

August 31, 2017

INDIANA UTILITY

REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF MIDWEST NATURAL GAS )  
CORPORATION FOR AUTHORITY TO )  
CHANGE ITS RATES, CHARGES, TARIFFS, )  
RULES, AND REGULATIONS )  
)

CAUSE NO.: 44880

COMPLIANCE TARIFF

Comes now Midwest Natural Gas Corporation (“Petitioner”), by counsel and submits its Compliance Tariff pursuant to the Commission’s Order of August 16, 2017, in this Cause.

Petitioner attaches in support of this Tariff the Comparison of Margins at Present and Approved Rates (Exhibit KAH-6); and the Calculation of Revenues at Approved Rates (Exhibit KAH-7).

Respectfully submitted,



\_\_\_\_\_  
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**MIDWEST NATURAL GAS CORPORATION  
101 S.E. THIRD STREET  
WASHINGTON, INDIANA 47501**

**GENERAL TERMS AND CONDITIONS**

**SCHEDULE OF RATES**

**FOR**

**NATURAL GAS SERVICE**

**APPLYING TO**

**CUSTOMERS SERVED BY THE TEXAS GAS TRANSMISSION SYSTEM INCLUDE THE CITIES AND TOWNS OF SALEM, CAMPBELLSBURG, AUSTIN, CROTHERSVILLE, SCOTTSBURG, PLAINVILLE, ODON, ELNORA, HENRYVILLE, MEMPHIS, CANTON, LITTLE YORK, NEWBERRY, UNDERWOOD, BLOOMFIELD, SWITZ CITY, MIDLAND, STANFORD, CINCINNATI, AND VARIOUS OTHER INCORPORATED AND UNINCORPORATED AREAS IN ORANGE, WASHINGTON, SCOTT, JACKSON, KNOX, DAVIESS, GREENE, MONROE AND CLARK COUNTIES.**

**CUSTOMERS SERVED BY THE TEXAS EASTERN TRANSMISSION SYSTEM INCLUDE THE CITIES AND TOWNS OF NORTH VERNON, VERNON, BROWNSTOWN, AND MEDORA AND VARIOUS INCORPORATED AND UNINCORPORATED AREAS IN JENNINGS AND JACKSON COUNTIES.**

**ISSUED: August 30, 2017**

**EFFECTIVE: September 1, 2017**

**ISSUED BY: DAVID A. OSMON, EXECUTIVE VICE PRESIDENT**

**Base rates as approved, Cause No. 44880, August 16, 2017**

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**GENERAL TERMS AND CONDITIONS  
APPLICABLE TO ALL GAS SERVICE**

1. APPLICATION OF RATES

(A) GENERAL

A copy of all rates, rules and regulations under which service will be supplied is posted or filed for the convenience of the public in the offices of the Company and with the Indiana Utility Regulatory Commission.

A written application for gas service on forms provided for the purpose, or properly executed contract, may be required from the customer before service will be supplied. The Company shall have the right to reject, for any valid reason, any application for service. A written application for the installation of gas fired equipment on forms provided by the Company are required from all customers and no such equipment shall be used by the customer prior to inspection of the installation by the Company.

No promises, agreements, or representation of any agent or employee of the Company shall be of binding force upon the Company unless the same shall be incorporated in the application or contract for service.

The rate schedules of the Company contemplate that service will be supplied to each separate premises as one customer. The gas used by the same individual, entity, or corporation at different premises shall be separately measured and billed. In no case may gas be shared with another or transmitted off the premises at which it is delivered.

If service is taken on more than one meter on the same premises for the convenience of the customer, the gas registered on each meter will be billed separately. Where service is taken on more than one meter on the same premises for the convenience of the Company, the gas registered on each meter will be added and billed as one customer.

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**GENERAL TERMS AND CONDITIONS  
APPLICABLE TO ALL GAS SERVICE  
(Continued)**

**(B) RESALE OF GAS**

Gas furnished by the Company is for the sole use of the customer and shall not be resold by him except on permission obtained from the Company. The renting of premises with the cost of gas service included in the rental as an incident of tenancy will be considered a resale of such service with payment of all rates, charges and costs incurred the responsibility of the owner of the premises.

**(C) UNUSUAL FACILITY REQUIREMENTS**

The Company reserves the right, with respect to customers with large or unusual requirements of gas, or whose establishments are remote from the Company's existing suitable facilities, to determine in the Company's sole discretion whether service shall be provided and if provided, then pursuant to a contract with the customer. Such a contract to determine the provision of necessary service facilities, duration of service, minimum bill, or other service conditions consistent with these rules, regulations, rates and charges.

**2. CHARACTER OF SERVICE**

The Company does not guarantee but will endeavor to furnish a continuous supply of gas. The Company shall not be liable for loss or damage which the customer may sustain by reason of the failure of the service whether caused by accidents, repairs, or other causes, or incurred by the use of gas or appliances or presence of the Company's property on the customer's premises. Nor shall the Company be held liable for loss or damage occurring under or by virtue to the exercise of authority or regulation by governmental, military or lawfully established civilian agencies, or due to conditions or causes beyond the Company's control.

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**GENERAL TERMS AND CONDITIONS  
APPLICABLE TO ALL GAS SERVICE  
(Continued)**

**3. SERVICE CONNECTIONS**

Service connection shall be made at the Company's expense if no unusual demands or requirements are made by the customer or the customer location and if the estimated non-gas cost revenue from the estimated sale of gas to the customer for a six year period commencing within a reasonable period of time following installation of such service exceeds the cost of installation. Easements for the installation of facilities and the operation and maintenance of facilities shall be provided by the customer to the Company at no cost.

The Company will own and maintain all service pipes from the street main to the meter installation, even though the customer is required to contribute to the cost of the original installation. The facilities installed by the Company shall run to the location determined appropriate by the Company following discussion with the customer.

Where relocation of service connections, or of other equipment of the Company installed upon the customer's premises, becomes necessary because of the customer's requirements, the cost of all changes made necessary thereby shall be borne by the customer.

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**GENERAL TERMS AND CONDITIONS  
APPLICABLE TO ALL GAS SERVICE  
(Continued)**

**4. METERS AND METERING EQUIPMENT**

The customer shall provide, free of expense to the Company and close to the point of service entrance, suitable space for the installation of the Company's metering equipment. The customer shall permit only authorized agents of the Company, or other lawfully authorized persons, to inspect, test or remove the same. If the meters or metering equipment are damaged or destroyed through the neglect of the customer, the cost of necessary repair or replacement shall be paid by the customer.

Whenever a meter fails to register the amount of gas supplied during any period, an estimated bill will be rendered based upon the use during similar periods or on other available information in accordance with the rules and regulations of the Indiana Utility Regulatory Commission.

**5. CUSTOMER'S PIPING AND UTILIZATION EQUIPMENT**

The customer shall install and maintain his piping and appliances in the condition required by the insurance and governmental authorities having jurisdiction and in a manner approved by the Company. The Company shall be under no duty to inspect the piping and equipment of the customer.

**6. ACCESS TO CUSTOMER'S PREMISES**

The Company's authorized agents shall have access to the customer's premises at all reasonable hours to install, inspect, ready, repair, or remove its meters and other property, and to inspect the appliances installed on the customer's premises.

**7. DEPOSIT REQUIRED**

The Company may require the customer to make a reasonable cash deposit with the Company as security for payment of bills, as authorized by the rules and regulations periodically promulgated or amended by the Indiana Utility Regulatory Commission.

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**GENERAL TERMS AND CONDITIONS  
APPLICABLE TO ALL GAS SERVICE  
(Continued)**

**8. METER READING AND BILLING**

Meters will be read and bills rendered monthly. When the Company is unable to read the meter due to physical conditions, the bill for the month will be estimated on the basis of past service records or other available data. Bills rendered for gas service in months in which meters are not read shall have the same force and effect as those based on actual readings. Any customer who does not desire to receive an estimated bill may read his meter and send the readings to the Company on appropriate forms which will be provided by the Company.

**9. DISCONTINUANCE OF SERVICE-RECONNECTION CHARGE-AFTER HOURS  
RECONNECTION**

The customer is responsible for the payment of bills until service is ordered discontinued and the Company has had a reasonable time for securing a final meter reading. If a bill remains unpaid after the final date shown thereon, the Company shall then have the right to discontinue service to the delinquent customer after 14 days prior written notice as authorized by the rules and regulations periodically promulgated or amended by the Indiana Utility Regulatory Commission.

The Company may also discontinue service after 14 days prior written notice upon violation of any of the Company's rules or regulations of which these General Terms and Conditions are a part; provided, however, that where fraudulent use of gas is detected or where the Company's regulating or measuring equipment has been tampered with or where a dangerous condition is found to exist on the customer's premises, service may be shut off without notice in advance.

A charge of \$25.00 will be made for all disconnections to cover the cost of disconnection.

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**GENERAL TERMS AND CONDITIONS  
APPLICABLE TO ALL GAS SERVICE  
(Continued)**

A charge of \$30.00 will be made for reconnecting a meter for the same customer on the same premises when service has been previously discontinued for violation of the Company's rules as set forth above. This charge is in addition to the disconnect charge and is collected to cover the cost for reconnection.

A charge equal to the Service Charge for each month of discontinued Gas Service will also be made for re-establishing service for the same customer at the same premises where service had been discontinued, other than temporary interruption, during the preceding twelve months. This charge is in addition to the disconnect charge and the reconnect charge. The minimum Service Charge assessment under the provisions of this paragraph shall be one month's Service Charge. This charge shall not apply to grain dryer customers who have alternative fuel sources.

\*After hours reconnection when customer demands reconnection that can only occur after 5:00 p.m. shall be charged at \$45 in lieu of \$30 reconnection charge. This will apply after customer is advised of this higher charge, demands reconnection still occur that day and where company personnel necessary to make such reconnection are available. This charge is in addition to the disconnect charge and is collected to cover the cost of after-hours reconnection.

**10. COLLECTION CHARGE**

A charge of \$25.00 will be made for collection of unpaid bills in lieu of disconnection to cover the cost of the service call to the customer's premises for purpose of disconnection. However, Company personnel will not collect any funds at the customer's premises. Any funds paid by the customer to avoid disconnection shall be paid through the company's office using acceptable debit or credit cards.

**11. NON-SUFFICIENT FUNDS CHARGE**

A charge of \$10 plus any bank charges incurred by the Company will be made where any check, debit, or automatic withdrawal is delivered by a customer to the Company and thereafter returned to the Company for insufficient funds in such account by the customers' bank. This charge shall be in addition to any and all other charges of the Company and is collected to cover the Company's cost in handling such returned check.

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**GENERAL TERMS AND CONDITIONS  
APPLICABLE TO ALL GAS SERVICE  
(Continued)**

**12. DEBIT/CREDIT CARD CHARGE**

Customers may use a valid Visa, MasterCard, Discover, or American Express card when paying for utility service, deposits or charges. Processing fees may be charged by debit/credit card companies or third party processors directly to the customer for the use of such credit cards.

**13. CURTAILMENT AND INTERRUPTION**

The Company shall have the right to curtail and interrupt deliveries from its system under the following conditions and in the following manner:

- A. Operating curtailment or interruption due to weather conditions or force majeure may be ordered by the Company at any time if, in the Company's opinion, it is necessary for the proper conduct of its business. Interruption or curtailment shall be upon such notice as is reasonable under the circumstances.
- B. In the event of a gas supply deficiency, curtailment may be ordered by the Company at any time when, in the opinion of the Company, the natural gas supply needed for authorized and contractual deliveries to its customers is not available without overrun, excess tax or other such penalty from the Company's pipeline suppliers. In the event of such curtailment, the Company shall give such notice of the proposed curtailment as is reasonable under the circumstances. Such gas supply deficiency curtailment shall be applied in the following order and in the following manner, to the extent practicable:
  - 1. Deliveries under Tariff C and/or Tariff E as appropriate, shall be first in order of curtailment.
  - 2. Deliveries under Tariff B to commercial customers, except schools, public buildings, agricultural buildings containing animals or plants, or human needs customers, shall be next in order of curtailment.

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**GENERAL TERMS AND CONDITIONS  
APPLICABLE TO ALL GAS SERVICE  
(Continued)**

3. Deliveries under Tariff B to schools, agricultural buildings containing animals or plants, and public buildings (except human needs customers) referenced below or deliveries under Tariff STS shall be next in order of curtailment.
  4. Deliveries under Tariff B to human needs customers to-wit; nursing homes, convalescent homes and hospitals shall be at the discretion of the Company.
  5. Deliveries under Tariff A to customers under Company's General Service Rate shall be last in order of curtailment.
  6. Provided, however, where only partial curtailment is necessary in any one of the above classes or priority, the Company will endeavor to apportion the gas available for the curtailed class as equitable as possible among the customers of said class.
- C. Procedures in the event of non-compliance of paragraph A and B above shall be as follows:
1. Without regard to any other remedy provided by law or by the provisions hereof, Company shall be entitled to seek an order from the Commission or any other appropriate tribunal requiring compliance with curtailment or interruption ordered by Company in compliance with these Tariffs or any directive from any Governmental authority having jurisdiction in the premises.
  2. All volumes taken in violation of Company's curtailment or interruption orders shall constitute unauthorized excess takes, for which an adjustment may be added for each DEKATHERM of excess gas thus taken sufficient to recover all costs and expenses of the company including but not limited to attorney fees, and all costs and charges applied by the pipeline supplier.
- D. The terms and conditions contained in these Rules and Regulations shall apply notwithstanding any provisions contained in any agreement between Company and Customer. The Tariffs hereinabove referred to are those rates so designated in the Company's rate schedule as shall be on file with the Indiana Utility Regulatory Commission.

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**14. EXTENSION OF GAS MAINS**

Upon written request for gas service by a prospective customer or a group of prospective customers located in the same neighborhood, the Company will extend free of charge its facilities consisting of distribution mains, underground service pipes, meters, and other equipment necessary to provide the service requested, provided (a) that the total estimated non-gas cost revenue from the prospective customer or customers for a period of six (6) years is equivalent to or in excess of the estimated cost of providing such facilities and (b) the patronage or demand is of such permanency as to warrant the capital expenditure involved.

If the cost of the facilities consisting of distribution mains, underground service pipes, meters and other equipment necessary to provide the service requested exceeds the free limit, the Company may require a deposit of the cost of the extension above the free limit and will in such case, for each additional customer connected to the extension within a period of six years from the making of such extensions, refund an amount by which six times the estimated non-gas cost annual revenue of the new customer exceeds the cost of connecting such new customer, but at no time shall the aggregate refund made to any customer exceed the original deposit of such customer.

If the extension is of such length, and the prospective business which may be developed by it is so meager as to make it doubtful whether the business from the extension would ever pay a fair return on the investment involved in such extension, or in the case of real estate development enterprises with slight or no immediate demand for service, or in the case of industrial installations requiring extensive equipment with slight or irregular service, such main extension will be made as provided for in 170 IAC 5-1-27(C)(2).

The obligation of the Company to provide an extension, however, is conditioned upon the ability of the Company to obtain all necessary easements, and all necessary materials, including pipe, fittings, and meters necessary to make the extension without exceeding the limitations regarding the use of such materials as might be promulgated by any governmental agency having jurisdiction thereof.

Subject to the provisions of these extension rules, the Company will locate the point to which customer's service connection will be made and will furnish, install, and maintain all underground service piping and appurtenant equipment up to the inlet of the meter. Risers in buildings where meters are set above the first floor shall be furnished and maintained by the customer.

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**TARIFF "A"  
GENERAL SERVICE**

**AVAILABILITY:**

Available for general natural gas service to residential; commercial and public authority customers with installed meter sizes of 415 or less. Customer must be located on Company's gas mains suitable and adequate for supplying this service. Service to residential customers shall be to single-dwelling residences that are individually metered for natural gas consumption for heating, cooling, cooking, drying, water heating, lighting including electric generation on the premises, or automobile fueling.

Service to commercial and public authority customers shall be to individually metered customers for natural gas consumption for heating, cooling, cooking, drying, water hearing, lighting, automobile fueling and to a multi-dwelling residential unit that is collectively metered.

This rate schedule is not available to a commercial customer that utilizes the natural gas service for an industrial process.

**RATE:**

See Tariff Sheet No. 50 and Sheet No. 51.

**MINIMUM CHARGE:**

The minimum monthly charge shall be the service charge as reflected on Tariff Sheet No. 50. Such charge includes no gas volumes.

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**TARIFF "A"**

**GENERAL SERVICE  
(continued)**

**DEFERRED PAYMENT CHARGE:**

On the first \$3.00 or less of net billing	10%
On the amount in excess of \$3.00	3%

Bills shall be rendered and due monthly. If paid within 17 days from date thereof, as stated in the bill, the net amount shall be paid. If not paid within such 17 days, the gross bill, which includes the deferred payment charge, is the amount to be paid.

**OTHER TERMS AND CONDITIONS:**

Service hereunder shall be subject to the Company's Rules and Regulations and to the Rules and Standards of Service for Gas Public Utilities prescribed by the Indiana Utility Regulatory Commission from time to time.

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TARIFF "B"

COMMERCIAL SERVICE

**AVAILABILITY:**

Available for natural gas service to commercial and public authority customers with installed meter sizes greater than 415. Customer must be located on Company's gas mains suitable and adequate for supplying this service. Service to commercial and public authority customers shall be to individually metered customers for natural gas consumption for heating, cooling, cooking, drying, water heating, lighting including electric generation for use on the premises, or automobile fueling and to a multi-dwelling residential unit that is collectively metered.

This rate schedule is not available to a commercial customer that utilizes the natural gas service in an industrial process.

**RATE:**

See Tariff Sheet No. 50 and Sheet No. 51.

**MINIMUM CHARGE:**

The minimum monthly charge shall be the service charge as reflected on Sheet No. 50. Such charge includes no gas volumes.

**DEFERRED PAYMENT CHARGE:**

On the first \$3.00 or less of net billing	10%
On the amount in excess of \$3.00	3%

Bills shall be rendered and due monthly. If paid within 17 days from date thereof, as stated in the bill, the net amount shall be paid. If not paid within such 17 days, the gross bill, which includes the deferred payment charge, is the amount to be paid.

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**TARIFF "B"**

**COMMERCIAL SERVICE**  
(continued)

**OTHER TERMS AND CONDITIONS:**

Service hereunder shall be subject to the Company's Rules and Regulations and to the Rules and Standards of Service for Gas Public Utilities prescribed by the Indiana Utility Regulatory Commission from time to time.

A written contract with a minimum term of one year may be required for establishment of service under this rate schedule.

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**TARIFF "C"**

**FIRM INDUSTRIAL SERVICE**

**AVAILABILITY:**

Available for firm natural gas service to industrial customers that utilize the natural gas service for manufacturing and/or processing a product along with ancillary uses of natural gas. Customer must be located on Company's gas mains suitable and adequate for supplying this service.

**RATE:**

See Tariff Sheet No. 50 and Sheet No. 51.

**MINIMUM CHARGE:**

The minimum monthly charge shall be the service charge as reflected on Tariff Sheet No. 50. Such charge includes no gas volumes.

**DEFERRED PAYMENT CHARGE:**

On the first \$3.00 or less of net billing	10%
On the amount in excess of \$3.00	3%

Bills shall be rendered and due monthly. If paid within 17 days from date thereof, as stated in the bill, the net amount shall be paid. If not paid within such 17 days, the gross bill, which includes the deferred payment charge, is the amount to be paid.

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**TARIFF "C"**

**FIRM INDUSTRIAL SERVICE**  
(continued)

**OTHER TERMS AND CONDITIONS:**

Service hereunder shall be subject to the Company's Rules and Regulations and to the Rules and Standards of Service for Gas Public Utilities prescribed by the Indiana Utility Regulatory Commission from time to time.

A written contract with a minimum term of one year may be required for establishment of service under this rate schedule.

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**TARIFF "E"**

**TRANSPORTATION SERVICE**

**AVAILABILITY:**

- (1) To customers served with average annual Gas Requirements of 100 DTH per day or more at a single location.
- (2) Available to applicable customers who, by written contract with the Utility, agree to acquire natural gas, obtain all necessary state and federal regulatory approval and arrange to have such gas delivered by the Utility's pipeline supplier to a delivery point on the Utility's system for transportation and delivery to the customer's premises.
- (3) All transportation service rendered by the Utility shall be subject to curtailment or complete interruption whenever, in the sole judgment of the Utility, it is necessary or desirable, and as provided in contract hereinafter referred to.
- (4) The Utility, with the written consent of the customer, may execute an agreement with the Utility's pipeline supplier, as agent of the customer, for transportation of gas for the customer.

**CONTRACT FOR TRANSPORTATION SERVICE:**

The customer requesting transportation service by the Utility shall enter into a written contract with the Utility, which said contract shall provide for quantities of gas to be transported, penalties, the term thereof and other conditions of service agreed upon between customer and the Utility. Each such contract shall provide further that Utility will be held harmless by the customer against any increases in its monthly demand charges and any overrun quantity charges or penalties by reason of any failure or refusal of customer to curtail quantities of transport gas after timely curtailment requests pursuant to the Company's General Terms and Conditions.

**QUALITY OF GAS:**

The gas transported shall be the same quality as the Company's pipeline supplier is required to furnish to the Company.

**RATE:**

See Sheet No. 50.

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**TARIFF "E"**

**TRANSPORTATION SERVICE**  
(Continued)

**OTHER CHARGES AND CONDITIONS OF SERVICE:**

To compensate for unaccounted for gas, the quantity of gas available to Customer shall be equal to the quantity of gas delivered to Company's distribution system at the point of receipt for the account of Customer, reduced by an Unaccounted For Gas Percentage used in the Company's last base rate case.

In any billing month in which the Utility receives customer-transported gas for a customer's account, the customer shall be billed for all gas delivered through the customer's meter during such month under this rate schedule.

When a customer takes transportation service under this rate schedule, his billing cycle will be adjusted to a calendar month basis, based on when meters are read. Normally, a customer will receive a credit for his gas on the first bill issued after the Utility receives a bill from its pipeline supplier which contains a credit for the customer's gas delivered to the Company's system during the month. However, if at the time customer's bill is prepared, the Company has not received a bill from the pipeline showing a credit for customer-owned gas, a credit will be given if the Company can determine transported volumes by telephone data from the pipeline. Any discrepancies will be made on a revised or subsequent bill to the customer.

In the event quantities of gas received by the Company on behalf of the customer are found to be less than the quantity of gas actually used by the customer, the customer agrees to pay for that quantity of gas at the applicable Tariff under which the customer is provided gas service.

Such gas service under this rate schedule is subject to physical constraints of the Company's system and the General Terms and Conditions.

**EXCESS VOLUMES OF CUSTOMER-OWNED GAS:**

Receipts of natural gas by the Utility that are in excess of quantities delivered to customer will be cashed out monthly. No "banking" of gas will be permitted. Cash-out volumes will be priced according to the customer transportation agreement referred to on Sheet No. 29.

Deliveries of natural gas by the Utility that are in excess of quantities received for customer will be billed to the customer at the current tariff rates in effect for the month of delivery. It is the customer's responsibility to not purchase more gas than needed. No interest will be paid to the customer for any excess received by the Utility.

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**TARIFF "E"**

**TRANSPORTATION SERVICE  
(Continued)**

**BEST EFFORTS BASIS:**

Such gas service under this Tariff is hereby provided on a Best Efforts Basis by the Utility and is subject to physical constraints of the Utility's system.

**DEFERRED PAYMENT CHARGE:**

On the first \$3.00 or less of net billing	10%
On the amount in excess of \$3.00	3%

Bills shall be rendered and due monthly. If paid within 17 days from date thereof, as stated in the bill, the net amount shall be paid. If not paid within such 17 days, the gross bill, which includes the deferred payment charge, is the amount to be paid.

**OTHER TERMS AND CONDITIONS:**

Service hereunder shall be subject to the Company's Rules and Regulations and to the Rules and Standards of Service for Gas Public Utilities prescribed by the Indiana Utility Regulatory Commission from time to time.

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**TARIFF "STS"**

**SCHOOL TRANSPORTATION SERVICE**

**AVAILABILITY:**

- (1) Available to Customers with a public School Corporation ("School Corporation Customer") serving students in grades K through 12 who, by written contract with the Utility, agree to acquire natural gas, obtain all necessary state and federal regulatory approval and arrange to have such gas delivered by the Utility's pipeline supplier to a delivery point on the Utility's system for transportation and delivery to the customer's premises.
- (2) Multiple School Corporation Customers may elect to act jointly to aggregate purchases of natural gas commodity supply from any available natural gas commodity seller for all schools included in the aggregated purchases. Notwithstanding the aggregation of natural gas commodity supply or the use of Summary Billing, each School Corporation Customer shall individually be subject to and pay the applicable rates and charges pursuant to this Rate Schedule.
- (3) All transportation service rendered by the Utility shall be subject to curtailment or complete interruption whenever, in the sole judgment of the Utility, it is necessary or desirable, and as provided in contract hereinafter referred to.
- (4) The Utility, with the written consent of the customer, may execute an agreement with the Utility's pipeline supplier, as agent of the customer, for transportation of gas for the customer.

**CONTRACT FOR TRANSPORTATION SERVICE:**

The customer requesting transportation service by the Utility shall enter into a written contract with the Utility, which said contract shall provide for quantities of gas to be transported, penalties, the term thereof and other conditions of service agreed upon between customer and the Utility. Each such contract shall provide further that Utility will be held harmless by the customer against any increases in its monthly demand charges and any overrun quantity charges or penalties by reason of any failure or refusal of customer to curtail quantities of transport gas after timely curtailment requests pursuant to the Company's General Terms and Conditions.

**QUALITY OF GAS:**

The gas transported shall be the same quality as the Company's pipeline supplier is required to furnish to the Company.

ISSUED: August 30, 2017

EFFECTIVE: September 1, 2017

ISSUED BY: DAVID A. OSMON, EXECUTIVE VICE PRESIDENT

Base rates as approved, Cause No. 44880, August 16, 2017

**TARIFF "STS"**

**SCHOOL TRANSPORTATION SERVICE**

(Continued)

**RATE:**

School Corporation Customers with installed meter sizes of 415 or less shall pay the applicable Rate A-General Service base rates and charges. School Corporation Customers with installed meter sizes greater than 415 shall pay the applicable Rate B-Commercial Service base rates and charges.

**OTHER CHARGES AND CONDITIONS OF SERVICE:**

To compensate for unaccounted for gas, the quantity of gas available to Customer shall be equal to the quantity of gas delivered to Company's distribution system at the point of receipt for the account of Customer, reduced by an Unaccounted For Gas Percentage used in the Company's last base rate case.

In any billing month in which the Utility receives customer-transported gas for a customer's account, the customer shall be billed for all gas delivered through the customer's meter during such month under this rate schedule.

When a customer takes transportation service under this rate schedule, his billing cycle will be adjusted to a calendar month basis, based on when meters are read. Normally, a customer will receive a credit for his gas on the first bill issued after the Utility receives a bill from its pipeline supplier which contains a credit for the customer's gas delivered to the Company's system during the month. However, if at the time customer's bill is prepared, the Company has not received a bill from the pipeline showing a credit for customer-owned gas, a credit will be given if the Company can determine transported volumes by telephone data from the pipeline. Any discrepancies will be made on a revised or subsequent bill to the customer.

In the event quantities of gas received by the Company on behalf of the customer are found to be less than the quantity of gas actually used by the customer, the customer agrees to pay for that quantity of gas at the applicable Tariff under which the customer is provided gas service.

Such gas service under this rate schedule is subject to physical constraints of the Company's system and the General Terms and Conditions.

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Base rates as approved, Cause No. 44880, August 16, 2017

**TARIFF "STS"**

**SCHOOL TRANSPORTATION SERVICE**  
(Continued)

**EXCESS VOLUMES OF CUSTOMER-OWNED GAS:**

Receipts of natural gas by the Utility that are in excess of quantities delivered to customer will be cashed out monthly. No "banking" of gas will be permitted. Cash-out volumes will be priced according to the customer transportation agreement referred to on Sheet No. 29.

Deliveries of natural gas by the Utility that are in excess of quantities received for customer will be billed to the customer at the current tariff rates in effect for the month of delivery.

It is the customer's responsibility to not purchase more gas than needed. No interest will be paid to the customer for any excess received by the Utility.

**BEST EFFORTS BASIS:**

Such gas service under this Tariff is hereby provided on a Best Efforts Basis by the Utility and is subject to physical constraints of the Utility's system.

**DEFERRED PAYMENT CHARGE:**

On the first \$3.00 or less of net billing	10%
On the amount in excess of \$3.00	3%

Bills shall be rendered and due monthly. If paid within 17 days from date thereof, as stated in the bill, the net amount shall be paid. If not paid within such 17 days, the gross bill, which includes the deferred payment charge, is the amount to be paid.

**OTHER TERMS AND CONDITIONS:**

Service hereunder shall be subject to the Company's Rules and Regulations and to the Rules and Standards of Service for Gas Public Utilities prescribed by the Indiana Utility Regulatory Commission from time to time.

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ISSUED BY: DAVID A. OSMON, EXECUTIVE VICE PRESIDENT

Base rates as approved, Cause No. 44880, August 16, 2017



**BASE RATES AND CHARGES**

TARIFF A *	
SERVICE CHARGE	\$12.00
FIRST 100 THERMS	\$0.36895/therm
ALL USE OVER 100 THERMS	\$0.25731/therm
TARIFF B *	
SERVICE CHARGE	\$26.00
FIRST 500 THERMS	\$0.31757/therm
NEXT 500 THERMS	\$0.22025/therm
ALL USE OVER 1000 THERMS	\$0.15293/therm
TARIFF C *	
SERVICE CHARGE	\$165.00
FIRST 3000 THERMS	\$0.21130/therm
ALL USE OVER 3000 THERMS	\$0.14993/therm
TARIFF E	
SERVICE CHARGE	\$460.00
FIRST 175,000 THERMS	\$0.07131/therm
OVER 175,000 THERMS	\$0.05737/therm

(\*) Above rates are subject to a gas cost adjustment factor in accordance with the Indiana Utility Regulatory Commission, Cause No. 37091 approved April 27, 1983. This gas cost adjustment factor currently in effect and applicable hereto with effective dates is found on Sheet No. 51 of these tariffs.

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Base rates as approved, Cause No. 44880, August 16, 2017

**RATE TRACKING FACTOR ADJUSTMENT**

The Gas Cost Adjustment Factor is as approved by Cause No. 37440 GCA-134 or as amended.

**CURRENT TRACKING FACTOR FOR ALL TARIFFS for service during the months reflected or until amended:**

August 2017-- \$4.3096/Dth

September 2017 -- \$4.4209/Dth

October 2017 -- \$4.4362/Dth

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ISSUED BY: DAVID A. OSMON, EXECUTIVE VICE PRESIDENT

Base rates as approved, Cause No. 44880, August 16, 2017

**BASE RATE COST OF GAS**

The base rate cost of gas utilized in the calculation of the Gas Cost Adjustment rates specified on Sheet No. 51 and in accordance with the Order of the Indiana Utility Regulatory Commission in Cause No. 43229 is as follows:

**BASE RATE COST OF GAS FOR ALL TARIFFS: \$0.0000/Dth**

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ISSUED BY: DAVID A. OSMON, EXECUTIVE VICE PRESIDENT

Base rates as approved, Cause No. 44880, August 16, 2017

## **NORMAL TEMPERATURE ADJUSTMENT**

The billed amount for each heating customer taking service pursuant to Rate A or Rate B shall be subject to a Normal Temperature Adjustment (NTA) for each bill rendered during the billing months of October through April inclusive.

The NTA adjusts each Customer's monthly billed amount to reverse the impact on margin recovery caused by non-normal temperatures during the billing period, as measured by actual heating degree day variations from normal heating degree days.

### **NTA COMPUTATION**

The NTA for each Customer's monthly billing shall be computed as follows:

$$\text{NTA} = \text{NTA Therms} \times \text{NTA Margin}$$

### **NTA THERMS**

The NTA Therms usage for each Customer to which the NTA Margin shall be applied is computed as follows:

$$\text{NTA Therms} = \frac{[\text{Actual Usage} - \text{Base Load Usage}]}{\text{Actual Degree Days}} \times [\text{Normal Degree Days} - \text{Actual Degree Days}]$$

### **NTA MARGIN**

The NTA Margin shall be the margin (non-gas cost) component of the tail block rate (Base Rate Less Base Rate Cost of Gas) for the applicable Rate Schedule.

### **BASE LOAD THERMS**

Base Load Therms shall be Customer's average daily therms usage for the previous summer months (months of July and August) multiplied by the number of days in the billing period.

For Customers whose Base Load Usage cannot be accurately determined (e.g., new Customers without two months of summer usage history), an estimated Average Daily Therms shall be used.

### **NORMAL AND ACTUAL DEGREE DAYS**

Normal Degree Days for each Customer's billing period shall be as set forth in the tables on the following pages.

Actual Degree Days for each Customer's billing period shall be taken from the actual heating degree days reported each day by the National Weather Service.

Normal Degree Days and Actual Degree Days are based on a weighted average of 75 percent Louisville Heating Degree Days and 25 percent Indianapolis Heating Degree Days.

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Base rates as approved, Cause No. 44880, August 16, 2017

**NORMAL TEMPERATURE ADJUSTMENT**  
**NORMAL DEGREE DAYS (NDD)**  
**NON-LEAP YEAR**

Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD
Jul 1	0.25	Aug 22	0	Oct 13	7	Dec 4	25.25	Jan 25	31.75	Mar 18	18.3
Jul 2	0	Aug 23	0	Oct 14	7	Dec 5	25.25	Jan 26	31.75	Mar 19	17.5
Jul 3	0	Aug 24	0	Oct 15	7	Dec 6	26.5	Jan 27	31.75	Mar 20	17.3
Jul 4	0	Aug 25	0	Oct 16	7.75	Dec 7	26.5	Jan 28	31.75	Mar 21	17.3
Jul 5	0	Aug 26	0	Oct 17	8	Dec 8	26.5	Jan 29	31	Mar 22	16.5
Jul 6	0	Aug 27	0	Oct 18	8	Dec 9	27.5	Jan 30	30.75	Mar 23	16.3
Jul 7	0	Aug 28	0	Oct 19	8	Dec 10	27.5	Jan 31	30.75	Mar 24	16.3
Jul 8	0	Aug 29	0.25	Oct 20	9	Dec 11	27.5	Feb 1	30.75	Mar 25	15.3
Jul 9	0	Aug 30	0.25	Oct 21	9	Dec 12	28.5	Feb 2	30.75	Mar 26	15.3
Jul 10	0	Aug 31	0.25	Oct 22	9	Dec 13	28.5	Feb 3	30.75	Mar 27	15.3
Jul 11	0	Sep 1	0	Oct 23	9	Dec 14	28.5	Feb 4	30.75	Mar 28	14.3
Jul 12	0	Sep 2	0	Oct 24	10	Dec 15	28.75	Feb 5	29.75	Mar 29	14.3
Jul 13	0	Sep 3	0	Oct 25	10	Dec 16	29.5	Feb 6	29.75	Mar 30	14.3
Jul 14	0	Sep 4	0.25	Oct 26	10	Dec 17	29.5	Feb 7	29.75	Mar 31	14.3
Jul 15	0	Sep 5	0.25	Oct 27	11	Dec 18	29.5	Feb 8	29.75	Apr 1	13.3
Jul 16	0	Sep 6	0.25	Oct 28	11	Dec 19	29.75	Feb 9	29.75	Apr 2	13.3
Jul 17	0	Sep 7	0.25	Oct 29	11	Dec 20	29.75	Feb 10	28.75	Apr 3	13
Jul 18	0	Sep 8	0.25	Oct 30	11.3	Dec 21	30.5	Feb 11	28.75	Apr 4	12.3
Jul 19	0	Sep 9	0.25	Oct 31	12	Dec 22	30.5	Feb 12	28.75	Apr 5	12.3
Jul 20	0	Sep 10	0.25	Nov 1	12	Dec 23	30.5	Feb 13	28.75	Apr 6	12
Jul 21	0	Sep 11	0.25	Nov 2	12.3	Dec 24	30.75	Feb 14	27.75	Apr 7	11.3
Jul 22	0	Sep 12	0.25	Nov 3	13	Dec 25	30.75	Feb 15	27.75	Apr 8	11.3
Jul 23	0	Sep 13	0.25	Nov 4	13	Dec 26	30.75	Feb 16	27.75	Apr 9	11
Jul 24	0	Sep 14	1.25	Nov 5	13.3	Dec 27	30.75	Feb 17	27.5	Apr 10	11
Jul 25	0	Sep 15	1.25	Nov 6	14	Dec 28	31.5	Feb 18	26.75	Apr 11	10.3
Jul 26	0	Sep 16	1.25	Nov 7	14.3	Dec 29	31.5	Feb 19	26.75	Apr 12	10
Jul 27	0	Sep 17	1.25	Nov 8	14.3	Dec 30	31.5	Feb 20	26.75	Apr 13	10
Jul 28	0	Sep 18	1.25	Nov 9	15	Dec 31	31.5	Feb 21	26.5	Apr 14	10
Jul 29	0	Sep 19	1.5	Nov 10	15.3	Jan 1	32.5	Feb 22	25.75	Apr 15	9
Jul 30	0	Sep 20	1.5	Nov 11	15.3	Jan 2	32.5	Feb 23	25.75	Apr 16	9
Jul 31	0	Sep 21	1.5	Nov 12	16.3	Jan 3	32.5	Feb 24	25.5	Apr 17	9
Aug 1	0	Sep 22	2.25	Nov 13	16.3	Jan 4	32.5	Feb 25	24.75	Apr 18	8.25
Aug 2	0	Sep 23	2.5	Nov 14	17	Jan 5	32.5	Feb 26	24.5	Apr 19	8
Aug 3	0	Sep 24	2.5	Nov 15	17.3	Jan 6	32.5	Feb 27	24.5	Apr 20	8
Aug 4	0	Sep 25	2.5	Nov 16	17.3	Jan 7	31.75	Feb 28	24.5	Apr 21	8
Aug 5	0	Sep 26	2.75	Nov 17	18.3	Jan 8	31.75	Mar 1	23.5	Apr 22	7
Aug 6	0	Sep 27	3.5	Nov 18	18.3	Jan 9	31.75	Mar 2	23.5	Apr 23	7
Aug 7	0	Sep 28	3.5	Nov 19	19.3	Jan 10	31.75	Mar 3	23.5	Apr 24	7
Aug 8	0	Sep 29	3.75	Nov 20	19.3	Jan 11	31.75	Mar 4	22.5	Apr 25	6.75
Aug 9	0	Sep 30	3.75	Nov 21	20.3	Jan 12	31.75	Mar 5	22.5	Apr 26	6
Aug 10	0	Oct 1	3.75	Nov 22	20.3	Jan 13	31.75	Mar 6	22.5	Apr 27	6
Aug 11	0	Oct 2	4.75	Nov 23	20.5	Jan 14	31.75	Mar 7	21.5	Apr 28	6
Aug 12	0	Oct 3	4.75	Nov 24	21.3	Jan 15	31.75	Mar 8	21.5	Apr 29	6
Aug 13	0	Oct 4	4.75	Nov 25	22.3	Jan 16	31.75	Mar 9	21.25	Apr 30	5.75
Aug 14	0	Oct 5	4.75	Nov 26	22.3	Jan 17	31.75	Mar 10	20.5	May 1	5
Aug 15	0	Oct 6	5.75	Nov 27	22.5	Jan 18	31.75	Mar 11	20.5	May 2	4.75
Aug 16	0	Oct 7	5.75	Nov 28	23.3	Jan 19	31.75	Mar 12	20.25	May 3	4.75
Aug 17	0	Oct 8	5.75	Nov 29	23.5	Jan 20	31.75	Mar 13	19.5	May 4	4.75
Aug 18	0	Oct 9	6	Nov 30	23.5	Jan 21	31.75	Mar 14	19.25	May 5	4
Aug 19	0	Oct 10	6	Dec 1	23.8	Jan 22	31.75	Mar 15	19.25	May 6	3.75
Aug 20	0	Oct 11	6.75	Dec 2	24.5	Jan 23	31.75	Mar 16	18.5	May 7	3.75
Aug 21	0	Oct 12	6.75	Dec 3	25.3	Jan 24	31.75	Mar 17	18.25	May 8	3.75
										Jun 1	1.25
										Jun 2	1.25
										Jun 3	1
										Jun 4	1
										Jun 5	1
										Jun 6	0.25
										Jun 7	0.25
										Jun 8	0.25
										Jun 9	0.25
										Jun 10	0.25
										Jun 11	0.25
										Jun 12	0.25
										Jun 13	0.25
										Jun 14	0.25
										Jun 15	0
										Jun 16	0
										Jun 17	0
										Jun 18	0
										Jun 19	0
										Jun 20	0
										Jun 21	0
										Jun 22	0
										Jun 23	0
										Jun 24	0
										Jun 25	0
										Jun 26	0
										Jun 27	0
										Jun 28	0
										Jun 29	0
										Jun 30	0

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ISSUED BY: DAVID A. OSMON, EXECUTIVE VICE PRESIDENT

Base rates as approved, Cause No. 44880, August 16, 2017

**NORMAL TEMPERATURE ADJUSTMENT**  
**NORMAL DEGREE DAYS (NDD)**  
**LEAP YEAR**

Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD
Jul 1	0.25	Aug 22	0	Oct 13	7	Dec 4	25.5	Jan 25	31.75	Mar 17	18.3
Jul 2	0	Aug 23	0	Oct 14	7	Dec 5	25.5	Jan 26	31.75	Mar 18	17.5
Jul 3	0	Aug 24	0	Oct 15	7	Dec 6	26.5	Jan 27	31.75	Mar 19	17.3
Jul 4	0	Aug 25	0	Oct 16	7.75	Dec 7	26.5	Jan 28	31.75	Mar 20	17.3
Jul 5	0	Aug 26	0	Oct 17	8	Dec 8	26.5	Jan 29	31	Mar 21	16.5
Jul 6	0	Aug 27	0	Oct 18	8	Dec 9	27.5	Jan 30	30.75	Mar 22	16.3
Jul 7	0	Aug 28	0	Oct 19	8	Dec 10	27.5	Jan 31	30.75	Mar 23	16.3
Jul 8	0	Aug 29	0.25	Oct 20	9	Dec 11	27.5	Feb 1	30.75	Mar 24	15.3
Jul 9	0	Aug 30	0.25	Oct 21	9	Dec 12	28.5	Feb 2	30.75	Mar 25	15.3
Jul 10	0	Aug 31	0.25	Oct 22	9	Dec 13	28.5	Feb 3	30.75	Mar 26	15.3
Jul 11	0	Sep 1	0	Oct 23	9	Dec 14	28.5	Feb 4	30.75	Mar 27	14.3
Jul 12	0	Sep 2	0	Oct 24	10	Dec 15	28.75	Feb 5	29.75	Mar 28	14.3
Jul 13	0	Sep 3	0	Oct 25	10	Dec 16	29.5	Feb 6	29.75	Mar 29	14.3
Jul 14	0	Sep 4	0.25	Oct 26	10	Dec 17	29.5	Feb 7	29.75	Mar 30	14.3
Jul 15	0	Sep 5	0.25	Oct 27	11	Dec 18	29.5	Feb 8	29.75	Mar 31	13.3
Jul 16	0	Sep 6	0.25	Oct 28	11	Dec 19	29.75	Feb 9	29.75	Apr 1	13.3
Jul 17	0	Sep 7	0.25	Oct 29	11	Dec 20	29.75	Feb 10	28.75	Apr 2	13
Jul 18	0	Sep 8	0.25	Oct 30	11.3	Dec 21	30.5	Feb 11	28.75	Apr 3	12.3
Jul 19	0	Sep 9	0.25	Oct 31	12	Dec 22	30.5	Feb 12	28.75	Apr 4	12.3
Jul 20	0	Sep 10	0.25	Nov 1	12	Dec 23	30.5	Feb 13	28.75	Apr 5	12
Jul 21	0	Sep 11	0.25	Nov 2	12.3	Dec 24	30.75	Feb 14	27.75	Apr 6	11.3
Jul 22	0	Sep 12	0.25	Nov 3	13	Dec 25	30.75	Feb 15	27.75	Apr 7	11.3
Jul 23	0	Sep 13	0.25	Nov 4	13	Dec 26	30.75	Feb 16	27.75	Apr 8	11
Jul 24	0	Sep 14	1.25	Nov 5	13.3	Dec 27	30.75	Feb 17	27.5	Apr 9	11
Jul 25	0	Sep 15	1.25	Nov 6	14	Dec 28	31.5	Feb 18	26.75	Apr 10	10.3
Jul 26	0	Sep 16	1.25	Nov 7	14.3	Dec 29	31.5	Feb 19	26.75	Apr 11	10
Jul 27	0	Sep 17	1.25	Nov 8	14.3	Dec 30	31.5	Feb 20	26.75	Apr 12	10
Jul 28	0	Sep 18	1.25	Nov 9	15	Dec 31	31.5	Feb 21	26.5	Apr 13	10
Jul 29	0	Sep 19	1.5	Nov 10	15.3	Jan 1	32.5	Feb 22	25.75	Apr 14	9
Jul 30	0	Sep 20	1.5	Nov 11	15.3	Jan 2	32.5	Feb 23	25.75	Apr 15	9
Jul 31	0	Sep 21	1.5	Nov 12	16.3	Jan 3	32.5	Feb 24	25.5	Apr 16	9
Aug 1	0	Sep 22	2.25	Nov 13	16.3	Jan 4	32.5	Feb 25	24.75	Apr 17	8.25
Aug 2	0	Sep 23	2.5	Nov 14	17	Jan 5	32.5	Feb 26	24.5	Apr 18	8
Aug 3	0	Sep 24	2.5	Nov 15	17.3	Jan 6	32.5	Feb 27	24.5	Apr 19	8
Aug 4	0	Sep 25	2.5	Nov 16	17.3	Jan 7	31.75	Feb 28	24.5	Apr 20	8
Aug 5	0	Sep 26	2.75	Nov 17	18.3	Jan 8	31.75	Feb 29	23.5	Apr 21	7
Aug 6	0	Sep 27	3.5	Nov 18	18.3	Jan 9	31.75	Mar 1	23.5	Apr 22	7
Aug 7	0	Sep 28	3.5	Nov 19	19.3	Jan 10	31.75	Mar 2	23.5	Apr 23	7
Aug 8	0	Sep 29	3.75	Nov 20	19.3	Jan 11	31.75	Mar 3	22.5	Apr 24	6.75
Aug 9	0	Sep 30	3.75	Nov 21	20.3	Jan 12	31.75	Mar 4	22.5	Apr 25	6
Aug 10	0	Oct 1	3.75	Nov 22	20.3	Jan 13	31.75	Mar 5	22.5	Apr 26	6
Aug 11	0	Oct 2	4.75	Nov 23	20.5	Jan 14	31.75	Mar 6	21.5	Apr 27	6
Aug 12	0	Oct 3	4.75	Nov 24	21.3	Jan 15	31.75	Mar 7	21.5	Apr 28	6
Aug 13	0	Oct 4	4.75	Nov 25	22.3	Jan 16	31.75	Mar 8	21.25	Apr 29	5.75
Aug 14	0	Oct 5	4.75	Nov 26	22.3	Jan 17	31.75	Mar 9	20.5	Apr 30	5
Aug 15	0	Oct 6	5.75	Nov 27	22.5	Jan 18	31.75	Mar 10	20.5	May 1	4.75
Aug 16	0	Oct 7	5.75	Nov 28	23.3	Jan 19	31.75	Mar 11	20.25	May 2	4.75
Aug 17	0	Oct 8	5.75	Nov 29	23.5	Jan 20	31.75	Mar 12	19.5	May 3	4.75
Aug 18	0	Oct 9	6	Nov 30	23.5	Jan 21	31.75	Mar 13	19.25	May 4	4
Aug 19	0	Oct 10	6	Dec 1	23.8	Jan 22	31.75	Mar 14	19.25	May 5	3.75
Aug 20	0	Oct 11	6.75	Dec 2	24.5	Jan 23	31.75	Mar 15	18.5	May 6	3.75
Aug 21	0	Oct 12	6.75	Dec 3	25.3	Jan 24	31.75	Mar 16	18.25	May 7	3.75
										Jun 28	0
										Jun 29	0
										Jun 30	0

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Base rates as approved, Cause No. 44880, August 16, 2017

## **ENERGY EFFICIENCY RIDER**

### **APPLICABILITY**

The Energy Efficiency Rider shall be applicable to residential Customers subject to the provisions set forth below reflecting the expiration of the Pilot Program as of March 31, 2015.

### **DESCRIPTION**

The Energy Efficiency Rider will be the sum of the following two components, for each applicable Rate Schedule as described below:

- (1) Energy Efficiency Funding Component (EEFC)
- (2) Sales Reconciliation Component (SRC)

#### **Energy Efficiency Funding Component (EEFC):**

The EEFC shall recover the costs of funding energy efficiency efforts throughout Company's Service Area. These efforts may include, among others, energy efficiency programs, customer education programs and weatherization programs designed to benefit Customers under the applicable Rate Schedules.

The EEFC shall be \$10 per year, or \$0.83 per month, per customer, through the expiration of the Pilot Program.

#### **Sales Reconciliation Component (SRC):**

The SRC shall recover the differences between Actual Margins and Adjusted Order Granted Margins for the applicable Rate Schedules.

Actual Margins are defined as annual margins for each Rate Schedule, prior to the SRC adjustment, Adjusted Order Granted Margins are defined as the order granted annual margins for each Rate Schedule as approved in Company's most recent general rate case as adjusted to reflect the change in number of customers from the order granted levels. To reflect the change in number of customers, order granted margin per customer is multiplied by the change in the number of customers since the test year, with the product being added to the order granted margins.

Company shall defer the calculated differences between Actual Margins and Adjusted Order Granted Margins for subsequent return or recovery via the SRC. Annually, Company shall reflect in a revised SRC the annual margin differences.

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Base rates as approved, Cause No. 44880, August 16, 2017

**ENERGY EFFICIENCY RIDER (cont.)****Sales Reconciliation Component (SRC) - (cont.):**

The annual margin differences for each Rate Schedule shall be divided by projected sales volumes for each Rate Schedule to determine the applicable SRC. Projected and actual recoveries by Rate Schedule under the SRC are reconciled, with any under or over recovery being recovered or returned over the next twelve month period. The expiration of the Pilot Program shall not eliminate the SRC calculation as necessary beyond March 31, 2015.

**ENERGY EFFICIENCY RIDER RATE**

The applicable Energy Efficiency Rider Rate shall be the sum of the EEFC and SRC each month.

<b><u>Applicable Customers</u></b>	<b><u>Sales Reconciliation Component</u> (\$/therm)</b>
Residential	\$0.00000

DMS 10843185v1

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**MIDWEST NATURAL GAS CORPORATION  
IURC CAUSE NO. 44880  
COST OF SERVICE STUDY  
COMPARISON OF MARGINS AT PRESENT AND PROPOSED RATES**

TYPE OF FILING: COMPLIANCE FILING  
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-6  
PAGE 1 OF 2

DESCRIPTION	Number of Bills (1)	Billing Quantities (therms) (2)	Present Rates (\$/therm) (3)	Proforma GCA (\$/therm) (4)	Effective Present Rates (\$/therm) (5)	Margin at Present Rates (6)	Proposed Rates (\$/therm) (7)	Proforma Base Cost of Gas (\$/therm) (8)	Proposed Effective Rates (\$/therm) (9)	Margin at Proposed Rates (10)	Increase in Margins	
											Amount (11)	Percent (12)
<b>Rate A (General Service)</b>												
Service Charge	160,517		\$12.00		\$12.00	\$1,926,204	\$12.00		\$12.00	\$1,926,204	\$0	0.0%
First 100 therms		5,891,300	\$0.30753	\$0.00000	\$0.30753	\$1,811,751	\$0.36895	\$0.00000	\$0.36895	\$2,173,595	\$361,844	20.0%
Over 100 therms		4,030,602	\$0.22315	\$0.00000	\$0.22315	\$899,429	\$0.25731	\$0.00000	\$0.25731	\$1,037,114	\$137,685	15.3%
Service Charge-STS	12		\$12.00		\$12.00000	\$144	\$12.00		\$12.00	\$144	\$0	0.0%
First 100 therms-STS		666	\$0.30753		\$0.30753	\$205	\$0.36895		\$0.36895	\$246	\$41	20.0%
Over 100 therms-STS		260	\$0.22315		\$0.22315	\$58	\$0.25731		\$0.25731	\$67	\$9	15.3%
Total Therms and Margins	160,529	9,922,828				\$4,637,791				\$5,137,370	\$499,579	10.77%
Reconciliation Factor						0.999313				0.999313		
Adjusted Margins						\$4,634,604				\$5,133,840	\$499,236	10.77%
<b>Rate B (Commercial Service)</b>												
Service Charge	5,826		\$24.00		\$24.00	\$139,824	\$26.00		\$26.00	\$151,476	\$11,652	8.3%
First 500 therms		1,388,823	\$0.26724	\$0.00000	\$0.26724	\$371,149	\$0.31757	\$0.00000	\$0.31757	\$441,049	\$69,900	18.8%
Next 500 therms		687,551	\$0.18818	\$0.00000	\$0.18818	\$129,383	\$0.22025	\$0.00000	\$0.22025	\$151,433	\$22,050	17.0%
Over 1,000 therms		3,504,146	\$0.13265	\$0.00000	\$0.13265	\$464,825	\$0.15293	\$0.00000	\$0.15293	\$535,889	\$71,064	15.3%
Service Charge-STS	36		\$24.00		\$24.00	\$864	\$26.00		\$26.00	\$936	\$72	8.3%
First 500 therms-STS		12,513	\$0.26724		\$0.26724	\$3,344	\$0.31757	\$0.00000	\$0.31757	\$3,974	\$630	18.8%
Next 500 therms-STS		11,828	\$0.18818		\$0.18818	\$2,226	\$0.22025	\$0.00000	\$0.22025	\$2,605	\$379	17.0%
Over 1,000 therms-STS		40,064	\$0.13265		\$0.13265	\$5,315	\$0.15293	\$0.00000	\$0.15293	\$6,127	\$812	15.3%
Total Therms and Margins	5,862	5,644,925				\$1,116,930				\$1,293,489	\$176,559	15.81%
Reconciliation Factor						0.999313				0.999313		
Adjusted Margins						\$1,116,162				\$1,292,600	\$176,438	15.81%

**MIDWEST NATURAL GAS CORPORATION  
IURC CAUSE NO. 44880  
COST OF SERVICE STUDY  
COMPARISON OF MARGINS AT PRESENT AND PROPOSED RATES**

TYPE OF FILING: COMPLIANCE FILING  
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-6  
PAGE 2 OF 2

DESCRIPTION	Number of Bills (1)	Billing Quantities (therms) (2)	Present Rates (\$/therm) (3)	Proforma GCA (\$/therm) (4)	Effective Present Rates (\$/therm) (5)	Margin at Present Rates (6)	Proposed Rates (\$/therm) (7)	Proforma Base Cost of Gas (\$/therm) (8)	Proposed Effective Rates (\$/therm) (9)	Margin at Proposed Rates (10)	Increase in Margins	
											Amount (11)	Percent (12)
<b>Rate C (Firm Industrial Service)</b>												
Service Charge	161		\$142.00		\$142.00	\$22,862	\$165.00		\$165.00	\$26,565	\$3,703	16.2%
First 3,000 therms		357,928	\$0.18898	\$0.00000	\$0.18898	\$67,641	\$0.21130	\$0.00000	\$0.21130	\$75,630	\$7,989	11.8%
Over 3,000 therms		1,788,429	\$0.13983	\$0.00000	\$0.13983	\$250,076	\$0.14993	\$0.00000	\$0.14993	\$268,139	\$18,063	7.2%
Total Therms and Margins	161	2,146,357				\$340,579				\$370,334	\$29,755	8.74%
Reconciliation Factor						0.999313				0.999313		
Adjusted Margins						\$340,345				\$370,080	\$29,735	8.74%
<b>Rate E (Transportation Service)</b>												
Service Charge	196		\$380.00		\$380.00	\$74,480	\$460.00		\$460.00	\$90,160	\$15,680	21.1%
First 175000 therms		10,939,215	\$0.05737		\$0.05737	\$627,583	\$0.07131		\$0.07131	\$780,075	\$152,492	24.3%
Over 175000 therms		4,836,101	\$0.05737		\$0.05737	\$277,447	\$0.05737		\$0.05737	\$277,447	\$0	0.0%
Total Therms and Margins	196	15,775,316				\$979,510				\$1,147,682	\$168,172	17.17%
Reconciliation Factor						0.999313				0.999313		
Adjusted Margins						\$978,837				\$1,146,893	\$168,056	17.17%
MIDWEST NATURAL GAS CORPORATION												
TOTAL THERMS AND MARGIN FROM RATES	<u>166,748</u>	<u>33,489,426</u>				<u>\$7,069,948</u>				<u>\$7,943,412</u>	<u>\$873,464</u>	<u>12.35%</u>
MISCELLANEOUS REVENUE												
TOTAL MARGIN INCLUDING MISC. REVENUE						<u>\$132,672</u>				<u>\$132,672</u>	<u>\$0</u>	
						\$7,202,620				\$8,076,084	\$873,464	12.13%

**MIDWEST NATURAL GAS CORPORATION  
IURC CAUSE NO. 44880  
COST OF SERVICE STUDY  
REVENUE PROOF AT PROPOSED RATES**

**TYPE OF FILING: COMPLIANCE FILING  
WITNESS: HEID**

**PETITIONER'S EXHIBIT KAH-7  
PAGE 1 OF 2**

<u>Description</u>	<u>Number of Bills</u> (1)	<u>Billing Quantities (therms)</u> (2)	<u>Proposed Margin Rates (\$/therm)</u> (3)	<u>Proforma Cost of Gas (\$/therm)</u> (4)	<u>Proposed Effective Rates</u> (5)	<u>Revenues From Gas Sales at Proposed Rates</u> (6)	<u>Misc. Revenues</u> (7)	<u>Total Revenues (6) + (7)</u> (8)	<u>Cost-of-Service (Proforma B Revenues)</u> (9)	<u>(Over)/Under Recovery (9) - (8)</u> (10)	<u>(Over)/Under Recovery Percentage (10) / (9)</u> (11)
<b><u>Rate A (General Service)</u></b>											
Service Charge	160,529		\$12.00		\$12.00	\$1,926,348					
First 100 therms		5,891,966	\$0.36895	\$0.00000	\$0.36895	\$2,173,841					
Over 100 therms		4,030,862	\$0.25731	\$0.00000	\$0.25731	\$1,037,181					
Total Therms and Margins	160,529	9,922,828				\$5,137,370					
Reconciliation Factor						<u>0.999313</u>					
Adjusted Margins						\$5,133,839	\$114,362	\$5,248,201	\$5,248,207	\$6	0.0001%
<b><u>Rate B (Commercial Service)</u></b>											
Service Charge	5,862		\$26.00		\$26.00	\$152,412					
First 500 therms		1,401,336	\$0.31757	\$0.00000	\$0.31757	\$445,022					
Next 500 therms		699,379	\$0.22025	\$0.00000	\$0.22025	\$154,038					
All Over 1000 therms		3,544,210	\$0.15293	\$0.00000	\$0.15293	\$542,016					
Total Therms and Margins	5,862	5,644,925				\$1,293,489					
Reconciliation Factor						<u>0.999313</u>					
Adjusted Margins						\$1,292,600	\$13,690	\$1,306,290	\$1,306,280	(\$10)	-0.0007%

**MIDWEST NATURAL GAS CORPORATION  
IURC CAUSE NO. 44880  
COST OF SERVICE STUDY  
REVENUE PROOF AT PROPOSED RATES**

**TYPE OF FILING: COMPLIANCE FILING  
WITNESS: HEID**


**PETITIONER'S EXHIBIT KAH-7  
PAGE 2 OF 2**

<u>Description</u>	<u>Number of Bills</u> (1)	<u>Billing Quantities (therms)</u> (2)	<u>Proposed Margin Rates (\$/therm)</u> (3)	<u>Proforma Cost of Gas (\$/therm)</u> (4)	<u>Proposed Effective Rates</u> (5)	<u>Revenues From Gas Sales at Proposed Rates</u> (6)	<u>Misc. Revenues</u> (7)	<u>Total Revenues (6) + (7)</u> (8)	<u>Cost-of-Service (Proforma B Revenues)</u> (9)	<u>(Over)/Under Recovery (9) - (8)</u> (10)	<u>(Over)/Under Recovery Percentage (10) / (9)</u> (11)
<b><u>Rate C (Firm Industrial Service)</u></b>											
Service Charge	161		\$165.00		\$165.00	\$26,565					
First 3,000 therms		357,928	\$0.21130	\$0.00000	\$0.21130	\$75,630					
Over 3,000 therms		1,788,429	\$0.14993	\$0.00000	\$0.14993	\$268,139					
Total Therms and Margins	161	2,146,357				\$370,334					
Reconciliation Factor						<u>0.999313</u>					
Adjusted Margins						\$370,080	\$3,832	\$373,911	\$373,919	\$7	0.0020%
<b><u>Rate E (Transportation Service)</u></b>											
Service Charge	196		\$460.00		\$460.00	\$90,160					
First 175000 therms		10,939,215	\$0.07131	\$0.00000	\$0.07131	\$780,075					
Over 175000 therms		4,836,101	\$0.05737	\$0.00000	\$0.05737	\$277,447					
Total Therms and Margins	196	15,775,316				\$1,147,683					
Reconciliation Factor						<u>0.999313</u>					
Adjusted Margins						\$1,146,894	\$789	\$1,147,683	\$1,147,718	\$36	0.0031%
<b>Total Therms and Revenue</b>	<b><u>166.748</u></b>	<b><u>33,489,426</u></b>				<b><u>\$7,943,413</u></b>	<b><u>\$132,672</u></b>	<b><u>\$8,076,085</u></b>	<b><u>\$8,076,124</u></b>	<b><u>\$39</u></b>	<b><u>0.0005%</u></b>

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the foregoing has been served upon the following counsel of record by electronic mail this 31<sup>st</sup> day of August, 2017.

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