

GAS RATE NO. D40

COMMERCIAL DELIVERY SERVICE

APPLICABILITY:

This rate schedule applies to all Gas delivered in a Month or any portion thereof for cooking and/or water heating, and/or other commercial use by a single Customer through one Meter supplying a single Premise.

SPECIAL PROVISIONS:

Incorporated herein, and made part of this Gas Rate No. D40, are the Terms and Conditions for Gas Service, as amended from time to time. Capitalized terms used in this rate schedule are defined in the Terms and Conditions for Gas Service.

CUSTOMER CHARGE:

\$5.79 per Meter per Month

The total Customer Charge will be the sum of all applicable per Meter charges.

DELIVERY CHARGE:

\$0.3709 per Therm for the first 120 Therms delivered each Month

\$0.2688 per Therm for the next 380 Therms delivered each Month

\$0.2549 per Therm for all usage over 500 Therms delivered each Month

In addition, the applicable Normal Temperature Adjustment from Appendix D, Energy Efficiency Adjustment from Appendix E, and Regulatory Asset Amortization from Appendix F shall apply to all Therms delivered.

Automated Meter Reading Service charges apply, in accordance with Gas Rate No. A1.

Gas Rate No. D40 – Commercial Delivery Service (cont'd)

GAS SUPPLY:

This rate schedule and the above-stated charges or adjustments do not provide for a supply of Gas. Gas supply is available from the Company through Variable-Rate Gas Supply Service, under Gas Rate No. S1.

When eligible under the Transportation Program, Customers may also choose to purchase gas supply from a 3rd Party Supplier.

Customers choosing not to make a gas supply selection, either from the Company or from a 3rd Party Supplier, will receive Variable-Rate Supply Service under Gas Rate No. S1.

GAS SUPPLY FROM 3RD PARTY SUPPLIERS:

Customers may, when eligible under the Transportation Program, choose a 3rd Party Supplier to furnish a supply of Gas in accordance with the Company's requirements. It is the Customer's responsibility to ensure that the 3rd Party Supplier delivers the directed proportion of gas supplies at delivery points designated by the Company.

The Company also reserves the right to bill the Customer at appropriate Gas Supply Service rates for Gas consumed in excess of Gas Supply Deliveries, following cessation of any agreement with a 3rd Party Supplier.

Following expiration of their contracts with 3rd Party Suppliers, and with appropriate notice, as described in the accompanying Terms and Conditions for Gas Service, Customers may choose to purchase gas supply from the Company under Gas Rate No. S1, with the Company's approval.

Customers who switch from Company Gas Supply Service, switch 3rd Party Suppliers, or return to Company Gas Supply Service will be subject to Switching Charges, under Gas Rate No. A1.

GAS IMBALANCE PROVISIONS:

Delivery Imbalances for Supplier Groups, arising from differences in the level of Daily Gas Supply Nominations compared to the level of Daily Gas Supply Deliveries to the Company's gas system, will be monitored on a daily basis and accumulated monthly for all Customers of a 3rd Party Supplier, in a Supplier Group. Charges for all Delivery Imbalances will be billed, at Month end, to 3rd Party Suppliers through Non-Performance Charges, under Gas Rate No. A1.

Gas Rate No. D40 – Commercial Delivery Service (cont'd)

Usage Imbalances for Supplier Groups, arising from differences in the level of accumulated Daily Gas Supply Deliveries compared to the level of Gas consumed by Customers in the Supplier Group, will be monitored, combined and netted, on a monthly basis. Unless an Operational Flow Order is issued, all monthly net Usage Imbalances will be charged, at Month end, to 3rd Party Suppliers through Usage Balancing Service, under Gas Rate No. A3. In the event of an Operational Flow Order, monthly net Usage Imbalances will be charged, at Month end, to 3rd Party Suppliers through Non-Performance Charges, under Gas Rate No. A1.

SUPPLY OF LAST RESORT:

If the 3rd Party Supplier defaults, (as indicated by its failure to nominate and/or deliver gas supplies for three consecutive days) beginning with the fourth day following default, Customers who have contracted for gas supply services from 3rd Party Suppliers, will have access to Supply of Last Resort Service from the Company, under Gas Rate No. S2 if available. Supply of Last Resort Service, if available, will be provided until the first day of the Customer's next billing cycle, at which time Variable Rate Gas Supply Service, under Gas Rate No. S1, will apply for a minimum of one billing cycle, subject to the Company's discretion. If Customers do not have Automated Meter Reading devices, usage applicable to Supply of Last Resort Service will be prorated. A Switching Charge will be assessed, pursuant to Gas Rate No. A1, on the first day of the next billing cycle.

NOMINATIONS:

3rd Party Suppliers of Customers in a Supplier Group, will be required to provide an estimate of Daily Gas Supply Nominations for the following Month to the Company by the required date, as stated in the Terms and Conditions for Gas Service, prior to the beginning of the Month. 3rd Party Suppliers of Customers in a Supplier Group also will be required to provide Daily Gas Supply Nominations to the Company, as stated in the Terms and Conditions for Gas Service. The Company retains the right to refuse Daily Gas Supply Nominations that vary significantly from the estimated daily nomination previously provided to the Company.

NON-ECONOMIC OPERATIONAL FLOW ORDER:

The Company, in its discretion, shall have the right to issue a Non-Economic Operational Flow Order in accordance with the provisions stated in the Terms and Conditions for Gas Service. If a Non-Economic OFO is declared, the Company will notify the affected 3rd Party Suppliers in accordance with the Non-Economic Operational Flow Order procedures stated in the Terms and Conditions for Gas Service. 3rd Party Suppliers who do not comply with the Non-Economic Operational Flow Order, will be subject to Non-Performance Charges, under Gas Rate No. A1.

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ECONOMIC OPERATIONAL FLOW ORDER:

The Company, in its discretion, shall have the right to issue an Economic Operational Flow Order in accordance with the provisions stated in the Terms and Conditions for Gas Service. If an Economic Operational Flow Order is declared, the Company will notify the affected 3rd Party Suppliers in accordance with the Economic Operational Flow Order procedures stated in the Terms and Conditions for Gas Service. 3rd Party Suppliers who do not comply with the Economic Operational Flow Order, will be subject to Non-Performance Charges, under Gas Rate No. A1.

UNACCOUNTED-FOR GAS:

The Company will retain the allowance for Unaccounted-For Gas of the volumes tendered for delivery to the Customer for Company Use Gas as approved by the Indiana Utility Regulatory Commission in Gas Rate No. A2.

CURTAILMENT:

Service under this rate schedule, may be curtailed, as described in Terms and Conditions for Gas Service. If a Curtailment is declared, the Company will notify Customers, and 3rd Party Suppliers, as soon as practical, but not less than 30 minutes prior to the effective time. Customers may be directed to restrict their Gas consumption on an hourly or daily basis. Customers who do not comply with the Company's request may be subject to Non-Performance Charges, under Gas Rate No. A1, for all Gas taken in excess of the Company's order.