Choice Supplier under Supplier Aggregation Service will be receiving the actual volumes delivered by the Producer and metered by the Company.

**RATE**

**Producer Charge – Option A and Option B**

\$350.00 per month

**Administrative Charge for Balancing Services – Option A Only**

\$1,325.00 per month

**METERING AND MONITORING REQUIREMENTS**

Producer shall have a daily meter recording device which will be installed by the Company at the Producer's expense. The Company may, on a non-discriminatory basis, require Producer to furnish access to a phone line.

**CONTRACT**

Any Producer requesting service hereunder shall enter into a written contract with the Company for an initial period of one (1) year, and such contract shall continue from month to month thereafter unless cancelled by either party giving to the other sixty (60) days' prior written notice of the termination of such contract at the end of the initial period or any monthly period thereafter.

**DEFINITIONS**

The term "**Critical Period**" shall be any time declared by the Company whenever any of the following conditions occurs or is anticipated to occur:

- (1) Any area of the Company's system is operating at or near design capacity which jeopardizes the operational integrity of all or a portion of the Company's system;
- (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, jeopardizes the operation of the Company's system;

Effective 6/18/2014



**RATE 452**  
**RATE FOR GAS SERVICE**  
**RENEWABLE GAS BALANCING SERVICE**

No. 6 of 6 Sheets

**DEFINITIONS** (continued)

- (4) The Company's transmission, storage, and supply resources are being used at or near their maximum rated deliverability; or
- (5) The Company's pipeline transporters or suppliers issue or declare an Operational Flow Order (OFO) or the equivalent of a Critical Period.

The term "**Notification Period**" shall mean the timeframe in which the Company shall notify the Qualifying Customer 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.

The term "**Operational Flow Order**" is an order declared by a transporting pipeline that increases the otherwise normal charges for failure to comply with specific operational constraints.

The term "**Producer**" shall mean a company or its agent that makes or processes Renewable Gas.

The term "**Renewable Gas**" shall mean 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.

**RULES AND REGULATIONS**

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

Effective 6/18/2014

