

GAS RATE NO. 40

LIQUEFIED NATURAL GAS SERVICE

AVAILABILITY

Liquefied Natural Gas (LNG) Service, is available on an interruptible basis, when in the sole judgment of the Utility, LNG supplies are available for non-firm service and its LNG North facilities are adequate to render proper LNG Service without impairing the quality of the Utility's service to its End-Use Customers. The Utility will make available and sell up to 10,000 gallons per day from the LNG North facility on a first-come, first-served basis. Service under this rate schedule shall be determined by the Utility on a case-by-case basis, which determination shall be within the Utility's discretion. Service hereunder also shall be subject to the prior approval of the Commission of a written contract between the Utility and the LNG Customer and subject to revocation, amendment or rescission by the Commission under applicable law. The Utility intends to provide LNG service as a pilot program to determine (a) whether a market for LNG as a vehicle fuel can be developed; and (b) whether the LNG Service will continue to be offered after September 30, 2011.

APPLICABILITY

This rate schedule shall be applicable to any LNG Customer that agrees to receive service hereunder pursuant to a written contract with the Utility. To be eligible for service hereunder, the LNG Customer must establish by verified statement to the Utility, and Utility must first determine, in its reasonable discretion, that (1) the service provided under this rate schedule is to be utilized to load and transport LNG from Utility's LNG North facility for end user use as transportation fuel (2) the LNG Customer's vehicles must be of a size and specification as to not compromise safety of Utility's facility and operation, and (3) truck operators/drivers must carry valid commercial drivers' license with hazardous materials certification.

LNG Customers who qualify for LNG Service will, by written contract, agree to minimum take requirements for each vehicle filled at the Utility's LNG North facility. Service under this rate schedule shall be available to only those LNG Customers who meet all legal and regulatory requirements related to the transportation and use of such gas.

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CHARACTER OF SERVICE

LNG Service under this rate schedule shall be available on an interruptible basis at the sole discretion of the Utility. A properly executed contract is required before any service may be taken under this rate schedule.

The LNG Customer must arrange for the transportation of the LNG which will be delivered and loaded at the Utility's LNG North facility in Indianapolis, Indiana.

The composition of the LNG to be supplied under this rate schedule is dependent on the composition of the pipeline gas that the Utility receives.

METERING

LNG Service provided hereunder shall be metered as stated in the written contract between Utility and the LNG Customer.

RATES AND CHARGES

The monthly rates and charges for LNG Service provided hereunder shall be stated in the written contract between Utility and LNG Customer. Such rates and charges shall be sufficient to recover the incremental costs to serve said LNG Customer and to make a contribution to the Utility's fixed costs. Except as may otherwise be ordered by the Commission, written contracts setting forth the specific rates and charges pursuant to Gas Rate No. 40 shall be filed with and approved by the Commission, and such contracts shall incorporate by reference this rate schedule. The written contract, including the rates and charges, is subject to approval and revision by the Commission as provided by law.

CONTRACT

LNG Customer shall enter into a written contract with the Utility which specifies the rates and charges and the terms and conditions of the LNG Service to be provided hereunder. The written contract shall include any terms and conditions reasonably required by Utility.

Commission approval of the written contract between Utility and the LNG Customer is a condition precedent to the provision of LNG Service by Utility to LNG Customer hereunder.

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RULES AND REGULATIONS

Except as otherwise provided in the written contract between Utility and LNG Customer, LNG Service under this rate schedule shall be subject to the Commission's Regulations and the Utility's General Terms and Conditions.