

FILED

December 20, 2017

INDIANA UTILITY

REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF SOUTH EASTERN INDIANA)
NATURAL GAS COMPANY, INC. FOR)
AUTHORITY TO CHANGE ITS RATES,)
CHARGES, TARIFFS, RULES, AND)
REGULATIONS

CAUSE NO. 45027

KERRY A. HEID

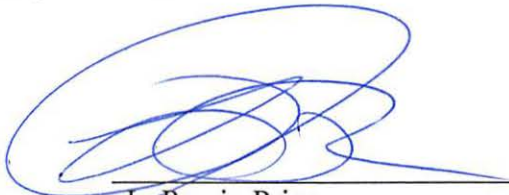
Exhibits KAH 1-10

**ON BEHALF OF SOUTH EASTERN INDIANA
NATURAL GAS COMPANY, INC.**

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing has been served upon the following counsel of record by electronic mail this 20th day of December, 2017:

Indiana Office of Utility Consumer Counselor
115 West Washington Street, Suite 1500S
Indianapolis, IN 46204
infomgt@oucc.in.gov



L. Parvin Price

EXHIBIT KAH-1

KERRY A. HEID, P.E.

Heid Rate and Regulatory Services

Mr. Heid is an independent rate consultant with more than 35 years of water, wastewater, gas, electric, and steam utility experience in the rate and regulatory areas. Mr. Heid was previously Director of Rates for Vectren Corporation, a combination gas and electric utility with one million customers, where he directed the rate activities for the Vectren utilities of Indiana Gas Company, Southern Indiana Gas and Electric Company and Vectren Energy Delivery of Ohio. Mr. Heid has testified on numerous occasions regarding cost of service studies, rate design and other regulatory and ratemaking matters.

Since leaving Vectren in 2002 to start his own rate and regulatory consulting firm, Mr. Heid has continued on retainer with Vectren. Mr. Heid has also assisted numerous other clients with respect to cost of service and rate design studies and other regulatory and ratemaking matters.

Prior to Mr. Heid's employment with Vectren, he was employed by Black & Veatch Consulting Engineers, where he prepared cost of service and rate design studies for water and wastewater utilities throughout the United States. Mr. Heid also headed the water and wastewater rate section of the Indiana Utility Regulatory Commission and its predecessor the Public Service Commission of Indiana prior to assuming a more senior advisory role with the Commission.

Mr. Heid has been actively involved as a member of the following professional industry associations: (i) *American Water Works Association ("AWWA") Rates and Charges Committee*; (ii) *Water Subcommittee of the National Association of Regulatory Utility Commissioners ("NARUC")*; (iii) *Water Environment Federation*; (iv) *American Gas Association Rate and Strategic Planning Committee, including former Chair of its Revenue Requirements Subcommittee*; (v) *Indiana Gas Association, Former Chair*; (vi) *Edison Electric Institute ("EEI") Economic Regulation and Competition Committee*; and (vii) *Indiana Electric Association Rates and Tariffs Committee*.

As a member of the AWWA Rates and Charges Committee, which is responsible for the AWWA M1 Water Rates Manual "Principles of Water Rates, Fees, and Charges," Mr. Heid assisted in drafting, reviewing and updating the newly-issued Sixth Edition of the AWWA M1 Water Rates Manual, and is listed as a contributor in the Acknowledgements. Mr. Heid is also listed as a contributor in the Acknowledgments to the AWWA M54 Manual "Developing Rates for Small Systems."

At the Indiana Utility Regulatory Commission's invitation, Mr. Heid conducted two-day training for its staff on preparation of water cost of service studies and rate design. Mr. Heid has served on the faculty of numerous utility rate training seminars and has given presentations to various utility organizations including the AWWA ACE Water Conference and the Annual Eastern Utility Water Rate Seminar.

Mr. Heid has a B.S. degree in Civil Engineering from Purdue University and an MBA degree with a concentration in finance from Indiana University. Mr. Heid is a registered Professional Engineer in the State of Indiana.

Representative Engagements of Kerry A. Heid, P.E.¹

<i>Client</i>	<i>Year</i>	<i>Project Emphasis</i>
Vectren North (Indiana Gas Co.)	1990	Gas Cost of Service Study and Rate Design Normal Temperature Adjustment
Vectren North (Indiana Gas Co.)	1992-1995	Gas Cost of Service Study and Rate Design Normal Temperature Adjustment Environmental Cost Recovery Tracker
Vectren North (Indiana Gas Co.)	1989-2002	Quarterly Gas Cost Adjustments
Vectren South (SIGECO)-Gas	2000-2002	Quarterly Gas Cost Adjustments
Vectren South (SIGECO)-Electric	2000-2002	Quarterly Electric Fuel Cost Adjustments Demand Side Management Cost Riders
Vectren Energy Delivery of Ohio	2000-2002	Quarterly Gas Cost Adjustments
Vectren Energy Delivery of Ohio	2001	Gas Cost Recovery Audit
Vectren Energy Delivery of Ohio	2001	Senate Bill 287 Implementation Gross Receipts Tax Rider
Vectren South (SIGECO)-Electric	2001	NOx Environmental Cost Recovery Mechanism
Vectren South (SIGECO)-Electric	2002	NOx Environmental Cost Recovery Mechanism
Vectren South (SIGECO)-Electric	2002	Review of Electric Cost of Service Study
Evansville Business Alliance	2002	Wastewater Cost of Service Study and Rate Design
Evansville Business Alliance	2002	Water Cost of Service Study and Rate Design
Mead Johnson (Bristol Myers)	2003	Wastewater Rate Projections
Vectren South (SIGECO)-Electric	2003	NOx Environmental Cost Recovery Mechanism
South Bend Industrial Intervenors	2003	Wastewater Cost of Service and Rate Design
Indiana Utilities Corporation	2003	Gas Cost of Service and Rate Design
Community Natural Gas Co.	2003	Gas Cost of Service Study and Rate Design
Indiana Natural Gas Corporation	2003	Gas Cost of Service Study and Rate Design
Indiana-American Water Company	2003	Water Cost of Service Study and Rate Design Single Tariff Pricing

Representative Engagements of Kerry A. Heid, P.E.¹

<i>Client</i>	<i>Year</i>	<i>Project Emphasis</i>
Purdue University	2004	Wastewater Cost of Service Study and Rate Design
City of Frankfort, IN	2004	Water Cost of Service Study and Rate Design Large Customer Bypass Negotiations
Evansville Business Alliance	2004	Wastewater Cost of Service Study and Rate Design
Switzerland County Natural Gas	2004	Gas Cost of Service Study and Rate Design
Vectren Energy Delivery of Ohio	2004	Gas Cost of Service Study and Rate Design
Vectren North (Indiana Gas Co.)	2004	Gas Cost of Service Study and Rate Design Normal Temperature Adjustment
Clay Utilities Customers	2005-2007	Outside City Surcharge
City of East Chicago, IN	2005	Water Cost of Service Study and Rate Design
Indianapolis Department of Waterworks (formerly Indianapolis Water Company, Inc.)	2006	Water Cost of Service Study and Rate Design
Culver Academies	2005	Wastewater Cost of Service Study and Rate Design
City of Anderson, IN	2005-2006	Water Cost of Service Study and Rate Design
Vectren South (SIGECO)-Electric	2006-2007	Electric Cost of Service Study
Vectren South (SIGECO)-Gas	2006-2007	Gas Cost of Service Study and Rate Design
MasterGuard Corporation	2006	Electric Rate Billing Dispute Litigation
Lawrenceburg Gas Corporation	2006-2007	Gas Cost of Service Study and Rate Design Single Tariff Pricing School Transportation Tariff
Fountaintown Gas Company	2006	Transportation Balancing Provisions
Lawrenceburg Gas Company Midwest Natural Gas Corporation Indiana Utilities Corporation South Eastern Indiana Natural Gas Co. Fountaintown Gas Company, Inc. Community Natural Gas Co. Boonville Natural Gas Corporation Chandler Natural Gas Corporation Indiana Natural Gas Corporation	2006	Normal Temperature Adjustment

Representative Engagements of Kerry A. Heid, P.E.¹

<i>Client</i>	<i>Year</i>	<i>Project Emphasis</i>
Missouri-American Water Company	2006-2007	CWIP Surcharge
Grandview Municipal Waterworks	2007	Sale for Resale Rate Litigation
Citizens Gas & Coke Utility	2007	Normal Temperature Adjustment
Southeastern Indiana REMC	2007	Electric Cost of Service Study and Rate Design
Ohio Valley Gas Company	2007	Gas Cost of Service Study and Rate Design Normal Temperature Adjustment Pipeline Safety Integrity Rider
Midwest Gas Corporation	2007	Gas Cost of Service Study and Rate Design Single Tariff Pricing School Transportation Tariff
Citizens Thermal Energy	2007	Steam Cost of Service Study and Rate Design
Rensselaer Municipal Electric Utility	2007	Rensselaer Municipal Electric Contract with IMPA
Vectren North (Indiana Gas Company)	2007	Gas Cost of Service Study and Rate Design
Vectren Energy Delivery of Ohio	2007-2008	Gas Cost of Service Study and Rate Design
Lawrenceburg Gas Corporation	2007-2008	Gas Cost Adjustment Review and Corrections
Indiana Natural Gas Corporation	2007-2008	School Transportation Tariff
Boonville Natural Gas Corp. & Chandler Natural Gas Corp.	2007-2008	Gas Cost of Service Study and Rate Design Single Tariff Pricing
Community Natural Gas Co., Inc.	2007-2008	Rate Design
Indiana Natural Gas Corporation	2008	Gas Cost of Service Study and Rate Design
Santa Claus Municipal Waterworks	2008	Water Cost of Service Study and Rate Design
Indiana Housing and Community Development Authority	2008	2008 Review of Utility Allowances for Low Income Housing
Evansville Business Alliance	2008	Wastewater Cost of Service Study and Rate Design
Citizens Thermal Energy	2008	Large Volume Customer Steam Contract Negotiations and Approval
Southeastern Indiana REMC	2008	Update to Electric Cost of Service Study and Rate Design

Representative Engagements of Kerry A. Heid, P.E.¹

<i>Client</i>	<i>Year</i>	<i>Project Emphasis</i>
Indiana Utilities Corporation	2008	Gas Rate Design
City of Ft. Wayne, Indiana	2008	Indiana Michigan Power Electric Cost of Service Study and Rate Design Intervention
Indiana Municipal Utilities Group	2008-2009	Northern Indiana Public Service Company ("NIPSCO") Cost of Service Study and Rate Design Intervention
Vectren South (SIGECO)-Gas	2008-2009	Analysis of and Assistance with Consolidation of Indiana Gas Company and Southern Indiana Gas & Electric Company Rates (Single Tariff Pricing)
City of East Chicago, Indiana	2009	Public Fire Protection Rates
Indianapolis Department of Waterworks (formerly Indianapolis Water Company, Inc.)	2009-2010	Water Cost of Service Study and Rate Design Weather Normalization Adjustment
Indiana-American Water Company	2009-2010	Water Cost of Service Study and Rate Design Single Tariff Pricing Weather Normalization Adjustment
Town of Montezuma, Indiana	2009-2010	Wholesale Power Analysis and Negotiations
Hendricks Power Cooperative	2009-2010	Electric Cost of Service Study and Rate Design
Vectren South (SIGECO)-Electric	2009-2010	Electric Cost of Service Study
Northern Indiana Public Service Company ("NIPSCO")	2009-2010	Audit of Gas Rate Case Filing Documents
Purdue University	2010-2011	Internal Gas, Electric, Water and Wastewater Cost of Service Studies
Fort Wayne Municipal Waterworks	2010-2011	Water Cost of Service Study, Rate Design and Outside City Rate Differential
Wabash County REMC	2010-2011	Electric Cost of Service Study and Rate Design
Indianapolis Power & Light Company	2010	Demand-Side Management Lost Revenue Recovery Tracker
Jasper Municipal Gas Utility	2010-2011	Gas Cost of Service Study and Rate Design

Representative Engagements of Kerry A. Heid, P.E.¹

<i>Client</i>	<i>Year</i>	<i>Project Emphasis</i>
Indiana Municipal Utilities Group	2011	Northern Indiana Public Service Company ("NIPSCO") Cost of Service Study and Rate Design Intervention
Nucor Steel	2011	Intervention in Duke DSM Case Concerning Cost Allocation of Energy Efficiency Costs
Indiana American Water Company	2011	Water Cost of Service Study and Rate Design Single Tariff Pricing
Midwest Natural Gas Corporation Indiana Utilities Corporation South Eastern Indiana Natural Gas Co. Fountaintown Gas Company, Inc. Community Natural Gas Co. Boonville Natural Gas Corporation Indiana Natural Gas Corporation Switzerland County Natural Gas	2011	Gas Energy Efficiency, Funding and Decoupling
Sycamore Gas Company	2011-2012	Assistance with Negotiating and Preparing a Large Volume Customer Special Contract
Indiana Utilities Corporation	2011-2012	Gas Rate Design Gas Energy Efficiency, Funding and Decoupling
Ohio Valley Gas Corporation	2011-2012	Gas Cost of Service Study and Rate Design Single Tariff Pricing
Northern Indiana Public Service Company (Kokomo Gas & Fuel Co.)	2011-2012	Court Litigation with Kokomo Opalescent Glass, Inc. Concerning Gas Rates
City of Fort Wayne, Indiana	2011-2012	Indiana Michigan Power Electric Cost of Service Study and Rate Design Intervention
Morgan Foods	2012	Stucker Fork Conservancy District Water Cost of Service Study and Rate Design Intervention
South Eastern Indiana Natural Gas Co.	2012	Gas Rate Design Gas Energy Efficiency, Funding and Decoupling
Boonville Natural Gas Corporation	2012	Gas Rate Design Gas Energy Efficiency, Funding and Decoupling
Midwest Gas Corporation	2012	Gas Cost of Service and Rate Design Gas Energy Efficiency, Funding and Decoupling

Representative Engagements of Kerry A. Heid, P.E.¹

<i>Client</i>	<i>Year</i>	<i>Project Emphasis</i>
Indianapolis Power & Light Company	2012	Assistance with Regulatory Matters
Illinois American Water Company	2012	Support Water Decoupling Mechanism Before the Illinois Commerce Commission
White River Citizens United	2012	Petition Objecting to Outside Rates for Bargersville Water
Town of Montezuma, Indiana	2012	Review of Wholesale Power Amendment and Negotiations with Duke Energy
Vectren Energy Delivery of Ohio	2012	Assistance with Implementation of HB95, Establishing Gas Cost of Service Study and Rates and Charges Excluding Equity Component
Fountaintown Natural Gas Company	2012	Gas Rate Design Gas Energy Efficiency, Funding and Decoupling
Switzerland County Natural Gas Company	2012	Gas Rate Design Gas Energy Efficiency, Funding and Decoupling
Community Natural Gas Co.	2012-2013	Gas Cost of Service Study and Rate Design. Gas Energy Efficiency, Funding and Decoupling.
Nucor Steel	2013	Expert Testimony on Electric Energy Efficiency Self-Direct Program in IURC Cause No. 44310
Citizens Thermal Energy	2013	Steam Cost of Service Study and Rate Design
Indiana Natural Gas Company	2013	Gas Rate Design Gas Energy Efficiency, Funding and Decoupling
City of Fort Wayne, Indiana	2012-2013	Water Cost of Service Study and Rate Design
Citizens Thermal Energy	2013	Research and Development Into Revenue Stabilization Rate Design
Delta Natural Gas	2014	Review of Unaccounted for Gas Calculations and Underlying Procedures
Community Natural Gas Co.	2014-2015	Assistance with Calculation of Cost of Service-Based Rate for Large Volume Customer and Assistance with Preparation of 30-Day Filing.
Vectren South Electric	2015	Assistance with LED Lighting Analysis

Representative Engagements of Kerry A. Heid, P.E.¹

Midwest Natural Gas Corporation Indiana Utilities Corporation South Eastern Indiana Natural Gas Co. Fountaintown Gas Company, Inc. Community Natural Gas Co. Boonville Natural Gas Corporation Indiana Natural Gas Corporation Switzerland County Natural Gas	2015	Review and Analysis of First Year's Decoupling Rates
Morgan Foods	2015	Stucker Fork Conservancy District Water Cost of Service Study and Rate Design Intervention
Town of Whitestown, IN	2015	Citizens Water (Formerly Indianapolis Water Company and Indianapolis Department of Waterworks) Cost of Service Study and Rate Design Intervention
Vectren South Electric	2015-2016	Miscellaneous Regulatory and Ratemaking Projects
Vectren North and South Gas	2016	Intervention in ANR Pipeline Company Rate Case Docket No. RP16-440-000
Community Natural Gas Company	2016	Natural Gas Cost of Service Study and Rate Design.
United House of Prayer (Class Action)	2016	Water Rate Litigation Versus City of Detroit, MI
Leonard S. Bohn (Class Action)	2016	Water Rate Litigation Versus City of Taylor, MI
City of Fort Wayne, Indiana	2016	Water Cost of Service Study and Rate Design Revision to Reflect Expiration of Contract
Davies County Rural Water System Inc.	2016	Wholesale Water Rate Litigation Versus City of Washington, IN

Footnote 1: The aforementioned cases do not include in excess of one hundred water rate cases in which Mr. Heid participated as Principal Water and Sewer Engineer during his tenure with the Indiana Utility Regulatory Commission and its predecessor the Public Service Commission of Indiana through 1986.

EXHIBIT KAH-2

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.

IURC CAUSE NO. _____

COST OF SERVICE STUDY

SCHEDULE OF ALLOCATION FACTORS

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 1
PAGE 1 OF 2

<u>NO. ALLOCATORS</u>	<u>Rate RS</u> <u>(Residential Svc.)</u>	<u>Rate GS</u> <u>(General Svc.)</u>	<u>TOTAL</u>
<u>Input Allocators</u>			
1	Annual Throughput 1,041,077 55.6579%	829,416 44.3421%	1,870,492 100.0000%
3	Number of Bills 19,855 85.3501%	3,408 14.6499%	23,263 100.0000%
4	Design Day Throughput 15,251 58.6470%	10,754 41.3530%	26,005 100.0000%
7	Number of Customers Meters and Services Weighting Factor Meters and Services Analysis 1,655 1.0 1,655 82.9206%	284 1.2 341 17.0794%	1,995 100.0000%
10	99% Rate RS / 1% Rate GS 0.99 99.0000%	0.01 1.0000%	1.00 100.0000%
11	90% Rate RS / 10% Rate GS 0.90 90.0000%	0.10 10.0000%	1.00 100.0000%
12	70% Rate RS / 30% Rate GS 0.70 70.0000%	0.30 30.0000%	1.00 100.0000%
14	95% Rate RS / 5% Rate GS 95% 95.0000%	5.0000% 5.0000%	100.0000% 100.0000%
<u>Internally-Generated Allocators</u>			
100	Gross Plant \$3,060,256 71.5255%	\$1,218,295 28.4745%	\$4,278,551 100.0000%
102	Original Cost Rate Base \$1,522,160 71.8477%	\$596,432 28.1523%	\$2,118,591 100.0000%
103	Distribution Mains Plant \$1,218,785 61.3821%	\$766,786 38.6179%	\$1,985,571 100.0000%
107	Mains and Services Plant \$2,292,946 69.6366%	\$999,787 30.3634%	\$3,292,733 100.0000%

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.

IURC CAUSE NO. _____

COST OF SERVICE STUDY

SCHEDULE OF ALLOCATION FACTORS

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 1
PAGE 2 OF 2

<u>NO.</u> <u>ALLOCATORS</u>	<u>Rate RS</u> <u>(Residential Svc.)</u>	<u>Rate GS</u> <u>(General Svc.)</u>	<u>TOTAL</u>
108 Meters, Meter Installations and House Regulators	\$452,612 82.9206%	\$93,226 17.0794%	\$545,838 100.0000%
109 Subtotal Distribution Plant	\$1,246,559 61.3821%	\$784,259 38.6179%	\$2,030,818 100.0000%
110 Subtotal Gross Plant	\$2,745,558 71.5255%	\$1,093,013 28.4745%	\$3,838,571 100.0000%
115 O&M Without Gas Costs (P/F A)	\$235,214 78.3958%	\$64,820 21.6042%	\$300,034 100.0000%
117 O&M Without Gas Costs (P/F B)	\$261,755 77.7643%	\$74,846 22.2357%	\$336,600 100.0000%
119 Distribution O&M (P/F B)	\$59,639 74.1022%	\$20,843 25.8978%	\$80,482 0.0000%
120 Total Depreciation Expenses	\$85,937 71.5565%	\$34,160 28.4435%	\$120,097 100.0000%
121 P/F A Normal Rev. w/ Misc. Rev.	710,945 67.2315%	346,514 32.7685%	1,057,459 100.0000%
122 P/F A Equalized Rev. w/ Misc. Rev.	822,863 77.8150%	234,597 22.1850%	1,057,460 100.0000%
123 P/F B Equalized Rev. w/ Misc. Rev.	1,058,655 76.3268%	328,347 23.6732%	1,387,002 100.0000%
124 P/F B Normal Rev. w/ Misc. Rev.	957,929 69.0648%	429,072 30.9352%	1,387,002 100.0000%
125 Labor Allocator	\$217,490 78.5345%	\$59,446 21.4655%	\$276,936 100.0000%

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY
ALLOCATION OF RATE BASE

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 2
PAGE 1 OF 3

	<u>No.</u>	<u>Allocation Method</u>	<u>Total</u>	<u>Rate RS</u> <u>(Residential</u> <u>Svc.)</u>	<u>Rate GS</u> <u>(General</u> <u>Svc.)</u>
<u>GROSS PLANT</u>					
(1)		Total Distribution Plant			
(2)		Mains			
(3)	3	Customer Number of Bills	\$297,836	\$254,203	\$43,633
(4)	1	Commodity Annual Throughput	\$843,868	\$469,679	\$374,189
(5)	4	Demand Design Day Throughput	\$843,868	\$494,903	\$348,965
(6)	103	Land and Land Rights Distribution Mains Plant	\$9,359	\$5,745	\$3,614
(7)	1	Compressor Station Equipment Annual Throughput	\$0	\$0	\$0
(8)	103	Structures and Improvements Distribution Mains Plant	\$0	\$0	\$0
(9)	103	Measuring and Regulating Equipment Distribution Mains Plant	\$35,888	\$22,029	\$13,859
(10)	7	Services Meters and Services Analysis	\$1,261,915	\$1,046,387	\$215,528
(11)	7	Meters Meters and Services Analysis	\$381,854	\$316,636	\$65,218
(12)	7	Meter Installations Meters and Services Analysis	\$116,657	\$96,733	\$19,924
(13)	7	House Regulators Meters and Services Analysis	\$47,327	\$39,243	\$8,083
(14)	109	Other Distribution Equipment Subtotal Distribution Plant	\$0	\$0	\$0
(15)	110	Total General and Intangible Plant Subtotal Gross Plant	\$439,980	\$314,698	\$125,282
(16)		Total Gross Plant	\$4,278,551	\$3,060,256	\$1,218,295

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY
ALLOCATION OF RATE BASE

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 2
PAGE 2 OF 3

		<u>No.</u>	<u>Allocation Method</u>	<u>Total</u>	<u>Rate RS</u> <u>(Residential</u> <u>Svc.)</u>	<u>Rate GS</u> <u>(General</u> <u>Svc.)</u>
<u>DEPRECIATION RESERVE</u>						
(1)	Total Distribution Plant Depreciation Reserve					
(2)	Mains	103	Distribution Mains Plant	\$1,080,512	\$663,241	\$417,271
(3)	Land and Land Rights	103	Distribution Mains Plant	\$0	\$0	\$0
(4)	Compressor Station Equipment	1	Annual Throughput	\$0	\$0	\$0
(5)	Structures and Improvements	103	Distribution Mains Plant	\$0	\$0	\$0
(6)	Measuring and Regulating Equipment	103	Distribution Mains Plant	\$19,530	\$11,988	\$7,542
(7)	Services	7	Meters and Services Analysis	\$686,711	\$569,425	\$117,286
(8)	Meters	7	Meters and Services Analysis	\$207,798	\$172,307	\$35,491
(9)	Meter Installations	7	Meters and Services Analysis	\$63,483	\$52,640	\$10,842
(10)	House Regulators	7	Meters and Services Analysis	\$25,754	\$21,356	\$4,399
(11)	Other Distribution Equipment	109	Subtotal Distribution Plant	\$0	\$0	\$0
(12)	General and Intangible Plant Depreciation Reserve	110	Subtotal Gross Plant	\$212,220	\$151,791	\$60,428
(13)	Total Depreciation Reserve			\$2,296,008	\$1,642,748	\$653,260

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
 IURC CAUSE NO. _____
 COST OF SERVICE STUDY
 ALLOCATION OF RATE BASE

TYPE OF FILING: CASE-IN-CHIEF
 WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
 SCHEDULE 2
 PAGE 3 OF 3

	<u>No.</u>	<u>Allocation Method</u>	<u>Total</u>	<u>Rate RS (Residential Svc.)</u>	<u>Rate GS (General Svc.)</u>
<u>OTHER RATE BASE COMPONENTS</u>					
(1)	100	Gross Plant	\$18,352	\$13,126	\$5,226
(2)	117	O&M Without Gas Costs (P/F B)	\$117,697	\$91,526	\$26,171
(3)	Total Other Rate Base Components		<u>\$136,049</u>	<u>\$104,652</u>	<u>\$31,396</u>
(4)	Total Rate Base		<u>\$2,118,591</u>	<u>\$1,522,160</u>	<u>\$596,432</u>

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY

ALLOCATION OF DEPRECIATION AND AMORTIZATION EXPENSE

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 3
PAGE 1 OF 1

	<u>No.</u>	<u>Allocation Method</u>	<u>Total</u>	<u>Rate RS (Residential Svc.)</u>	<u>Rate GS (General Svc.)</u>
<u>DEPRECIATION AND AMORTIZATION EXPENSES</u>					
(1) Total Distribution					
(2) Mains	103	Distribution Mains Plant	\$49,469	\$30,365	\$19,104
(3) Measuring and Regulating Equipment	103	Distribution Mains Plant	\$910	\$559	\$352
(4) Services	7	Meters and Services Analysis	\$31,347	\$25,993	\$5,354
(5) Meters - Account 381	7	Meters and Services Analysis	\$9,710	\$8,051	\$1,658
(6) Meter Installations - Account 381	7	Meters and Services Analysis	\$2,959	\$2,454	\$505
(7) House Regulators - Account 381	7	Meters and Services Analysis	\$1,156	\$958	\$197
(8) Other Distribution Equipment	109	Subtotal Distribution Plant	\$0	\$0	\$0
(9) General and Intangible Plant	110	Subtotal Gross Plant	\$24,545	\$17,556	\$6,989
(10) Total Depreciation and Amortization Expense			<u>\$120,097</u>	<u>\$85,937</u>	<u>\$34,160</u>

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY
ALLOCATION OF OPERATION AND MAINTENANCE EXPENSE
PROFORMA A (PRESENT REVENUE LEVELS)

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 4
PAGE 1 OF 2

	<u>No.</u>	<u>Allocation Method</u>	<u>Total</u>	<u>Rate RS</u> <u>(Residential</u> <u>Svc.)</u>	<u>Rate GS</u> <u>(General</u> <u>Svc.)</u>
<u>OPERATING EXPENSES</u>					
(1) Total Distribution Expenses					
(2) Measuring and Regulating Equipment	103	Distribution Mains Plant	\$1,366	\$838	\$527
(3) Mains and Services	107	Mains and Services Plant	\$51,538	\$35,889	\$15,649
(4) Meter, Meter Installation and House Regulator	108	Meters, Meter Installations and Hou:	\$25,786	\$21,390	\$4,406
(5) Customer Installation Expenses	3	Number of Bills	\$1,782	\$1,521	\$261
(6) Supervision and Engineering	119	Distribution O&M (P/F B)	\$105,390	\$78,097	\$27,294
(7) Other Distribution	119	Distribution O&M (P/F B)	\$7,563	\$5,604	\$1,959
(8) Total Customer Accounts Expense	3	Number of Bills	\$100,062	\$85,403	\$14,659
(9) Uncollectibles	10	99% Rate RS / 1% Rate GS	\$6,537	\$6,472	\$65
(10) Administrative and General					
(11) Plant-Related	100	Gross Plant	\$35,160	\$25,148	\$10,012
(12) Salaries-Related	125	Labor Allocator	\$390,533	\$308,703	\$83,830
(13) Other	115	O&M Without Gas Costs (P/F A)	\$215,848	\$169,216	\$48,632
(14) Total Proforma A Operating Costs			\$941,576	\$738,282	\$205,294

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
 IURC CAUSE NO. _____
 COST OF SERVICE STUDY
 ALLOCATION OF OPERATION AND MAINTENANCE EXPENSE
 PROFORMA B (PROPOSED REVENUE LEVELS)

TYPE OF FILING: CASE-IN-CHIEF
 WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
 SCHEDULE 4
 PAGE 2 OF 2

	<u>NO.</u>	<u>Allocation Method</u>	<u>Total</u>	<u>Rate RS (Residential Svc.)</u>	<u>Rate GS (General Svc.)</u>
OPERATING EXPENSES					
(1) Total Distribution Expenses					
(2) Measuring and Regulating Equipment	103	Distribution Mains Plant	\$1,366	\$838	\$527
(3) Mains and Services	107	Mains and Services Plant	\$51,538	\$35,889	\$15,649
(4) Meter, Meter Installation and House Regulator	108	Meters, Meter Installations and Hou:	\$25,798	\$21,390	\$4,406
(5) Customer Installation Expenses	3	Number of Bills	\$1,782	\$1,521	\$261
(6) Supervision and Engineering	119	Distribution O&M (P/F B)	\$105,390	\$78,097	\$27,294
(7) Other Distribution	119	Distribution O&M (P/F B)	\$7,563	\$5,604	\$1,959
(8) Total Customer Accounts Expense	3	Number of Bills	\$100,062	\$85,403	\$14,659
(9) Uncollectibles	10	99% Rate RS / 1% Rate GS	\$7,943	\$7,864	\$79
(10) Administrative and General					
(11) Plant-Related	100	Gross Plant	\$35,160	\$25,148	\$10,012
(12) Salaries-Related	125	Labor Allocator	\$390,533	\$306,703	\$83,830
(13) Other	117	O&M Without Gas Costs (P/F B)	\$216,289	\$168,196	\$48,094
(14) Total Proforma B Operating Costs			\$943,423	\$736,654	\$206,769

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
 IURC CAUSE NO. _____
 COST OF SERVICE STUDY
 ALLOCATION OF MISCELLANEOUS REVENUES

TYPE OF FILING: CASE-IN-CHIEF
 WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
 SCHEDULE 6
 PAGE 1 OF 1

<u>PROFORMA MISCELLANEOUS REVENUES</u>	<u>Allocation Method</u>	<u>Total</u>	<u>Rate RS (Residential Svc.)</u>	<u>Rate GS (General Svc.)</u>
(1) Forfeited Discounts	11 90% Rate RS / 10% Rate GS	\$8,762	\$7,886	\$876
(2) Installation Charge	10 99% Rate RS / 1% Rate GS	\$12,915	\$12,786	\$129
(3) Miscellaneous Service Revenues	12 70% Rate RS / 30% Rate GS	\$20,139	\$14,097	\$6,042
(4) Total Miscellaneous Revenues		\$41,816	\$34,769	\$7,047

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA A NORMALIZED TAXES

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 6
PAGE 1 OF 9

	No.	ALLOCATION METHOD	Total	General	
				(Residential Svc.)	(General Svc.)
(1)		Proforma A Normalized Revenues, w/o Misc. Rev.	\$1,015,643	\$676,176	\$339,467
(2)		Proforma A Normalized Miscellaneous Revenues	\$41,816	\$34,769	\$7,047
(3)		Proforma A Normalized Rev. w/Misc. Revenues	\$1,057,459	\$710,945	\$346,514
Indiana Utility Receipts Taxes					
(4)		Total Proforma A Normalized Revenues w/ Misc. Rev.	\$1,057,459	\$710,945	\$346,514
(5)		Less: Uncollectible Expense	\$0	\$0	\$0
(6)	14	95% Rate RS / 5% Rate GS	(\$6,537)	(\$6,210)	(\$327)
(7)	133	Gross Plant	(\$1,000)	\$0	\$0
(8)	0	Not Applicable	\$0	\$0	\$0
(9)		Income for Utility Receipts Tax	\$1,049,922	\$704,735	\$346,187
(9)		Utility Receipts Tax Rate	1.40%	1.40%	1.40%
(10)		Utility Receipts Tax	\$14,699	\$9,866	\$4,847
State Income Taxes					
(11)		Total Proforma A Normalized Revenues	\$1,057,459	\$710,945	\$346,514
(12)		Less: Operation and Maintenance Expenses	(\$941,576)	(\$736,282)	(\$205,294)
(13)		Less: Gas Costs	\$0	\$0	\$0
(14)		Less: Depreciation	(\$120,097)	(\$85,937)	(\$34,160)
(15)		Less: Property Taxes	(\$22,884)	(\$16,368)	(\$6,516)
(16)	100	Gross Plant	(\$22,884)	(\$16,368)	(\$6,516)
(17)	115	O&M Without Gas Costs (P/F A)	(\$47,768)	(\$37,448)	(\$10,320)
(17)		Less: Utility Receipts Tax	\$0	\$0	\$0
(18)		Less: Interest Expense	(\$21,610)	(\$15,526)	(\$6,084)
(19)	102	Original Cost Rate Base	\$0	\$0	\$0
(19)	102	Original Cost Rate Base	\$0	\$0	\$0
(20)		Income for State Income Taxes	(\$96,476)	(\$180,617)	\$84,141
(21)		State Income Tax Rate	6.00%	6.00%	6.00%
(22)		State Income Taxes	(\$5,789)	(\$10,837)	\$5,048
(23)		Less: Deferred State Tax Flowback	\$0	\$0	\$0
(24)	120	Total Depreciation Expenses	(\$5,789)	(\$10,837)	\$5,048

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA A NORMALIZED TAXES (Continued)

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 6
PAGE 2 OF 9

	No.	ALLOCATION METHOD	Total	Residential		General	
				Svc.	Svc.	Svc.	Svc.
Federal Income Taxes							
(25)		Total Proforma A Normalized Revenues	\$1,057,459	\$710,945		\$346,514	
(26)		Less: Operation and Maintenance Expenses	(\$941,576)	(\$736,282)		(\$205,294)	
(27)		Less: Gas Costs	\$0	\$0		\$0	
(28)		Less: Depreciation	(\$120,097)	(\$85,937)		(\$34,160)	
(29)		Less: Property Taxes	(\$22,884)	(\$16,368)		(\$6,516)	
(30)		Less: Other Taxes	(\$47,768)	(\$37,448)		(\$10,320)	
(31)		Less: Utility Receipts Tax	(\$14,699)	(\$9,866)		(\$4,847)	
(32)		Less: Interest Expense	(\$21,610)	(\$15,526)		(\$6,084)	
(33)		Plus: Non-Deductible Expenses	\$0	\$0		\$0	
(34)		Less: State Income taxes	\$5,789	\$10,837		(\$5,048)	
(35)		Income for Federal Income Taxes	(\$105,387)	(\$179,646)		\$74,245	
(36)		Federal Income Tax Rate	34.00%	34.00%		34.00%	
(37)		Federal Income Taxes	(\$35,831)	(\$61,080)		\$25,243	
(38)		Less: Investment Tax Credit	\$0	\$0		\$0	
(39)		Less: Deferred Federal Tax Flowback	\$0	\$0		\$0	
(40)		Total Federal Tax Liability	(\$35,831)	(\$61,080)		\$25,243	
Net Operating Income							
(41)		Total Proforma A Normalized Margins	\$1,057,459	\$710,945		\$346,514	
(42)		Less: Operation and Maintenance Expenses	(\$941,576)	(\$736,282)		(\$205,294)	
(43)		Less: Gas Costs	\$0	\$0		\$0	
(44)		Less: Depreciation	(\$120,097)	(\$85,937)		(\$34,160)	
(45)		Less: Other Taxes	(\$47,768)	(\$37,448)		(\$10,320)	
(46)		Less: Utility Receipts Tax	(\$14,699)	(\$9,866)		(\$4,847)	
(47)		Less: Property Taxes	(\$22,884)	(\$16,368)		(\$6,516)	
(48)		Less: State Income Taxes	\$5,789	\$10,837		(\$5,048)	
(49)		Less: Total Federal Income tax Liability	\$35,831	\$61,080		(\$25,243)	
(50)		Net Operating Income	(\$47,945)	(\$103,040)		\$55,086	
(51)		Total Rate Base	\$2,118,591	\$1,522,160		\$596,432	
(52)		Rate of Return	-2.26%	-6.77%		9.24%	

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA A EQUALIZED TAXES

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 6
PAGE 3 OF 9

NO.	ALLOCATION METHOD	TOTAL	Rate RS (Residential Svc.)	Rate GS (General Svc.)
(1)	Rate Base	\$2,118,591	\$1,522,160	\$596,432
(2)	Allowed Rate of Return	-2.2630%	-2.2630%	-2.2630%
(3)	Allowed Net Operating Income	(\$47,944)	(\$34,447)	(\$13,497)
Federal Income Taxes				
(4)	Net Operating Income	(\$47,944)	(\$34,447)	(\$13,497)
(5)	Less: Interest Expense	(\$21,610)	(\$15,526)	(\$6,084)
(6)	Plus: Non-Deductible Expenses	\$0	\$0	\$0
(7)	Plus: Investment Tax Credit	\$0	\$0	\$0
(8)	Less: Deferred Federal Tax Flowback	\$0	\$0	\$0
(9)	Total Amount to Calculate Federal Taxes	(\$69,554)	(\$49,973)	(\$19,581)
(10)	Federal Tax Factor (Tax Rate/(1-Tax Rate))	51.5152%	51.5152%	51.5152%
(11)	Federal Income Taxes Before Flowback	(\$35,831)	(\$25,744)	(\$10,087)
(12)	Less: Deferred Federal Tax Flowback	\$0	\$0	\$0
(13)	Less: Investment Tax Credit	\$0	\$0	\$0
(14)	Federal Income taxes After Flowback	(\$35,831)	(\$25,744)	(\$10,087)
State Income Taxes				
(15)	Net Operating Income	(\$47,944)	(\$34,447)	(\$13,497)
(16)	Less: Interest Expense	(\$21,610)	(\$15,526)	(\$6,084)
(17)	Plus: Non-Deductible Expenses	\$0	\$0	\$0
(18)	Plus: Utility Receipts Tax	\$14,699	\$11,424	\$3,275
(19)	Plus: Investment Tax Credit	\$0	\$0	\$0
(20)	Plus: Federal Income Taxes	(\$35,831)	(\$25,744)	(\$10,087)
(21)	Plus: Property taxes	\$0	\$0	\$0
(22)	Less: Deferred State Tax Flowback	\$0	\$0	\$0
(23)	Total Amount to Calculate State Taxes	(\$90,687)	(\$64,293)	(\$26,393)
(24)	State Tax Factor (Tax Rate/(1-Tax Rate))	6.3830%	6.3830%	6.3830%
(25)	State Income Taxes-Current and Deferred	(\$5,789)	(\$4,104)	(\$1,685)
(26)	Less: Deferred State Tax Flowback	\$0	\$0	\$0
(27)	State Income Tax After Flowback	(\$5,789)	(\$4,104)	(\$1,685)

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA A EQUALIZED TAXES (Continued)

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 6
PAGE 4 OF 9

NO.	ALLOCATION METHOD	TOTAL	Rate RS (Residential Svc.)	Rate GS (General Svc.)
Utility Receipts Taxes				
(28)	Net Operating Income	(\$47,944)	(\$34,447)	(\$13,497)
(29)	Plus: Operating & Maintenance Expenses	\$941,576	\$736,282	\$205,294
(30)	Plus: Gas Costs (Special Contract + UAFG)	\$0	\$0	\$0
(31)	Plus: Depreciation and Amortization Expenses	\$120,097	\$85,937	\$34,160
(32)	Plus: Investment Tax Credit	\$0	\$0	\$0
(33)	Plus: Federal Income Taxes	(\$35,831)	(\$25,744)	(\$10,087)
(34)	Plus: State Income Taxes	(\$5,789)	(\$4,104)	(\$1,685)
(35)	Plus: Property taxes	\$22,884	\$16,368	\$6,516
(36)	Plus: Other Taxes	\$47,768	\$37,146	\$10,622
(37)	Less: Uncollectible Expense	14 95% Rate RS / 5% Rate GS (\$6,537)	(\$6,210)	(\$327)
(38)	Less: Statutory Exemption	121 P/F A Normal Rev. w/ Misc. Rev. (\$1,000)	(\$672)	(\$328)
(39)	Less: Exempt Revenues	\$0	\$0	\$0
(40)	Total Amount to Calculate Utility Receipts Taxes	\$1,035,224	\$804,556	\$230,667
(41)	Utility Receipts Tax Factor (Tax Rate/(1-Tax Rate))	1.4199%	1.4199%	1.4199%
(42)	Utility Receipts Taxes	\$14,699	\$11,424	\$3,275
Derivation of Proforma A Equalized Revenues				
(43)	Net Operating Income	(\$47,944)	(\$34,447)	(\$13,497)
(44)	Plus: Operating & Maintenance Expenses	\$941,576	\$736,282	\$205,294
(45)	Plus: Gas Costs	\$0	\$0	\$0
(46)	Plus: Depreciation and Amortization Expenses	\$120,097	\$85,937	\$34,160
(47)	Plus: Federal Income Taxes	(\$35,831)	(\$25,744)	(\$10,087)
(48)	Plus: State Income taxes	(\$5,789)	(\$4,104)	(\$1,685)
(49)	Plus: Gross Income taxes	\$14,699	\$11,424	\$3,275
(50)	Plus: Property taxes	\$22,884	\$16,368	\$6,516
(51)	Plus: Other Taxes	\$47,768	\$37,146	\$10,622
(52)	Plus: Investment Tax Credit	\$0	\$0	\$0
(53)	Proforma A Equalized Revenues w/Misc. Rev.	\$1,057,460	\$822,863	\$234,597

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA B EQUALIZED TAXES

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 6
PAGE 5 OF 9

	NO.	ALLOCATION METHOD	TOTAL	Rate RS (Residential Svc.)	Rate GS (General Svc.)
(1) Rate Base			\$2,118,591	\$1,522,160	\$596,432
(2) Allowed Rate of Return			7.1900%	7.1900%	7.1900%
(3) Allowed Net Operating Income			\$152,326	\$109,443	\$42,883
Federal Income Taxes					
(4) Net Operating Income			\$152,326	\$109,443	\$42,883
(5) Less: Interest Expense			(\$21,610)	(\$15,526)	(\$6,084)
(6) Plus: Non-Deductible Expenses			\$0	\$0	\$0
(7) Plus: Investment Tax Credit			\$0	\$0	\$0
(8) Less: Deferred Federal Tax Flowback			\$0	\$0	\$0
(9) Total Amount to Calculate Federal Taxes			\$130,716	\$93,916	\$36,800
(10) Federal Tax Factor (Tax Rate/(1-Tax Rate))			51.5152%	51.5152%	51.5152%
(11) Federal Income Taxes Before Flowback and ITC			\$67,339	\$48,381	\$18,957
(12) Less: Deferred Federal Tax Flowback			\$0	\$0	\$0
(13) Less: Investment Tax Credit			\$0	\$0	\$0
(14) Federal Income Tax Liability			\$67,339	\$48,381	\$18,957
State Income Taxes					
(15) Net Operating Income			\$152,326	\$109,443	\$42,883
(16) Less: Interest Expense			(\$21,610)	(\$15,526)	(\$6,084)
(17) Plus: Non-Deductible Expenses			\$0	\$0	\$0
(18) Plus: Utility Receipts Tax			\$19,293	\$14,705	\$4,588
(19) Plus: Investment Tax Credit			\$0	\$0	\$0
(20) Plus: Federal Income Taxes			\$67,339	\$48,381	\$18,957
(21) Plus: Property Taxes			\$0	\$0	\$0
(22) Less: Deferred State Tax Flowback			\$0	\$0	\$0
(23) Total Amount to Calculate State Taxes			\$217,347	\$157,002	\$60,345
(24) State Tax Factor (Tax Rate/(1-Tax Rate))			6.3830%	6.3830%	6.3830%
(25) State Income Taxes-Current and Deferred			\$13,873	\$10,021	\$3,852
(26) Less: Deferred State Tax Flowback			\$0	\$0	\$0
(27) State Income Tax Liability			\$13,873	\$10,021	\$3,852

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA B EQUALIZED TAXES (Continued)

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 6
PAGE 6 OF 9

NO.	ALLOCATION METHOD	TOTAL	Rate RS (Residential Svc.)	Rate GS (General Svc.)
Utility Receipts Tax				
(28)	Net Operating Income	\$152,326	\$109,443	\$42,883
(29)	Plus: Operating & Maintenance Expenses	\$943,423	\$736,654	\$206,769
(30)	Plus: Gas Costs (Rate 70 + UAFG)	\$0	\$0	\$0
(31)	Plus: Depreciation and Amortization Expenses	\$120,097	\$85,937	\$34,160
(32)	Plus: Investment Tax Credit	\$0	\$0	\$0
(33)	Plus: Federal Income Taxes	\$67,339	\$48,381	\$18,957
(34)	Plus: Property Taxes	\$22,884	\$16,368	\$6,516
(35)	Plus: State Income Taxes	\$13,873	\$10,021	\$3,852
(36)	Plus: Other Taxes	\$47,768	\$37,146	\$10,622
(37)	Less: Uncollectible Expense	14 95% Rate RS / 5% Rate GS (\$7,943)	(\$7,546)	(\$397)
(38)	Less: Statutory Exemption	122 P/F A Equalized Rev. w/ Misc. Rev. (\$1,000)	(\$778)	(\$222)
(39)	Less: Exempt Revenues	\$0	\$0	\$0
(40)	Total Amount to Calculate Utility Receipts Tax	\$1,358,767	\$1,035,627	\$323,140
(41)	Utility Receipts Tax Factor (Tax Rate/(1-Tax Rate))	1.4199%	1.4199%	1.4199%
(42)	Utility Receipts Taxes	\$19,293	\$14,705	\$4,588
DERIVATION OF PROFORMA B EQUALIZED REVENUES				
(43)	Net Operating Income	\$152,326	\$109,443	\$42,883
(44)	Plus: Operating & Maintenance Expenses	\$943,423	\$736,654	\$206,769
(45)	Plus: Gas Costs	\$0	\$0	\$0
(46)	Plus: Depreciation and Amortization Expenses	\$120,097	\$85,937	\$34,160
(47)	Plus: Federal Income Taxes	\$67,339	\$48,381	\$18,957
(48)	Plus: State Income Taxes	\$13,873	\$10,021	\$3,852
(49)	Plus: Utility Receipts Taxes	\$19,293	\$14,705	\$4,588
(50)	Plus: Property Taxes	\$22,884	\$16,368	\$6,516
(51)	Plus Other Taxes	\$47,768	\$37,146	\$10,622
(52)	Plus: Investment Tax Credit	\$0	\$0	\$0
(53)	Proforma B Equalized Revenues w/Misc. Rev.	\$1,387,002	\$1,058,655	\$328,347

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA B NORMALIZED TAXES

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 6
PAGE 7 OF 9

NO.	ALLOCATION METHOD	TOTAL	Rate RS (Residential Svc.)	Rate GS (General Svc.)
SUBSIDY REDUCTION				
(1)	Proforma A Normalized Revenues w/Misc. Rev.	\$1,057,459	\$710,945	\$346,514
(2)	Less: Proforma A Equalized Revenues w/Misc. Rev.	\$1,057,460	\$822,883	\$234,597
(3)	Proforma A Subsidy	(\$1)	(\$111,918)	\$111,917
(4)	Proposed Subsidy Reduction Percentage		10.00%	10.00%
(5)	Proforma B Subsidy	(\$1)	(\$100,726)	\$100,725
(6)	Proforma B Equalized Revenues w/Misc. Rev.	\$1,387,002	\$1,058,655	\$328,347
(7)	Proforma B Normalized Revenues w/Misc. Rev.	\$1,387,002	\$957,929	\$429,072
TAX CALCULATIONS				
Utility Receipts Taxes				
(8)	Total Proforma B Normal Revenues	\$1,387,002	\$957,929	\$429,072
(9)	Less: Uncollectible Expense	14 (\$7,943)	(\$7,546)	(\$397)
(10)	Less: Statutory Exemption	124 (\$1,000)	(\$691)	(\$309)
(11)	Less: Exempt Revenues	\$0	\$0	\$0
(12)	Income for Utility Receipts Taxes	\$1,378,059	\$949,693	\$428,366
(13)	Utility Receipts Tax Rate	1.40%	1.40%	1.40%
(14)	Utility Receipts Taxes	\$19,293	\$13,296	\$5,997
State Income Taxes				
(15)	Total Proforma B Normal Revenues	\$1,387,002	\$957,929	\$429,072
(16)	Less: Operation and Maintenance Expenses	(\$943,423)	(\$736,654)	(\$208,769)
(17)	Less: Gas Costs	\$0	\$0	\$0
(18)	Less: Depreciation Expense	(\$120,097)	(\$85,937)	(\$34,160)
(19)	Less: Property Taxes	(\$22,884)	(\$16,368)	(\$6,516)
(20)	Less: Other Taxes	117 (\$47,768)	(\$37,146)	(\$10,622)
(21)	Less: Utility Receipts Tax			
(22)	Less: Interest Expense	102 (\$21,610)	(\$15,526)	(\$6,084)
(23)	Less: Non-Deductible Expenses	\$0	\$0	\$0
(24)	Income for State Income Taxes	\$231,220	\$66,298	\$164,922
(25)	State Income Tax Rate	6.00%	6.00%	6.00%
(26)	State Income Taxes Before Flowback	\$13,873	\$3,978	\$9,895
(27)	Less: Deferred State Tax Flowback	\$0	\$0	\$0
(28)	Total State Income Tax Liability	\$13,873	\$3,978	\$9,895

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA B NORMALIZED TAXES (Continued)

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 6
PAGE 8 OF 9

	NO.	ALLOCATION METHOD	TOTAL	Rate RS (Residential Svc.)	Rate GS (General Svc.)
Federal Income taxes					
(29)		Total Proforma B Normal Revenues	\$1,387,002	\$957,929	\$429,072
(30)		Less: Operation and Maintenance Expenses	(\$943,423)	(\$736,654)	(\$208,769)
(31)		Less: Gas Costs	\$0	\$0	\$0
(32)		Less: Depreciation Expense	(\$120,097)	(\$85,937)	(\$34,160)
(33)		Less: Other Taxes	(\$47,768)	(\$37,146)	(\$10,622)
(34)	100	Less: Property Taxes Gross Plant	(\$22,884)	(\$16,368)	(\$6,516)
(35)		Less: Utility Receipts Taxes	(\$19,293)	(\$13,298)	(\$5,997)
(36)	102	Less: Interest Expense Original Cost Rate Base	(\$21,610)	(\$15,526)	(\$6,084)
(37)		Less: Non-Deductible Expenses	\$0	\$0	\$0
(38)		Less: State Income taxes	(\$13,873)	(\$3,978)	(\$9,895)
(39)		Income for Federal Income Taxes	\$198,054	\$49,024	\$149,030
(40)		Federal Income Tax Rate	34.00%	34.00%	34.00%
(41)		Federal Income Taxes	\$67,338	\$16,668	\$50,670
(42)	100	Less: Investment Tax Credit Gross Plant	\$0	\$0	\$0
(43)	120	Less Deferred Federal Tax Flowback Total Depreciation Expenses	\$0	\$0	\$0
(44)		Total Federal Income Tax Liability	\$67,338	\$16,668	\$50,670
Net Operating Income					
(45)		Total Proforma B Normal Revenues w/Misc. Rev.	\$1,387,002	\$957,929	\$429,072
(46)		Less: Operation and Maintenance Expenses	(\$943,423)	(\$736,654)	(\$208,769)
(47)		Less: Gas Costs	\$0	\$0	\$0
(48)		Less: Depreciation Expense	(\$120,097)	(\$85,937)	(\$34,160)
(49)		Less: Other Taxes	(\$47,768)	(\$37,146)	(\$10,622)
(50)		Less: Utility Receipts Taxes	(\$19,293)	(\$13,298)	(\$5,997)
(51)		Less: Property Taxes	(\$22,884)	(\$16,368)	(\$6,516)
(52)		Less: State Income Taxes	(\$13,873)	(\$3,978)	(\$9,895)
(53)		Less: Total Federal Income Tax Liability	(\$67,338)	(\$16,668)	(\$50,670)
(54)		Net Operating Income	\$152,325	\$47,882	\$104,443
(55)		Total Rate Base	\$2,118,591	\$1,522,160	\$596,432
(56)		Rate of Return	7.19%	3.15%	17.51%

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY
SUMMARY OF PROFORMA REVENUES

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 6
PAGE 9 OF 9

	NO.	ALLOCATION METHOD	TOTAL	<u>(Residential</u> Svc.)	<u>(General</u> Svc.)
<u>Proforma A Normalized Revenues</u>					
(1)		Proforma A Normalized Revenues w/o Misc. Rev.	\$1,015,643	\$676,176	\$339,467
(2)		Proforma A Normalized Miscellaneous Revenues	\$41,816	\$34,769	\$7,047
(3)		Total Proforma A Normalized Revenues w/Misc. Rev.	\$1,057,459	\$710,945	\$346,514
 <u>Proforma A Equalized Revenues</u>					
(4)		Proforma A Equalized Revenues w/o Misc. Rev.	\$1,015,644	\$788,094	\$227,550
(5)		Proforma A Equalized Miscellaneous Revenues	\$41,816	\$34,769	\$7,047
(6)		Total Proforma A Equalized Revenues w/Misc. Rev.	\$1,057,460	\$822,863	\$234,597
 <u>Proforma B Equalized Revenues</u>					
(7)		Proforma B Equalized Revenues w/o Misc. Rev.	\$1,345,187	\$1,023,886	\$321,300
(8)		Proforma B Equalized Miscellaneous Revenues	\$41,816	\$34,769	\$7,047
(9)		Total Proforma B Equalized Revenues w/Misc. Rev.	\$1,387,002	\$1,058,655	\$328,347
 <u>Proforma B Normalized Revenues</u>					
(10)		Proforma B Normalized Revenues w/o Misc. Rev.	\$1,345,186	\$923,160	\$422,025
(11)		Proforma B Normalized Miscellaneous Revenues	\$41,816	\$34,769	\$7,047
(12)		Total Proforma B Normalized Revenues w/Misc. Rev.	\$1,387,002	\$957,929	\$429,072

**SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
COST OF SERVICE STUDY
NORMALIZED COST OF SERVICE AT PRESENT RATES**

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 7
PAGE 1 OF 4

	<u>TOTAL</u>	<u>Rate RS</u> <u>(Residential</u>	<u>Rate GS</u> <u>Svc.) (General Svc.)</u>
<u>OPERATING REVENUES:</u>			
(1) Revenue from Gas Sales	\$1,015,643	\$676,176	\$339,467
(2) Miscellaneous Revenues	<u>\$41,816</u>	<u>\$34,769</u>	<u>\$7,047</u>
(3) Total Operating Revenues	<u>\$1,057,459</u>	<u>\$710,945</u>	<u>\$346,514</u>
<u>OPERATING EXPENSES</u>			
(4) Commodity Cost of Purchased Gas	\$0	\$0	\$0
(5) Demand Cost of Purchased Gas	\$0	\$0	\$0
(6) Leased Storage	\$0	\$0	\$0
(7) Unaccounted for Gas Costs	\$0	\$0	\$0
(8) Total Manufactured Gas Production Expenses	\$0	\$0	\$0
(9) Total Natural Gas Production Expenses	\$0	\$0	\$0
(10) Total Underground Storage Expense	\$0	\$0	\$0
(11) Total Transmission Expenses			
(12) Mains	\$0	\$0	\$0
(13) Compressor Station Equipment	\$0	\$0	\$0
(14) Structures and Improvements	\$0	\$0	\$0
(15) Measuring and Regulating Equipment	\$0	\$0	\$0
(16) Supervision and Engineering	\$0	\$0	\$0
(17) Other Transmission	\$0	\$0	\$0
(18) Total Distribution Expenses			
(19) Measuring and Regulating Equipment	\$1,366	\$838	\$527
(20) Mains and Services	\$51,538	\$35,889	\$15,649
(21) Industrial Measuring and Regulating Equipment	\$0	\$0	\$0
(22) Meter, Meter Installation and House Regulator	\$25,796	\$21,390	\$4,406
(23) Customer Installation Expenses	\$1,782	\$1,521	\$261
(24) Structures and Improvements Maintenance	\$0	\$0	\$0
(25) Supervision and Engineering	\$105,390	\$78,097	\$27,294
(26) Other Distribution	\$7,563	\$5,604	\$1,959
(27) Total Customer Accounts Expense	\$100,062	\$85,403	\$14,659
(28) Uncollectibles	\$6,537	\$6,472	\$65
(29) Total Customer Service Expenses	\$0	\$0	\$0
(30) Total Sales Expenses	\$0	\$0	\$0
(31) Administrative and General	\$641,541	\$501,068	\$140,474
(32) Total Depreciation and Amortization Expense	\$120,097	85,937	34,160
(33) Other Taxes	\$47,768	\$37,448	\$10,320
(34) Property Taxes	\$22,884	\$16,368	\$6,516
(35) Utility Receipts Taxes	\$14,699	\$9,866	\$4,847
(36) State Income Taxes	(\$5,789)	(\$10,837)	\$5,048
(37) Federal Income Taxes	<u>(\$35,831)</u>	<u>(\$61,080)</u>	<u>\$25,243</u>
(38) Total Operating Expenses	<u>\$1,105,404</u>	<u>\$813,985</u>	<u>\$291,428</u>
(39) Net Operating Income	<u>(\$47,945)</u>	<u>(\$103,040)</u>	<u>\$55,086</u>
(40) Total Rate Base	\$2,118,591	\$1,522,160	\$596,432
(41) Rate of Return	<u>-2.26%</u>	<u>-6.77%</u>	<u>9.24%</u>

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
COST OF SERVICE STUDY
EQUALIZED COST OF SERVICE AT PRESENT RATES

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
SCHEDULE 7
PAGE 2 OF 4

	<u>TOTAL</u>	<u>Rate RS</u> <u>(Residential</u>	<u>Rate GS</u> <u>Svc.) (General Svc.)</u>
<u>OPERATING REVENUES:</u>			
(1) Revenue from Gas Sales	\$1,015,644	\$788,094	\$227,550
(2) Miscellaneous Revenues	<u>\$41,816</u>	<u>\$34,769</u>	<u>\$7,047</u>
(3) Total Operating Revenues	<u>\$1,057,460</u>	<u>\$822,863</u>	<u>\$234,597</u>
<u>OPERATING EXPENSES</u>			
(4) Commodity Cost of Purchased Gas	\$0	\$0	\$0
(5) Demand Cost of Purchased Gas	\$0	\$0	\$0
(6) Leased Storage	\$0	\$0	\$0
(7) Unaccounted for Gas Costs	\$0	\$0	\$0
(8) Total Manufactured Gas Production Expenses	\$0	\$0	\$0
(9) Total Natural Gas Production Expenses	\$0	\$0	\$0
(10) Total Underground Storage Expense	\$0	\$0	\$0
(11) Total Transmission Expenses			
(12) Mains	\$0	\$0	\$0
(13) Compressor Station Equipment	\$0	\$0	\$0
(14) Structures and Improvements	\$0	\$0	\$0
(15) Measuring and Regulating Equipment	\$0	\$0	\$0
(16) Supervision and Engineering	\$0	\$0	\$0
(17) Other Transmission	\$0	\$0	\$0
(18) Total Distribution Expenses			
(19) Measuring and Regulating Equipment	\$1,366	\$838	\$527
(20) Mains and Services	\$51,538	\$35,889	\$15,649
(21) Industrial Measuring and Regulating Equipment	\$0	\$0	\$0
(22) Meter, Meter Installation and House Regulator	\$25,796	\$21,390	\$4,406
(23) Customer Installation Expenses	\$1,782	\$1,521	\$261
(24) Structures and Improvements Maintenance	\$0	\$0	\$0
(25) Supervision and Engineering	\$105,390	\$78,097	\$27,294
(26) Other Distribution	\$7,563	\$5,604	\$1,959
(27) Total Customer Accounts Expense	\$100,062	\$85,403	\$14,659
(28) Uncollectibles	\$6,537	\$6,472	\$65
(29) Total Customer Service Expenses	\$0	\$0	\$0
(30) Total Sales Expenses	\$0	\$0	\$0
(31) Administrative and General	\$641,541	\$501,068	\$140,474
(32) Total Depreciation and Amortization Expense	\$120,097	85,937	34,160
(33) Other Taxes	\$47,768	\$37,146	\$10,622
(34) Property Taxes	\$22,884	\$16,368	\$6,516
(35) Utility Receipts Taxes	\$14,699	\$11,424	\$3,275
(36) State Income Taxes	(\$5,789)	(\$4,104)	(\$1,685)
(37) Federal Income Taxes	(\$35,831)	(\$25,744)	(\$10,087)
(38) Total Operating Expenses	<u>\$1,105,404</u>	<u>\$857,310</u>	<u>\$248,095</u>
(39) Net Operating Income	<u>(\$47,944)</u>	<u>(\$34,447)</u>	<u>(\$13,497)</u>
(40) Total Rate Base	\$2,118,591	\$1,522,160	\$596,432
(41) Rate of Return	<u>-2.26%</u>	<u>-2.26%</u>	<u>-2.26%</u>

**SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
 COST OF SERVICE STUDY
 EQUALIZED COST OF SERVICE AT PROPOSED RATES**

TYPE OF FILING: CASE-IN-CHIEF
 WITNESS: HEID

PETITIONER'S EXHIBIT KAH-2
 SCHEDULE 7
 PAGE 3 OF 4

	<u>TOTAL</u>	<u>Rate RS</u> <u>(Residential</u>	<u>Rate GS</u> <u>Svc.) (General Svc.)</u>
<u>OPERATING REVENUES:</u>			
(1) Revenue from Gas Sales	\$1,345,187	\$1,023,886	\$321,300
(2) Miscellaneous Revenues	<u>\$41,816</u>	<u>\$34,769</u>	<u>\$7,047</u>
(3) Total Operating Revenues	<u>\$1,387,002</u>	<u>\$1,058,655</u>	<u>\$328,347</u>
<u>OPERATING EXPENSES</u>			
(4) Commodity Cost of Purchased Gas	\$0	\$0	\$0
(5) Demand Cost of Purchased Gas	\$0	\$0	\$0
(6) Leased Storage	\$0	\$0	\$0
(7) Unaccounted for Gas Costs	\$0	\$0	\$0
(8) Total Manufactured Gas Production Expenses	\$0	\$0	\$0
(9) Total Natural Gas Production Expenses	\$0	\$0	\$0
(10) Total Underground Storage Expense	\$0	\$0	\$0
(11) Total Transmission Expenses			
(12) Mains	\$0	\$0	\$0
(13) Compressor Station Equipment	\$0	\$0	\$0
(14) Structures and Improvements	\$0	\$0	\$0
(15) Measuring and Regulating Equipment	\$0	\$0	\$0
(16) Supervision and Engineering	\$0	\$0	\$0
(17) Other Transmission	\$0	\$0	\$0
(18) Total Distribution Expenses			
(19) Measuring and Regulating Equipment	\$1,366	\$838	\$527
(20) Mains and Services	\$51,538	\$35,889	\$15,649
(21) Industrial Measuring and Regulating Equipment	\$0	\$0	\$0
(22) Meter, Meter Installation and House Regulator	\$25,796	\$21,390	\$4,406
(23) Customer Installation Expenses	\$1,782	\$1,521	\$261
(24) Structures and Improvements Maintenance	\$0	\$0	\$0
(25) Supervision and Engineering	\$105,390	\$78,097	\$27,294
(26) Other Distribution	\$7,563	\$5,604	\$1,959
(27) Total Customer Accounts Expense	\$100,062	\$85,403	\$14,659
(28) Uncollectibles	\$7,943	\$7,864	\$79
(29) Total Customer Service Expenses	\$0	\$0	\$0
(30) Total Sales Expenses	\$0	\$0	\$0
(31) Administrative and General	\$641,982	\$500,047	\$141,935
(32) Total Depreciation and Amortization Expense	\$120,097	\$85,937	\$34,160
(33) Other Taxes	\$47,768	\$37,146	\$10,622
(34) Property Taxes	\$22,884	\$16,368	\$6,516
(35) Utility Receipts Taxes	\$19,293	\$14,705	\$4,588
(36) State Income Taxes	\$13,873	\$10,021	\$3,852
(37) Federal Income Taxes	<u>\$67,339</u>	<u>\$48,381</u>	<u>\$18,957</u>
(38) Total Operating Expenses	<u>\$1,234,676</u>	<u>\$949,212</u>	<u>\$285,464</u>
(39) Net Operating Income	<u>\$152,326</u>	<u>\$109,443</u>	<u>\$42,883</u>
(40) Total Rate Base	\$2,118,591	\$1,522,160	\$596,432
(41) Rate of Return	<u>7.19%</u>	<u>7.19%</u>	<u>7.19%</u>

**SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
 COST OF SERVICE STUDY
 NORMALIZED COST OF SERVICE AT PROPOSED RATES**

**TYPE OF FILING: CASE-IN-CHIEF
 WITNESS: HEID**

**PETITIONER'S EXHIBIT KAH-2
 SCHEDULE 7
 PAGE 4 OF 4**

	<u>TOTAL</u>	<u>Rate RS</u> <u>(Residential</u>	<u>Rate GS</u> <u>Svc.) (General Svc.)</u>
<u>OPERATING REVENUES:</u>			
(1) Revenue from Gas Sales	\$1,345,186	\$923,160	\$422,025
(2) Miscellaneous Revenues	<u>\$41,816</u>	<u>\$34,769</u>	<u>\$7,047</u>
(3) Total Operating Revenues	<u>\$1,387,002</u>	<u>\$957,929</u>	<u>\$429,072</u>
<u>OPERATING EXPENSES</u>			
(4) Commodity Cost of Purchased Gas	\$0	\$0	\$0
(5) Demand Cost of Purchased Gas	\$0	\$0	\$0
(6) Leased Storage	\$0	\$0	\$0
(7) Unaccounted for Gas Costs	\$0	\$0	\$0
(8) Total Manufactured Gas Production Expenses	\$0	\$0	\$0
(9) Total Natural Gas Production Expenses	\$0	\$0	\$0
(10) Total Underground Storage Expense	\$0	\$0	\$0
(11) Total Transmission Expenses			
(12) Mains	\$0	\$0	\$0
(13) Compressor Station Equipment	\$0	\$0	\$0
(14) Structures and Improvements	\$0	\$0	\$0
(15) Measuring and Regulating Equipment	\$0	\$0	\$0
(16) Supervision and Engineering	\$0	\$0	\$0
(17) Other Transmission	\$0	\$0	\$0
(18) Total Distribution Expenses	\$0	\$0	\$0
(19) Measuring and Regulating Equipment	\$1,366	\$838	\$527
(20) Mains and Services	\$51,538	\$35,889	\$15,649
(21) Industrial Measuring and Regulating Equipment	\$0	\$0	\$0
(22) Meter, Meter Installation and House Regulator	\$25,796	\$21,390	\$4,406
(23) Customer Installation Expenses	\$1,782	\$1,521	\$261
(24) Structures and Improvements Maintenance	\$0	\$0	\$0
(25) Supervision and Engineering	\$105,390	\$78,097	\$27,294
(26) Other Distribution	\$7,563	\$5,604	\$1,959
(27) Total Customer Accounts Expense	\$100,062	\$85,403	\$14,659
(28) Uncollectibles	\$7,943	\$7,864	\$79
(29) Total Customer Service Expenses	\$0	\$0	\$0
(30) Total Sales Expenses	\$0	\$0	\$0
(31) Administrative and General	\$641,982	\$500,047	\$141,935
(32) Total Depreciation and Amortization Expense	\$120,097	\$85,937	\$34,160
(33) Other Taxes	\$47,768	\$37,146	\$10,622
(34) Property Taxes	\$22,884	\$16,368	\$6,516
(35) Utility Receipts Taxes	\$19,293	\$13,296	\$5,997
(36) State Income Taxes	\$13,873	\$3,978	\$9,895
(37) Federal Income Taxes	<u>\$67,338</u>	<u>\$16,668</u>	<u>\$50,670</u>
(38) Total Operating Expenses	<u>\$1,234,676</u>	<u>\$910,047</u>	<u>\$324,629</u>
(39) Net Operating Income	<u>\$152,325</u>	<u>\$47,882</u>	<u>\$104,443</u>
(40) Total Rate Base	\$2,118,591	\$1,522,160	\$596,432
(41) Rate of Return	<u>7.19%</u>	<u>3.15%</u>	<u>17.51%</u>

EXHIBIT KAH-3

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC
IURC CAUSE NO. _____
COST OF SERVICE STUDY
STATEMENT OF OPERATING INCOME BASED UPON PROFORMA A REVENUES
AT PRESENT RATES OF RETURN

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-3
SCHEDULE 1

<u>Line No.</u>	<u>Description</u> (Column A)	<u>Total</u> (B)	<u>Rate RS</u> <u>(Residential</u> <u>Svc.)</u> (C)	<u>Rate GS</u> <u>(General Svc.)</u> (D)
<u>Operating Revenues</u>				
1	Revenues From Gas Sales	\$1,015,643	\$676,176	\$339,467
2	Miscellaneous Revenues	<u>\$41,816</u>	<u>\$34,769</u>	<u>\$7,047</u>
3	Total	<u>\$1,057,459</u>	<u>\$710,945</u>	<u>\$346,514</u>
<u>Operating Expenses</u>				
4	Operation and Maintenance	\$941,576	\$736,282	\$205,294
5	Depreciation and Amortization	120,097	85,937	34,160
6	Federal Income Taxes	(35,831)	(61,080)	25,243
7	State Income Taxes	(5,789)	(10,837)	5,048
8	Taxes Other Than Income Taxes	<u>85,351</u>	<u>63,683</u>	<u>21,683</u>
9	Total	<u>\$1,105,404</u>	<u>\$813,985</u>	<u>\$291,428</u>
10	Net Operating Income	<u>(\$47,945)</u>	<u>(\$103,040)</u>	<u>\$55,086</u>
11	Original Cost Rate Base	<u>\$2,118,591</u>	<u>\$1,522,160</u>	<u>\$596,432</u>
12	Rate of Return on Rate Base	-2.26%	-6.77%	9.24%
13	Earnings Index	100%	299%	-408%

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC
IURC CAUSE NO. _____
COST OF SERVICE STUDY
STATEMENT OF OPERATING INCOME BASED UPON PROFORMA A REVENUES
AT EQUALIZED RATES OF RETURN

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-3
SCHEDULE 2

<u>Line No.</u>	<u>Description</u> (Column A)	<u>Total</u> (B)	<u>Rate RS</u> <u>(Residential</u> <u>Svc.)</u> (C)	<u>Rate GS</u> <u>(General Svc.)</u> (D)
<u>Operating Revenues</u>				
1	Revenues From Gas Sales	\$1,015,644	\$788,094	\$227,550
2	Miscellaneous Revenues	\$41,816	\$34,769	\$7,047
3	Total	<u>\$1,057,460</u>	<u>\$822,863</u>	<u>\$234,597</u>
<u>Operating Expenses</u>				
4	Operation and Maintenance	\$941,576	\$736,282	\$205,294
5	Depreciation and Amortization	120,097	85,937	34,160
6	Federal Income Taxes	(35,831)	(25,744)	(10,087)
7	State Income Taxes	(5,789)	(4,104)	(1,685)
8	Taxes Other Than Income Taxes	<u>85,351</u>	<u>64,938</u>	<u>20,413</u>
9	Total	<u>\$1,105,404</u>	<u>\$857,310</u>	<u>\$248,095</u>
10	Net Operating Income	<u>(\$47,944)</u>	<u>(\$34,447)</u>	<u>(\$13,497)</u>
11	Original Cost Rate Base	<u>\$2,118,591</u>	<u>\$1,522,160</u>	<u>\$596,432</u>
12	Rate of Return on Rate Base	-2.26%	-2.26%	-2.26%
13	Earnings Index	100%	100%	100%

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC
IURC CAUSE NO. _____
COST OF SERVICE STUDY
STATEMENT OF OPERATING INCOME BASED UPON PROFORMA B REVENUES
AT EQUALIZED RATES OF RETURN

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-3
SCHEDULE 3

<u>Line No.</u>	<u>Description</u> (Column A)	<u>Total</u> (B)	<u>Rate RS</u> <u>(Residential</u> <u>Svc.)</u> (C)	<u>Rate GS</u> <u>(General Svc.)</u> (D)
<u>Operating Revenues</u>				
1	Revenues From Gas Sales	\$1,345,187	\$1,023,886	\$321,300
2	Miscellaneous Revenues	<u>\$41,816</u>	<u>\$34,769</u>	<u>\$7,047</u>
3	Total	<u>\$1,387,002</u>	<u>\$1,058,655</u>	<u>\$328,347</u>
<u>Operating Expenses</u>				
4	Operation and Maintenance	\$943,423	\$736,654	\$206,769
5	Depreciation and Amortization	120,097	85,937	34,160
6	Federal Income Taxes	67,339	48,381	18,957
7	State Income Taxes	13,873	10,021	3,852
8	Taxes Other Than Income Taxes	<u>89,945</u>	<u>68,219</u>	<u>21,726</u>
9	Total	<u>\$1,234,676</u>	<u>\$949,212</u>	<u>\$285,464</u>
10	Net Operating Income	<u>\$152,326</u>	<u>\$109,443</u>	<u>\$42,883</u>
11	Original Cost Rate Base	<u>\$2,118,591</u>	<u>\$1,522,160</u>	<u>\$596,432</u>
12	Rate of Return on Rate Base	7.19%	7.19%	7.19%
13	Earnings Index	100%	100%	100%

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC
IURC CAUSE NO. _____
COST OF SERVICE STUDY
STATEMENT OF OPERATING INCOME BASED UPON PROFORMA B REVENUES
AT PROPOSED RATES OF RETURN

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-3
SCHEDULE 4

<u>Line No.</u>	<u>Description</u> (Column A)	<u>Total</u> (B)	<u>Rate RS</u> <u>(Residential</u> <u>Svc.)</u> (C)	<u>Rate GS</u> <u>(General Svc.)</u> (D)
<u>Operating Revenues</u>				
1	Revenues From Gas Sales	\$1,345,186	\$923,160	\$422,025
2	Miscellaneous Revenues	<u>\$41,816</u>	<u>\$34,769</u>	<u>\$7,047</u>
3	Total	<u>\$1,387,002</u>	<u>\$957,929</u>	<u>\$429,072</u>
<u>Operating Expenses</u>				
4	Operation and Maintenance	\$943,423	\$736,654	\$206,769
5	Depreciation and Amortization	120,097	85,937	34,160
6	Federal Income Taxes	67,338	16,668	50,670
7	State Income Taxes	13,873	3,978	9,895
8	Taxes Other Than Income Taxes	<u>89,945</u>	<u>66,810</u>	<u>23,135</u>
9	Total	<u>\$1,234,676</u>	<u>\$910,047</u>	<u>\$324,629</u>
10	Net Operating Income	<u>\$152,325</u>	<u>\$47,882</u>	<u>\$104,443</u>
11	Original Cost Rate Base	<u>\$2,118,591</u>	<u>\$1,522,160</u>	<u>\$596,432</u>
12	Rate of Return on Rate Base	7.19%	3.15%	17.51%
13	Earnings Index	100%	44%	244%

EXHIBIT KAH-4

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY
COMPARISON OF PROFORMA OPERATING REVENUES AND RESULTING DOLLAR SUBSIDY
LEVELS AT PRESENT AND PROPOSED RATES

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-4

<u>Line No.</u>	<u>Rate Schedule</u> (A)	<u>PROFORMA REVENUES - PRESENT RATES</u>			<u>PROFORMA REVENUES - PROPOSED RATES</u>				
		<u>Revenues At Present Rates</u> (B)	<u>Revenues Required For Equalized Returns</u> (C)	<u>Present Subsidy</u> (D)	<u>Revenues Required For Equalized Returns</u> (E)	<u>Revenues At Proposed Rates</u> (F)	<u>Proposed Subsidy</u> (G)	<u>Subsidy Reduction</u>	
							<u>Amount</u> (H)	<u>Percentage</u> (I)	
1	Rate RS (Residential Svc.)	\$710,945	\$822,863	(\$111,918)	\$1,058,655	\$957,929	(\$100,726)	(\$11,192)	10.00%
2	Rate GS (General Svc.)	\$346,514	\$234,597	\$111,917	\$328,347	\$429,072	\$100,725	\$11,192	10.00%
3	Total	\$1,057,459	\$1,057,460	(\$1)	\$1,387,002	\$1,387,002	(\$1)	(\$0)	

EXHIBIT KAH-5

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY
COMPARISON OF GAS SALES REVENUES AT PRESENT AND PROPOSED RATES

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-6

Line No.	Rate Schedule	Present Revenue Levels			Proposed Revenue Levels			Increase or (Decrease)		
		Margins At Present Rates	Gas Cost Revenues	Revenues At Present Rates	Margins At Proposed Rates	Gas Cost Revenues	Revenues At Proposed Rates	Increase or (Decrease)		
		(B)	(C)	(D)	(E)	(F)	(G)	Amount	Rev. %	Margin %
1	Rate RS (Residential Svc.)	\$676,176	\$393,173	\$1,069,349	\$923,160	\$393,173	\$1,316,333	\$246,984	23.10%	36.53%
2	Rate GS (General Svc.)	\$339,467	\$313,237	\$652,704	\$422,025	\$313,237	\$735,263	\$82,558	12.65%	24.32%
3	Total	\$1,015,643	\$706,410	\$1,722,053	\$1,345,186	\$706,410	\$2,051,596	\$329,543	19.14%	32.45%

EXHIBIT KAH-6

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY
COMPARISON OF MARGINS AT PRESENT AND PROPOSED RATES

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-6
PAGE 1 OF 1

DESCRIPTION	Number of Bills (1)	Billing Quantities (therms) (2)	Present Rates (\$/therm) (3)	Margin at Present Rates (4)	Proposed Rates (\$/therm) (5)	Margin at Proposed Rates (6)	Increase in Margins	
							Amount (7)	Percent (8)
Rate RS (Residential Sales Service)								
Customer Charge	19,855		\$11.00	\$218,405	\$13.00	\$258,115	\$39,710	18.2%
First 51 therms		521,559	\$0.51402	\$268,092	\$0.75464	\$393,590	\$125,498	46.8%
Over 51 therms		519,517	\$0.36800	\$191,182	\$0.52647	\$273,510	\$82,328	43.1%
Total Therms and Margins	19,855	1,041,077		\$677,679		\$925,215	\$247,536	N/A
Reconciliation Factor				0.997782		0.997782		
Adjusted Margins				\$676,176		\$923,163	\$246,987	36.53%
Rate GS (General Sales Service)								
Customer Charge-Meter Sizes 250 cfh or under	1,896		\$11.00	\$20,856	\$13.00	\$24,648	\$3,792	18.2%
Customer Charge-Meter Sizes 250 cfh to 800 cfh	1,188		\$11.00	\$13,068	\$24.00	\$28,512	\$15,444	118.2%
Customer Charge-Meter Sizes Over 800 cfh	324		\$11.00	\$3,564	\$80.00	\$25,920	\$22,356	627.3%
First 51 therms		99,176	\$0.51402	\$50,979	\$0.62413	\$61,899	\$10,920	21.4%
Next 205 therms		327,366	\$0.36800	\$120,471	\$0.44119	\$144,431	\$23,960	19.9%
Over 256 therms		402,873	\$0.32587	\$131,284	\$0.34143	\$137,553	\$6,269	4.8%
Total Therms and Margins	3,408	829,416		\$340,222		\$422,963	\$82,741	N/A
Reconciliation Factor				0.997782		0.997782		
Adjusted Margins				\$339,467		\$422,025	\$82,557	24.32%
Rate STS (School Transportation Service)								
Customer Charge-Meter Sizes 250 cfh or under	0		\$28.00	\$0	\$13.00	\$0	\$0	-53.6%
Customer Charge-Meter Sizes 250 cfh to 800 cfh	0		\$28.00	\$0	\$24.00	\$0	\$0	-14.3%
Customer Charge-Meter Sizes Over 800 cfh	0		\$28.00	\$0	\$80.00	\$0	\$0	185.7%
First 51 therms		0	\$0.24114	\$0	\$0.62413	\$0	\$0	158.8%
Next 205 therms		0	\$0.24114	\$0	\$0.44119	\$0	\$0	83.0%
Over 256 therms		0	\$0.24114	\$0	\$0.34143	\$0	\$0	41.6%
Monitoring Charge	0		\$36.30	\$0	\$66.00	\$0	\$0	81.8%
Total Therms and Margins	0	0		\$0		\$0	\$0	N/A
Reconciliation Factor				0.997782		0.997782		
Adjusted Margins				\$0		\$0	\$0	N/A
TOTAL THERMS AND MARGIN	23,263	1,870,492		\$1,015,643		\$1,345,188	\$329,544	32.45%

EXHIBIT KAH-7

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
IURC CAUSE NO. _____
COST OF SERVICE STUDY
REVENUE PROOF AT PROPOSED RATES

TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-7
PAGE 1 OF 1

<u>Description</u>	<u>Number of Bills</u> (1)	<u>Billing Quantities (therms)</u> (2)	<u>Proposed Margin Rates (\$/therm)</u> (3)	<u>Revenues From Gas Sales at Proposed Rates</u> (4)	<u>Misc. Revenues</u> (5)	<u>Total Revenues (4) + (5)</u> (6)	<u>Cost-of-Service (Proforma B Revenues)</u> (7)	<u>(Over)/Under Recovery (7) - (6)</u> (8)	<u>(Over)/Under Recovery Percentage (8) / (7)</u> (9)
<u>Rate RS (Residential Sales Service)</u>									
Customer Charge	19,855		\$13.00	\$258,115					
First 51 therms		521,559	\$0.75464	\$393,580					
Over 51 therms		519,517	\$0.52647	\$273,510					
Total Therms and Margins	19,855	1,041,077		\$925,215					
Reconciliation Factor				<u>0.997782</u>					
Adjusted Margins				\$923,162	\$34,769	\$957,931	\$957,929	(\$2)	-0.0002%
<u>Rate GS (General Sales Service)</u>									
Customer Charge-Meter Sizes 250 cfh or under	1,896		\$13.00	\$24,648					
Customer Charge-Meter Sizes 250 cfh to 800 cfh	1,188		\$24.00	\$28,512					
Customer Charge-Meter Sizes Over 800 cfh	324		\$80.00	\$25,920					
First 51 therms		99,176	\$0.62413	\$61,899					
Next 205 therms		327,366	\$0.44119	\$144,431					
Over 256 therms		402,873	\$0.34143	\$137,553					
Total Therms and Margins	3,408	829,416		\$422,863					
Reconciliation Factor				<u>0.997782</u>					
Adjusted Margins				\$422,024	\$7,047	\$429,071	\$429,072	\$1	0.0003%
<u>Rate STS (School Transportation Service)</u>									
Customer Charge-Meter Sizes 250 cfh or under	0		\$13.00	\$0					
Customer Charge-Meter Sizes 250 cfh to 800 cfh	0		\$24.00	\$0					
Customer Charge-Meter Sizes Over 800 cfh	0		\$80.00	\$0					
First 51 therms		0	\$0.62413	\$0					
Next 205 therms		0	\$0.44119	\$0					
Over 256 therms		0	\$0.34143	\$0					
Monitoring Charge	0		\$66.00	\$0					
Total Therms and Margins	0	0		\$0					
Reconciliation Factor				<u>0.997782</u>					
Adjusted Margins				\$0	\$0	\$0	\$0	\$0	N/A
Total Therms and Revenue	23,263	1,870,492		\$1,345,187	\$41,816	\$1,387,003	\$1,387,002	(\$1)	-0.0001%

EXHIBIT KAH-8

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
 CAUSE NO. _____
 TYPICAL BILL COMPARISON
 Rate RS (Residential Sales Service)

TYPE OF FILING: CASE-IN-CHIEF
 WITNESS: HEID

PETITIONER'S EXHIBIT KAH-8
 SCHEDULE 1

LINE NO.	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	DOLLAR INCREASE (C - B)	PERCENT INCREASE (D / B)	GAS COST RECOVERY	TOTAL CURRENT BILL (B + F)	TOTAL PROPOSED BILL (C + F)	PERCENT INCREASE (H - G) / G
	(A) (therms)	(B) (\$)	(C) (\$)	(D) (\$)	(E) (%)	(F) (\$)	(G) (\$)	(H) (\$)	(I) (%)
1	0	\$11.00	\$13.00	\$2.00	18.18%	\$0.00	\$11.00	\$13.00	18.2%
2	10	\$16.14	\$20.55	\$4.41	27.30%	\$3.78	\$19.92	\$24.32	22.1%
3	20	\$21.28	\$28.09	\$6.81	32.01%	\$7.55	\$28.83	\$35.65	23.6%
4	30	\$26.42	\$35.64	\$9.22	34.89%	\$11.33	\$37.75	\$46.97	24.4%
5	40	\$31.56	\$43.19	\$11.62	36.83%	\$15.11	\$46.67	\$58.29	24.9%
6	50	\$36.70	\$50.73	\$14.03	38.23%	\$18.88	\$55.58	\$69.62	25.2%
7	60	\$40.53	\$56.22	\$15.70	38.73%	\$22.66	\$63.19	\$78.88	24.8%
8	70	\$44.21	\$61.49	\$17.28	39.10%	\$26.44	\$70.64	\$87.93	24.5%
9	80	\$47.89	\$66.75	\$18.87	39.40%	\$30.21	\$78.10	\$96.97	24.2%
10	90	\$51.57	\$72.02	\$20.45	39.66%	\$33.99	\$85.56	\$106.01	23.9%
11	100	\$55.25	\$77.28	\$22.04	39.89%	\$37.77	\$93.01	\$115.05	23.7%
12	125	\$64.45	\$90.45	\$26.00	40.34%	\$47.21	\$111.65	\$137.65	23.3%
13	150	\$73.65	\$103.61	\$29.96	40.68%	\$56.65	\$130.30	\$160.26	23.0%
14	175	\$82.85	\$116.77	\$33.92	40.95%	\$66.09	\$148.94	\$182.86	22.8%
15	200	\$92.05	\$129.93	\$37.88	41.16%	\$75.53	\$167.58	\$205.46	22.6%
16	225	\$101.25	\$143.09	\$41.85	41.33%	\$84.97	\$186.22	\$228.07	22.5%
17	250	\$110.45	\$156.25	\$45.81	41.47%	\$94.42	\$204.86	\$250.67	22.4%
18	275	\$119.65	\$169.42	\$49.77	41.60%	\$103.86	\$223.50	\$273.27	22.3%
19	300	\$128.85	\$182.58	\$53.73	41.70%	\$113.30	\$242.15	\$295.88	22.2%

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
 CAUSE NO. _____
 TYPICAL BILL COMPARISON
 BILL IMPACTS FOR AVERAGE RESIDENTIAL CUSTOMER
 Rate RS (Residential Sales Service)

TYPE OF FILING: CASE-IN-CHIEF
 WITNESS: HEID

PETITIONER'S EXHIBIT KAH-8
 SCHEDULE 2

<u>Month</u>	<u>Usage (therms)</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase</u>	
		<u>Rate</u>	<u>Rate</u>	<u>Amount</u>	<u>Percent</u>
January	113.2	\$60.10	\$84.23	\$24.13	40.1%
February	97.9	\$54.46	\$76.16	\$21.70	39.8%
March	89.0	\$51.19	\$71.47	\$20.29	39.6%
April	49.1	\$36.26	\$50.09	\$13.82	38.1%
May	20.7	\$21.62	\$28.59	\$6.97	32.2%
June	5.8	\$14.00	\$17.40	\$3.40	24.3%
July	6.3	\$14.23	\$17.74	\$3.51	24.7%
August	5.7	\$13.92	\$17.29	\$3.37	24.2%
September	6.1	\$14.14	\$17.61	\$3.47	24.5%
October	9.6	\$15.93	\$20.24	\$4.31	27.0%
November	35.6	\$29.32	\$39.89	\$10.57	36.1%
December	<u>109.1</u>	<u>\$58.58</u>	<u>\$82.05</u>	<u>\$23.47</u>	<u>40.1%</u>
Total	548.0	\$383.74	\$522.76	\$139.01	36.2%

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
 CAUSE NO. _____
 TYPICAL BILL COMPARISON
 Rate GS (General Sales Service)
 GROUP 1 METERS

TYPE OF FILING: CASE-IN-CHIEF
 WITNESS: HEID

PETITIONER'S EXHIBIT KAH-8
 SCHEDULE 3

LINE NO.	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	DOLLAR INCREASE (C - B)	PERCENT INCREASE (D / B)	GAS COST RECOVERY	TOTAL CURRENT BILL (B + F)	TOTAL PROPOSED BILL (C + F)	PERCENT INCREASE (H - G) / G
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	(therms)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(%)
1	0	\$11.00	\$13.00	\$2.00	18.18%	\$0.00	\$11.00	\$13.00	18.2%
2	10	\$16.14	\$19.24	\$3.10	19.21%	\$3.78	\$19.92	\$23.02	15.6%
3	20	\$21.28	\$25.48	\$4.20	19.75%	\$7.55	\$28.83	\$33.04	14.6%
4	30	\$26.42	\$31.72	\$5.30	20.07%	\$11.33	\$37.75	\$43.05	14.0%
5	40	\$31.56	\$37.97	\$6.40	20.29%	\$15.11	\$46.67	\$53.07	13.7%
6	50	\$36.70	\$44.21	\$7.51	20.45%	\$18.88	\$55.58	\$63.09	13.5%
7	60	\$40.53	\$48.80	\$8.27	20.42%	\$22.66	\$63.19	\$71.46	13.1%
8	70	\$44.21	\$53.21	\$9.01	20.37%	\$26.44	\$70.64	\$79.65	12.7%
9	80	\$47.89	\$57.63	\$9.74	20.34%	\$30.21	\$78.10	\$87.84	12.5%
10	90	\$51.57	\$62.04	\$10.47	20.30%	\$33.99	\$85.56	\$96.03	12.2%
11	100	\$55.25	\$66.45	\$11.20	20.28%	\$37.77	\$93.01	\$104.21	12.0%
12	125	\$64.45	\$77.48	\$13.03	20.22%	\$47.21	\$111.65	\$124.69	11.7%
13	150	\$73.65	\$88.51	\$14.86	20.18%	\$56.65	\$130.30	\$145.16	11.4%
14	175	\$82.85	\$99.54	\$16.69	20.15%	\$66.09	\$148.94	\$165.63	11.2%
15	200	\$92.05	\$110.57	\$18.52	20.12%	\$75.53	\$167.58	\$186.10	11.1%
16	225	\$101.25	\$121.60	\$20.35	20.10%	\$84.97	\$186.22	\$206.57	10.9%
17	250	\$110.45	\$132.63	\$22.18	20.08%	\$94.42	\$204.86	\$227.04	10.8%
18	275	\$118.85	\$141.76	\$22.92	19.28%	\$103.86	\$222.70	\$245.62	10.3%
19	300	\$126.99	\$150.30	\$23.30	18.35%	\$113.30	\$240.29	\$263.60	9.7%

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
 CAUSE NO. _____
 TYPICAL BILL COMPARISON
 Rate GS (General Sales Service)
 GROUP 2 METERS

TYPE OF FILING: CASE-IN-CHIEF
 WITNESS: HEID

PETITIONER'S EXHIBIT KAH-8
 SCHEDULE 4

LINE NO.	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	DOLLAR INCREASE (C - B)	PERCENT INCREASE (D / B)	GAS COST RECOVERY	TOTAL CURRENT BILL (B + F)	TOTAL PROPOSED BILL (C + F)	PERCENT INCREASE (H - G) / G
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	(therms)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(%)
1	0	\$11.00	\$24.00	\$13.00	118.18%	\$0.00	\$11.00	\$24.00	118.2%
2	100	\$55.25	\$77.45	\$22.20	40.19%	\$37.77	\$93.01	\$115.21	23.9%
3	200	\$92.05	\$121.57	\$29.52	32.07%	\$75.53	\$167.58	\$197.10	17.6%
4	300	\$126.99	\$161.30	\$34.30	27.01%	\$113.30	\$240.29	\$274.60	14.3%
5	400	\$159.58	\$195.44	\$35.86	22.47%	\$151.06	\$310.64	\$346.50	11.5%
6	500	\$192.17	\$229.58	\$37.42	19.47%	\$188.83	\$381.00	\$418.41	9.8%
7	600	\$224.75	\$263.73	\$38.97	17.34%	\$226.60	\$451.35	\$490.32	8.6%
8	700	\$257.34	\$297.87	\$40.53	15.75%	\$264.36	\$521.70	\$562.23	7.8%
9	800	\$289.93	\$332.01	\$42.08	14.52%	\$302.13	\$592.06	\$634.14	7.1%
10	900	\$322.52	\$366.16	\$43.64	13.53%	\$339.89	\$662.41	\$706.05	6.6%
11	1,000	\$355.10	\$400.30	\$45.20	12.73%	\$377.66	\$732.76	\$777.96	6.2%
12	1,500	\$518.04	\$571.01	\$52.98	10.23%	\$566.49	\$1,084.53	\$1,137.50	4.9%
13	2,000	\$680.97	\$741.73	\$60.76	8.92%	\$755.32	\$1,436.29	\$1,497.05	4.2%
14	2,500	\$843.91	\$912.44	\$68.54	8.12%	\$944.15	\$1,788.06	\$1,856.59	3.8%
15	3,000	\$1,006.84	\$1,083.16	\$76.32	7.58%	\$1,132.98	\$2,139.82	\$2,216.14	3.6%
16	3,500	\$1,169.78	\$1,253.87	\$84.10	7.19%	\$1,321.81	\$2,491.59	\$2,575.68	3.4%
17	4,000	\$1,332.71	\$1,424.59	\$91.88	6.89%	\$1,510.64	\$2,843.35	\$2,935.23	3.2%
18	4,500	\$1,495.65	\$1,595.30	\$99.66	6.66%	\$1,699.47	\$3,195.12	\$3,294.77	3.1%
19	5,000	\$1,658.58	\$1,766.02	\$107.44	6.48%	\$1,888.30	\$3,546.88	\$3,654.32	3.0%

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
 CAUSE NO. _____
 TYPICAL BILL COMPARISON
 Rate GS (General Sales Service)
 GROUP 3 METERS

TYPE OF FILING: CASE-IN-CHIEF
 WITNESS: HEID

PETITIONER'S EXHIBIT KAH-8
 SCHEDULE 6

LINE NO.	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	DOLLAR INCREASE (C - B)	PERCENT INCREASE (D / B)	GAS COST RECOVERY	TOTAL CURRENT BILL (B + F)	TOTAL PROPOSED BILL (C + F)	PERCENT INCREASE (H - G) / G
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	(therms)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(%)
1	0	\$11.00	\$80.00	\$69.00	627.27%	\$0.00	\$11.00	\$80.00	627.3%
2	100	\$55.25	\$133.45	\$78.20	141.6%	\$37.77	\$93.01	\$171.21	84.1%
3	200	\$92.05	\$177.57	\$85.52	92.9%	\$75.53	\$167.58	\$253.10	51.0%
4	300	\$126.99	\$217.30	\$90.30	71.1%	\$113.30	\$240.29	\$330.60	37.6%
5	400	\$159.58	\$251.44	\$91.86	57.6%	\$151.06	\$310.64	\$402.50	29.6%
6	500	\$192.17	\$285.58	\$93.42	48.6%	\$188.83	\$381.00	\$474.41	24.5%
7	1,000	\$355.10	\$456.30	\$101.20	28.5%	\$377.66	\$732.76	\$833.96	13.8%
8	1,500	\$518.04	\$627.01	\$108.98	21.0%	\$566.49	\$1,084.53	\$1,193.50	10.0%
9	2,000	\$680.97	\$797.73	\$116.76	17.1%	\$755.32	\$1,436.29	\$1,553.05	8.1%
10	3,000	\$1,006.84	\$1,139.16	\$132.32	13.1%	\$1,132.98	\$2,139.82	\$2,272.14	6.2%
11	4,000	\$1,332.71	\$1,480.59	\$147.88	11.1%	\$1,510.64	\$2,843.35	\$2,991.23	5.2%
12	5,000	\$1,658.58	\$1,822.02	\$163.44	9.9%	\$1,888.30	\$3,546.88	\$3,710.32	4.6%
13	6,000	\$1,984.45	\$2,163.45	\$179.00	9.0%	\$2,265.96	\$4,250.41	\$4,429.41	4.2%
14	7,000	\$2,310.32	\$2,504.88	\$194.56	8.4%	\$2,643.62	\$4,953.94	\$5,148.50	3.9%
15	8,000	\$2,636.19	\$2,846.31	\$210.12	8.0%	\$3,021.28	\$5,657.47	\$5,867.59	3.7%
16	9,000	\$2,962.06	\$3,187.74	\$225.68	7.6%	\$3,398.94	\$6,361.00	\$6,586.68	3.5%
17	10,000	\$3,287.93	\$3,529.17	\$241.24	7.3%	\$3,776.60	\$7,064.53	\$7,305.77	3.4%
18	11,000	\$3,613.80	\$3,870.60	\$256.80	7.1%	\$4,154.26	\$7,768.06	\$8,024.86	3.3%
19	12,000	\$3,939.67	\$4,212.03	\$272.36	6.9%	\$4,531.92	\$8,471.59	\$8,743.95	3.2%
20	13,000	\$4,265.54	\$4,553.46	\$287.92	6.8%	\$4,909.58	\$9,175.12	\$9,463.04	3.1%
21	14,000	\$4,591.41	\$4,894.89	\$303.48	6.6%	\$5,287.24	\$9,878.65	\$10,182.13	3.1%
22	15,000	\$4,917.28	\$5,236.32	\$319.04	6.5%	\$5,664.90	\$10,582.18	\$10,901.22	3.0%

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
 CAUSE NO. _____
 TYPICAL BILL COMPARISON
 Rate STS (School Transportation Service)
 GROUP 1 METERS

TYPE OF FILING: CASE-IN-CHIEF
 WITNESS: HEID

PETITIONER'S EXHIBIT KAH-8
 SCHEDULE 6

LINE NO.	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	DOLLAR INCREASE (C - B)	PERCENT INCREASE (D / B)	GAS COST RECOVERY	TOTAL CURRENT BILL (B + F)	TOTAL PROPOSED BILL (C + F)	PERCENT INCREASE (H - G) / G
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	(therms)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(%)
1	0	\$64.30	\$79.00	\$14.70	22.9%		\$64.30	\$79.00	22.9%
2	10	\$66.71	\$85.24	\$18.53	27.8%		\$66.71	\$85.24	27.8%
3	20	\$69.12	\$91.48	\$22.36	32.3%		\$69.12	\$91.48	32.3%
4	30	\$71.53	\$97.72	\$26.19	36.6%		\$71.53	\$97.72	36.6%
5	40	\$73.95	\$103.97	\$30.02	40.6%		\$73.95	\$103.97	40.6%
6	50	\$76.36	\$110.21	\$33.85	44.3%		\$76.36	\$110.21	44.3%
7	60	\$78.77	\$114.80	\$36.03	45.7%		\$78.77	\$114.80	45.7%
8	70	\$81.18	\$119.21	\$38.03	46.9%		\$81.18	\$119.21	46.9%
9	80	\$83.59	\$123.63	\$40.03	47.9%		\$83.59	\$123.63	47.9%
10	90	\$86.00	\$128.04	\$42.03	48.9%		\$86.00	\$128.04	48.9%
11	100	\$88.41	\$132.45	\$44.03	49.8%		\$88.41	\$132.45	49.8%
12	125	\$94.44	\$143.48	\$49.04	51.9%		\$94.44	\$143.48	51.9%
13	150	\$100.47	\$154.51	\$54.04	53.8%		\$100.47	\$154.51	53.8%
14	175	\$106.50	\$165.54	\$59.04	55.4%		\$106.50	\$165.54	55.4%
15	200	\$112.53	\$176.57	\$64.04	56.9%		\$112.53	\$176.57	56.9%
16	225	\$118.56	\$187.60	\$69.04	58.2%		\$118.56	\$187.60	58.2%
17	250	\$124.59	\$198.63	\$74.04	59.4%		\$124.59	\$198.63	59.4%
18	275	\$130.61	\$207.76	\$77.15	59.1%		\$130.61	\$207.76	59.1%
19	300	\$136.64	\$216.30	\$79.66	58.3%		\$136.64	\$216.30	58.3%

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
 CAUSE NO. _____
 TYPICAL BILL COMPARISON
 Rate STS (School Transportation Service)
 GROUP 2 METERS

TYPE OF FILING: CASE-IN-CHIEF
 WITNESS: HEID

PETITIONER'S EXHIBIT KAH-8
 SCHEDULE 7

LINE NO.	LEVEL OF USAGE (A)	CURRENT BILL (B)	PROPOSED BILL (C)	DOLLAR INCREASE (C - B) (D)	PERCENT INCREASE (D / B) (E)	GAS COST RECOVERY (F)	TOTAL CURRENT BILL (B + F) (G)	TOTAL PROPOSED BILL (C + F) (H)	PERCENT INCREASE (H - G) / G (I)
	(therms)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(%)
1	0	\$64.30	\$90.00	\$25.70	39.97%		\$64.30	\$90.00	40.0%
2	100	\$88.41	\$143.45	\$55.03	62.2%		\$88.41	\$143.45	62.2%
3	200	\$112.53	\$187.57	\$75.04	66.7%		\$112.53	\$187.57	66.7%
4	300	\$136.64	\$227.30	\$90.66	66.3%		\$136.64	\$227.30	66.3%
5	400	\$160.76	\$261.44	\$100.68	62.6%		\$160.76	\$261.44	62.6%
6	500	\$184.87	\$295.58	\$110.71	59.9%		\$184.87	\$295.58	59.9%
7	600	\$208.98	\$329.73	\$120.74	57.8%		\$208.98	\$329.73	57.8%
8	700	\$233.10	\$363.87	\$130.77	56.1%		\$233.10	\$363.87	56.1%
9	800	\$257.21	\$398.01	\$140.80	54.7%		\$257.21	\$398.01	54.7%
10	900	\$281.33	\$432.16	\$150.83	53.6%		\$281.33	\$432.16	53.6%
11	1,000	\$305.44	\$466.30	\$160.86	52.7%		\$305.44	\$466.30	52.7%
12	1,500	\$426.01	\$637.01	\$211.00	49.5%		\$426.01	\$637.01	49.5%
13	2,000	\$546.58	\$807.73	\$261.15	47.8%		\$546.58	\$807.73	47.8%
14	2,500	\$667.15	\$978.44	\$311.29	46.7%		\$667.15	\$978.44	46.7%
15	3,000	\$787.72	\$1,149.16	\$361.44	45.9%		\$787.72	\$1,149.16	45.9%
16	3,500	\$908.29	\$1,319.87	\$411.58	45.3%		\$908.29	\$1,319.87	45.3%
17	4,000	\$1,028.86	\$1,490.59	\$461.73	44.9%		\$1,028.86	\$1,490.59	44.9%
18	4,500	\$1,149.43	\$1,661.30	\$511.87	44.5%		\$1,149.43	\$1,661.30	44.5%
19	5,000	\$1,270.00	\$1,832.02	\$562.02	44.3%		\$1,270.00	\$1,832.02	44.3%

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.
 CAUSE NO. _____
 TYPICAL BILL COMPARISON
 Rate STS (School Transportation Service)
 GROUP 3 METERS

TYPE OF FILING: CASE-IN-CHIEF
 WITNESS: HEID

PETITIONER'S EXHIBIT KAH-8
 SCHEDULE 8

LINE NO.	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	DOLLAR INCREASE (C - B)	PERCENT INCREASE (D / B)	GAS COST RECOVERY	TOTAL CURRENT BILL (B + F)	TOTAL PROPOSED BILL (C + F)	PERCENT INCREASE (H - G) / G
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	(therms)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(%)
1	0	\$64.30	\$146.00	\$81.70	127.06%		\$64.30	\$146.00	127.1%
2	100	\$88.41	\$199.45	\$111.03	125.6%		\$88.41	\$199.45	125.6%
3	200	\$112.53	\$243.57	\$131.04	116.5%		\$112.53	\$243.57	116.5%
4	300	\$136.64	\$283.30	\$146.66	107.3%		\$136.64	\$283.30	107.3%
5	400	\$160.76	\$317.44	\$156.68	97.5%		\$160.76	\$317.44	97.5%
6	500	\$184.87	\$351.58	\$166.71	90.2%		\$184.87	\$351.58	90.2%
7	1,000	\$305.44	\$522.30	\$216.86	71.0%		\$305.44	\$522.30	71.0%
8	1,500	\$426.01	\$693.01	\$267.00	62.7%		\$426.01	\$693.01	62.7%
9	2,000	\$546.58	\$863.73	\$317.15	58.0%		\$546.58	\$863.73	58.0%
10	3,000	\$787.72	\$1,205.16	\$417.44	53.0%		\$787.72	\$1,205.16	53.0%
11	4,000	\$1,028.86	\$1,546.59	\$517.73	50.3%		\$1,028.86	\$1,546.59	50.3%
12	5,000	\$1,270.00	\$1,888.02	\$618.02	48.7%		\$1,270.00	\$1,888.02	48.7%
13	6,000	\$1,511.14	\$2,229.45	\$718.31	47.5%		\$1,511.14	\$2,229.45	47.5%
14	7,000	\$1,752.28	\$2,570.88	\$818.60	46.7%		\$1,752.28	\$2,570.88	46.7%
15	8,000	\$1,993.42	\$2,912.31	\$918.89	46.1%		\$1,993.42	\$2,912.31	46.1%
16	9,000	\$2,234.56	\$3,253.74	\$1,019.18	45.6%		\$2,234.56	\$3,253.74	45.6%
17	10,000	\$2,475.70	\$3,595.17	\$1,119.47	45.2%		\$2,475.70	\$3,595.17	45.2%
18	11,000	\$2,716.84	\$3,936.60	\$1,219.76	44.9%		\$2,716.84	\$3,936.60	44.9%
19	12,000	\$2,957.98	\$4,278.03	\$1,320.05	44.6%		\$2,957.98	\$4,278.03	44.6%
20	13,000	\$3,199.12	\$4,619.46	\$1,420.34	44.4%		\$3,199.12	\$4,619.46	44.4%
21	14,000	\$3,440.26	\$4,960.89	\$1,520.63	44.2%		\$3,440.26	\$4,960.89	44.2%
22	15,000	\$3,681.40	\$5,302.32	\$1,620.92	44.0%		\$3,681.40	\$5,302.32	44.0%

EXHIBIT KAH-9

**SOUTH EASTERN INDIANA NATURAL GAS
COMPANY, INC.**

TARIFF FOR GAS SERVICE

I.U.R.C. No. G-10

ISSUED PURSUANT TO ORDER OF THE
INDIANA UTILITY REGULATORY COMMISSION
IN CAUSE NO. _____.

Communications concerning this tariff may be addressed to:

Mail: South Eastern Indiana Natural Gas Company, Inc.
106 E. Main Street
Morristown, Indiana 46161

TARIFF SHEET INDEX

Tariff Sheet No.	Description
1	Title Page
2-3	Index

	RATE	RATE SCHEDULES
10-11	RS	Residential Sales Service
20-21	GS	General Sales Service
30-33	STS	School Transportation Service

	APPENDIX	APPENDICES
80	A	Gas Cost Adjustment
81	B	Base Cost of Gas
82	C	Other Charges
83	D	Normal Temperature Adjustment
84	E	Nomination and Balancing Provisions
85	F	Energy Efficiency Rider

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

TARIFF SHEET INDEX

Tariff Sheet No.	Rule	Description
<u>TERMS AND CONDITIONS APPLICABLE TO GAS SERVICE</u>		
100	1	Rates, Rules and Regulations
100	2	Written Application
100	3	Data on Customer's Installations to be Furnished
100	4	Service Connections
100	5	Inside Piping
100	6	Location of Company Regulators, Meters and Other Equipment
101	7	Company's Property and Protection Thereof
101	8	Exclusive Service on Installation Connected
101	9	Meters to be Installed by the Company
101	10	Failure of Meter
101	11	Building Containing Two or More Separate Living Quarters or Businesses
102	12	Combined Residential and Commercial Services
102	13	Access to Premises
102	14	Continuous Service
102	15	Release of Company Liability
103	16	Company Reserves the Right to Shut Off Supply
103	17	Damages
103	18	Payment of Bills
104	19	Resale of Gas
104	20	Deposits
104	21	Modification to Contract
104	22	Notify Company Before Increasing Load
104	23	Assignment
105	24	Delay Due to Strikes, Etc.
105	25	Equipment or Location Permit
105	26	Month
105	27	Territory Served
105	28	Curtailed and Interruption
107	29	Gas Service to Mobile Home Parks
108	30	Indiana Administrative Code (IAC)
108	31	Conflicts with IURC Rules and Regulations
108	32	Extension of Gas Mains and Facilities

Effective: _____, _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

**RATE RS
RESIDENTIAL SALES SERVICE**

AVAILABILITY:

This schedule is available to all residential customers.

Available at points on Company's distribution lines. Not available for resale.

APPLICATION:

When service furnished hereunder through a single meter to a dwelling or building consisting of more than one family unit, apartment, or is used by more than one consumer or business concern, even though under common ownership and management, the consumers or business concerns served. Central heating systems for that part of an office building devoted to rental or offices shall be considered as a single customer.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Charge:

Customer Charge per month \$13.00 per meter

Distribution Charge:

First 51 therms per month \$0.75464 per therm

Over 51 therms per month \$0.52647 per therm

Gas Cost Charge:

The Gas Cost Charge shall be as set forth on appendix A, Gas Cost Adjustment for each therm of usage.

Normal Temperature Adjustment:

The Normal Temperature Adjustment shall be as set forth on Appendix D, Normal Temperature Adjustment.

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Charge.

Effective: _____, _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

**RATE RS
GENERAL SALES SERVICE
(continued)**

Other Charges:

The Other Charges set forth in this Tariff for Gas Service shall be charged to Customer, if applicable.

OTHER TERMS AND CONDITIONS

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

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

**RATE GS
GENERAL SALES SERVICE**

AVAILABILITY:

This schedule is available to all non-residential customers.

Available at points on Company's distribution lines. Not available for resale.

APPLICATION:

When service furnished hereunder through a single meter to a dwelling or building consisting of more than one family unit, apartment, or is used by more than one consumer or business concern, even though under common ownership and management, the consumers or business concerns served. Central heating systems for that part of an office building devoted to rental or offices shall be considered as a single customer.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Charge:

Customer Charge per month – meter size 250 cfh and below	\$13.00 per meter
Customer Charge per month – meter size 250 cfh to 800 cfh	\$24.00 per meter
Customer Charge per month – meter size 800 cfh and above	\$80.00 per month

Distribution Charge:

First 51 therms per month	\$0.62413 per therm
Next 205 therms per month	\$0.44119 per therm
Over 256 therms per month	\$0.34143 per therm

Monitoring Charge:

\$66.00 per meter

Gas Cost Charge:

The Gas Cost Charge shall be as set forth on appendix A, Gas Cost Adjustment for each therm of usage.

Normal Temperature Adjustment:

The Normal Temperature Adjustment shall be as set forth on Appendix D, Normal Temperature Adjustment.

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Charge.

Effective: _____, _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

**RATE GS
GENERAL SALES SERVICE
(continued)**

Other Charges:

The Other Charges set forth in this Tariff for Gas Service shall be charged to Customer, if applicable.

OTHER TERMS AND CONDITIONS

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

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

**RATE STS
SCHOOL TRANSPORTATION SERVICE**

AVAILABILITY

This Rate Schedule shall be available to public School Corporation Customers serving students in grades K through 12 that elect service hereunder where distribution mains of adequate capacity are adjacent to the premise to be served.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Transportation Service. Gas Service provided hereunder shall be metered and billed separately from Gas Service provided under any other Rate Schedule.

Multiple School Corporation Customers may elect to act jointly to aggregate purchases of natural gas commodity supply from a 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.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Charge:

Customer charge per month – meter size 250 cfh and below	\$13.00 per meter
Customer charge per month – meter size 250 cfh to 800 cfh	\$24.00 per meter
Customer charge per month – meter size 800 cfh and above	\$80.00 per meter

Distribution Charge:

First 51 therms per month	\$0.62413 per therm
Next 205 therms per month	\$0.44199 per therm
Over 256 therms per month	\$0.34143 per therm

Monitoring Charge:

\$66.00 per meter

Normal Temperature Adjustment:

The Normal Temperature Adjustment shall be as set forth on Appendix D, Normal Temperature Adjustment.

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Charge plus the Monitoring Charge.

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

**RATE STS
SCHOOL TRANSPORTATION SERVICE
(continued)**

RATES AND CHARGES (cont.)

Net Monthly Bill:

The net monthly bill for each individual School Corporation Customer shall be computed in accordance with the applicable South Eastern Indiana Natural Gas Company, Inc. margin (non-gas cost) rates and charges, or their successor schedules.

Other Charges:

The Other Charges set forth in this Tariff for Gas Service shall be charged to Customer, if applicable.

SUMMARY BILLING

Upon request from a School Corporation, the rates and charges for providing services to each School Corporation Customer in the School Corporation shall be summarized on one summary bill for remitting payment to the Utility. Each School Corporation Customer shall remain responsible for the amount of its bill. The School Corporation shall designate how partial bills, late payment charges, nomination and balancing charges, and other similar charges shall be prorated between each School Corporation Customer. If the School Corporation fails to so designate, Company shall prorate such charges between the School Corporation Customers using its reasonable discretion. A monthly charge of \$50.00 shall be added for each summary bill to cover the administrative costs of performing the summary billing.

OTHER CHARGES AND CONDITIONS OF SERVICE

1. A customer's prior delinquencies must be cured prior to commencing participating in Transportation Service, unless otherwise agreed to in advance by Company.
2. Transportation Service shall be available after the Customer has made arrangements to pay all under-collections for prior service received from the Company, including, without limitation, any under-collection existing in the Gas Cost Adjustment. Transportation Service shall be initiated at the beginning of a Gas Cost Adjustment period.

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

**RATE STS
SCHOOL TRANSPORTATION SERVICE
(continued)**

OTHER CHARGES AND CONDITIONS OF SERVICE (cont.)

- 3. Transportation Service will be effective as of Customer's next read date. If multiple School Corporation Customers elect to act jointly to aggregate purchases of natural gas commodity supply or to utilize Summary Billing, each Customer shall be converted to month-end meter reads.
- 4. The Company shall meter the gas at the delivery point through a Company-owned meter. Customer shall pay the Company for the cost of purchasing and installing electronic gas measurement devices and related communications equipment, including applicable taxes. Customer shall provide and maintain on the Premises at the meter location electric and telephone service as required by Company for the operation of Company-owned electronic gas measurement devices and related communications equipment. Customer shall pay a Monitoring Charge as outlined in the RATES AND CHARGES section to reimburse Company for the cost of monitoring and data maintenance and associated taxes.
- 5. Customer shall be subject to the Nomination and Balancing Provisions set forth in Appendix E.
- 6. Should Customer be unable to deliver sufficient volumes of transportation gas to the Company's system, Company will not be obligated hereunder to provide standby quantities for purposes of supplying such Customer's requirements.
- 7. 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 of 0.50%.
- 8. All volumes of natural gas transported hereunder shall be of the same quality and meet the same specifications as that delivered to the Company by the Company's own pipeline transporter.
- 9. Customer shall reimburse Company for all charges incurred on Customer's behalf in connection with transportation of gas for Customer's account, including any pipeline penalty charges or cashout provisions assessed to Company.

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

**RATE STS
SCHOOL TRANSPORTATION SERVICE
(continued)**

OTHER CHARGES AND CONDITIONS OF SERVICE (cont.)

- 10. Transportation Customer may return to firm sales service upon thirty (30) days notice provided the Company can secure appropriate quantities of gas supply and capacity from the Company's pipeline transporter to supply said sales service. A Customer that has returned from transportation service to sales service must remain on sales service for not less than twelve (12) months before returning to Transportation Service, unless expressly authorized by Company.
- 11. Transportation Customer must have clear title and all required regulatory approvals to the gas that is to be transported and provided for gas delivery to a mutually agreeable point of receipt on the Company's system.
- 12. Company shall not be required to render service under this rate schedule to any Customer that fails to comply with any and all of the terms and conditions of this rate schedule.

TERM OF SERVICE

One (1) year, terminable thereafter on three (3) days written notice by either customer or Company. In the event disconnection of service is required, the provision of Rule 16 of the Indiana Utility Regulatory Commission shall apply.

TERMS AND CONDITIONS

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

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

APPENDIX A
GAS COST ADJUSTMENT

October through December, 2017
Cause No. 37785-GCA 104
Gas Cost Adjustment

The Rate Adjustment for the Rate Schedules shall be on the basis of a Rate Tracking Factor, or GCA, occasioned solely by changes in the cost of purchased gas in accordance with the Order of the Indiana Utility Regulatory Commission in Cause No. 37091.

<u>Month</u>	<u>Rate Classes</u>	<u>Applicable GCA Factor</u>
October, 2017	All Rates	\$4.3126/Dth
November, 2017	All Rates	\$3.8848/Dth
December, 2017	All Rates	\$3.8114/Dth

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

APPENDIX B
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. 80 and in accordance with the Order of the Indiana Utility Regulatory Commission in Cause No. _____ is as follows:

<u>Rate Schedule</u>	<u>Base Rate Cost of Gas</u>
Rates RS and GS	\$0.0000/Dth

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

APPENDIX C
OTHER CHARGES

LATE 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 by the due date, the net amount shall be paid. If not paid by the due date, the gross bill, which includes the Late Payment Charge, is the amount to be paid.

RECONNECTION CHARGES

The Reconnection Charge shall be fifty dollars (\$50.00). The Reconnection Charge for reconnections made after regular business hours at the customer's request shall be one hundred dollars (\$100.00).

In addition, a charge equal to the Customer Charge for each month of discontinued gas service will also be made for reestablishing gas service for the same Customer at the same premises where gas service has been discontinued during the preceding twelve months. The minimum Customer Charge assessment under the provisions of this paragraph shall be one month's Customer Charge.

NON-SUFFICIENT FUNDS (RETURNED CHECK) CHARGE

A Non-Sufficient Funds (Returned Check) Charge, in the amount of twenty-five dollars (\$25.00) will be made on all checks received as payment of gas bills or authorized direct debits processed through the Automated Clearing House ("ACH") which are not honored by the Customer's bank. Additionally, any charges assessed by the Company's bank or the ACH processing system due to the returned check will be added to the Customer's account and will be in addition to the Company's Returned Check Charge.

PAYMENT COLLECTION CHARGE

The Payment Collection Charge shall be thirty dollars (\$30.00) during regular business hours and sixty dollars (\$60.00) after regular business hours.

UNAUTHORIZED GAS USAGE OR OVERRUN CHARGE

The Unauthorized Gas Usage Charge shall be fifty dollars (\$50.00) per dekatherm.

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

APPENDIX D
NORMAL TEMPERATURE ADJUSTMENT

The billed amount for each Rate RS, Rate GS or Rate STS Customer 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:

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

NTA THERMS

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

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

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 at Cincinnati, Ohio.

Normal Degree Days and Actual Degree Days are based on Heating Degree Days as reported for Cincinnati, Ohio.

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

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

Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD
Jul 1	1	Aug 22	0	Oct 13	9	Dec 4	27	Jan 25	36	Mar 18	21	May 9	5
Jul 2	0	Aug 23	0	Oct 14	10	Dec 5	28	Jan 26	36	Mar 19	20	May 10	5
Jul 3	0	Aug 24	0	Oct 15	10	Dec 6	28	Jan 27	36	Mar 20	20	May 11	5
Jul 4	0	Aug 25	0	Oct 16	10	Dec 7	28	Jan 28	36	Mar 21	20	May 12	5
Jul 5	0	Aug 26	0	Oct 17	11	Dec 8	29	Jan 29	36	Mar 22	20	May 13	5
Jul 6	0	Aug 27	0	Oct 18	11	Dec 9	29	Jan 30	35	Mar 23	19	May 14	4
Jul 7	0	Aug 28	0	Oct 19	11	Dec 10	29	Jan 31	35	Mar 24	19	May 15	4
Jul 8	0	Aug 29	1	Oct 20	11	Dec 11	30	Feb 1	35	Mar 25	19	May 16	4
Jul 9	0	Aug 30	1	Oct 21	12	Dec 12	30	Feb 2	35	Mar 26	18	May 17	4
Jul 10	0	Aug 31	1	Oct 22	12	Dec 13	30	Feb 3	34	Mar 27	18	May 18	4
Jul 11	0	Sep 1	0	Oct 23	13	Dec 14	30	Feb 4	34	Mar 28	18	May 19	3
Jul 12	0	Sep 2	0	Oct 24	13	Dec 15	31	Feb 5	34	Mar 29	17	May 20	3
Jul 13	0	Sep 3	1	Oct 25	13	Dec 16	31	Feb 6	34	Mar 30	17	May 21	3
Jul 14	0	Sep 4	1	Oct 26	14	Dec 17	31	Feb 7	34	Mar 31	17	May 22	3
Jul 15	0	Sep 5	1	Oct 27	14	Dec 18	31	Feb 8	33	Apr 1	17	May 23	3
Jul 16	0	Sep 6	1	Oct 28	14	Dec 19	32	Feb 9	33	Apr 2	16	May 24	3
Jul 17	0	Sep 7	1	Oct 29	15	Dec 20	32	Feb 10	33	Apr 3	16	May 25	2
Jul 18	0	Sep 8	1	Oct 30	15	Dec 21	32	Feb 11	33	Apr 4	16	May 26	2
Jul 19	0	Sep 9	1	Oct 31	15	Dec 22	32	Feb 12	32	Apr 5	15	May 27	2
Jul 20	0	Sep 10	1	Nov 1	16	Dec 23	33	Feb 13	32	Apr 6	15	May 28	2
Jul 21	0	Sep 11	1	Nov 2	16	Dec 24	33	Feb 14	32	Apr 7	15	May 29	2
Jul 22	0	Sep 12	1	Nov 3	16	Dec 25	33	Feb 15	32	Apr 8	14	May 30	2
Jul 23	0	Sep 13	2	Nov 4	17	Dec 26	33	Feb 16	31	Apr 9	14	May 31	2
Jul 24	0	Sep 14	2	Nov 5	17	Dec 27	34	Feb 17	31	Apr 10	14	Jun 1	2
Jul 25	0	Sep 15	2	Nov 6	17	Dec 28	34	Feb 18	31	Apr 11	14	Jun 2	2
Jul 26	0	Sep 16	2	Nov 7	18	Dec 29	34	Feb 19	30	Apr 12	13	Jun 3	1
Jul 27	0	Sep 17	2	Nov 8	18	Dec 30	34	Feb 20	30	Apr 13	13	Jun 4	1
Jul 28	0	Sep 18	2	Nov 9	19	Dec 31	35	Feb 21	30	Apr 14	13	Jun 5	1
Jul 29	0	Sep 19	3	Nov 10	19	Jan 1	35	Feb 22	29	Apr 15	12	Jun 6	1
Jul 30	0	Sep 20	3	Nov 11	19	Jan 2	35	Feb 23	29	Apr 16	12	Jun 7	1
Jul 31	0	Sep 21	3	Nov 12	20	Jan 3	35	Feb 24	29	Apr 17	12	Jun 8	1
Aug 1	0	Sep 22	3	Nov 13	20	Jan 4	35	Feb 25	28	Apr 18	12	Jun 9	1
Aug 2	0	Sep 23	3	Nov 14	20	Jan 5	36	Feb 26	28	Apr 19	11	Jun 10	1
Aug 3	0	Sep 24	4	Nov 15	21	Jan 6	36	Feb 27	28	Apr 20	11	Jun 11	1
Aug 4	0	Sep 25	4	Nov 16	21	Jan 7	36	Feb 28	27	Apr 21	11	Jun 12	1
Aug 5	0	Sep 26	4	Nov 17	21	Jan 8	36	Mar 1	27	Apr 22	10	Jun 13	1
Aug 6	0	Sep 27	4	Nov 18	22	Jan 9	36	Mar 2	26	Apr 23	10	Jun 14	1
Aug 7	0	Sep 28	5	Nov 19	22	Jan 10	36	Mar 3	26	Apr 24	10	Jun 15	1
Aug 8	0	Sep 29	5	Nov 20	22	Jan 11	36	Mar 4	26	Apr 25	9	Jun 16	1
Aug 9	0	Sep 30	5	Nov 21	23	Jan 12	36	Mar 5	25	Apr 26	9	Jun 17	1
Aug 10	0	Oct 1	5	Nov 22	23	Jan 13	36	Mar 6	25	Apr 27	9	Jun 18	0
Aug 11	0	Oct 2	6	Nov 23	24	Jan 14	36	Mar 7	25	Apr 28	9	Jun 19	0
Aug 12	0	Oct 3	6	Nov 24	24	Jan 15	36	Mar 8	24	Apr 29	8	Jun 20	0
Aug 13	0	Oct 4	6	Nov 25	24	Jan 16	36	Mar 9	24	Apr 30	8	Jun 21	0
Aug 14	0	Oct 5	7	Nov 26	25	Jan 17	36	Mar 10	24	May 1	8	Jun 22	0
Aug 15	0	Oct 6	7	Nov 27	25	Jan 18	36	Mar 11	23	May 2	7	Jun 23	0
Aug 16	0	Oct 7	7	Nov 28	25	Jan 19	36	Mar 12	23	May 3	7	Jun 24	0
Aug 17	0	Oct 8	8	Nov 29	26	Jan 20	36	Mar 13	23	May 4	7	Jun 25	0
Aug 18	0	Oct 9	8	Nov 30	26	Jan 21	36	Mar 14	22	May 5	6	Jun 26	0
Aug 19	0	Oct 10	8	Dec 1	26	Jan 22	36	Mar 15	22	May 6	6	Jun 27	0
Aug 20	0	Oct 11	9	Dec 2	27	Jan 23	36	Mar 16	21	May 7	6	Jun 28	0
Aug 21	0	Oct 12	9	Dec 3	27	Jan 24	36	Mar 17	21	May 8	6	Jun 29	0
												Jun 30	0

Effective: _____, _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

APPENDIX D
NORMAL TEMPERATURE ADJUSTMENT
NORMAL DEGREE DAYS (NDD)
LEAP YEAR

Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD
Jul 1	1	Aug 22	0	Oct 13	9	Dec 4	27	Jan 25	36	Mar 17	21	May 8	5
Jul 2	0	Aug 23	0	Oct 14	10	Dec 5	28	Jan 26	36	Mar 18	20	May 9	5
Jul 3	0	Aug 24	0	Oct 15	10	Dec 6	28	Jan 27	36	Mar 19	20	May 10	5
Jul 4	0	Aug 25	0	Oct 16	10	Dec 7	28	Jan 28	36	Mar 20	20	May 11	5
Jul 5	0	Aug 26	0	Oct 17	11	Dec 8	29	Jan 29	36	Mar 21	20	May 12	5
Jul 6	0	Aug 27	0	Oct 18	11	Dec 9	29	Jan 30	35	Mar 22	19	May 13	4
Jul 7	0	Aug 28	0	Oct 19	11	Dec 10	29	Jan 31	35	Mar 23	19	May 14	4
Jul 8	0	Aug 29	1	Oct 20	11	Dec 11	30	Feb 1	35	Mar 24	19	May 15	4
Jul 9	0	Aug 30	1	Oct 21	12	Dec 12	30	Feb 2	35	Mar 25	18	May 16	4
Jul 10	0	Aug 31	1	Oct 22	12	Dec 13	30	Feb 3	34	Mar 26	18	May 17	4
Jul 11	0	Sep 1	0	Oct 23	13	Dec 14	30	Feb 4	34	Mar 27	18	May 18	3
Jul 12	0	Sep 2	0	Oct 24	13	Dec 15	31	Feb 5	34	Mar 28	17	May 19	3
Jul 13	0	Sep 3	1	Oct 25	13	Dec 16	31	Feb 6	34	Mar 29	17	May 20	3
Jul 14	0	Sep 4	1	Oct 26	14	Dec 17	31	Feb 7	34	Mar 30	17	May 21	3
Jul 15	0	Sep 5	1	Oct 27	14	Dec 18	31	Feb 8	33	Mar 31	17	May 22	3
Jul 16	0	Sep 6	1	Oct 28	14	Dec 19	32	Feb 9	33	Apr 1	16	May 23	3
Jul 17	0	Sep 7	1	Oct 29	15	Dec 20	32	Feb 10	33	Apr 2	16	May 24	2
Jul 18	0	Sep 8	1	Oct 30	15	Dec 21	32	Feb 11	33	Apr 3	16	May 25	2
Jul 19	0	Sep 9	1	Oct 31	15	Dec 22	32	Feb 12	32	Apr 4	15	May 26	2
Jul 20	0	Sep 10	1	Nov 1	16	Dec 23	33	Feb 13	32	Apr 5	15	May 27	2
Jul 21	0	Sep 11	1	Nov 2	16	Dec 24	33	Feb 14	32	Apr 6	15	May 28	2
Jul 22	0	Sep 12	1	Nov 3	16	Dec 25	33	Feb 15	32	Apr 7	14	May 29	2
Jul 23	0	Sep 13	2	Nov 4	17	Dec 26	33	Feb 16	31	Apr 8	14	May 30	2
Jul 24	0	Sep 14	2	Nov 5	17	Dec 27	34	Feb 17	31	Apr 9	14	May 31	2
Jul 25	0	Sep 15	2	Nov 6	17	Dec 28	34	Feb 18	31	Apr 10	14	Jun 1	2
Jul 26	0	Sep 16	2	Nov 7	18	Dec 29	34	Feb 19	30	Apr 11	13	Jun 2	1
Jul 27	0	Sep 17	2	Nov 8	18	Dec 30	34	Feb 20	30	Apr 12	13	Jun 3	1
Jul 28	0	Sep 18	2	Nov 9	19	Dec 31	35	Feb 21	30	Apr 13	13	Jun 4	1
Jul 29	0	Sep 19	3	Nov 10	19	Jan 1	35	Feb 22	29	Apr 14	12	Jun 5	1
Jul 30	0	Sep 20	3	Nov 11	19	Jan 2	35	Feb 23	29	Apr 15	12	Jun 6	1
Jul 31	0	Sep 21	3	Nov 12	20	Jan 3	35	Feb 24	29	Apr 16	12	Jun 7	1
Aug 1	0	Sep 22	3	Nov 13	20	Jan 4	35	Feb 25	28	Apr 17	12	Jun 8	1
Aug 2	0	Sep 23	3	Nov 14	20	Jan 5	36	Feb 26	28	Apr 18	11	Jun 9	1
Aug 3	0	Sep 24	4	Nov 15	21	Jan 6	36	Feb 27	28	Apr 19	11	Jun 10	1
Aug 4	0	Sep 25	4	Nov 16	21	Jan 7	36	Feb 28	27	Apr 20	11	Jun 11	1
Aug 5	0	Sep 26	4	Nov 17	21	Jan 8	36	Feb 29	27	Apr 21	10	Jun 12	1
Aug 6	0	Sep 27	4	Nov 18	22	Jan 9	36	Mar 1	26	Apr 22	10	Jun 13	1
Aug 7	0	Sep 28	5	Nov 19	22	Jan 10	36	Mar 2	26	Apr 23	10	Jun 14	1
Aug 8	0	Sep 29	5	Nov 20	22	Jan 11	36	Mar 3	26	Apr 24	9	Jun 15	1
Aug 9	0	Sep 30	5	Nov 21	23	Jan 12	36	Mar 4	25	Apr 25	9	Jun 16	1
Aug 10	0	Oct 1	5	Nov 22	23	Jan 13	36	Mar 5	25	Apr 26	9	Jun 17	0
Aug 11	0	Oct 2	6	Nov 23	24	Jan 14	36	Mar 6	25	Apr 27	9	Jun 18	0
Aug 12	0	Oct 3	6	Nov 24	24	Jan 15	36	Mar 7	24	Apr 28	8	Jun 19	0
Aug 13	0	Oct 4	6	Nov 25	24	Jan 16	36	Mar 8	24	Apr 29	8	Jun 20	0
Aug 14	0	Oct 5	7	Nov 26	25	Jan 17	36	Mar 9	24	Apr 30	8	Jun 21	0
Aug 15	0	Oct 6	7	Nov 27	25	Jan 18	36	Mar 10	23	May 1	7	Jun 22	0
Aug 16	0	Oct 7	7	Nov 28	25	Jan 19	36	Mar 11	23	May 2	7	Jun 23	0
Aug 17	0	Oct 8	8	Nov 29	26	Jan 20	36	Mar 12	23	May 3	7	Jun 24	0
Aug 18	0	Oct 9	8	Nov 30	26	Jan 21	36	Mar 13	22	May 4	6	Jun 25	0
Aug 19	0	Oct 10	8	Dec 1	26	Jan 22	36	Mar 14	22	May 5	6	Jun 26	0
Aug 20	0	Oct 11	9	Dec 2	27	Jan 23	36	Mar 15	21	May 6	6	Jun 27	0
Aug 21	0	Oct 12	9	Dec 3	27	Jan 24	36	Mar 16	21	May 7	6	Jun 28	0
												Jun 29	0
												Jun 30	0

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

APPENDIX E
NOMINATION AND BALANCING PROVISIONS

APPLICABILITY:

The following Provisions shall apply to Customers being provided Transportation Service under Rate STS-School Transportation Service. For purposes of these nomination and balancing provisions, the term "Transporter" shall mean Customer receiving service under the Company's Rate STS. Where customers elect to act jointly to aggregate purchases of natural gas commodity supply under Rate STS, such Nomination and Balancing Provisions shall apply to the aggregated purchases.

DEFINITIONS:

The following definitions shall apply to throughout the Nomination and Balancing, and the Operational Flow Order provisions of this tariff:

"Billing Month" shall mean the period beginning on the first day of the calendar month and ending on the final day of the same calendar month.

"Company" shall mean South Eastern Indiana Natural Gas Company, Inc. or its successor.

"Daily Delivery" shall mean the amount of natural gas confirmed to have been delivered to the Company on behalf of the Transporter during a twenty-four (24) hour period beginning at 0900 and ending at 0900 Central Clock Time (CCT).

"Daily Pipeline Nomination" shall mean the total amount of natural gas scheduled for delivery to the Company by a Shipper on behalf of the Transporter during a twenty-four (24) hour period beginning at 0900 and ending at 0900 CCT as reflected in the nomination made with its pipeline supplier.

"Daily Usage" shall mean the amount of natural gas flowed through the Transporter's Company owned meter during a twenty-four (24) hour period beginning at 0900 and ending at 0900 CCT.

"Shipper" shall mean the entity delivering Transporter-owned gas to the Company on Transporter's behalf.

"Total Monthly Deliveries" shall mean the amount of natural gas confirmed to have been delivered to the Company on behalf of the Transporter during a particular Billing Month.

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President
Base rates as approved, Cause No. _____, _____, _____

DEFINITIONS (cont.):

“Total Monthly Usage” shall mean the amount of natural gas flowed through the Transporter’s Company owned meter during a particular Billing Month.

“Work Day” shall mean the non-holiday business day of South Eastern Indiana Natural Gas Company, Inc., from 8:00 a.m. to 5:00 p.m. as observed in the Eastern Time Zone.

NOMINATIONS

Two business days prior to the beginning of each calendar month (“Nomination Period”), Transporter shall be obligated to notify Company of the exact daily quantity of its nomination to the delivering pipeline of Transporter’s gas to be delivered to the Company at pipeline delivery points agreeable to the Company during that calendar month (“Monthly Pipeline Nomination”). The Monthly Pipeline Nomination provided by the Transporter shall contain the following information:

- A. Start and end dates of the nomination;
- B. Daily quantity in Dekatherms (“Dth”) of Transporter’s daily pipeline nomination (“Daily Pipeline Nomination”);
- C. Information concerning the quantity of gas nominated for delivery to Company’s system, including the Shipper, delivery point on Company’s system, contact names, telephone numbers, and e-mail addresses for Transporter and Shipper, and any other information reasonably required by the Company in order to properly identify Transporter’s meter, bill Transporter for the volumes of gas delivered to Company on Transporter’s behalf (“Daily Transportation Volumes”), or otherwise contact Transporter or Shipper.

Until Transporter submits the required nomination, Transporter’s nominations of daily quantities shall be zero (0). Unless otherwise permitted by Company, the Nomination Period shall not exceed thirty-one (31) days.

Transporter may modify its Daily Pipeline Nomination by submitting to Company a modified nomination in writing no later than 11:30 a.m. of the Work Day immediately prior to a Daily Delivery. The Company may accept modified nominations submitted after that deadline within its reasonable discretion.

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

Transporter shall pay a Nomination Error Charge of \$0.50 per Dth on the quantity difference between its Daily Pipeline Nomination and confirmed deliveries under its account for each day such difference occurs. The sum of the daily Nomination Error Charges shall be billed by the Company at the end of each month.

Transporter shall cause the Shipper to provide Company with a written statement within two (2) Work Days of the end of the Billing Month reflecting the Daily Delivery and the Total Monthly Deliveries Shipper has provided to the Company on Transporter's behalf for the Billing Month.

Nothing herein shall be interpreted as waiving Company's right to reject any nomination or modification due to capacity constraints, or potential detriments to the Company, its pipeline, or its other customers. Any contact by Company with Transporter as to any nomination or modification shall not relieve Transporter from its obligation of properly nominating quantities of gas, nor balancing its usage of gas with the amount so nominated.

BALANCING

Transporter shall be obligated to balance its total usage with its total deliveries on both a daily and monthly basis. An Imbalance Quantity shall exist when Transporter's total usage is greater than or less than its total deliveries to the Company on both a daily and monthly basis. Amounts paid by the Company to Transporter in cashing out Imbalance Quantities shall be recovered in the gas cost adjustment. Amounts received by the Company from the Transporter in cashing out Imbalance Quantities shall be credited against gas costs in the gas cost adjustment

IMBALANCE INDICES:

The following indices shall be used for pricing any Imbalance Quantities for which a cash-out occurs:

Daily Under-Delivery Prices shall be determined based on the greater of the Henry Hub maximum daily cash price plus the maximum pipeline transportation rate on the Company's interstate pipeline, including current fuel and all surcharges applicable to the dates of under-delivery; or the weighted average cost of gas acquired by the Company for replacing Transporter's under-delivery, whichever is greater.

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

Daily Over-Delivery Prices shall be determined based on the lower of the Henry Hub minimum daily cash price plus the minimum pipeline transportation commodity rate on the Company's interstate pipeline, including current fuel and surcharges applicable to the date of over-delivery or the weighted average cost of gas held in storage by the Company, whichever is lower.

Monthly Under-Delivery Price shall be the greater of the Company's weighted average cost of gas, including both demand and commodity charges, based on all gas purchases for the month in question; or the average of the Henry Hub maximum daily cash price per Dth for each day of the month for the month in question, plus the maximum pipeline transportation rate on the Company's interstate pipeline, including current fuel and surcharges applicable to the month in question.

Monthly Over-Delivery Price shall be the lower of the Company's average weighted cost, including both demand and commodity costs based on its gas purchases for the month in question; or the average of the Henry Hub minimum daily cash price per Dth for each day of the month in question, plus the minimum pipeline transportation rate on the Company's interstate pipeline, including current fuel and all surcharges applicable to the month in question.

DAILY UNDER-DELIVERY IMBALANCE CASH-OUT:

If a Transporter's total daily delivery is less than the total daily usage, the gas shortfall shall be considered a Daily Under-Delivery Imbalance Quantity. Daily Under-Delivery Imbalance Quantities shall be cashed-out by way of a charge by the Company to the Transporter following the close of the month in which Daily Under-Delivery Imbalances have occurred. The Company's charge, based upon the above Imbalance Indices, shall be charged for all Dth of Daily Under-Delivery Quantities pursuant to the following ranges and multiplied by the following Daily Under-Delivery Factor, plus all applicable taxes:

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

**Under Delivery Ranges
Based on Total Daily Usage**

Under-Delivery Factor

0% not > 10%	1.0
10% not > 20%	1.1
20% not > 30%	1.2
> 30%	1.4

During a Cold Weather OFO, the above Daily Under-Delivery Imbalance Indices and Cash-Out provisions will be replaced by those specified in the section entitled Operational Flow Orders. During a Warm Weather OFO, the Daily Under-Delivery Imbalance Indices and Cash-Out provisions shall not apply.

DAILY OVER-DELIVERY IMBALANCE CASH-OUT:

If a Transporter's total daily delivery is greater than the total daily usage, the excess gas shall be considered a Daily Over-Delivery Imbalance Quantity. If the Company, or its pipeline, would experience any operating difficulties as a result of accepting such excess gas, the Company may decline to accept delivery of the excess quantities. If the excess gas is accepted, Daily Over-Delivery Imbalance Quantities shall be cashed-out following the close of the month by way of a payment from the Company to the Transporter based upon the appropriate Imbalance Indices noted above, and pursuant to the following ranges and multiplied by the following Daily Over-Delivery Factor, plus all applicable taxes, as noted below:

**Over Delivery Ranges
Based on Total Daily Usage**

Over-Delivery Factor

0% not > 10%	1.0
10% not > 20%	0.9
20% not > 30%	0.8
> 30%	0.6

During a Warm Weather OFO, the above Daily Over-Delivery Imbalance Indices and Cash-Out provisions will be replaced by those specified in the section entitled Operational Flow Orders. During a Cold Weather OFO, the Daily Over-Delivery Imbalance Indices and Cash-Out provisions shall not apply.

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

MONTHLY UNDER-DELIVERY IMBALANCE CASH-OUT:

If a Transporter’s total monthly delivery is less than the total monthly usage, then the gas shortfall shall be considered a monthly under-delivery imbalance quantity. Such monthly under-delivery imbalance quantities shall be cashed-out by way of a charge by the Company to the Transporter following the close of the month based upon the appropriate Imbalance Indices noted above for all Dth of monthly under-delivery quantities pursuant to the following ranges and multiplied by the following Monthly Under-Delivery Factor, plus all applicable taxes.

<u>Under Delivery Ranges</u> <u>Based on Total Monthly Usage</u>	<u>Under-Delivery Factor</u>
0% not > 3%	1.0
3% not > 10%	1.2
> 10%	1.4

MONTHLY OVER-DELIVERY IMBALANCE CASH-OUT:

If a Transporter’s total monthly delivery is greater than the total monthly usage, then the excess gas shall be considered a monthly over-delivery imbalance quantity. Such monthly over-delivery imbalance quantities shall be cashed-out by a payment from the Company to the Transporter following the close of the month based upon the appropriate monthly over-delivery indices noted above for all Dth of monthly under-delivery quantities pursuant to the following ranges and multiplied by the following Monthly Over-Delivery Factor, plus all applicable taxes.

<u>Over Delivery Ranges</u> <u>Based on Total Monthly Usage</u>	<u>Over-Delivery Factor</u>
0% not > 3%	1.0
3% not > 10%	0.8
>10%	0.6

Effective: _____, _____, _____

Issued by: Jason L. Wortman, Vice President
Base rates as approved, Cause No. _____, _____, _____

OPERATIONAL FLOW ORDERS

OPERATIONAL FLOW ORDERS

Transporter is obligated, when requested by the Company through an Operational Flow Order ("OFO"), to nominate and deliver gas supply to Company's city gate in the manner instructed by Company. Company may call a Cold Weather OFO or a Warm Weather OFO where such action is necessary, in Company's sole judgment, to (1) protect the reliability of Company's gas system; (2) comply with Company's Curtailment Procedures, and/or (3) adhere to the various interstate pipeline companies' balancing requirements, as stated in their FERC-approved tariffs.

Cold Weather OFO Day: During a Cold Weather OFO, Transporter shall be subject to the following Daily OFO Under-Delivery Imbalance provisions in lieu of Daily Under-Delivery Imbalance Indices and Cash-Out provision stated above: If Transporter's Daily Imbalance Quantity is an under-delivery greater than 5% of its Daily Usage, the shortfall quantities shall be cashed-out with the Company. Transporter shall pay Company the following:

(1) For each Dth of Daily under-delivery Imbalance Quantities greater than five (5) percent of Total Daily Usage, the highest per unit gas cost paid by Company on the date of noncompliance; plus

(2) The payment of all other charges incurred by Company and attributable to Transporter's Daily Under-Delivery Imbalance Quantities, including pipeline penalty charges on the OFO shortfall quantities; plus

(3) An OFO Imbalance Charge of \$10.00 per Dekatherm on the portion of the Daily Under-Delivery Imbalance Quantities that is greater than five (5) percent of Total Daily Usage; plus

(4) Applicable taxes.

Warm Weather OFO Day: During a Warm Weather OFO, the Transporter shall be subject to the following Daily OFO Over-Delivery Imbalance provisions in lieu of Daily Over-Delivery Imbalance Indices and Cash-Out provision stated above: If Transporter's Daily Imbalance Quantities is an over-delivery greater than 5% of its actual Daily Usage, Company may refuse to receive such excess quantities from the pipeline(s). If Company receives such excess quantities, Company shall credit the Transporter for each Dekatherm of Daily Over-Delivery Imbalance Quantities greater than five (5) percent of Total Daily Usage, at the lowest per unit gas cost paid by Company during the month of non-compliance. In addition, the Transporter shall pay the Company the following:

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____

(1) The payment of all charges incurred by Company and attributable to the Transporter's Daily over-delivery Imbalance Quantities; including pipeline penalty charges on the OFO excess quantities; and

(2) An OFO Imbalance Charge of \$10.00 per Dekatherm on the portion of the Daily over- delivery Imbalance Quantities that is greater than five (5) percent of Total Daily Usage; plus

(3) Applicable taxes.

WAIVER OF CHARGES

In its reasonable discretion, on a case-by-case basis, Company may waive all or part of any Charge assessable to Transporter pursuant to this Appendix E, provided, however, that the waiver of such Charge shall be exercised on a non-discriminatory basis.

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

APPENDIX F
ENERGY EFFICIENCY RIDER

APPLICABILITY

The Energy Efficiency Rider shall be applicable to Rate RS-Residential Service customers subject to the provisions set forth below reflecting the expiration of the Pilot Program on 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 margins for each Rate Schedule, prior to the SRC adjustment, Adjusted Order Granted Margins are defined as the order granted 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 margin differences.

Effective: _____, _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

The 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.

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

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

TERMS AND CONDITIONS FOR GAS SERVICE

1. Rates, Rules and Regulations

A copy of all rates, rules and regulations under which gas service will be supplied is posted or on file for the public's benefit in the office of South Eastern Indiana Natural Gas Company, Inc. (the Company) and with the Indiana Utility Regulatory Commission (IURC).

2. Written Application

A written application or contract, properly executed, may be required from the Customer, before the Company will be required to supply service; provided, however, that the Company shall have the right to reject, for any reason, any application.

3. Data on Customer's Installations to be Furnished

The Customer shall, upon request of the Company, present in writing to the Company a list of the devices which are to be attached to the Company's lines, giving the location of the building, and the Company will then advise the form and the character of the supply available.

4. Service Connections

The Company will locate the point to which service connections will be made. The Company reserves the right to lay all underground piping up to the inlet of the meter. A charge, to be paid by the Customer, and based on current prices may be made on all service runs.

5. Inside Piping

Each applicant for service must, at Applicant's own expense, equip the premises with all piping and attachments, all of which shall be constructed and maintained by the Customer. Such piping and attachments shall be installed in compliance with all regulations and/or codes, and in accordance with the Rules and Regulations of the Company in force at the time.

6. Location of Company Regulators, Meters and Other Equipment

The Customer shall provide near the service entrance, free of expense to the Company, a place satisfactory to the Company for necessary regulators, meters and other equipment. Such regulators, meters and other equipment will be furnished and owned by the Company.

If Customer either by request or by action requires that Company's

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

facilities be redesigned, re-engineered, relocated, removed, modified, or reinstalled, Company may require Customer to make payment to it of the full cost of performing such facilities modifications including any applicable taxes.

7. Company's Property and Protection Thereof

All meters or other equipment furnished by and at the expense of the Company, which may at any time be on said premises, shall, unless otherwise expressly provided herein, be and remain the property of the Company, and the Customer shall protect such property from loss or damage, and no one who is not an agent of the Company shall be permitted to remove such property or tamper therewith.

8. Exclusive Service on Installation Connected

Except under a contract with the Company in respect to auxiliary service, no gas service other than that being supplied by the Company shall be used, either by means of a three-way valve or any other connection, on the same installation as is used for the service supplied by the Company.

9. Meters to be Installed by the Company

Unless otherwise specified in a contract between the Company and the Customer, the gas supplied shall be measured by a meter or meters of standard manufacture, furnished and installed by the Company on the premises in accordance with the Rules, Regulations and Standards of Service for gas utilities in Indiana pursuant to 170 Indiana Administrative Code IAC 5-1 and such other applicable rules and standards of the IURC as may be in force and in effect from time to time.

Except as hereinafter provided, all charges for gas service, other than the service charge shall be calculated upon the registration of the meter or meters installed. "Meter" includes all measuring instruments. The meter shall be tested periodically in accordance with 170 IAC 5-1-9.

10. Failure of Meter

Whenever it is discovered that a meter is not recording correctly, adjustment shall be made covering such inaccuracy in accordance with 170 IAC 5-1-14 or such other applicable rules of the IURC which may be in force from time to time.

11. Building Containing Two or More Separate Living Quarters or Businesses

Where a dwelling consists of more than one family unit, or is an apartment house consisting of more than one apartment, and service is taken through a single meter, the minimum and service charges will be multiplied by the number of family units in the dwelling or apartment house. If an apartment house

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

consists of more than one dwelling unit and has a central heating plant, service to such heating plant shall be taken under the Commercial Service Rate.

When service is furnished hereunder through a single meter to a commercial consumer and is used by more than one consumer or business concern, even though under common ownership and management, the minimum and service charges will be multiplied by the number of consumers or business concerns served. Central heating systems for that part of an office building devoted to rental of offices shall be considered as a single consumer.

12. Combined Residential and Commercial Services

Where both residential and commercial classes of service are supplied through one service connection and one meter to the same Customer, the service shall be classified as commercial service, and shall be billed under the Commercial Service Rate.

At the option of the Customer and at the Customer's expense, the piping on the Customer's premises may in any case be so arranged as to permit the installation of meters for registering separately the commercial service and the residential service supplied. In each such case, the applicable Residential Rate shall apply to the residential service supplied, and the applicable Commercial Rate shall apply to the commercial service supplied.

13. Access to Premises

The properly authorized agents of the Company shall have the right to enter upon the premises of the Customer at all reasonable times for the purpose of installing, inspecting, repairing or replacing the equipment of the Company used in connection with the service, and removing the same on the termination of the contract or the discontinuation of the service.

14. Continuous Service

The Company shall not be responsible for damages for any failure to supply gas or for interruption if such failure or interruption is without default or negligence on its part.

15. Release of Company Liability

The Company shall not be liable for damage resulting to Customer or to third persons from the presence or use of gas or of the Company's equipment on the Customer's premises, unless due to contributory negligence on the part of the Company, and without any contributory negligence on the part of the Customer or such third party.

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

16. Company Reserves the Right to Shut Off Supply

The Company reserves the right to shut off the supply of gas without the request by the Customer and without prior written notice, for the following reasons:

- (1) If a condition dangerous or hazardous to life, physical safety or property exists; or
- (2) Upon order of any court, the Commission or other duly authorized public authority; or
- (3) If fraudulent or unauthorized use of gas is detected and the utility has reasonable grounds to believe the affected Customer is responsible for such use; or
- (4) If the utility's regulating or measuring equipment has been tampered with and the utility has reasonable grounds to believe that the affected Customer is responsible for such tampering. In such case the Customer may be charged the cost of repairing or replacing the damaged equipment.

The Company may temporarily shut off supply of gas for the purpose of making necessary line or equipment repairs after due notice to the Customer. The Company will disconnect service upon request of the Customer, upon proper notice in accordance with rules promulgated by the IURC.

In all other instances the Company, upon providing the customer with fourteen days prior written notice as required by the IURC, may disconnect service subject to, and in accord with, such regulations, particularly 170 IAC 5-1-16. Service shall not be reinstated without payment of all delinquent bills and the reconnection charge as stated in the Company's tariffs.

17. Damages

The Company shall not be liable for damages because of any interruption of the supply of gas to the Company, or for damages caused by defective piping and appliances on the Customer's premises.

18. Payment of Bills

Bills will be rendered and due monthly, and account is not considered paid until payment is received in Company's office. If a bill is not paid within at least seventeen (17) days from the due date thereof, the Customer shall be considered delinquent in payment, and the Company may at any time thereafter prior to the payment thereof, after serving notice, cut off and discontinue service. When the gross payment date falls on Saturday, Sunday, any other legal holiday, or day the Company's office is not open for business, the first business day thereafter shall be added to the gross payment date. If the net bill is not paid within 17 days after the bill is mailed, a late payment charge as set forth on

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

Appendix C will be added to the net monthly bill in accordance with 170 IAC 5-1-13. Customer may be charged attorney fees and court costs or similar costs incurred in the collection of a delinquency.

19. Resale of Gas

The gas furnished under these rules is for the use of the Customer on his premises and shall not be resold by the Customer.

20. Deposits

The Company will require a deposit from an applicant for residential service in accord with 170 IAC 5-1-15 or such other rules and regulations of the IURC as may be in force at the time. The Company may also require a deposit from an applicant for residential service adequate to reasonably insure payment of bills incurred.

21. Modification to Contract

No promises, agreements or representations of any agent of the Company shall be binding upon the Company unless the same shall have been incorporated in a written contract before the same is signed and approved by an agent of the Company authorized to sign such contract on behalf of the Company.

22. Notify Company Before Increasing Load

The Customer shall not install any gas equipment of any kind or otherwise increase the demand for service except upon prior consent for the Company.

23. Assignment

The benefits and obligations under any contract for the supply of gas by the Company shall begin when the Company commences to supply gas service hereunder, and shall inure to and be binding upon the successors, assigns, survivors, executors or administrators, as the case may be, of the original party thereto, for the full term thereof; provided that no assignment shall be made by the Customer without first obtaining the Company's written consent to any such assignment. Each Customer must make application to the office of the Company before gas service will be established by the Company. A Customer moving from premises where he is being supplied gas service will be held responsible for the payment of all bills rendered for service supplied on said premises unless and until he gives proper notice at the office of the Company that service is to be discontinued at such premises.

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____

24. Delay Due to Strikes, Etc.

Neither the Company nor the Customer shall be held liable for any failure or delay in performing any of the things undertaken by it under any service contract in case of such failure or delay is caused by strikes, acts of God, unavoidable accidents or other contingencies beyond its control and in no manner due to any fault, neglect or omission on its part.

25. Equipment or Location Permit

The Customer shall obtain from the property owner or owners, and on forms to be supplied by the Company, and deliver to the Company, the necessary consent or consents authorizing the installation and maintenance on, over, or through all private property, of all such piping or equipment as may be necessary or convenient for the supplying of the gas service to be furnished by the Company.

26. Month

A "month" means the period between any two consecutive regularly scheduled readings by the Company's agents of the meter or meters on the premises. Such readings are scheduled to be taken at approximately thirty-day intervals. In order to render monthly bills, the Company may estimate for good cause the monthly usage of gas of any Customer, with appropriate adjustments to be made by the Company on the first bill rendered following the reading of the meter. Good cause includes, but is not limited to:

- (1) request of Customer
- (2) inclement weather
- (3) labor or union disputes
- (4) inaccessibility of Customer's meter, if the Company has made a reasonable attempt to read it
- (5) other circumstances beyond the control of the Company, its agents, and employees.

27. Territory Served

All tariffs shall apply to certified areas of the Company.

28. 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:

(1) Weather Related Curtailment

Curtailment or Interruption due to weather conditions 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 and so as to prevent conditions dangerous or hazardous to life and physical

Effective: _____, _____, _____

Issued by: Jason L. Wortman, Vice President

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safety of its customers. Interruption or curtailment shall be upon such notice as is reasonable under the circumstances and in the following order, to the extent practicable:

First, deliveries under interruptible contracts, if any, shall be first interrupted or curtailed; In addition, transportation customers shall be limited to their confirmed daily deliveries.

Second, deliveries to industrial customers, if any, shall be next in order of curtailment or interruption; In addition, transportation customers shall be limited to their confirmed daily deliveries.

Third, deliveries to commercial customers shall be next in order of curtailment or interruption; and

Fourth, residential customers shall be the last class of customer curtailed or interrupted.

(2) Gas Supply Deficiency Curtailment

In the event of a gas supply deficiency, curtailment may be ordered by the Company at any given 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, additional tax or other penalty from the Company's suppliers. In the event of such curtailment, 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 manner, to the extent practicable.

First, deliveries under interruptible contracts, if any, shall be first interrupted or curtailed; In addition, transportation customers shall be limited to their confirmed daily deliveries.

Second, deliveries to industrial customers, if any shall be next in order of curtailment or interruption;

Third, deliveries to commercial customers shall be next in order of curtailment or interruption; and

Fourth, residential customers shall be the last class of customer curtailed or interrupted.

(3) Unauthorized Gas Usage

All volumes taken in violation of the Company's curtailment or interruption order shall constitute unauthorized takes of gas, for which the Customer shall pay an Unauthorized Gas Usage Charge as set forth in Appendix C, in addition to all other charges payable under the applicable rate schedule.

Effective: _____, _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

29. Gas Service to Mobile Home Parks

The obligation of the Company to provide any extension of facilities shall be subject to the restrictions, limitation and curtailments of service made effective pursuant to other provisions of these Rules. Subject to the foregoing, the Company shall provide gas service to Mobile Home Parks (Parks) under the following conditions:

- (1) The Park must be of a definite permanent nature and have improved streets, individual water and sewer connections to each lot and each mobile home must rest on a concrete slab.
- (2) The Park shall have at least ten (10) or more sites on which mobile homes may be located.
- (3) Main extensions shall be made in accordance with the Company's Rules and each Park operator will be considered to be the Customer. Revenue estimates will be based on the Company's experience in gas usage of mobile homes, taking into account the number and nature of gas appliances to be used. Each Park operator will enter into an extension of facilities contract for construction of gas mains if the Park does not have enough mobile homes equipped with gas appliances to justify gas main extension.
- (4) The Park operator shall cause the Company to be granted an easement in form and substance satisfactory to the Company for the construction, maintenance and operation of the Company's gas distribution system, together with the right of free access to read meters and repair or remove the Company's service regulators and meters.
- (5) The Park operator or mobile home Customer shall furnish, install, and maintain all fuel lines beyond the Company's meters to the point of connection with the mobile home piping.
- (6) The Park operator shall provide substantial protection satisfactory to the Company for the gas riser and meter so as to minimize the likelihood of damage by moving of the mobile home.
- (7) The Park operator shall keep the gas distribution system free and clear of any obstruction that will interfere with the maintenance of the system and shall not construct or maintain any structure over the Company's distribution mains or services. When there is a change in the Park's operation or construction which, in the judgment of the Company, makes the relocations of the gas facilities necessary, or if relocation is requested by the Park, the

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

Company will move such facilities at the Park's expense to a location acceptable to the Company to be provided by the Park.

- (8) Gas will be supplied and metered separately to each single occupancy dwelling unit and/or such Park facility under the applicable rate schedule.

30. Indiana Administrative Code (IAC)

A copy of Article 5 of Title 170 of said code, which contains regulations of the Indiana Utility Regulatory Commission applicable to gas utilities, will be available at the office of the Company for examination by any Customer of the Company during usual business hours.

31. Conflicts with IURC Rules and Regulations

If any of these rules may or hereafter be in conflict with the regulations of the Indiana Utility Regulatory Commission as may be in force at the time, the IURC rules and regulations will take precedence.

32. Extension of Gas Mains and Facilities

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

Effective: _____, _____

Issued by: Jason L. Wortman, Vice President

Base rates as approved, Cause No. _____, _____, _____

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 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.

EXHIBIT KAH-10

**SOUTH EASTERN INDIANA NATURAL GAS
COMPANY, INC.**

TARIFF FOR GAS SERVICE

I.U.R.C. No. G-10

**ISSUED PURSUANT TO ORDER OF THE
INDIANA UTILITY REGULATORY COMMISSION
IN CAUSE NO. 44128- .**

Communications concerning this tariff may be addressed to:

**Mail: South Eastern Indiana Natural Gas Company, Inc.
106 E. Main Street
Morristown, Indiana 46161**

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	APPENDIX	APPENDICES
80	A	Gas Cost Adjustment
81	B	Base Cost of Gas
82	C	Other Charges
83	D	Normal Temperature Adjustment
84	E	Nomination and Balancing Provisions
85	F	Energy Efficiency Rider

Effective: ~~November 8, 2012~~ _____

Issued by: ~~Robert Jason L. Wortman, Vice President~~

Base rates as approved, Cause No. ~~44128, November 7, 2012~~ _____

TARIFF SHEET INDEX

Tariff Sheet No.	Rule	Description
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Effective: November 8, 2012 _____

Issued by: Robert Jason L. Wortman, Vice President

Base rates as approved, Cause No. 44128, November 7, 2012 _____

**RATE RS
RESIDENTIAL SALES SERVICE**

AVAILABILITY:

This schedule is available to all residential customers.

Available at points on Company's distribution lines. Not available for resale.

APPLICATION:

When service furnished hereunder through a single meter to a dwelling or building consisting of more than one family unit, apartment, or is used by more than one consumer or business concern, even though under common ownership and management, the consumers or business concerns served. Central heating systems for that part of an office building devoted to rental or offices shall be considered as a single customer.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Charge:

Customer Charge per month

.....
~~\$11.00~~13.00 per meter

Distribution Charge:

First 51 therms per month

.....
~~\$0.5140~~20.75464 per therm

Over 51 therms per month

.....
~~\$0.368000~~0.52647 per therm

Gas Cost Charge:

The Gas Cost Charge shall be as set forth on ~~Appendix~~appendix A, Gas Cost Adjustment, for each therm of usage.

Normal Temperature Adjustment:

The Normal Temperature Adjustment shall be as set forth on Appendix D, Normal Temperature Adjustment.

Minimum Monthly Charge:

Effective: November 8, 2012 _____

Issued by: ~~Robert~~Jason L. Wortman, Vice President

Base rates as approved, Cause No. 44128, November 7, 2012 _____

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.

IURC NO. G-10

The Minimum Monthly Charge shall be the Customer Charge.

SHEET NO. 11

RATE RS
GENERAL SALES SERVICE
(continued)

Other Charges:

The Other Charges set forth in this Tariff for Gas Service shall be charged to Customer, if applicable.

OTHER TERMS AND CONDITIONS

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

Effective: ~~November 8, 2012~~ _____

Issued by: ~~Robert~~ Jason L. Wortman, Vice President

Base rates as approved, Cause No. ~~44128, November 7, 2012~~ _____

**RATE GS
GENERAL SALES SERVICE**

AVAILABILITY:

This schedule is available to all non-residential customers.

Available at points on Company's distribution lines. Not available for resale.

APPLICATION:

When service furnished hereunder through a single meter to a dwelling or building consisting of more than one family unit, apartment, or is used by more than one consumer or business concern, even though under common ownership and management, the consumers or business concerns served. Central heating systems for that part of an office building devoted to rental or offices shall be considered as a single customer.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Charge:

Customer Charge per month ~~\$11.00~~ per meter size 250 cfh and below

.....
\$13.00 per meter

Customer Charge per month – meter size 250 cfh to 800 cfh

.....
\$24.00 per meter

Customer Charge per month – meter size 800 cfh and above

.....
\$80.00 per month

Distribution Charge:

First 51 therms per month

.....
\$0.514020.62413 per therm

Next 205 therms per month

.....
\$0.368000.44119 per therm

Over 256 therms per month

.....
\$0.325870.34143 per therm

Effective: November 8, 2012 _____

Issued by: Robert Jason L. Wortman, Vice President

Base rates as approved, Cause No. 44128, November 7, 2012 _____

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.

IURC NO. G-10

Monitoring Charge:.....

\$66.00 per meter

Gas Cost Charge:

The Gas Cost Charge shall be as set forth on Appendix ~~appendix~~ A, Gas Cost Adjustment, for each therm of usage.

Normal Temperature Adjustment:

The Normal Temperature Adjustment shall be as set forth on Appendix D, Normal Temperature Adjustment.

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Charge.

SHEET NO. 21

**RATE GS
GENERAL SALES SERVICE
(continued)**

Other Charges:

The Other Charges set forth in this Tariff for Gas Service shall be charged to Customer, if applicable.

OTHER TERMS AND CONDITIONS

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

Effective: November 8, 2012 _____

Issued by: Robert ~~Robert~~ Jason L. Wortman, Vice President

Base rates as approved, Cause No. 44128, November 7, 2012 _____

**RATE STS
SCHOOL TRANSPORTATION SERVICE**

AVAILABILITY

This Rate Schedule shall be available to public School Corporation Customers serving students in grades K through 12 that elect service hereunder where distribution mains of adequate capacity are adjacent to the premise to be served.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Transportation Service. Gas Service provided hereunder shall be metered and billed separately from Gas Service provided under any other Rate Schedule.

Multiple School Corporation Customers may elect to act jointly to aggregate purchases of natural gas commodity supply from a 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.

RATES AND CHARGES

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

Customer Charge:

For all meter sizes

.....

\$28.00 per meter

Customer charge per month – meter size 250 cfh and below

.....

\$13.00 per meter

Customer charge per month – meter size 250 cfh to 800 cfh

.....

\$24.00 per meter

Customer charge per month – meter size 800 cfh and above

.....

\$80.00 per meter

Distribution Charge:

All First 51 therms per month

.....

\$0.241140.62413 per therm

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Issued by: Robert Jason L. Wortman, Vice President

Base rates as approved, Cause No. 44128, November 7, 2012 _____

SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.

IURC NO. G-10

Next 205 therms per month

.....
\$0.44199 per therm

Over 256 therms per month

.....
\$0.34143 per therm

Monitoring Charge:

~~Metretek Monitoring~~

.....
~~\$36.30~~ \$66.00 per meter

.....
Normal Temperature Adjustment:

The Normal Temperature Adjustment shall be as set forth on Appendix D, Normal Temperature Adjustment.

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Customer Charge plus the Monitoring Charge.

SHEET NO. 31

RATE STS
SCHOOL TRANSPORTATION SERVICE
(continued)

RATES AND CHARGES (cont.)

Net Monthly Bill:

The net monthly bill for each individual School Corporation Customer shall be computed in accordance with the applicable South Eastern Indiana Natural Gas Company, Inc. margin (non-gas cost) rates and charges, or their successor schedules.

Other Charges:

The Other Charges set forth in this Tariff for Gas Service shall be charged to Customer, if applicable.

SUMMARY BILLING

Upon request from a School Corporation, the rates and charges for providing services to each School Corporation Customer in the School Corporation shall be summarized on one summary bill for remitting payment to the Utility. Each School Corporation Customer shall remain responsible for the amount of its bill. The School Corporation shall designate how partial bills, late payment charges, nomination and balancing charges, and other similar charges shall be prorated between each School Corporation Customer. If the School Corporation fails to so designate, Company shall prorate such charges between the School Corporation

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Customers using its reasonable discretion. A monthly charge of \$50.00 shall be added for each summary bill to cover the administrative costs of performing the summary billing.

OTHER CHARGES AND CONDITIONS OF SERVICE

1. A customer's prior delinquencies must be cured prior to commencing participating in Transportation Service, unless otherwise agreed to in advance by Company.
2. Transportation Service shall be available after the Customer has made arrangements to pay all under-collections for prior service received from the Company, including, without limitation, any under-collection existing in the Gas Cost Adjustment. Transportation Service shall be initiated at the beginning of a Gas Cost Adjustment period.

SHEET NO. 32

**RATE STS
SCHOOL TRANSPORTATION SERVICE
(continued)**

OTHER CHARGES AND CONDITIONS OF SERVICE (cont.)

3. Transportation Service will be effective as of Customer's next read date. If multiple School Corporation Customers elect to act jointly to aggregate purchases of natural gas commodity supply or to utilize Summary Billing, each Customer shall be converted to month-end meter reads.
4. The Company shall meter the gas at the delivery point through a Company-owned meter. Customer shall pay the Company for the cost of purchasing and installing electronic gas measurement devices and related communications equipment, including applicable taxes. Customer shall provide and maintain on the Premises at the meter location electric and telephone service as required by Company for the operation of Company-owned electronic gas measurement devices and related communications equipment. Customer shall pay a Monitoring Charge as outlined in the RATES AND CHARGES section to reimburse Company for the cost of Metretek monitoring and data maintenance and associated taxes.
5. Customer shall be subject to the Nomination and Balancing Provisions set forth in Appendix E.

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SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.

IURC NO. G-10

6. Should Customer be unable to deliver sufficient volumes of transportation gas to the Company's system, Company will not be obligated hereunder to provide standby quantities for purposes of supplying such Customer's requirements.
7. 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 of 0.50%.
8. All volumes of natural gas transported hereunder shall be of the same quality and meet the same specifications as that delivered to the Company by the Company's own pipeline transporter.
9. Customer shall reimburse Company for all charges incurred on Customer's behalf in connection with transportation of gas for Customer's account, including any pipeline penalty charges or cashout provisions assessed to Company.

SHEET NO. 33

**RATE STS
SCHOOL TRANSPORTATION SERVICE
(continued)**

OTHER CHARGES AND CONDITIONS OF SERVICE (cont.)

10. Transportation Customer may return to firm sales service upon thirty (30) days notice provided the Company can secure appropriate quantities of gas supply and capacity from the Company's pipeline transporter to supply said sales service. A Customer that has returned from transportation service to sales service must remain on sales service for not less than twelve (12) months before returning to Transportation Service, unless expressly authorized by Company.
11. Transportation Customer must have clear title and all required regulatory approvals to the gas that is to be transported and provided for gas delivery to a mutually agreeable point of receipt on the Company's system.
12. Company shall not be required to render service under this rate schedule to any Customer that fails to comply with any and all of the terms and conditions of this rate schedule.

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SOUTH EASTERN INDIANA NATURAL GAS COMPANY, INC.

IURC NO. G-10

TERM OF SERVICE

One (1) year, terminable thereafter on three (3) days written notice by either customer or Company. In the event disconnection of service is required, the provision of Rule 16 of the Indiana Utility Regulatory Commission shall apply.

TERMS AND CONDITIONS

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

Effective: ~~November 8, 2012~~ _____

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Base rates as approved, Cause No. ~~44128, November 7, 2012~~ _____

APPENDIX A
GAS COST ADJUSTMENT

October through December, ~~2012~~2017
Cause No. 37785-GCA ~~87104~~
Gas Cost Adjustment

The Rate Adjustment for the Rate Schedules shall be on the basis of a Rate Tracking Factor, or GCA, occasioned solely by changes in the cost of purchased gas in accordance with the Order of the Indiana Utility Regulatory Commission in Cause No. 37091.

<u>Month</u>	<u>Rate Classes</u>	<u>Applicable GCA Factor</u>
October, 2012 <u>2017</u> \$2.12034.3126/Dth		All Rates
November, 2012 <u>2017</u> \$4.33303.8848/Dth		All Rates
December, 2012 <u>2017</u> \$4.85763.8114/Dth		All Rates

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APPENDIX B
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. 80 and in accordance with the Order of the Indiana Utility Regulatory Commission in Cause No. 44128-_____ is as follows:

<u>Rate Schedule</u>	<u>Base Rate Cost of Gas</u>
Rates RS and GS	\$0.0000/Dth

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Issued by: ~~Robert~~ Jason L. Wortman, Vice President

Base rates as approved, Cause No. 44128, ~~November 7, 2012~~ _____

APPENDIX C
OTHER CHARGES

LATE 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 by the due date, the net amount shall be paid. If not paid by the due date, the gross bill, which includes the Late Payment Charge, is the amount to be paid.

RECONNECTION CHARGES

The Reconnection Charge shall be fifty dollars (\$50.00). The Reconnection Charge for reconnections made after regular business hours at the customer's request shall be one hundred dollars (\$100.00).

In addition, a charge equal to the Customer Charge for each month of discontinued gas service will also be made for reestablishing gas service for the same Customer at the same premises where gas service has been discontinued ~~at the Customer's request~~ during the preceding twelve months. The minimum Customer Charge assessment under the provisions of this paragraph shall be one month's Customer Charge.

NON-SUFFICIENT FUNDS (RETURNED CHECK) CHARGE

A Non-Sufficient Funds (Returned Check) Charge, in the amount of twenty-five dollars (\$25.00) will be made on all checks received as payment of gas bills or authorized direct debits processed through the Automated Clearing House ("ACH") which are not honored by the Customer's bank. Additionally, any charges assessed by the Company's bank or the ACH processing system due to the returned check will be added to the Customer's account and will be in addition to the Company's Returned Check Charge.

PAYMENT COLLECTION CHARGE

The Payment Collection Charge shall be thirty dollars (\$30.00) during regular business hours and sixty dollars (\$60.00) after regular business hours.

UNAUTHORIZED GAS USAGE OR OVERRUN CHARGE

The Unauthorized Gas Usage Charge shall be fifty dollars (\$50.00) per dekatherm.

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Base rates as approved, Cause No. 44128, November 7, 2012 _____

APPENDIX D
NORMAL TEMPERATURE ADJUSTMENT

The billed amount for each Rate RS, Rate GS or Rate STS Customer 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:

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

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 at Cincinnati, Ohio.

Normal Degree Days and Actual Degree Days are based on Heating Degree Days as reported for Cincinnati, Ohio.

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Base rates as approved, Cause No. 44128, November 7, 2012 _____

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

Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD		
Jul 1	1	Aug 22	0	Oct 13	9	Dec 4	27	Jan 25	36	Mar 18	21	May 9	5
Jul 2	0	Aug 23	0	Oct 14	10	Dec 5	28	Jan 26	36	Mar 19	20	May 10	5
Jul 3	0	Aug 24	0	Oct 15	10	Dec 6	28	Jan 27	36	Mar 20	20	May 11	5
Jul 4	0	Aug 25	0	Oct 16	10	Dec 7	28	Jan 28	36	Mar 21	20	May 12	5
Jul 5	0	Aug 26	0	Oct 17	11	Dec 8	29	Jan 29	36	Mar 22	20	May 13	5
Jul 6	0	Aug 27	0	Oct 18	11	Dec 9	29	Jan 30	35	Mar 23	19	May 14	4
Jul 7	0	Aug 28	0	Oct 19	11	Dec 10	29	Jan 31	35	Mar 24	19	May 15	4
Jul 8	0	Aug 29	1	Oct 20	11	Dec 11	30	Feb 1	35	Mar 25	19	May 16	4
Jul 9	0	Aug 30	1	Oct 21	12	Dec 12	30	Feb 2	35	Mar 26	18	May 17	4
Jul 10	0	Aug 31	1	Oct 22	12	Dec 13	30	Feb 3	34	Mar 27	18	May 18	4
Jul 11	0	Sep 1	0	Oct 23	13	Dec 14	30	Feb 4	34	Mar 28	18	May 19	3
Jul 12	0	Sep 2	0	Oct 24	13	Dec 15	31	Feb 5	34	Mar 29	17	May 20	3
Jul 13	0	Sep 3	1	Oct 25	13	Dec 16	31	Feb 6	34	Mar 30	17	May 21	3
Jul 14	0	Sep 4	1	Oct 26	14	Dec 17	31	Feb 7	34	Mar 31	17	May 22	3
Jul 15	0	Sep 5	1	Oct 27	14	Dec 18	31	Feb 8	33	Apr 1	17	May 23	3
Jul 16	0	Sep 6	1	Oct 28	14	Dec 19	32	Feb 9	33	Apr 2	16	May 24	3
Jul 17	0	Sep 7	1	Oct 29	15	Dec 20	32	Feb 10	33	Apr 3	16	May 25	2
Jul 18	0	Sep 8	1	Oct 30	15	Dec 21	32	Feb 11	33	Apr 4	16	May 26	2
Jul 19	0	Sep 9	1	Oct 31	15	Dec 22	32	Feb 12	32	Apr 5	15	May 27	2
Jul 20	0	Sep 10	1	Nov 1	16	Dec 23	33	Feb 13	32	Apr 6	15	May 28	2
Jul 21	0	Sep 11	1	Nov 2	16	Dec 24	33	Feb 14	32	Apr 7	15	May 29	2
Jul 22	0	Sep 12	1	Nov 3	16	Dec 25	33	Feb 15	32	Apr 8	14	May 30	2
Jul 23	0	Sep 13	2	Nov 4	17	Dec 26	33	Feb 16	31	Apr 9	14	May 31	2
Jul 24	0	Sep 14	2	Nov 5	17	Dec 27	34	Feb 17	31	Apr 10	14	Jun 1	2
Jul 25	0	Sep 15	2	Nov 6	17	Dec 28	34	Feb 18	31	Apr 11	14	Jun 2	2
Jul 26	0	Sep 16	2	Nov 7	18	Dec 29	34	Feb 19	30	Apr 12	13	Jun 3	1
Jul 27	0	Sep 17	2	Nov 8	18	Dec 30	34	Feb 20	30	Apr 13	13	Jun 4	1
Jul 28	0	Sep 18	2	Nov 9	19	Dec 31	35	Feb 21	30	Apr 14	13	Jun 5	1
Jul 29	0	Sep 19	3	Nov 10	19	Jan 1	35	Feb 22	29	Apr 15	12	Jun 6	1
Jul 30	0	Sep 20	3	Nov 11	19	Jan 2	35	Feb 23	29	Apr 16	12	Jun 7	1
Jul 31	0	Sep 21	3	Nov 12	20	Jan 3	35	Feb 24	29	Apr 17	12	Jun 8	1
Aug 1	0	Sep 22	3	Nov 13	20	Jan 4	35	Feb 25	28	Apr 18	12	Jun 9	1
Aug 2	0	Sep 23	3	Nov 14	20	Jan 5	36	Feb 26	28	Apr 19	11	Jun 10	1
Aug 3	0	Sep 24	4	Nov 15	21	Jan 6	36	Feb 27	28	Apr 20	11	Jun 11	1
Aug 4	0	Sep 25	4	Nov 16	21	Jan 7	36	Feb 28	27	Apr 21	11	Jun 12	1
Aug 5	0	Sep 26	4	Nov 17	21	Jan 8	36	Mar 1	27	Apr 22	10	Jun 13	1
Aug 6	0	Sep 27	4	Nov 18	22	Jan 9	36	Mar 2	26	Apr 23	10	Jun 14	1
Aug 7	0	Sep 28	5	Nov 19	22	Jan 10	36	Mar 3	26	Apr 24	10	Jun 15	1
Aug 8	0	Sep 29	5	Nov 20	22	Jan 11	36	Mar 4	26	Apr 25	9	Jun 16	1
Aug 9	0	Sep 30	5	Nov 21	23	Jan 12	36	Mar 5	25	Apr 26	9	Jun 17	1
Aug 10	0	Oct 1	5	Nov 22	23	Jan 13	36	Mar 6	25	Apr 27	9	Jun 18	0
Aug 11	0	Oct 2	6	Nov 23	24	Jan 14	36	Mar 7	25	Apr 28	9	Jun 19	0
Aug 12	0	Oct 3	6	Nov 24	24	Jan 15	36	Mar 8	24	Apr 29	8	Jun 20	0
Aug 13	0	Oct 4	6	Nov 25	24	Jan 16	36	Mar 9	24	Apr 30	8	Jun 21	0
Aug 14	0	Oct 5	7	Nov 26	25	Jan 17	36	Mar 10	24	May 1	8	Jun 22	0
Aug 15	0	Oct 6	7	Nov 27	25	Jan 18	36	Mar 11	23	May 2	7	Jun 23	0
Aug 16	0	Oct 7	7	Nov 28	25	Jan 19	36	Mar 12	23	May 3	7	Jun 24	0
Aug 17	0	Oct 8	8	Nov 29	26	Jan 20	36	Mar 13	23	May 4	7	Jun 25	0
Aug 18	0	Oct 9	8	Nov 30	26	Jan 21	36	Mar 14	22	May 5	6	Jun 26	0
Aug 19	0	Oct 10	8	Dec 1	26	Jan 22	36	Mar 15	22	May 6	6	Jun 27	0
Aug 20	0	Oct 11	9	Dec 2	27	Jan 23	36	Mar 16	21	May 7	6	Jun 28	0
Aug 21	0	Oct 12	9	Dec 3	27	Jan 24	36	Mar 17	21	May 8	6	Jun 29	0
												Jun 30	0

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APPENDIX D
NORMAL TEMPERATURE ADJUSTMENT
NORMAL DEGREE DAYS (NDD)
LEAP YEAR

Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD		
Jul 1	1	Aug 22	0	Oct 13	9	Dec 4	27	Jan 25	36	Mar 17	21	May 8	5
Jul 2	0	Aug 23	0	Oct 14	10	Dec 5	28	Jan 26	36	Mar 18	20	May 9	5
Jul 3	0	Aug 24	0	Oct 15	10	Dec 6	28	Jan 27	36	Mar 19	20	May 10	5
Jul 4	0	Aug 25	0	Oct 16	10	Dec 7	28	Jan 28	36	Mar 20	20	May 11	5
Jul 5	0	Aug 26	0	Oct 17	11	Dec 8	29	Jan 29	36	Mar 21	20	May 12	5
Jul 6	0	Aug 27	0	Oct 18	11	Dec 9	29	Jan 30	35	Mar 22	19	May 13	4
Jul 7	0	Aug 28	0	Oct 19	11	Dec 10	29	Jan 31	35	Mar 23	19	May 14	4
Jul 8	0	Aug 29	1	Oct 20	11	Dec 11	30	Feb 1	35	Mar 24	19	May 15	4
Jul 9	0	Aug 30	1	Oct 21	12	Dec 12	30	Feb 2	35	Mar 25	18	May 16	4
Jul 10	0	Aug 31	1	Oct 22	12	Dec 13	30	Feb 3	34	Mar 26	18	May 17	4
Jul 11	0	Sep 1	0	Oct 23	13	Dec 14	30	Feb 4	34	Mar 27	18	May 18	3
Jul 12	0	Sep 2	0	Oct 24	13	Dec 15	31	Feb 5	34	Mar 28	17	May 19	3
Jul 13	0	Sep 3	1	Oct 25	13	Dec 16	31	Feb 6	34	Mar 29	17	May 20	3
Jul 14	0	Sep 4	1	Oct 26	14	Dec 17	31	Feb 7	34	Mar 30	17	May 21	3
Jul 15	0	Sep 5	1	Oct 27	14	Dec 18	31	Feb 8	33	Mar 31	17	May 22	3
Jul 16	0	Sep 6	1	Oct 28	14	Dec 19	32	Feb 9	33	Apr 1	16	May 23	3
Jul 17	0	Sep 7	1	Oct 29	15	Dec 20	32	Feb 10	33	Apr 2	16	May 24	2
Jul 18	0	Sep 8	1	Oct 30	15	Dec 21	32	Feb 11	33	Apr 3	16	May 25	2
Jul 19	0	Sep 9	1	Oct 31	15	Dec 22	32	Feb 12	32	Apr 4	15	May 26	2
Jul 20	0	Sep 10	1	Nov 1	16	Dec 23	33	Feb 13	32	Apr 5	15	May 27	2
Jul 21	0	Sep 11	1	Nov 2	16	Dec 24	33	Feb 14	32	Apr 6	15	May 28	2
Jul 22	0	Sep 12	1	Nov 3	16	Dec 25	33	Feb 15	32	Apr 7	14	May 29	2
Jul 23	0	Sep 13	2	Nov 4	17	Dec 26	33	Feb 16	31	Apr 8	14	May 30	2
Jul 24	0	Sep 14	2	Nov 5	17	Dec 27	34	Feb 17	31	Apr 9	14	May 31	2
Jul 25	0	Sep 15	2	Nov 6	17	Dec 28	34	Feb 18	31	Apr 10	14	Jun 1	2
Jul 26	0	Sep 16	2	Nov 7	18	Dec 29	34	Feb 19	30	Apr 11	13	Jun 2	1
Jul 27	0	Sep 17	2	Nov 8	18	Dec 30	34	Feb 20	30	Apr 12	13	Jun 3	1
Jul 28	0	Sep 18	2	Nov 9	19	Dec 31	35	Feb 21	30	Apr 13	13	Jun 4	1
Jul 29	0	Sep 19	3	Nov 10	19	Jan 1	35	Feb 22	29	Apr 14	12	Jun 5	1
Jul 30	0	Sep 20	3	Nov 11	19	Jan 2	35	Feb 23	29	Apr 15	12	Jun 6	1
Jul 31	0	Sep 21	3	Nov 12	20	Jan 3	35	Feb 24	29	Apr 16	12	Jun 7	1
Aug 1	0	Sep 22	3	Nov 13	20	Jan 4	35	Feb 25	28	Apr 17	12	Jun 8	1
Aug 2	0	Sep 23	3	Nov 14	20	Jan 5	36	Feb 26	28	Apr 18	11	Jun 9	1
Aug 3	0	Sep 24	4	Nov 15	21	Jan 6	36	Feb 27	28	Apr 19	11	Jun 10	1
Aug 4	0	Sep 25	4	Nov 16	21	Jan 7	36	Feb 28	27	Apr 20	11	Jun 11	1
Aug 5	0	Sep 26	4	Nov 17	21	Jan 8	36	Feb 29	27	Apr 21	10	Jun 12	1
Aug 6	0	Sep 27	4	Nov 18	22	Jan 9	36	Mar 1	26	Apr 22	10	Jun 13	1
Aug 7	0	Sep 28	5	Nov 19	22	Jan 10	36	Mar 2	26	Apr 23	10	Jun 14	1
Aug 8	0	Sep 29	5	Nov 20	22	Jan 11	36	Mar 3	26	Apr 24	9	Jun 15	1
Aug 9	0	Sep 30	5	Nov 21	23	Jan 12	36	Mar 4	25	Apr 25	9	Jun 16	1
Aug 10	0	Oct 1	5	Nov 22	23	Jan 13	36	Mar 5	25	Apr 26	9	Jun 17	0
Aug 11	0	Oct 2	6	Nov 23	24	Jan 14	36	Mar 6	25	Apr 27	9	Jun 18	0
Aug 12	0	Oct 3	6	Nov 24	24	Jan 15	36	Mar 7	24	Apr 28	8	Jun 19	0
Aug 13	0	Oct 4	6	Nov 25	24	Jan 16	36	Mar 8	24	Apr 29	8	Jun 20	0
Aug 14	0	Oct 5	7	Nov 26	25	Jan 17	36	Mar 9	24	Apr 30	8	Jun 21	0
Aug 15	0	Oct 6	7	Nov 27	25	Jan 18	36	Mar 10	23	May 1	7	Jun 22	0
Aug 16	0	Oct 7	7	Nov 28	25	Jan 19	36	Mar 11	23	May 2	7	Jun 23	0
Aug 17	0	Oct 8	8	Nov 29	26	Jan 20	36	Mar 12	23	May 3	7	Jun 24	0
Aug 18	0	Oct 9	8	Nov 30	26	Jan 21	36	Mar 13	22	May 4	6	Jun 25	0
Aug 19	0	Oct 10	8	Dec 1	26	Jan 22	36	Mar 14	22	May 5	6	Jun 26	0
Aug 20	0	Oct 11	9	Dec 2	27	Jan 23	36	Mar 15	21	May 6	6	Jun 27	0
Aug 21	0	Oct 12	9	Dec 3	27	Jan 24	36	Mar 16	21	May 7	6	Jun 28	0
												Jun 29	0

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Base rates as approved, Cause No. 44128, November 7, 2012

APPENDIX E
NOMINATION AND BALANCING PROVISIONS

APPLICABILITY:

The following Provisions shall apply to Customers being provided Transportation Service under Rate STS-School Transportation Service. For purposes of these nomination and balancing provisions, the term "Transporter" shall mean Customer receiving service under the Company's Rate STS. Where customers elect to act jointly to aggregate purchases of natural gas commodity supply under Rate STS, such Nomination and Balancing Provisions shall apply to the aggregated purchases.

DEFINITIONS:

The following definitions shall apply to throughout the Nomination and Balancing, and the Operational Flow Order provisions of this tariff:

"Billing Month" shall mean the period beginning on the first day of the calendar month and ending on the final day of the same calendar month.

"Company" shall mean South Eastern Indiana Natural Gas Company, Inc. or its successor.

"Daily Delivery" shall mean the amount of natural gas confirmed to have been delivered to the Company on behalf of the Transporter during a twenty-four (24) hour period beginning at 0900 and ending at 0900 Central Clock Time (CCT).

"Daily Pipeline Nomination" shall mean the total amount of natural gas scheduled for delivery to the Company by a Shipper on behalf of the Transporter during a twenty-four (24) hour period beginning at 0900 and ending at 0900 CCT as reflected in the nomination made with its pipeline supplier.

"Daily Usage" shall mean the amount of natural gas flowed through the Transporter's Company owned meter during a twenty-four (24) hour period beginning at 0900 and ending at 0900 CCT.

"Shipper" shall mean the entity delivering Transporter-owned gas to the Company on Transporter's behalf.

"Total Monthly Deliveries" shall mean the amount of natural gas confirmed to have been delivered to the Company on behalf of the Transporter during a particular Billing Month.

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DEFINITIONS (cont.):

“Total Monthly Usage” shall mean the amount of natural gas flowed through the Transporter’s Company owned meter during a particular Billing Month.

“Work Day” shall mean the non-holiday business day of South Eastern Indiana Natural Gas Company, Inc., from 8:00 a.m. to 5:00 p.m. as observed in the Eastern Time Zone.

NOMINATIONS

Two business days prior to the beginning of each calendar month (“Nomination Period”), Transporter shall be obligated to notify Company of the exact daily quantity of its nomination to the delivering pipeline of Transporter’s gas to be delivered to the Company at pipeline delivery points agreeable to the Company during that calendar month (“Monthly Pipeline Nomination”). The Monthly Pipeline Nomination provided by the Transporter shall contain the following information:

- A. Start and end dates of the nomination;
- B. Daily quantity in Dekatherms (“Dth”) of Transporter’s daily pipeline nomination (“Daily Pipeline Nomination”);
- C. Information concerning the quantity of gas nominated for delivery to Company’s system, including the Shipper, delivery point on Company’s system, contact names, telephone numbers, and e-mail addresses for Transporter and Shipper, and any other information reasonably required by the Company in order to properly identify Transporter’s meter, bill Transporter for the volumes of gas delivered to Company on Transporter’s behalf (“Daily Transportation Volumes”), or otherwise contact Transporter or Shipper.

Until Transporter submits the required nomination, Transporter’s nominations of daily quantities shall be zero (0). Unless otherwise permitted by Company, the Nomination Period shall not exceed thirty-one (31) days.

Transporter may modify its Daily Pipeline Nomination by submitting to Company a modified nomination in writing no later than 11:30 a.m. of the Work Day immediately prior to a Daily Delivery. The Company may accept modified nominations submitted after that deadline within its reasonable discretion.

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Transporter shall pay a Nomination Error Charge of \$0.50 per Dth on the quantity difference between its Daily Pipeline Nomination and confirmed deliveries under its account for each day such difference occurs. The sum of the daily Nomination Error Charges shall be billed by the Company at the end of each month.

Transporter shall cause the Shipper to provide Company with a written statement within two (2) Work Days of the end of the Billing Month reflecting the Daily Delivery and the Total Monthly Deliveries Shipper has provided to the Company on Transporter's behalf for the Billing Month.

Nothing herein shall be interpreted as waiving Company's right to reject any nomination or modification due to capacity constraints, or potential detriments to the Company, its pipeline, or its other customers. Any contact by Company with Transporter as to any nomination or modification shall not relieve Transporter from its obligation of properly nominating quantities of gas, nor balancing its usage of gas with the amount so nominated.

BALANCING

Transporter shall be obligated to balance its total usage with its total deliveries on both a daily and monthly basis. An Imbalance Quantity shall exist when Transporter's total usage is greater than or less than its total deliveries to the Company on both a daily and monthly basis. Amounts paid by the Company to Transporter in cashing out Imbalance Quantities shall be recovered in the gas cost adjustment. Amounts received by the Company from the Transporter in cashing out Imbalance Quantities shall be credited against gas costs in the gas cost adjustment.

IMBALANCE INDICES:

The following indices shall be used for pricing any Imbalance Quantities for which a cash-out occurs:

Daily Under-Delivery Prices shall be determined based on the greater of the Henry Hub maximum daily cash price plus the maximum pipeline transportation rate on the Company's interstate pipeline, including current fuel and all surcharges applicable to the dates of under-delivery; or the weighted average cost of gas acquired by the Company for replacing Transporter's under-delivery, whichever is greater.

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Daily Over-Delivery Prices shall be determined based on the lower of the Henry Hub minimum daily cash price plus the minimum pipeline transportation commodity rate on the Company's interstate pipeline, including current fuel and surcharges applicable to the date of over-delivery or the weighted average cost of gas held in storage by the Company, whichever is lower.

Monthly Under-Delivery Price shall be the greater of the Company's weighted average cost of gas, including both demand and commodity charges, based on all gas purchases for the month in question; or the average of the Henry Hub maximum daily cash price per Dth for each day of the month for the month in question, plus the maximum pipeline transportation rate on the Company's interstate pipeline, including current fuel and surcharges applicable to the month in question.

Monthly Over-Delivery Price shall be the lower of the Company's average weighted cost, including both demand and commodity costs based on its gas purchases for the month in question; or the average of the Henry Hub minimum daily cash price per Dth for each day of the month in question, plus the minimum pipeline transportation rate on the Company's interstate pipeline, including current fuel and all surcharges applicable to the month in question.

DAILY UNDER-DELIVERY IMBALANCE CASH-OUT:

If a Transporter's total daily delivery is less than the total daily usage, the gas shortfall shall be considered a Daily Under-Delivery Imbalance Quantity. Daily Under-Delivery Imbalance Quantities shall be cashed-out by way of a charge by the Company to the Transporter following the close of the month in which Daily Under-Delivery Imbalances have occurred. The Company's charge, based upon the above Imbalance Indices, shall be charged for all Dth of Daily Under-Delivery Quantities pursuant to the following ranges and multiplied by the following Daily Under-Delivery Factor, plus all applicable taxes:

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**Under Delivery Ranges
Based on Total Daily Usage**

Under-Delivery Factor

0% not > 10%	1.0
10% not > 20%	1.1
20% not > 30%	1.2
> 30%	1.4

During a Cold Weather OFO, the above Daily Under-Delivery Imbalance Indices and Cash-Out provisions will be replaced by those specified in the section entitled Operational Flow Orders. During a Warm Weather OFO, the Daily Under-Delivery Imbalance Indices and Cash-Out provisions shall not apply.

DAILY OVER-DELIVERY IMBALANCE CASH-OUT:

If a Transporter's total daily delivery is greater than the total daily usage, the excess gas shall be considered a Daily Over-Delivery Imbalance Quantity. If the Company, or its pipeline, would experience any operating difficulties as a result of accepting such excess gas, the Company may decline to accept delivery of the excess quantities. If the excess gas is accepted, Daily Over-Delivery Imbalance Quantities shall be cashed-out following the close of the month by way of a payment from the Company to the Transporter based upon the appropriate Imbalance Indices noted above, and pursuant to the following ranges and multiplied by the following Daily Over-Delivery Factor, plus all applicable taxes, as noted below:

**Over Delivery Ranges
Based on Total Daily Usage**

Over-Delivery Factor

0% not > 10%	1.0
10% not > 20%	0.9
20% not > 30%	0.8
> 30%	0.6

During a Warm Weather OFO, the above Daily Over-Delivery Imbalance Indices and Cash-Out provisions will be replaced by those specified in the section entitled Operational

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Flow Orders. During a Cold Weather OFO, the Daily Over-Delivery Imbalance Indices and Cash-Out provisions shall not apply.

MONTHLY UNDER-DELIVERY IMBALANCE CASH-OUT:

If a Transporter's total monthly delivery is less than the total monthly usage, then the gas shortfall shall be considered a monthly under-delivery imbalance quantity. Such monthly under-delivery imbalance quantities shall be cashed-out by way of a charge by the Company to the Transporter following the close of the month based upon the appropriate Imbalance Indices noted above for all Dth of monthly under-delivery quantities pursuant to the following ranges and multiplied by the following Monthly Under-Delivery Factor, plus all applicable taxes.

<u>Under Delivery Ranges</u> <u>Based on Total Monthly Usage</u>	<u>Under-Delivery Factor</u>
0% not > 3%	1.0
3% not > 10%	1.2
> 10%	1.4

MONTHLY OVER-DELIVERY IMBALANCE CASH-OUT:

If a Transporter's total monthly delivery is greater than the total monthly usage, then the excess gas shall be considered a monthly over-delivery imbalance quantity. Such monthly over-delivery imbalance quantities shall be cashed-out by a payment from the Company to the Transporter following the close of the month based upon the appropriate monthly over-delivery indices noted above for all Dth of monthly under-delivery quantities pursuant to the following ranges and multiplied by the following Monthly Over-Delivery Factor, plus all applicable taxes.

<u>Over Delivery Ranges</u> <u>Based on Total Monthly Usage</u>	<u>Over-Delivery Factor</u>
0% not > 3%	1.0
3% not > 10%	0.8
>10%	0.6

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OPERATIONAL FLOW ORDERS

OPERATIONAL FLOW ORDERS

Transporter is obligated, when requested by the Company through an Operational Flow Order ("OFO"), to nominate and deliver gas supply to Company's city gate in the manner instructed by Company. Company may call a Cold Weather OFO or a Warm Weather OFO where such action is necessary, in Company's sole judgment, to (1) protect the reliability of Company's gas system; (2) comply with Company's Curtailment Procedures, and/or (3) adhere to the various interstate pipeline companies' balancing requirements, as stated in their FERC-approved tariffs.

Cold Weather OFO Day: During a Cold Weather OFO, Transporter shall be subject to the following Daily OFO Under-Delivery Imbalance provisions in lieu of Daily Under-Delivery Imbalance Indices and Cash-Out provision stated above: If Transporter's Daily Imbalance Quantity is an under-delivery greater than 5% of its Daily Usage, the shortfall quantities shall be cashed-out with the Company. Transporter shall pay Company the following:

- (1) For each Dth of Daily under-delivery Imbalance Quantities greater than five (5) percent of Total Daily Usage, the highest per unit gas cost paid by Company on the date of noncompliance; plus
- (2) The payment of all other charges incurred by Company and attributable to Transporter's Daily Under-Delivery Imbalance Quantities, including pipeline penalty charges on the OFO shortfall quantities; plus
- (3) An OFO Imbalance Charge of \$10.00 per Dekatherm on the portion of the Daily Under-Delivery Imbalance Quantities that is greater than five (5) percent of Total Daily Usage; plus
- (4) Applicable taxes.

Warm Weather OFO Day: During a Warm Weather OFO, the Transporter shall be subject to the following Daily OFO Over-Delivery Imbalance provisions in lieu of Daily Over-Delivery Imbalance Indices and Cash-Out provision stated above: If Transporter's Daily Imbalance Quantities is an over-delivery greater than 5% of its actual Daily Usage, Company may refuse to receive such excess quantities from the pipeline(s). If Company

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receives such excess quantities, Company shall credit the Transporter for each Dekatherm of Daily Over-Delivery Imbalance Quantities greater than five (5) percent of Total Daily Usage, at the lowest per unit gas cost paid by Company during the month of non-compliance. In addition, the Transporter shall pay the Company the following:

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(1) The payment of all charges incurred by Company and attributable to the Transporter's Daily over-delivery Imbalance Quantities; including pipeline penalty charges on the OFO excess quantities; and

(2) An OFO Imbalance Charge of \$10.00 per Dekatherm on the portion of the Daily over-delivery Imbalance Quantities that is greater than five (5) percent of Total Daily Usage; plus

(3) Applicable taxes.

WAIVER OF CHARGES

In its reasonable discretion, on a case-by-case basis, Company may waive all or part of any Charge assessable to Transporter pursuant to this Appendix E, provided, however, that the waiver of such Charge shall be exercised on a non-discriminatory basis.

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APPENDIX F
ENERGY EFFICIENCY RIDER

APPLICABILITY

The Energy Efficiency Rider shall be applicable to Rate RS-Residential Service customers subject to the provisions set forth below reflecting the expiration of the Pilot Program on 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 margins for each Rate Schedule, prior to the SRC adjustment, Adjusted Order Granted Margins are defined as the order granted 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 margin differences.

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The 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.

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

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TERMS AND CONDITIONS FOR GAS SERVICE

1. Rates, Rules and Regulations

A copy of all rates, rules and regulations under which gas service will be supplied is posted or on file for the public's benefit in the office of South Eastern Indiana Natural Gas Company, Inc. (the Company) and with the Indiana Utility Regulatory Commission (IURC).

2. Written Application

A written application or contract, properly executed, may be required from the Customer, before the Company will be required to supply service; provided, however, that the Company shall have the right to reject, for any reason, any application.

3. Data on Customer's Installations to be Furnished

The Customer shall, upon request of the Company, present in writing to the Company a list of the devices which are to be attached to the Company's lines, giving the location of the building, and the Company will then advise the form and the character of the supply available.

4. Service Connections

The Company will locate the point to which service connections will be made. The Company reserves the right to lay all underground piping up to the inlet of the meter. A charge, to be paid by the Customer, and based on current prices may be made on all service runs.

5. Inside Piping

Each applicant for service must, at Applicant's own expense, equip the premises with all piping and attachments, all of which shall be constructed and maintained by the Customer. Such piping and attachments shall be installed in compliance with all regulations and/or codes, and in accordance with the Rules and Regulations of the Company in force at the time.

6. Location of Company Regulators, Meters and Other Equipment

The Customer shall provide near the service entrance, free of expense to the Company, a place satisfactory to the Company for necessary regulators, meters and other equipment. Such regulators, meters and other equipment will be furnished and owned by the Company.

If Customer either by request or by action requires that Company's facilities be redesigned, re-engineered, relocated, removed, modified, or reinstalled,

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Company may require Customer to make payment to it of the full cost of performing such facilities modifications including any applicable taxes.

7. Company's Property and Protection Thereof

All meters or other equipment furnished by and at the expense of the Company, which may at any time be on said premises, shall, unless otherwise expressly provided herein, be and remain the property of the Company, and the Customer shall protect such property from loss or damage, and no one who is not an agent of the Company shall be permitted to remove such property or tamper therewith.

8. Exclusive Service on Installation Connected

Except under a contract with the Company in respect to auxiliary service, no gas service other than that being supplied by the Company shall be used, either by means of a three-way valve or any other connection, on the same installation as is used for the service supplied by the Company.

9. Meters to be Installed by the Company

Unless otherwise specified in a contract between the Company and the Customer, the gas supplied shall be measured by a meter or meters of standard manufacture, furnished and installed by the Company on the premises in accordance with the Rules, Regulations and Standards of Service for gas utilities in Indiana pursuant to 170 Indiana Administrative Code IAC 5-1 and such other applicable rules and standards of the IURC as may be in force and in effect from time to time.

Except as hereinafter provided, all charges for gas service, other than the service charge shall be calculated upon the registration of the meter or meters installed. "Meter" includes all measuring instruments. The meter shall be tested periodically in accordance with 170 IAC 5-1-9.

10. Failure of Meter

Whenever it is discovered that a meter is not recording correctly, adjustment shall be made covering such inaccuracy in accordance with 170 IAC 5-1-14 or such other applicable rules of the IURC which may be in force from time to time.

11. Building Containing Two or More Separate Living Quarters or Businesses

Where a dwelling consists of more than one family unit, or is an apartment house consisting of more than one apartment, and service is taken through a single meter, the minimum and service charges will be multiplied by the number of family units in the dwelling or apartment house. If an apartment house consists of

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more than one dwelling unit and has a central heating plant, service to such heating plant shall be taken under the Commercial Service Rate.

When service is furnished hereunder through a single meter to a commercial consumer and is used by more than one consumer or business concern, even though under common ownership and management, the minimum and service charges will be multiplied by the number of consumers or business concerns served. Central heating systems for that part of an office building devoted to rental of offices shall be considered as a single consumer.

12. Combined Residential and Commercial Services

Where both residential and commercial classes of service are supplied through one service connection and one meter to the same Customer, the service shall be classified as commercial service, and shall be billed under the Commercial Service Rate.

At the option of the Customer and at the Customer's expense, the piping on the Customer's premises may in any case be so arranged as to permit the installation of meters for registering separately the commercial service and the residential service supplied. In each such case, the applicable Residential Rate shall apply to the residential service supplied, and the applicable Commercial Rate shall apply to the commercial service supplied.

13. Access to Premises

The properly authorized agents of the Company shall have the right to enter upon the premises of the Customer at all reasonable times for the purpose of installing, inspecting, repairing or replacing the equipment of the Company used in connection with the service, and removing the same on the termination of the contract or the discontinuation of the service.

14. Continuous Service

The Company shall not be responsible for damages for any failure to supply gas or for interruption if such failure or interruption is without default or negligence on its part.

15. Release of Company Liability

The Company shall not be liable for damage resulting to Customer or to third persons from the presence or use of gas or of the Company's equipment on the Customer's premises, unless due to contributory negligence on the part of the Company, and without any contributory negligence on the part of the Customer or such third party.

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16. Company Reserves the Right to Shut Off Supply

The Company reserves the right to shut off the supply of gas without the request by the Customer and without prior written notice, for the following reasons:

- (1) If a condition dangerous or hazardous to life, physical safety or property exists; or
- (2) Upon order of any court, the Commission or other duly authorized public authority; or
- (3) If fraudulent or unauthorized use of gas is detected and the utility has reasonable grounds to believe the affected Customer is responsible for such use; or
- (4) If the utility's regulating or measuring equipment has been tampered with and the utility has reasonable grounds to believe that the affected Customer is responsible for such tampering. In such case the Customer may be charged the cost of repairing or replacing the damaged equipment.

The Company may temporarily shut off supply of gas for the purpose of making necessary line or equipment repairs after due notice to the Customer. The Company will disconnect service upon request of the Customer, upon proper notice in accordance with rules promulgated by the IURC.

In all other instances the Company, upon providing the customer with fourteen days prior written notice as required by the IURC, may disconnect service subject to, and in accord with, such regulations, particularly 170 IAC 5-1-16. Service shall not be reinstated without payment of all delinquent bills and the reconnection charge as stated in the Company's tariffs.

17. Damages

The Company shall not be liable for damages because of any interruption of the supply of gas to the Company, or for damages caused by defective piping and appliances on the Customer's premises.

18. Payment of Bills

Bills will be rendered and due monthly, and account is not considered paid until payment is received in Company's office. If a bill is not paid within at least seventeen (17) days from the due date thereof, the Customer shall be considered delinquent in payment, and the Company may at any time thereafter prior to the payment thereof, after serving notice, cut off and discontinue service. When the gross payment date falls on Saturday, Sunday, any other legal holiday, or day the Company's office is not open for business, the first business day thereafter shall be added to the gross payment date. If the net bill is not paid within 17 days after the bill is mailed, a late payment charge as set forth on Appendix C will be added to the net monthly bill in accordance with 170 IAC 5-1-13. Customer may be charged

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attorney fees and court costs or similar costs incurred in the collection of a delinquency.

19. Resale of Gas

The gas furnished under these rules is for the use of the Customer on his premises and shall not be resold by the Customer.

20. Deposits

The Company will require a deposit from an applicant for residential service in accord with 170 IAC 5-1-15 or such other rules and regulations of the IURC as may be in force at the time. The Company may also require a deposit from an applicant for residential service adequate to reasonably insure payment of bills incurred.

21. Modification to Contract

No promises, agreements or representations of any agent of the Company shall be binding upon the Company unless the same shall have been incorporated in a written contract before the same is signed and approved by an agent of the Company authorized to sign such contract on behalf of the Company.

22. Notify Company Before Increasing Load

The Customer shall not install any gas equipment of any kind or otherwise increase the demand for service except upon prior consent for the Company.

23. Assignment

The benefits and obligations under any contract for the supply of gas by the Company shall begin when the Company commences to supply gas service hereunder, and shall inure to and be binding upon the successors, assigns, survivors, executors or administrators, as the case may be, of the original party thereto, for the full term thereof; provided that no assignment shall be made by the Customer without first obtaining the Company's written consent to any such assignment. Each Customer must make application to the office of the Company before gas service will be established by the Company. A Customer moving from premises where he is being supplied gas service will be held responsible for the payment of all bills rendered for service supplied on said premises unless and until he gives proper notice at the office of the Company that service is to be discontinued at such premises.

24. Delay Due to Strikes, Etc.

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Neither the Company nor the Customer shall be held liable for any failure or delay in performing any of the things undertaken by it under any service contract in case of such failure or delay is caused by strikes, acts of God, unavoidable accidents or other contingencies beyond its control and in no manner due to any fault, neglect or omission on its part.

25. Equipment or Location Permit

The Customer shall obtain from the property owner or owners, and on forms to be supplied by the Company, and deliver to the Company, the necessary consent or consents authorizing the installation and maintenance on, over, or through all private property, of all such piping or equipment as may be necessary or convenient for the supplying of the gas service to be furnished by the Company.

26. Month

A "month" means the period between any two consecutive regularly scheduled readings by the Company's agents of the meter or meters on the premises. Such readings are scheduled to be taken at approximately thirty-day intervals. In order to render monthly bills, the Company may estimate for good cause the monthly usage of gas of any Customer, with appropriate adjustments to be made by the Company on the first bill rendered following the reading of the meter. Good cause includes, but is not limited to:

- (1) request of Customer
- (2) inclement weather
- (3) labor or union disputes
- (4) inaccessibility of Customer's meter, if the Company has made a reasonable attempt to read it
- (5) other circumstances beyond the control of the Company, its agents, and employees.

27. Territory Served

All tariffs shall apply to certified areas of the Company.

28. 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:

(1) Weather Related Curtailment

Curtailment or Interruption due to weather conditions 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 and so as to prevent conditions dangerous or hazardous to life and physical safety of its customers. Interruption or curtailment shall be upon

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such notice as is reasonable under the circumstances and in the following order, to the extent practicable:

First, deliveries under interruptible contracts, if any, shall be first interrupted or curtailed; In addition, transportation customers shall be limited to their confirmed daily deliveries.

Second, deliveries to industrial customers, if any, shall be next in order of curtailment or interruption; In addition, transportation customers shall be limited to their confirmed daily deliveries.

Third, deliveries to commercial customers shall be next in order of curtailment or interruption; and

Fourth, residential customers shall be the last class of customer curtailed or interrupted.

(2) Gas Supply Deficiency Curtailment

In the event of a gas supply deficiency, curtailment may be ordered by the Company at any given 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, additional tax or other penalty from the Company's suppliers. In the event of such curtailment, 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 manner, to the extent practicable.

First, deliveries under interruptible contracts, if any, shall be first interrupted or curtailed; In addition, transportation customers shall be limited to their confirmed daily deliveries.

Second, deliveries to industrial customers, if any shall be next in order of curtailment or interruption;

Third, deliveries to commercial customers shall be next in order of curtailment or interruption; and

Fourth, residential customers shall be the last class of customer curtailed or interrupted.

(3) Unauthorized Gas Usage

All volumes taken in violation of the Company's curtailment or interruption order shall constitute unauthorized takes of gas, for which the Customer shall pay an Unauthorized Gas Usage Charge as set forth in Appendix C, in addition to all other charges payable under the applicable rate schedule.

29. Gas Service to Mobile Home Parks

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The obligation of the Company to provide any extension of facilities shall be subject to the restrictions, limitation and curtailments of service made effective pursuant to other provisions of these Rules. Subject to the foregoing, the Company shall provide gas service to Mobile Home Parks (Parks) under the following conditions:

- (1) The Park must be of a definite permanent nature and have improved streets, individual water and sewer connections to each lot and each mobile home must rest on a concrete slab.
- (2) The Park shall have at least ten (10) or more sites on which mobile homes may be located.
- (3) Main extensions shall be made in accordance with the Company's Rules and each Park operator will be considered to be the Customer. Revenue estimates will be based on the Company's experience in gas usage of mobile homes, taking into account the number and nature of gas appliances to be used. Each Park operator will enter into an extension of facilities contract for construction of gas mains if the Park does not have enough mobile homes equipped with gas appliances to justify gas main extension.
- (4) The Park operator shall cause the Company to be granted an easement in form and substance satisfactory to the Company for the construction, maintenance and operation of the Company's gas distribution system, together with the right of free access to read meters and repair or remove the Company's service regulators and meters.
- (5) The Park operator or mobile home Customer shall furnish, install, and maintain all fuel lines beyond the Company's meters to the point of connection with the mobile home piping.
- (6) The Park operator shall provide substantial protection satisfactory to the Company for the gas riser and meter so as to minimize the likelihood of damage by moving of the mobile home.
- (7) The Park operator shall keep the gas distribution system free and clear of any obstruction that will interfere with the maintenance of the system and shall not construct or maintain any structure over the Company's distribution mains or services. When there is a change in the Park's operation or construction which, in the judgment of the Company, makes the relocations of the gas facilities necessary, or if relocation is requested by the Park, the Company will move such facilities at the Park's expense to a location acceptable to the Company to be provided by the Park.

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- (8) Gas will be supplied and metered separately to each single occupancy dwelling unit and/or such Park facility under the applicable rate schedule.

30. Indiana Administrative Code (IAC)

A copy of Article 5 of Title 170 of said code, which contains regulations of the Indiana Utility Regulatory Commission applicable to gas utilities, will be available at the office of the Company for examination by any Customer of the Company during usual business hours.

31. Conflicts with IURC Rules and Regulations

If any of these rules may or hereafter be in conflict with the regulations of the Indiana Utility Regulatory Commission as may be in force at the time, the IURC rules and regulations will take precedence.

32. Extension of Gas Mains and Facilities

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

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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 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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Base rates as approved, Cause No. 44128, November 7, 2012 _____

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Document comparison by Workshare Compare on Tuesday, December 19, 2017
4:13:56 PM

Input:	
Document 1 ID	interwovenSite://BTDMS/DMS/11280444/1
Description	#11280444v1<DMS> - South Eastern 2012 Rate Case Filed Compliance Tariff 11-8-12
Document 2 ID	interwovenSite://BTDMS/DMS/10699966/4
Description	#10699966v4<DMS> - South Eastern 2017 Rate Case DRAFT Compliance Tariff 12-19-2017
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	50
Deletions	42
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	92