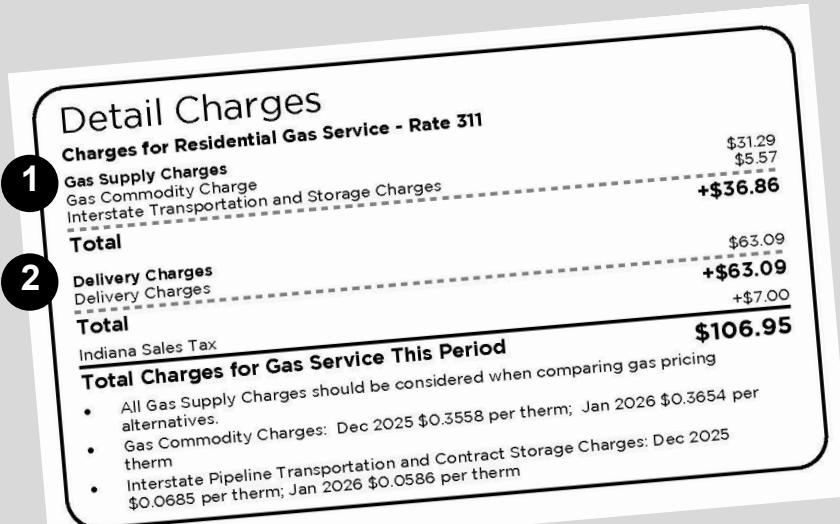


# OVERVIEW OF NIPSCO NATURAL GAS BILLS

NIPSCO is a regulated utility, meaning it does not set its own prices. Instead, all NIPSCO rates must be filed with and approved by the IURC following lengthy review. This review includes external groups who are involved to protect customers. **Customers do not pay for data center projects. Those costs are kept separate and charged directly to data centers.**

Below is a simple explanation of what you see on your gas bill and the components that make it up.



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## DELIVERY CHARGES

Delivery charges cover the cost to safely and reliably deliver natural gas from the pipeline to your home.

Delivery Charges include the following:

- Customer Charge and Distribution Charge:** These charges cover the cost of our infrastructure, which includes more than 18,000 miles of pipeline and seven interstate supply connections that safely and reliably deliver energy to your home. The charges also include the services we deliver, including 24/7 emergency response, customer safety services, system inspections, maintenance, repairs and leak surveys. These expenses and investments are necessary to ensure our natural gas system remains safe and reliable.

**Customer Charge:** This is a flat monthly charge that does not change with gas usage. This is the only fixed component of your bill.

**Distribution Charge:** This fee changes with the amount of natural gas you use each month. It pays for moving natural gas through local pipes to your home.

- Demand Variance and Commodity Variance:** We estimate natural gas use and natural gas prices ahead of time. There are times when the actual price and usage are different. These charges adjust for differences and can go up or down.
- Energy Efficiency Surcharge:** Pays for programs that help customers use less natural gas and save energy.
- Bad Debt Tracker:** This charge captures the cost of unpaid customer bills.
- Universal Service Rider:** This charge builds a bank to help our low-income families and provides assistance to low-income families during hard times.

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## GAS SUPPLY CHARGES

This is the cost of natural gas in your home and transported to Indiana before it reaches NIPSCO. NIPSCO does not profit from these charges. What we pay is what you pay. No markup. No extra fees.

- Gas Commodity Charge:** This is the cost of the natural gas itself. Natural gas prices change based on the market price.
- Interstate Transportation and Storage Charges:** Pays for moving natural gas through large pipelines to NIPSCO. It also pays for storing natural gas to be used when needed.

- System Upgrades (Transmission, Distribution, Storage and Gas Federally Mandated Costs):** Charges paid for replacing old pipes, fixing equipment, and meeting federally mandated safety rules. These help protect against leaks and natural gas outages.
- Refund:** Used to pass back any refunds NIPSCO has received and can pass back to our customers. This could include transportation costs NIPSCO pays on behalf of the customer.
- Weather Normalization Adjustment:** Because natural gas use depends heavily on how warm or cold the weather is, we make an adjustment to compare this season's weather to an average year. This helps ensure bills reflect what you would typically use in normal weather, no more and no less, so your charges stay consistent with weather conditions.

## FINAL THOUGHTS

Your bill includes:

- The natural gas you use.
- The cost to deliver natural gas safely and reliably.
- Programs that support safety and customers.



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