

February 4, 2009

Jane Steinhauer, Director  
Natural Gas Division  
Indiana Utility Regulatory Commission  
302 West Washington Street, Suite E306  
Indianapolis, IN 46204

Re: Indiana Natural Gas 30 Day Filing

Dear Jane:

Please accept this letter and the attached material as a 30 day filing requesting a new transportation tariff available within the Indiana Natural Gas service territory. The purpose of this tariff is to allow manufacturing entities within the service territory of Indiana Natural Gas to transport their own gas commodity though they do not meet the threshold of 2,400 dekatherms per month under the current transportation tariff. This new tariff would be in addition to the existing transportation tariffs available for very large commercial customers and school customers. It is designed to meet the needs of manufacturing enterprises using between 1,500 dekatherms and 2,400 dekatherms of natural gas per month.

This new tariff is based on the existing transportation tariffs for large customers and school customers. This new transportation tariff also anticipates that if the customer were not transporting gas, they would fall under the current Tariff "C", which is designed for large commercial customers. The rates and charges for this new tariff are the existing rates and charges approved for Tariff "C" customers without the additional GCA charges. With the removal of the cost of gas from base rates in the most recent rate case (Cause No. 43434, October 8, 2008) and using the existing cost of service based rates and charges, the company believes the implementation of this tariff will be revenue neutral.

To put this matter in context, Indiana Natural Gas has been approached by a current manufacturing customer who believes its products will be more competitive if it can reduce energy costs by transporting its own natural gas. The customer is a significant manufacturer currently employing 238 employees in two manufacturing plants within the Indiana Natural Gas service territory. Gross wages for these employees exceed \$7 million. Additionally, this manufacturer purchases a significant portion of its raw material from local Indiana vendors. Indiana Natural Gas is very interested in helping to maintain this employer within its service territory. However, Indiana Natural Gas also wants to insure that this customer, if it becomes a transport customer under the new tariff, will have no detrimental effect on its remaining end user

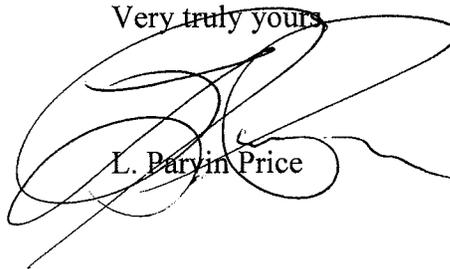
Jane Steinhauer  
February 4, 2009  
Page Two

customers. Indiana Natural Gas has included a provision within this new tariff under Availability which requires this entity, if it chooses to become a transport customer, to do so through a contract for a minimum of 12 months with notification to the company if it intends to stop transporting natural gas at some future time. Indiana Natural Gas believes that this new tariff will meet the needs of this and potentially other manufacturing customers without creating any difficulty for its current clients.

I have attached for your review the language we would propose as the new Tariff TM (Sheet Nos. 35, 36 and 37) and a revised Base Rates and Charges Tariff (Sheet No. 50) to include this tariff's rates and charges. I would also note that I have provided these attachments to you in electronic format, along with a potential write-up for purposes of processing this matter more easily.

In conclusion, Indiana Natural Gas would request that you accept this material as a 30 day filing, and process it towards approval as soon as possible. As always, should you have any questions, do not hesitate to contact me.

Very truly yours,



L. Paryin Price

LPP:kew  
Attachments  
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cc: Office of Utility Consumer Counselor

<u>TABLE OF CONTENTS</u>	<u>SHEET NO.</u>
Title Page	1
Table of Contents	2
<u>General Terms and Conditions</u>	3-16
1. Application of Rates	3-4
2. Character of Service	4
3. Service Connections	5
4. Meters and Metering Equipment	6
5. Customer's Piping & Utilization Equipment	6
6. Access to Premises	6
7. Deposit Required	6
8. Meter Reading and Billing	7
9. Discontinuance of Service and Reconnect Charge - After Hours Reconnection	7-8
10. Collection Charge	8
11. Non-Sufficient Funds Charge	8
12. Credit Card Charge	8
13. Curtailment and Interruption Held For Future Use	9-10 11-19
<u>Rate Schedules</u>	
Tariff "G"	20
Tariff "C"	21
Tariff "T"	22-24
Held for Future Use	25-29
Tariff "STS"	30-34
Tariff "TM"	35-37
Held for Future Use	38-49
Base Rates and Charges	50
<u>Appendices</u>	
Appendix A-Gas Cost Adjustment Factor Held for Future Use	51 52
Appendix B-Base Rate Cost of Gas Held for Future Use	53 54-59
Appendix C-Normal Temperature Adjustment	60

ISSUED: \_\_\_\_\_

EFFECTIVE: \_\_\_\_\_

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

**13. CURTAILMENT AND INTERRUPTION**

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

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

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ISSUED: \_\_\_\_\_

EFFECTIVE: \_\_\_\_\_

ISSUED BY: Phillip S. Ross  
Base rates as approved, Cause No. 43434, October 8, 2008

**TARIFF "TM"**

**TRANSPORTATION GAS SERVICE TO MANUFACTURING END-USERS**

**AVAILABILITY:**

- (1) To customers involved in the manufacturing process or production of goods employing at least 200 employees within the service territory of the Utility and served with average Gas Requirements of more than 1,500 Dth, but less than 2,400 Dth per month at a single location or through the aggregation of two locations if such locations are owned and managed by the same customer.
- (2) Available to applicable customers who, by written contract with the Utility, agree to acquire natural gas, obtain all necessary state and federal regulatory approval and arrange to have such gas delivered by the Utility's pipeline supplier to a delivery point on the Utility's system for transportation and delivery to the customer's premises. Such contract shall be for a minimum period of 12 months with 90 days written notification of customer's desire to drop transportation service prior to the end of each 12 month period.
- (3) All transportation service rendered by the Utility shall be subject to curtailment or complete interruption whenever, in the sole judgment of the Utility, it is necessary or desirable, and as provided in contract hereinafter referred to.
- (4) The Utility, with the written consent of the customer, may execute an agreement with the Utility's pipeline supplier, as agent of the customer, for transportation of gas for the customer.

**CONTRACT FOR TRANSPORTATION SERVICE:**

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

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EFFECTIVE: \_\_\_\_\_

ISSUED BY: Phillip S. Ross  
Base rates as approved, Cause No. 43434, October 8, 2008

**CHARACTER OF SERVICE:**

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

**RATE:**

See Sheet No. 50.

**OTHER CHARGES AND CONDITIONS OF SERVICE:**

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

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

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

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

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

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

ISSUED: \_\_\_\_\_

EFFECTIVE: \_\_\_\_\_

ISSUED BY: Phillip S. Ross  
Base rates as approved, Cause No. 43434, October 8, 2008

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

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

**BEST EFFORTS BASIS:**

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

**DEFERRED PAYMENT CHARGE:**

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

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

**OTHER TERMS AND CONDITIONS:**

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

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ISSUED: \_\_\_\_\_

EFFECTIVE: \_\_\_\_\_

ISSUED BY: Phillip S. Ross  
Base rates as approved, Cause No. 43434, October 8, 2008

## BASE RATES AND CHARGES

## TARIFF G \*

SERVICE CHARGE	\$11.00/Mo.
DISTRIBUTION CHARGE	
FIRST 5 DEKATHERM	\$2.8881/Dth
ALL USE OVER 5 DEKATHERMS	\$2.4356/Dth

## TARIFF C \*

SERVICE CHARGE	\$24.00/Mo.
DISTRIBUTION CHARGE	
FIRST 100 DEKATHERMS	\$2.2800/Dth
ALL USE OVER 100 DEKATHERMS	\$1.7370/Dth

## TARIFF STS

SERVICE CHARGE	\$24.00/Mo.
DISTRIBUTION CHARGE	
FIRST 100 DEKATHERMS	\$2.2800/Dth
ALL USE OVER 100 DEKATHERMS	\$1.7370/Dth

## TARIFF TM

SERVICE CHARGE	\$24.00/Mo.
DISTRIBUTION CHARGE	
FIRST 100 DEKATHERMS	\$2.2800/Dth
ALL USE OVER 100 DEKATHERMS	\$1.7370/Dth

## TARIFF T

SERVICE CHARGE	\$525.00/Mo.
DISTRIBUTION CHARGE	
ALL DEKATHERMS	\$0.8644/Dth

(\*) Above rates are subject to a gas cost adjustment factor in accordance with the Indiana Utility Regulatory Commission, Cause No. 37091 approved April 27, 1983. This gas cost adjustment factor currently in effect and applicable hereto with effective dates is found on Appendix A-Gas Cost Adjustment, Sheet No. 51, of this Tariff for Gas Service.

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ISSUED: \_\_\_\_\_

EFFECTIVE: \_\_\_\_\_

ISSUED BY: Phillip S. Ross  
Base rates as approved, Cause No. 43434, October 8, 2008