



Citizens Gas | Citizens Thermal | Citizens Resources
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RECEIVED

December 21, 2009

Indiana Utility Regulatory
Commission

December 21, 2009

Ms. Brenda Howe
Secretary of the Commission
Indiana Utility Regulatory Commission
101 West Washington Street, Suite 1500 E
Indianapolis, IN 46204

Re: Thirty Day Filing for Citizens Gas Banking and Nomination related changes to tariffs pursuant to 170 IAC 1-6.

Dear Ms. Howe:

Citizens Gas is submitting revisions to tariff pages in accordance with 170 IAC 1-6 Thirty-Day Administrative Filing Procedures and Guidelines (Guidelines). This filing is an allowable request under the Guidelines because it is a change to rules and regulations of the Utility. The revised pages reflect two changes. First, Citizens Gas is proposing to change how Customer Banking Volumes for End-Use Customers served by 3rd Party Suppliers are managed. Second, Citizens Gas is proposing to change how gas nominations for 3rd Party Supplier Groups, Supplier Pools and End-User Customers acting as their own Supply Agent will be made. The changes are revenue neutral to all parties.

Enclosed for your review and approval by the Commission, please find red-line and final versions of the following pages of Citizens Gas Tariffs affected by these proposed changes:

First Revised Page No. 6
First Revised Page No. 8
First Revised Page No. 30
First Revised Page No. 31
First Revised Page No. 103E
First Revised Page No. 103F
First Revised Page No. 103G
First Revised Page No. 103H
First Revised Page No. 103I

First Revised Page No. 104E
First Revised Page No. 104F
First Revised Page No. 104G
First Revised Page No. 104H
First Revised Page No. 104I
First Revised Page No. 105E
First Revised Page No. 105H
First Revised Page No. 105I
First Revised Page No. 105J
First Revised Page No. 109E
First Revised Page No. 109H
First Revised Page No. 109I
First Revised Page No. 109J
First Revised Page No. 302B

Also enclosed is Exhibit A – Legal Notice. There are no other work papers supporting this filing.

Regarding the first change, Citizens Gas' current rules require Customer Banking Volumes to remain with End-Use Customers if they change 3rd Party Suppliers. The proposed revision allows Customer Banking Volumes to remain with the 3rd Party Supplier. The 3rd Party Supplier bills the customer for the gas under either scenario. This is being done to relieve an administrative burden associated with tracking multiple fractional nominations by all parties.

Under the existing tariffs, multiple small, usually fractional portions of a therm are being nominated and tracked for each individual End-Use Customer in a Supplier Group or a Supplier Pool. This is a large administrative burden for the 3rd Party Supplier and the Utility. In response to requests by 3rd Party Suppliers, Citizens Gas is proposing changes that will allow Customer Bank nominations to be made on behalf of an entire Supplier Group or a Supplier Pool. This will allow for a Supplier to make one daily nomination for a single Supplier Group or Supplier Pool instead of potentially 100, 200, or more individual fractional nominations on a monthly basis. The End-Use Customer will continue to have the use of the Customer Banking Volumes while in the pool.

The second proposed change is due to the Utility connecting to the Rockies Express Pipeline. Currently, language in Citizens Gas Tariffs requires 3rd Party Suppliers of Supplier Groups, Supplier Pools and End-Use Customers acting as their own Supply Agent to provide 50% of their daily gas supply nominations on Panhandle Eastern Pipeline and the remaining 50% on the Texas Gas Transmission Pipeline and/or Heartland Gas Pipeline (in any combination). The changes proposed in the attached tariffs are designed to allow the daily gas supply nomination in excess of the 50% nominated to Panhandle Eastern Pipeline to be made on any of the other pipelines connected to Citizens Gas'

system. This change will have no revenue impact on 3rd Party Suppliers or Citizens Gas and is an added benefit to the End-Use Customer and their 3rd Party Supplier. Citizens Gas is unaware of any reason an objection would exist for this proposed change.

Citizens Gas affirms that a notice regarding this filing in the form attached hereto as Exhibit A was published on December 19, 2009 in the Indianapolis Star, a newspaper of general circulation in the Indianapolis metro area. Citizens Gas also affirms that this notice has been posted on the Utility's website and in the Utility's customer service lobby.

Upon approval of the enclosed tariff sheets, please return one file marked and approved stamped copy of the tariff sheets to me. All communications or questions regarding this filing can be directed to me at 927-4427 or jphillips@citizensenergygroup.com.

Sincerely,

A handwritten signature in cursive script that reads "Jill A. Phillips".

Jill A. Phillips
Rates Manager

Enclosures

cc: Indiana Office of Utility Consumer Counselor

First Revised Page No. 104E
First Revised Page No. 104F
First Revised Page No. 104G
First Revised Page No. 104H
First Revised Page No. 104I
First Revised Page No. 105E
First Revised Page No. 105H
First Revised Page No. 105I
First Revised Page No. 105J
First Revised Page No. 109E
First Revised Page No. 109H
First Revised Page No. 109I
First Revised Page No. 109J
First Revised Page No. 302B

Also enclosed is Exhibit A – Legal Notice. There are no other work papers supporting this filing.

Regarding the first change, Citizens Gas' current rules consider the Customer Banking Volumes to be owned by the End-Use Customer, and would move with the End-Use Customer if they change 3rd Party Marketers. The proposed revision allows Customer Banking Volumes to remain with the 3rd Party Supplier. The 3rd Party Supplier bills the customer for the gas under either scenario. This is being done to relieve an administrative burden associated with tracking multiple fractional nominations by all parties.

Under the existing tariffs, multiple small, usually fractional portions of a therm are being nominated and tracked for each individual End-Use Customer in a Supplier Group or a Supplier Pool. This is a large administrative burden for the 3rd Party Supplier and the Utility. In response to requests by 3rd Party Suppliers, Citizens Gas is proposing changes that will allow Customer Bank nominations to be made on behalf of an entire Supplier Group or a Supplier Pool. This will allow for a Supplier to make one daily nomination for a single Supplier Group or Supplier Pool instead of potentially 100, 200, or more individual fractional nominations on a monthly basis. The End-Use Customer will continue to have the use of the Customer Banking Volumes while in the pool.

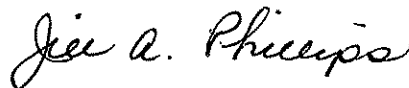
The second proposed change is due to the Utility connecting to the Rockies Express Pipeline. Currently, language in Citizens Gas Tariffs requires 3rd Party Suppliers of Supplier Groups, Supplier Pools and End-Use Customers acting as their own Supply Agent to provide 50% of their daily gas supply nominations on Panhandle Eastern Pipeline and the remaining 50% on the Texas Gas Transmission Pipeline and/or Heartland Gas Pipeline (in any combination), at the 3rd Party Supplier's level is no longer appropriate. The changes proposed in the attached tariffs are designed to allow the daily gas supply nomination in excess

of the 50% nominated to Panhandle Eastern Pipeline to be made on any of the other pipelines connected to Citizens Gas' system. This change will have no revenue impact on 3rd Party Suppliers or Citizens Gas and is an added benefit to the End-Use Customer and their 3rd Party Supplier. Citizens Gas is unaware of any reason an objection would exist for this proposed change.

Citizens Gas affirms that a notice regarding this filing in the form attached hereto as Exhibit A was published on December 19, 2009 in the Indianapolis Star, a newspaper of general circulation in the Indianapolis metro area. Citizens Gas also affirms that this notice has been posted on the Utility's website and in the Utility's customer service lobby.

Upon approval of the enclosed tariff sheets, please return one file marked and approved stamped copy of the tariff sheets to me. All communications or questions regarding this filing can be directed to me at 927-4427 or jphillips@citizensenergygroup.com.

Sincerely,

A handwritten signature in cursive script that reads "Jill A. Phillips".

Jill A. Phillips
Rates Manager

Enclosures

cc: Indiana Office of Utility Consumer Counselor

1. DEFINITIONS

Except where the context indicates a different meaning or intent, the following terms, when used in any Section of the Utility's Gas Delivery Service, Gas Supply Service, Administrative Services, Rates, and Terms and Conditions for Gas Service, shall have the meanings defined below:

1.0 3RD PARTY SUPPLIER

Any entity, other than the Utility, qualified under Section 13 to provide gas supply services within the Utility's service area.

1.1 AGGREGATED ACCOUNT

A single Commercial or Industrial End-Use Customer at a single billing address receiving Gas Delivery Service through multiple Meters supplying multiple Premises, who has elected to combine its multiple Premises for balancing, banking, and bill summarization and presentment purposes. The Gas Delivery Service bill for consumption of each Meter is calculated separately, then consolidated for bill presentment purposes. To qualify as an Aggregated Account, the combined annual Gas consumption measured by the multiple Meters must be greater than 50,000 therms. All Meters must be read in the same meter reading district, or have Automated Meter Reading equipment installed.

1.2 APPLICANT

Any individual, partnership, association, firm, public or private corporation, limited liability company, government agency, institution or group thereof applying to receive, consume or use the Utility's Gas Supply, Gas Delivery or Administrative Services.

1.3 AUTOMATED METER READING

All hardware and equipment installed on an End-Use Customer's premises for the purpose of transmitting a daily meter reading to the Utility.

1.4 BANKING AND BALANCING

Services provided by the Utility as a part of Gas Delivery Service, that, with respect to Balancing, accommodate the usage swings of End-Use Customers and, with respect to Banking, provide the ability to store gas for later use.

1.5 BANKING INJECTION NOMINATION

The volumes designated by or on behalf of an End-Use Customer to be delivered to the Utility's City Gate for the purpose of increasing volumes of Gas in the End-Use Customer's storage bank for the End-Use Customer's later use.

1.6 BANKING WITHDRAWAL NOMINATION

The volumes designated by or on behalf of an End-Use Customer for the purpose of decreasing the volume of Gas in the End-Use Customer's storage bank for the End-Use Customer's current use.

1.16 CRITICAL PERIOD

A period, declared at the discretion of the Utility, during which time unusual conditions jeopardize normal operation of the Utility's system.

1.17 CURTAILMENT

A temporary reduction in Gas usage directed by the Utility for operating reasons, for protection of human need uses.

1.18 CUSTOMER BANKING VOLUMES

A volume of gas effectively representing capacity in the Utility's underground storage fields that ~~the 3rd Party Supplier an End-Use Customer~~ may be conditionally granted annually. It does not represent any control or ownership of the Utility's storage fields but only the 3rd Party Supplier an End-Use Customer's conditional use of them. 3rd Party Suppliers, or Customers acting as their own Supply Agent, are responsible for providing daily Banking Injection Nominations and Banking Withdrawal Nominations to the Utility pursuant to its Gas Delivery Service rate schedules, consistent with a granted Customer Banking Volume.

1.19 DAILY GAS SUPPLY DELIVERIES

The gas supply volumes submitted to the Utility and scheduled by a pipeline to be delivered to the Utility's City Gate by or on behalf of an End-Use Customer, plus Banking Volume quantities scheduled by or on behalf of an End-Use Customer.

1.20 DAILY GAS SUPPLY NOMINATIONS

The gas supply volumes confirmed by a pipeline to be delivered to the Utility's City Gate by or on behalf of an End-Use Customer, plus Banking Volume quantities nominated by or on behalf of an End-Use Customer.

1.21 DAILY USAGE IMBALANCES

The difference between Daily Gas Supply Deliveries and the daily volume of Gas consumed by the End-Use Customer, calculated on a daily basis.

1.22 DELIVERY CHARGE

A rate per unit of Gas consumed by the End-Use Customer, designed to recover fixed and variable costs incurred by the Utility to provide Gas Delivery Service to the End-Use Customer's Meter, not otherwise recovered through the Facilities Charge.

1.23 DELIVERY IMBALANCES

The difference between Daily Gas Supply Nominations and Daily Gas Supply Deliveries on behalf of an End-Use Customer in a Supplier Group, or an End-Use Customer acting as its own Supply Agent. Also can mean, for an End-Use Customer in a Supplier Pool, the difference between Forecasted Daily Requirements and Daily Gas Supply Deliveries.

12.32 GAS SUPPLY NOMINATIONS AND SCHEDULING

3rd Party Suppliers of Supplier Groups, or End-Use Customers acting as their own Supply Agent, are required to provide an estimate of Daily Gas Supply Nominations to the Utility for the following month, by no later than 5 calendar days prior to the beginning of the month. All Daily Gas Supply Nominations and Daily Gas Supply Deliveries must include the allowances for Unaccounted for Gas and Company Use Gas as approved by the Commission in Gas Rate No. S4. Daily Gas Supply Nominations must include a separate Banking Injection Nomination or Banking Withdrawal Nomination if applicable. Daily Gas Supply Nominations must be reasonable, in the Utility's judgment, based on previously estimated daily nominations and will be accepted at the Utility's discretion. Intra-day nominations will be allowed pursuant to rules of the interstate pipeline.

3rd Party Suppliers and End-Use Customers acting as their own Supply Agent will provide Daily Gas Supply Nominations to the Utility. All nominations shall include at a minimum: name of 3rd Party Supplier, name and phone number of individual submitting the nomination, pipeline transportation contract number, applicable Supplier Group or Supplier Pool, or End-Use Customer, date for which nomination applies, and type of nomination submitted.

3rd Party Suppliers of Supplier Groups and Supplier Pools, and End-Use Customers acting as their own Supply Agent, are required to provide 50% of their Daily Gas Supply Nominations on the Panhandle Eastern Pipe Line and the remaining 50% of their Daily Gas Supply Nominations on the other pipelines connected to the Utility's system ~~Texas Gas Transmission Pipeline and/or Heartland Gas Pipeline~~ (in any combination). Subject to the terms of the Settlement Agreement in Cause No. 41605, the Utility will allow, on a first-come, first served basis, End-Use Customers with annual usage greater than 1,000,000 Therms, to notify the Utility, in writing, of an intent to nominate volumes that do not comply with the previously stated requirement of equal nomination amounts on all interstate pipelines connected to the Utility's distribution system, pursuant to Gas Rate Nos. D5 and D9.

12.33 CUSTOMER BANKING VOLUMES

~~End-Use Customers of 3rd Party Suppliers, or an End-Use Customer acting as its own Supply Agent,~~ will be granted Customer Banking Volumes for use throughout the year. All Customer Banking Volumes requested to be injected or withdrawn must be nominated in accordance with required nomination procedures.

~~Customer Banking Volumes will remain with 3rd Party Supplier. End-Use Customers should they End-Use Customer switch 3rd Party Suppliers, and will transfer from the former 3rd Party Supplier to the new 3rd Party Supplier, effective at the same time as the change in 3rd Party Supplier. The level of Customer Banking Volumes granted will be reviewed periodically by the Utility.~~

End-Use Customers electing Basic Delivery Service, with annual usage in excess of 1,000,000 Therms annually, may opt-out of Banking Service, pursuant to Gas Rate No. D5 and D9. An End-Use Customer must sign an agreement with the Utility to opt-out of Banking Service for the elected 12-month period.

Any End-Use Customer desiring to re-subscribe to Banking Service may do so, but only if sufficient capacity either exists, or can be procured by the Utility. Any costs that are the direct result of the customer returning to Banking Service, including but not limited to pipeline capacity costs and costs for storage services incurred by the Utility to return the End-Use Customer to Banking Service, will be directly charged to the returning End-Use Customer.

After an End-Use Customer has provided written notice to opt-out under this section, the End-Use Customer will continue as an opt-out customer unless that customer wishes to change and does so in accordance with the provisions of this section. Subject to the previous sentence, subsequent to the initial opt-out period, beginning in February, 2004, to the extent not otherwise limited by this section, End-Use Customers will notify Citizens that they are electing to opt-out of Banking Service during the month of February ("Election Period") of each year. The election will become effective starting April 1 of that same year and remain effective through March 31, of the following year. Confirmation of the election will be returned to the End-Use Customer during the month of March immediately following the Election Period.

Annually, during the Election Period, the Utility will make available Incremental Banking Volumes, through Incremental Banking Service, under Gas Rate No. A9, to all 3rd Party Suppliers. End-Use Customers purchasing gas supply from a 3rd Party Supplier or End-Use Customers acting as their own Supply Agent.

12.34 GAS SUPPLY DELIVERIES AND IMBALANCE PROVISIONS

Daily Gas Supply Nominations and Banking Injections or Withdrawals must be equal to Forecasted Daily Requirements for End-Use Customers in Supplier Pools in order to avoid Delivery Imbalances, subject to Non-Performance Charges.

Daily Gas Supply Nominations and Daily Gas Supply Deliveries must be equal for End-Use Customers in Supplier Groups, or an End-Use Customer acting as its own Supply Agent, to avoid Delivery Imbalances, subject to Non-Performance Charges.

GAS RATE NO. D3 – GENERAL NON-HEAT DELIVERY SERVICE (Cont'd)

Usage Imbalances for Supplier Groups, arising from differences in the level of accumulated Daily Gas Supply Deliveries compared to the level of gas consumed by End-Use Customers in the Supplier Group, will be monitored, combined and netted, on a monthly basis. Unless an Operational Flow Order is issued, all monthly net Usage Imbalances will be charged, at month end, to 3rd Party Suppliers through Usage Balancing Service, under Gas Rate No. A2. In the event of an Operational Flow Order, monthly net Usage Imbalances will be charged, at month end, to 3rd Party Suppliers through Non-Performance Charges, under Gas Rate No. A4.

Basic Usage Imbalances, for Basic Delivery Service Customers, arising from differences in the level of Daily Gas Supply Deliveries compared to the level of gas consumed by the End-Use Customer, will be monitored for End-Use Customers acting as their own Supply Agent, or combined and netted, on a daily basis, for all End-Use Customers in a single Supplier Group. All daily net Basic Usage Imbalances will be calculated daily and charged, at month end, to 3rd Party Suppliers, or End-Use Customers acting as their own Supply Agent, through Basic Usage Balancing Service, under Gas Rate No. A3.

Banking Service

All End-Use Customers contracting with 3rd Party Suppliers, or End-Use Customers acting as their own Supply Agent, will be granted Customer Banking Volumes for use throughout the year.

Customer Banking Volumes will be granted periodically by the Utility to each 3rd Party Supplier ~~End-Use Customer~~ based on the ratio of the Supplier Group's End-Use Customer's winter season (November through March) consumption to total Utility winter season throughput, both for the preceding heating season, times the storage capacity available for banking. New End-Use Customers will be allocated ~~granted~~ Customer Banking Volumes based on usage of similar End-Use Customers, if more specific information is not available.

GAS RATE NO. D3 – GENERAL NON-HEAT DELIVERY SERVICE (Cont'd)

If the End-Use Customer elects to change 3rd Party Suppliers, Customer Banking Volumes will remain with the original 3rd Party Supplier ~~End-Use Customer~~ and will transfer from the former 3rd Party Supplier to the new 3rd Party Supplier, effective with the next injection season (April 1 through October 31), ~~at the same time as the change in 3rd Party Supplier.~~

Incremental Banking Service

During the Election Period, the Utility will make available Incremental Banking Volumes, through Incremental Banking Service, under Gas Rate No. A9, to all End-Use Customers purchasing gas supply from a 3rd Party Supplier, End-Use Customers acting as their own Supply Agent, or 3rd Party Suppliers. Requirements for use of Incremental Banking Volumes acquired by 3rd Party Suppliers or End-Use Customers either are identical to standard Banking Volumes as described below, or are in accordance with the non-discriminatory standards determined by the Utility.

Nomination of Customer Banking Volumes

End-Use Customers' daily Banking Volume Injections or Withdrawals will be designated by their 3rd Party Supplier or End-Use Customers acting as their own Supply Agent. All Customer Banking Volumes requested to be injected or withdrawn must be nominated by the 3rd Party Supplier or End-Use Customers acting as their own Supply Agent, by the end of the gas day, in accordance with the required nomination procedures as described in the Terms and Conditions for Gas Service. Subject to the limitations described below, the Banking Injection or Withdrawal Nominations will be confirmed in total or in part at the sole discretion of the Utility.

Confirmed Banking Injection or Withdrawal Nominations will be used in the determination of Delivery and Usage Imbalances.

The Customer Banking Volume injection period will be the period from April 1 through October 31, inclusive. Customer Banking Volume injections shall not be permitted from November 1 through March 31. By October 31 of each year, all Banking Injection Nominations must have been delivered to the Utility's City Gate. The maximum Banking Volume Injection Quantity ("BVIQ") is one-one hundred and fiftieth (1/150) of the Customer Banking Volume, less remaining inventory from the previous year. Banking Withdrawal and Injection Nominations will be done ratably, or in accordance with the Utility's operational needs.

GAS RATE NO. D3 – GENERAL NON-HEAT DELIVERY SERVICE (Cont'd)

Permission for Banking Injection Nominations in excess of the amounts set forth in the preceding section may be requested. Utility may, at its sole discretion, honor such request without discrimination.

If the granted Customer Banking Volume level is not reached by October 31, the Utility will purchase and inject the volume of Gas necessary to bring the Customer Banking Volume inventory to the assigned level and the End-Use Customer's 3rd Party Supplier will be charged for that volume in accordance with the provisions of Gas Rate No. A2.

The Customer Banking Volume withdrawal period will be the period from November 1 through March 31, inclusive. Banking Withdrawal Nominations shall not be permitted from April 1 through October 31. The maximum Banking Volume Withdrawal Quantity ("BVWQ"), on any one day, shall be calculated as one-seventy fifth (1/75) of the granted Customer Banking Volumes. Banking Injection and Withdrawal Nominations will be done ratably or in accordance with the Utility's operational needs.

The BVWQ will be reduced as the withdrawal period progresses in accordance with the following table:

Applicable Dates	Maximum Daily Banking Withdrawal Quantity
Nov. 1 – Dec. 31	100% of BVWQ
Jan. 1 – Jan. 15	75% of BVWQ
Jan. 16 – Feb. 15	50% of BVWQ
Feb. 16 – Mar. 31	25% of BVWQ

Permission for Banking Withdrawal Nominations in excess of the amounts set forth in the preceding section may be requested. Utility may, at its sole discretion, honor such request without discrimination.

GAS RATE NO. D3 – GENERAL NON-HEAT DELIVERY SERVICE (Cont'd)

Customer Banking Volumes must be maintained at or above minimum Customer Banking Volume inventory levels, expressed as a percentage of total Customer Banking Volumes, over the winter season, in accordance with the following table:

Date	Minimum Customer Banking Volume Inventory % of Total Capacity
At January 31	19%
At February 28	9%

No End-Use Customers will be allowed to switch back to Variable-Rate Gas Supply Service under Gas Rate No. S1 during the winter season, unless the required minimum Customer Banking Volume Inventory balances noted above are maintained.

Up to 5% of Customer Banking Volumes may remain in inventory at the end of the withdrawal period (March 31) without penalty. If more than 5% of Customer Banking Volumes is left in inventory at the end of the withdrawal period, the Utility will purchase from the End-Use Customer's 3rd Party Supplier all remaining Customer Banking Volumes above the 5% allowance. The purchase price will be the lesser of 90% of the applicable Variable-Rate Gas Supply Service, for the current month, under Gas Rate No. S1, or 90% of the Utility's Storage WACOG at March 31.

Supply of Last Resort

If the 3rd Party Supplier or End-Use Customer acting as its own Supply Agent, defaults, as indicated by its failure to nominate and/or deliver gas supplies for three consecutive days, End-Use Customers who have contracted for gas supply services from 3rd Party Suppliers, or are acting as their own Supply Agent will have access to Supply of Last Resort Service from the Utility, under Gas Rate No. S3 if available. Supply of Last Resort Service, if available, will be provided until the first day of the End-Use Customer's next billing cycle, at which time Variable Rate Gas Supply Service, under Gas Rate No. S1, will apply for a minimum of one billing cycle, subject to the Utility's discretion. If End-Use Customers do not have Automated Meter Reading devices, usage applicable to Supply of Last Resort Service will be prorated.

GAS RATE NO. D3 – GENERAL NON-HEAT DELIVERY SERVICE (Cont'd)

Nominations

3rd Party Suppliers of End-Use Customers in a Supplier Group, and End-Use Customers acting as their own Supply Agent, will be required to provide an estimate of Daily Gas Supply Nominations for the following month to the Utility by the required date, as stated in the Terms and Conditions for Gas Service, prior to the beginning of the month. 3rd Party Suppliers of End-Use Customers in a Supplier Group or Supplier Pool, and End-Use Customers acting as their own Supply Agent, also will be required to provide Daily Gas Supply Nominations to the Utility, as stated in the Terms and Conditions for Gas Service. The Utility retains the right to refuse Daily Gas Supply Nominations that vary significantly from the estimated daily nomination previously provided to the Utility.

Except as otherwise provided herein, 3rd Party Suppliers of Supplier Groups and Supplier Pools, and End-Use Customers acting as their own Supply Agent are required to provide 50% of their Daily Gas Supply Nominations on Panhandle Eastern Pipe Line and the remaining 50% on the other pipelines connected to the Utility's system ~~Texas Gas Transmission Pipe Line and/or Heartland Gas Pipe Line~~ (in any combination) at the 3rd Party Supplier's level.

Non-Economic Operational Flow Order

The Utility, in its discretion, shall have the right to issue a Non-Economic Operational Flow Order in accordance with the provisions stated in the Terms and Conditions for Gas Service. If a Non-Economic OFO is declared, the Utility will notify the affected 3rd Party Suppliers or End-Use Customers acting as their own Supply Agent, in accordance with the Non-Economic Operational Flow Order procedures stated in the Terms and Conditions for Gas Service. 3rd Party Suppliers, or End-Use Customers acting as their own Supply Agent, who do not comply with the Non-Economic Operational Flow Order, will be subject to the Operational Flow Order imbalance provisions of Basic Usage Balancing Service, under Gas Rate No. A3, or Non-Performance Charges, under Gas Rate No. A4.

GAS RATE NO. D4 – GENERAL HEATING DELIVERY SERVICE (Cont'd)

Usage Imbalances for Supplier Groups, arising from differences in the level of accumulated Daily Gas Supply Deliveries compared to the level of gas consumed by End-Use Customers in the Supplier Group, will be monitored, combined and netted, on a monthly basis. Unless an Operational Flow Order is issued, all monthly net Usage Imbalances will be charged, at month end, to 3rd Party Suppliers through Usage Balancing Service, under Gas Rate No. A2. In the event of an Operational Flow Order, monthly net Usage Imbalances will be charged, at month end, to 3rd Party Suppliers through Non-Performance Charges, under Gas Rate No. A4.

Basic Usage Imbalances, for Basic Delivery Service Customers, arising from differences in the level of Daily Gas Supply Deliveries compared to the level of gas consumed by the End-Use Customer, will be monitored for End-Use Customers acting as their own Supply Agent, or combined and netted, on a daily basis, for all End-Use Customers in a single Supplier Group. All daily net Basic Usage Imbalances will be calculated daily and charged, at month end, to 3rd Party Suppliers, or End-Use Customers acting as their own Supply Agent, through Basic Usage Balancing Service, under Gas Rate No. A3.

Banking Service

All End-Use Customers contracting with 3rd Party Suppliers, or End-Use Customers acting as their own Supply Agent, will be granted Customer Banking Volumes for use throughout the year.

Customer Banking Volumes will be granted periodically by the Utility to each 3rd Party Supplier ~~End-Use Customer~~ based on the ratio of the Supplier Group's End-Use Customer's winter season (November through March) consumption to total Utility winter season throughput, both for the preceding heating season, times the storage capacity available for banking. New End-Use Customers will be allocated ~~granted~~ Customer Banking Volumes based on usage of similar End-Use Customers, if more specific information is not available.

GAS RATE NO. D4 – GENERAL HEATING DELIVERY SERVICE (Cont'd)

If the End-Use Customer elects to change 3rd Party Suppliers, Customer Banking Volumes will remain with the original 3rd Party Supplier ~~End-Use Customer~~ and will transfer from the former 3rd Party Supplier to the new 3rd Party Supplier, effective with the next injection season (April 1 through October 31). ~~at the same time as the change in 3rd Party Supplier.~~

Incremental Banking Service

During the Election Period, the Utility will make available Incremental Banking Volumes, through Incremental Banking Service, under Gas Rate No. A9, to all End-Use Customers purchasing gas supply from a 3rd Party Supplier, End-Use Customers acting as their own Supply Agent, or a 3rd Party Supplier. Requirements for use of Incremental Banking Volumes acquired by 3rd Party Supplier or End-Use Customers either are identical to standard Banking Volumes as described below or are in accordance with the nondiscrimination standards determined by the Utility.

Nomination of Customer Banking Volumes

End-Use Customers' daily Banking Volume Injections or Withdrawals will be designated by their 3rd Party Supplier or End-Use Customers acting as their own Supply Agent. All Customer Banking Volumes requested to be injected or withdrawn must be nominated by the 3rd Party Supplier or End-Use Customers acting as their own Supply Agent by the end of the gas day in accordance with the required nomination procedures as described in the Terms and Conditions for Gas Service. Subject to the limitations described below, the Banking Injection or Withdrawal Nominations will be confirmed, in total or in part, at the sole discretion of the Utility.

Confirmed Banking Injection or Withdrawal Nominations will be used in the determination of Delivery and Usage Imbalances.

The Customer Banking Volume injection period will be the period from April 1 through October 31, inclusive. Customer Banking Volume injections shall not be permitted from November 1 through March 31. By October 31 of each year, all Banking Injection Nominations must have been delivered to the Utility's City Gate. The maximum Banking Volume Injection Quantity ("BVIQ") is one-one hundred and fiftieth (1/150) of the Customer Banking Volume, less remaining inventory from the previous year. Banking Withdrawal and Injection Nominations will be done ratably, or in accordance with the Utility's operational needs.

GAS RATE NO. D4 – GENERAL HEATING DELIVERY SERVICE (Cont'd)

Permission for Banking Injection Nominations in excess of the amounts set forth in the preceding section may be requested. Utility may, at its sole discretion, honor such request without discrimination.

If the granted Customer Banking Volume level is not reached by October 31, the Utility will purchase and inject the volume of Gas necessary to bring the Customer Banking Volume inventory to the assigned level and the End-Use Customer's 3rd Party Supplier will be charged for that volume in accordance with the provisions of Gas Rate No. A2.

The Customer Banking Volume withdrawal period will be the period from November 1 through March 31, inclusive. Banking Withdrawal Nominations shall not be permitted from April 1 through October 31. The maximum Banking Volume Withdrawal Quantity ("BVWQ"), on any one day, shall be calculated as one-seventy fifth (1/75) of the granted Customer Banking Volumes. Banking Injection and Withdrawal Nominations will be done ratably or in accordance with the Utility's operational needs.

The BVWQ will be reduced as the withdrawal period progresses in accordance with the following table:

Applicable Dates	Maximum Daily Banking Withdrawal Quantity
Nov. 1 – Dec. 31	100% of BVWQ
Jan. 1 – Jan. 15	75% of BVWQ
Jan. 16 – Feb. 15	50% of BVWQ
Feb. 16 – Mar. 31	25% of BVWQ

Permission for Banking Withdrawal Nominations in excess of the amounts set forth in the preceding section may be requested. Utility may, at its sole discretion, honor such request without discrimination.

GAS RATE NO. D4 – GENERAL HEATING DELIVERY SERVICE (Cont'd)

Customer Banking Volumes must be maintained at or above minimum Customer Banking Volume inventory levels, expressed as a percentage of total Customer Banking Volumes, over the winter season, in accordance with the following table:

Date	Minimum Customer Banking Volume Inventory % of Total Capacity
At January 31	19%
At February 28	9%

No End-Use Customers will be allowed to switch back to Variable-Rate Gas Supply Service under Gas Rate No. S1 during the winter season, unless the required minimum Customer Banking Volume Inventory balances noted above are maintained.

Up to 5% of Customer Banking Volumes may remain in inventory at the end of the withdrawal period (March 31) without penalty. If more than 5% of Customer Banking Volumes is left in inventory at the end of the withdrawal period, the Utility will purchase from the End-Use Customer's 3rd Party Supplier all remaining Customer Banking Volumes above the 5% allowance. The purchase price will be the lesser of 90% of the applicable Variable-Rate Gas Supply Service, for the current month, under Gas Rate No. S1, or 90% of the Utility's Storage WACOG at March 31.

Supply of Last Resort

If the 3rd Party Supplier, or End-Use Customer acting as its own Supply Agent, defaults, as indicated by its failure to nominate and/or deliver gas supplies for three consecutive days, End-Use Customers who have contracted for gas supply services from 3rd Party Suppliers, or are acting as their own Supply Agent, will have access to Supply of Last Resort Service from the Utility, under Gas Rate No. S3, if available. Supply of Last Resort Service, if available, will be provided until the first day of the End-Use Customer's next billing cycle, at which time Variable Rate Gas Supply Service, under Gas Rate No. S1, will apply for a minimum of one billing cycle, subject to the Utility's discretion. If End-Use Customers do not have Automated Meter Reading devices, usage applicable to Supply of Last Resort Service will be prorated.

GAS RATE NO. D4 – GENERAL HEATING DELIVERY SERVICE (Cont'd)

Nominations

3rd Party Suppliers of End-Use Customers in a Supplier Group, and End-Use Customers acting as their own supply Agent, will be required to provide an estimate of Daily Gas Supply Nominations for the following month to the Utility by the required date, as stated in the Terms and Conditions for Gas Service, prior to the beginning of the month. 3rd Party suppliers of End-Use Customers in a Supplier Group or Supplier Pool, and End Use Customers acting as their own Supply Agent, also will be required to provide Daily Gas Supply Nominations to the Utility, as stated in the Terms and Conditions for Gas Service. The Utility retains the right to refuse Daily Gas Supply Nominations that vary significantly from the estimated daily nomination previously provided to the Utility.

Except as otherwise provided herein, 3rd Party Suppliers of Supplier Groups and Supplier Pools, and End-Use Customers acting as their own Supply Agent are required to provide 50% of their Daily Gas Supply Nominations on the Panhandle Eastern Pipe Line and the remaining 50% on the other pipelines connected to the Utility's system (in any combination) at the 3rd Party Supplier's level. ~~Texas Gas Transmission Pipe Line and/or Heartland Gas Pipe Line (in any combination) at the 3rd Party Supplier's level.~~

Non-Economic Operational Flow Order

The Utility, in its discretion, shall have the right to issue a Non-Economic Operational Flow Order in accordance with the provisions stated in the Terms and Conditions for Gas Service. If a Non-Economic Operational Flow Order is declared, the Utility will notify the affected 3rd Party Suppliers or End-Use Customers acting as their own Supply Agent, in accordance with the Non-Economic Operational Flow Order procedures stated in the Terms and Conditions for Gas Service. 3rd Party Suppliers, or End-Use Customers acting as their own Supply Agent, who do not comply with the Non-Economic Operational Flow Order, will be subject to the Operational Flow Order imbalance provisions of Basic Usage Balancing Service, under Gas Rate No. A3, or Non-Performance Charges, under Gas Rate No. A4.

Citizens Gas & Coke Utility
2020 North Meridian Street
105E

Indianapolis, Indiana 46202

— First Revised Page No.

Superseding Original Page No. 105E

GAS RATE NO. D5 – LARGE VOLUME DELIVERY SERVICE (Cont'd)

In addition to the Basic Delivery Service Charges applicable to End-Use Customers selecting Basic Delivery Service, Basic Usage Imbalances, for Basic Delivery Service customers, arising from differences in the level of Daily Gas Supply Deliveries compared to the level of gas consumed by the End-Use Customer, will be monitored for End-Use Customers acting as their own Supply Agent, or combined and netted, on a daily basis, for all End-Use Customers in a single Supplier Group. All daily net Basic Usage Imbalances will be calculated daily and charged, at month end, to 3rd Party Suppliers, or to End-Use Customers acting as their own Supply Agent, through Basic Usage Balancing Service, under Gas Rate No. A3.

Banking Service

All End-Use Customers contracting with 3rd Party Suppliers, or End-Use Customers acting as their own Supply Agent, will be granted Customer Banking Volumes for use throughout the year.

Customer Banking Volumes will be granted periodically by the Utility to each 3rd Party Supplier ~~End-Use Customer~~ based on the ratio of the Supplier Group's End-Use Customer's winter season (November through March) consumption to total Utility winter season throughput, both for the preceding heating season times storage capacity available for banking. New End-Use Customers will be allocated ~~granted~~ Customer Banking Volumes based on usage of similar End-Use Customers, if more specific information is not available.

If the End-Use Customer elects to change 3rd Party Suppliers, Customer Banking Volumes will remain with the original 3rd Party Supplier ~~End-Use Customer~~ and will transfer from the former 3rd Party Supplier to the new 3rd Party Supplier, effective with the next injection season (April 1 through October 31) ~~at the same time as the change in 3rd Party Supplier.~~

GAS RATE NO. D5 – LARGE VOLUME DELIVERY SERVICE (Cont'd)

If the granted Customer Banking Volume level is not reached by October 31, the Utility will purchase and inject the volume of Gas necessary to bring the Customer Banking Volume inventory to the assigned level and the End-Use Customer's 3rd Party Supplier will be charged for that volume in accordance with the provisions of Gas Rate No. A2.

The Customer Banking Volume withdrawal period will be the period from November 1 through March 31, inclusive. Banking Withdrawal Nominations shall not be permitted from April 1 through October 31. The maximum Banking Volume Withdrawal Quantity ("BVWQ"), on any one day, shall be calculated as one-seventy fifth (1/75) of the granted Customer Banking Volumes. Banking Injection and Withdrawal Nominations will be done ratably or in accordance with the Utility's operational needs.

The BVWQ will be reduced as the withdrawal period progresses in accordance with the following table:

Applicable Dates	Maximum Daily Banking Withdrawal Quantity
Nov. 1 – Dec. 31	100% of BVWQ
Jan. 1 – Jan. 15	75% of BVWQ
Jan. 16 – Feb. 15	50% of BVWQ
Feb. 16 – March 31	25% of BVWQ

Permission for Banking Withdrawal Nominations in excess of the amounts set forth in the preceding section may be requested. Utility may, at its sole discretion, honor such request without discrimination.

GAS RATE NO. D5 – LARGE VOLUME DELIVERY SERVICE (Cont'd)

Customer Banking Volumes must be maintained at or above minimum Customer Banking Volume inventory levels, expressed as a percentage of total Customer Banking Volumes, over the winter season, in accordance with the following table:

Date	Minimum Customer Banking Volume Inventory % of Total Capacity
At January 31	19%
At February 28	9%

No End-Use Customers will be allowed to switch back to Variable-Rate Gas Supply Service, under Gas Rate No. S1 during the winter season, unless the required minimum Customer Banking Volume Inventory balances noted above are maintained.

Up to 5% of Customer Banking Volumes may remain in inventory at the end of the withdrawal period (March 31) without penalty. If more than 5% of Customer Banking Volumes is left in inventory at the end of the withdrawal period, the Utility will purchase from the End-Use Customer's 3rd Party Supplier all remaining Customer Banking Volumes above the 5% allowance. The purchase price will be the lesser of 90% of the applicable Variable-Rate Gas Supply Service, for the current month, under Gas Rate No. S1, or 90% of the Utility's Storage WACOG at March 31.

Supply of Last Resort

If the 3rd Party Supplier, or End-Use Customer acting as its own Supply Agent, defaults, as indicated by its failure to nominate and/or deliver gas supplies for three consecutive days, End-Use Customers who have contracted for gas supply services from 3rd Party Suppliers, or are acting as their own Supply Agent, will have access to Supply of Last Resort Service from the Utility, under Gas Rate

GAS RATE NO. D5 – LARGE VOLUME DELIVERY SERVICE (Cont'd)

No. S3, if available. Supply of Last Resort Service, if available, will be provided until the first day of the End-Use Customer's next billing cycle, at which time Variable Rate Gas Supply Service, under Gas Rate No. S1, will apply for a minimum of one billing cycle, subject to the Utility's discretion. If End-Use Customers do not have Automated Meter Reading devices, usage applicable to Supply of Last Resort Service will be prorated.

Nominations

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

Except as otherwise provided herein, 3rd Party Suppliers of Supplier Groups and Supplier Pools, and End-Use Customers acting as their own Supply Agent, are required to provide 50% of their Daily Gas Supply Nominations on the Panhandle Eastern Pipe Line and the remaining 50% on the other pipelines connected to the Utility's system ~~Texas Gas Transmission Pipe Line and/or Heartland Gas Pipe Line~~ (in any combination), at the 3rd Party Supplier's level. The Utility will allow, on a first-come, first-served basis, End-Use Customers with annual usage greater than 1,000,000 Therms, to notify the Utility, in writing, of an intent to nominate volumes that do not comply with the previously stated requirement regarding nomination amounts on all interstate pipelines connected to the Utility's distribution system. The initial total usage of End-Use Customers that can be exempt from the requirement is 5 Bcf. As participating End-Use Customers change their nomination practices to comply with the Utility's requirement, the Utility will open a 30-day sign-up period, allocated on a first-come, first-served basis, for additional End-Use Customers interested in nominating volumes that do not comply with the Utility's requirement.

GAS RATE NO. D9 – HIGH LOAD DELIVERY SERVICE (Cont'd)

In addition to the Basic Delivery Service Charges applicable to End-Use Customers selecting Basic Delivery Service, Basic Usage Imbalances, for Basic Delivery Service customers, arising from differences in the level of Daily Gas Supply Deliveries compared to the level of gas consumed by the End-Use Customer, will be monitored for End-Use Customers acting as their own Supply Agent, or combined and netted, on a daily basis, for all End-Use Customers in a single Supplier Group. All daily net Basic Usage Imbalances will be calculated daily and charged, at month end, to 3rd Party Suppliers, or to End-Use Customers acting as their own Supply Agent, through Basic Usage Balancing Service, under Gas Rate No. A3.

Banking Service

All End-Use Customers contracting with 3rd Party Suppliers, or End-Use Customers acting as their own Supply Agent, will be granted Customer Banking Volumes for use throughout the year.

Customer Banking Volumes will be granted periodically by the Utility to each 3rd Party Supplier ~~End-Use Customer~~ based on the ratio of the Supplier Group's End-Use Customer's winter season (November through March) consumption to total Utility winter season throughput, both for the preceding heating season times storage capacity available for banking. New End-Use Customers will be ~~allocated~~ granted Customer Banking Volumes based on usage of similar End-Use Customers, if more specific information is not available.

If the End-Use Customer elects to change 3rd Party Suppliers, Customer Banking Volumes will remain with the original 3rd Party Supplier ~~End-Use Customer~~ and will transfer from the former 3rd Party Supplier to the new 3rd Party Supplier, effective with the next injection season (April 1 through October 31). ~~at the same time as the change in 3rd Party Supplier.~~

GAS RATE NO. D9 – HIGH LOAD DELIVERY SERVICE (Cont'd)

If the granted Customer Banking Volume level is not reached by October 31, the Utility will purchase and inject the volume of Gas necessary to bring the Customer Banking Volume inventory to the assigned level and the End-Use Customer's 3rd Party Supplier will be charged for that volume in accordance with the provisions of Gas Rate No. A2.

The Customer Banking Volume withdrawal period will be the period from November 1 through March 31, inclusive. Banking Withdrawal Nominations shall not be permitted from April 1 through October 31. The maximum Banking Volume Withdrawal Quantity ("BVWQ"), on any one day, shall be calculated as one-seventy fifth (1/75) of the granted Customer Banking Volumes. Banking Injection and Withdrawal Nominations will be done ratably or in accordance with the Utility's operational needs.

The BVWQ will be reduced as the withdrawal period progresses in accordance with the following table:

Applicable Dates	Maximum Daily Banking Withdrawal Quantity
Nov. 1 – Dec. 31	100% of BVWQ
Jan. 1 – Jan. 15	75% of BVWQ
Jan. 16 – Feb. 15	50% of BVWQ
Feb. 16 – March 31	25% of BVWQ

Permission for Banking Withdrawal Nominations in excess of the amounts set forth in the preceding section may be requested. Utility may, at its sole discretion, honor such request without discrimination.

GAS RATE NO. D9 – HIGH LOAD DELIVERY SERVICE (Cont'd)

Customer Banking Volumes must be maintained at or above minimum Customer Banking Volume inventory levels, expressed as a percentage of total Customer Banking Volumes, over the winter season, in accordance with the following table:

Date	Minimum Customer Banking Volume Inventory % of Total Capacity
At January 31	19%
At February 28	9%

No End-Use Customers will be allowed to switch back to Variable-Rate Gas Supply Service, under Gas Rate No. S1 during the winter season, unless the required minimum Customer Banking Volume Inventory balances noted above are maintained.

Up to 5% of Customer Banking Volumes may remain in inventory at the end of the withdrawal period (March 31) without penalty. If more than 5% of Customer Banking Volumes is left in inventory at the end of the withdrawal period, the Utility will purchase from the End-Use Customer's 3rd Party Supplier all remaining Customer Banking Volumes above the 5% allowance. The purchase price will be the lesser of 90% of the applicable Variable-Rate Gas Supply Service, for the current month, under Gas Rate No. S1, or 90% of the Utility's Storage WACOG at March 31.

Supply of Last Resort

If the 3rd Party Supplier, or End-Use Customer acting as its own Supply Agent, defaults, as indicated by its failure to nominate and/or deliver gas supplies for three consecutive days, End-Use Customers who have contracted for gas supply services from 3rd Party Suppliers, or are acting as their own Supply Agent, will have access to Supply of Last Resort Service from the Utility, under Gas Rate

GAS RATE NO. D9 – HIGH LOAD DELIVERY SERVICE (Cont'd)

No. S3, if available. Supply of Last Resort Service, if available, will be provided until another 3rd party supplier can be arranged. If End-Use Customers do not have Automated Meter Reading devices, usage applicable to Supply of Last Resort Service will be prorated.

Nominations

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

Except as otherwise provided herein, 3rd Party Suppliers of Supplier Groups and Supplier Pools, and End-Use Customers acting as their own Supply Agent, are required to provide 50% of their Daily Gas Supply Nominations on the Panhandle Eastern Pipe Line and the remaining 50% on the other pipelines connected to the Utility's system ~~Texas Gas Transmission Pipe Line and/or Heartland Gas Pipe Line~~ (in any combination), at the 3rd Party Supplier's level. The Utility will allow, on a first-come, first-served basis, End-Use Customers with annual usage greater than 1,000,000 Therms, to notify the Utility, in writing, of an intent to nominate volumes that do not comply with the previously stated requirement regarding nomination amounts on all interstate pipelines connected to the Utility's distribution system. The initial total usage of End-Use Customers that can be exempt from the requirement is 5 Bcf. As participating End-Use Customers change their nomination practices to comply with the Utility's requirement, the Utility will open a 30-day sign-up period, allocated on a first-come, first-served basis, for additional End-Use Customers interested in nominating volumes that do not comply with the Utility's requirement.

GAS RATE NO. A2 – USAGE BALANCING SERVICE (Cont'd)

2. Cash-out credits for net monthly positive Usage Imbalances are as follows (Utility will purchase amounts from a 3rd Party Supplier, or End-Use Customer acting as its own Supply Agent that are not offset by other charges.):

Usage Imbalances of greater than 0% up to and including 10% will be carried over to the next month.

90% of applicable Gas Supply Charge from Rider A (excluding capacity costs) for monthly net Usage Imbalances of greater than 10% up to and including 20%

80% of applicable Gas Supply Charge from Rider A (excluding capacity costs) for monthly net Usage Imbalances of greater than 20% up to and including 30%

60% of applicable Gas Supply Charge from Rider A (excluding capacity costs) for monthly net Usage Imbalances of greater than 30%.

3. Cash out charges for volumes purchased and injected to bring a Customer Banking Volume inventory to the granted level will be charged to the End-Use Customer's 3rd Party Supplier at the following rate:

105% of the applicable Gas Supply Charge from Rider A or Citizens' storage WACOG, whichever is greater.

BILLING:

Charges and credits for Usage Balancing Service will be calculated monthly and billed at month end to the applicable 3rd Party Supplier, or End-Use Customer acting as its own Supply Agent or as otherwise applicable to an End-Use Customer. Utility will purchase amounts from a 3rd Party Supplier, or End-Use Customer acting as its own Supply Agent that are not offset by other charges.

1. **DEFINITIONS**

Except where the context indicates a different meaning or intent, the following terms, when used in any Section of the Utility's Gas Delivery Service, Gas Supply Service, Administrative Services, Rates, and Terms and Conditions for Gas Service, shall have the meanings defined below:

1.0 3RD PARTY SUPPLIER

Any entity, other than the Utility, qualified under Section 13 to provide gas supply services within the Utility's service area.

1.1 AGGREGATED ACCOUNT

A single Commercial or Industrial End-Use Customer at a single billing address receiving Gas Delivery Service through multiple Meters supplying multiple Premises, who has elected to combine its multiple Premises for balancing, banking, and bill summarization and presentment purposes. The Gas Delivery Service bill for consumption of each Meter is calculated separately, then consolidated for bill presentment purposes. To qualify as an Aggregated Account, the combined annual Gas consumption measured by the multiple Meters must be greater than 50,000 therms. All Meters must be read in the same meter reading district, or have Automated Meter Reading equipment installed.

1.2 APPLICANT

Any individual, partnership, association, firm, public or private corporation, limited liability company, government agency, institution or group thereof applying to receive, consume or use the Utility's Gas Supply, Gas Delivery or Administrative Services.

1.3 AUTOMATED METER READING

All hardware and equipment installed on an End-Use Customer's premises for the purpose of transmitting a daily meter reading to the Utility.

1.4 BANKING AND BALANCING

Services provided by the Utility as a part of Gas Delivery Service, that, with respect to Balancing, accommodate the usage swings of End-Use Customers and, with respect to Banking, provide the ability to store gas for later use.

1.5 BANKING INJECTION NOMINATION

The volumes designated by or on behalf of an End-Use Customer to be delivered to the Utility's City Gate for the purpose of increasing volumes of Gas in the storage bank for later use.

1.6 BANKING WITHDRAWAL NOMINATION

The volumes designated by or on behalf of an End-Use Customer for the purpose of decreasing the volume of Gas in the storage bank for current use.

1.16 CRITICAL PERIOD

A period, declared at the discretion of the Utility, during which time unusual conditions jeopardize normal operation of the Utility's system.

1.17 CURTAILMENT

A temporary reduction in Gas usage directed by the Utility for operating reasons, for protection of human need uses.

1.18 CUSTOMER BANKING VOLUMES

A volume of gas effectively representing capacity in the Utility's underground storage fields that the 3rd Party Supplier may be conditionally granted annually. It does not represent any control or ownership of the Utility's storage fields but only the 3rd Party Supplier's conditional use of them. 3rd Party Suppliers, or Customers acting as their own Supply Agent, are responsible for providing daily Banking Injection Nominations and Banking Withdrawal Nominations to the Utility pursuant to its Gas Delivery Service rate schedules, consistent with a granted Customer Banking Volume.

1.19 DAILY GAS SUPPLY DELIVERIES

The gas supply volumes submitted to the Utility and scheduled by a pipeline to be delivered to the Utility's City Gate by or on behalf of an End-Use Customer, plus Banking Volume quantities scheduled by or on behalf of an End-Use Customer.

1.20 DAILY GAS SUPPLY NOMINATIONS

The gas supply volumes confirmed by a pipeline to be delivered to the Utility's City Gate by or on behalf of an End-Use Customer, plus Banking Volume quantities nominated by or on behalf of an End-Use Customer.

1.21 DAILY USAGE IMBALANCES

The difference between Daily Gas Supply Deliveries and the daily volume of Gas consumed by the End-Use Customer, calculated on a daily basis.

1.22 DELIVERY CHARGE

A rate per unit of Gas consumed by the End-Use Customer, designed to recover fixed and variable costs incurred by the Utility to provide Gas Delivery Service to the End-Use Customer's Meter, not otherwise recovered through the Facilities Charge.

1.23 DELIVERY IMBALANCES

The difference between Daily Gas Supply Nominations and Daily Gas Supply Deliveries on behalf of an End-Use Customer in a Supplier Group, or an End-Use Customer acting as its own Supply Agent. Also can mean, for an End-Use Customer in a Supplier Pool, the difference between Forecasted Daily Requirements and Daily Gas Supply Deliveries.

12.32 GAS SUPPLY NOMINATIONS AND SCHEDULING

3rd Party Suppliers of Supplier Groups, or End-Use Customers acting as their own Supply Agent, are required to provide an estimate of Daily Gas Supply Nominations to the Utility for the following month, by no later than 5 calendar days prior to the beginning of the month. All Daily Gas Supply Nominations and Daily Gas Supply Deliveries must include the allowances for Unaccounted for Gas and Company Use Gas as approved by the Commission in Gas Rate No. S4. Daily Gas Supply Nominations must include a separate Banking Injection Nomination or Banking Withdrawal Nomination if applicable. Daily Gas Supply Nominations must be reasonable, in the Utility's judgment, based on previously estimated daily nominations and will be accepted at the Utility's discretion. Intra-day nominations will be allowed pursuant to rules of the interstate pipeline.

3rd Party Suppliers and End-Use Customers acting as their own Supply Agent will provide Daily Gas Supply Nominations to the Utility. All nominations shall include at a minimum: name of 3rd Party Supplier, name and phone number of individual submitting the nomination, pipeline transportation contract number, applicable Supplier Group or Supplier Pool, or End-Use Customer, date for which nomination applies, and type of nomination submitted.

3rd Party Suppliers of Supplier Groups and Supplier Pools, and End-Use Customers acting as their own Supply Agent, are required to provide 50% of their Daily Gas Supply Nominations on the Panhandle Eastern Pipe Line and the remaining 50% of their Daily Gas Supply Nominations on the Texas Gas Transmission Pipeline and/or Heartland Gas Pipeline (in any combination). Subject to the terms of the Settlement Agreement in Cause No. 41605, the Utility will allow, on a first-come, first served basis, End-Use Customers with annual usage greater than 1,000,000 Therms, to notify the Utility, in writing, of an intent to nominate volumes that do not comply with the previously stated requirement of equal nomination amounts on all interstate pipelines connected to the Utility's distribution system, pursuant to Gas Rate Nos. D5 and D9.

12.33 CUSTOMER BANKING VOLUMES

End-Use Customers, 3rd Party Suppliers, or an End-Use Customer acting as its own Supply Agent, will be granted Customer Banking Volumes for use throughout the year. All Customer Banking Volumes requested to be injected or withdrawn must be nominated in accordance with required nomination procedures.

Customer Banking Volumes will remain with 3rd Party Supplier should the End-Use Customer switch 3rd Party Suppliers. The level of Customer Banking Volumes granted will be reviewed periodically by the Utility.

End-Use Customers electing Basic Delivery Service, with annual usage in excess of 1,000,000 Therms annually, may opt-out of Banking Service, pursuant to Gas Rate No. D5 and D9. An End-Use Customer must sign an agreement with the Utility to opt-out of Banking Service for the elected 12-month period.

Any End-Use Customer desiring to re-subscribe to Banking Service may do so, but only if sufficient capacity either exists, or can be procured by the Utility. Any costs that are the direct result of the customer returning to Banking Service, including but not limited to pipeline capacity costs and costs for storage services incurred by the Utility to return the End-Use Customer to Banking Service, will be directly charged to the returning End-Use Customer.

After an End-Use Customer has provided written notice to opt-out under this section, the End-Use Customer will continue as an opt-out customer unless that customer wishes to change and does so in accordance with the provisions of this section. Subject to the previous sentence, subsequent to the initial opt-out period, beginning in February, 2004, to the extent not otherwise limited by this section, End-Use Customers will notify Citizens that they are electing to opt-out of Banking Service during the month of February ("Election Period") of each year. The election will become effective starting April 1 of that same year and remain effective through March 31, of the following year. Confirmation of the election will be returned to the End-Use Customer during the month of March immediately following the Election Period.

Annually, during the Election Period, the Utility will make available Incremental Banking Volumes, through Incremental Banking Service, under Gas Rate No. A9, to all 3rd Party Suppliers, End-Use Customers purchasing gas supply from a 3rd Party Supplier or End-Use Customers acting as their own Supply Agent.

12.34 GAS SUPPLY DELIVERIES AND IMBALANCE PROVISIONS

Daily Gas Supply Nominations and Banking Injections or Withdrawals must be equal to Forecasted Daily Requirements for End-Use Customers in Supplier Pools in order to avoid Delivery Imbalances, subject to Non-Performance Charges.

Daily Gas Supply Nominations and Daily Gas Supply Deliveries must be equal for End-Use Customers in Supplier Groups, or an End-Use Customer acting as its own Supply Agent, to avoid Delivery Imbalances, subject to Non-Performance Charges.

GAS RATE NO. D3 – GENERAL NON-HEAT DELIVERY SERVICE (Cont'd)

Usage Imbalances for Supplier Groups, arising from differences in the level of accumulated Daily Gas Supply Deliveries compared to the level of gas consumed by End-Use Customers in the Supplier Group, will be monitored, combined and netted, on a monthly basis. Unless an Operational Flow Order is issued, all monthly net Usage Imbalances will be charged, at month end, to 3rd Party Suppliers through Usage Balancing Service, under Gas Rate No. A2. In the event of an Operational Flow Order, monthly net Usage Imbalances will be charged, at month end, to 3rd Party Suppliers through Non-Performance Charges, under Gas Rate No. A4.

Basic Usage Imbalances, for Basic Delivery Service Customers, arising from differences in the level of Daily Gas Supply Deliveries compared to the level of gas consumed by the End-Use Customer, will be monitored for End-Use Customers acting as their own Supply Agent, or combined and netted, on a daily basis, for all End-Use Customers in a single Supplier Group. All daily net Basic Usage Imbalances will be calculated daily and charged, at month end, to 3rd Party Suppliers, or End-Use Customers acting as their own Supply Agent, through Basic Usage Balancing Service, under Gas Rate No. A3.

Banking Service

All End-Use Customers contracting with 3rd Party Suppliers, or End-Use Customers acting as their own Supply Agent, will be granted Customer Banking Volumes for use throughout the year.

Customer Banking Volumes will be granted periodically by the Utility to each 3rd Party Supplier based on the ratio of the Supplier Group's End-Use Customer's winter season (November through March) consumption to total Utility winter season throughput, both for the preceding heating season, times the storage capacity available for banking. New End-Use Customers will be allocated Customer Banking Volumes based on usage of similar End-Use Customers, if more specific information is not available.

GAS RATE NO. D3 – GENERAL NON-HEAT DELIVERY SERVICE (Cont'd)

If the End-Use Customer elects to change 3rd Party Suppliers, Customer Banking Volumes will remain with the original 3rd Party Supplier and will transfer from the former 3rd Party Supplier to the new 3rd Party Supplier, effective with the next injection season (April 1 through October 31).

Incremental Banking Service

During the Election Period, the Utility will make available Incremental Banking Volumes, through Incremental Banking Service, under Gas Rate No. A9, to all End-Use Customers purchasing gas supply from a 3rd Party Supplier, End-Use Customers acting as their own Supply Agent, or 3rd Party Suppliers. Requirements for use of Incremental Banking Volumes acquired by 3rd Party Suppliers or End-Use Customers either are identical to standard Banking Volumes as described below, or are in accordance with the non-discriminatory standards determined by the Utility.

Nomination of Customer Banking Volumes

End-Use Customers' daily Banking Volume Injections or Withdrawals will be designated by their 3rd Party Supplier or End-Use Customers acting as their own Supply Agent. All Customer Banking Volumes requested to be injected or withdrawn must be nominated by the 3rd Party Supplier or End-Use Customers acting as their own Supply Agent, by the end of the gas day, in accordance with the required nomination procedures as described in the Terms and Conditions for Gas Service. Subject to the limitations described below, the Banking Injection or Withdrawal Nominations will be confirmed in total or in part at the sole discretion of the Utility.

Confirmed Banking Injection or Withdrawal Nominations will be used in the determination of Delivery and Usage Imbalances.

The Customer Banking Volume injection period will be the period from April 1 through October 31, inclusive. Customer Banking Volume injections shall not be permitted from November 1 through March 31. By October 31 of each year, all Banking Injection Nominations must have been delivered to the Utility's City Gate. The maximum Banking Volume Injection Quantity ("BVIQ") is one-one hundred and fiftieth (1/150) of the Customer Banking Volume, less remaining inventory from the previous year. Banking Withdrawal and Injection Nominations will be done ratably, or in accordance with the Utility's operational needs.

GAS RATE NO. D3 – GENERAL NON-HEAT DELIVERY SERVICE (Cont'd)

Permission for Banking Injection Nominations in excess of the amounts set forth in the preceding section may be requested. Utility may, at its sole discretion, honor such request without discrimination.

If the granted Customer Banking Volume level is not reached by October 31, the Utility will purchase and inject the volume of Gas necessary to bring the Customer Banking Volume inventory to the assigned level and the End-Use Customer's 3rd Party Supplier will be charged for that volume in accordance with the provisions of Gas Rate No. A2.

The Customer Banking Volume withdrawal period will be the period from November 1 through March 31, inclusive. Banking Withdrawal Nominations shall not be permitted from April 1 through October 31. The maximum Banking Volume Withdrawal Quantity ("BVWQ"), on any one day, shall be calculated as one-seventy fifth (1/75) of the granted Customer Banking Volumes. Banking Injection and Withdrawal Nominations will be done ratably or in accordance with the Utility's operational needs.

The BVWQ will be reduced as the withdrawal period progresses in accordance with the following table:

Applicable Dates	Maximum Daily Banking Withdrawal Quantity
Nov. 1 – Dec. 31	100% of BVWQ
Jan. 1 – Jan. 15	75% of BVWQ
Jan. 16 – Feb. 15	50% of BVWQ
Feb. 16 – Mar. 31	25% of BVWQ

Permission for Banking Withdrawal Nominations in excess of the amounts set forth in the preceding section may be requested. Utility may, at its sole discretion, honor such request without discrimination.

GAS RATE NO. D3 – GENERAL NON-HEAT DELIVERY SERVICE (Cont'd)

Customer Banking Volumes must be maintained at or above minimum Customer Banking Volume inventory levels, expressed as a percentage of total Customer Banking Volumes, over the winter season, in accordance with the following table:

Date	Minimum Customer Banking Volume Inventory % of Total Capacity
At January 31	19%
At February 28	9%

No End-Use Customers will be allowed to switch back to Variable-Rate Gas Supply Service under Gas Rate No. S1 during the winter season, unless the required minimum Customer Banking Volume Inventory balances noted above are maintained.

Up to 5% of Customer Banking Volumes may remain in inventory at the end of the withdrawal period (March 31) without penalty. If more than 5% of Customer Banking Volumes is left in inventory at the end of the withdrawal period, the Utility will purchase from the End-Use Customer's 3rd Party Supplier all remaining Customer Banking Volumes above the 5% allowance. The purchase price will be the lesser of 90% of the applicable Variable-Rate Gas Supply Service, for the current month, under Gas Rate No. S1, or 90% of the Utility's Storage WACOG at March 31.

Supply of Last Resort

If the 3rd Party Supplier or End-Use Customer acting as its own Supply Agent, defaults, as indicated by its failure to nominate and/or deliver gas supplies for three consecutive days, End-Use Customers who have contracted for gas supply services from 3rd Party Suppliers, or are acting as their own Supply Agent will have access to Supply of Last Resort Service from the Utility, under Gas Rate No. S3 if available. Supply of Last Resort Service, if available, will be provided until the first day of the End-Use Customer's next billing cycle, at which time Variable Rate Gas Supply Service, under Gas Rate No. S1, will apply for a minimum of one billing cycle, subject to the Utility's discretion. If End-Use Customers do not have Automated Meter Reading devices, usage applicable to Supply of Last Resort Service will be prorated.

GAS RATE NO. D3 – GENERAL NON-HEAT DELIVERY SERVICE (Cont'd)

Nominations

3rd Party Suppliers of End-Use Customers in a Supplier Group, and End-Use Customers acting as their own Supply Agent, will be required to provide an estimate of Daily Gas Supply Nominations for the following month to the Utility by the required date, as stated in the Terms and Conditions for Gas Service, prior to the beginning of the month. 3rd Party Suppliers of End-Use Customers in a Supplier Group or Supplier Pool, and End-Use Customers acting as their own Supply Agent, also will be required to provide Daily Gas Supply Nominations to the Utility, as stated in the Terms and Conditions for Gas Service. The Utility retains the right to refuse Daily Gas Supply Nominations that vary significantly from the estimated daily nomination previously provided to the Utility.

Except as otherwise provided herein, 3rd Party Suppliers of Supplier Groups and Supplier Pools, and End-Use Customers acting as their own Supply Agent are required to provide 50% of their Daily Gas Supply Nominations on Panhandle Eastern Pipe Line and the remaining 50% on the Texas Gas Transmission Pipe Line and/or Heartland Gas Pipe Line (in any combination) at the 3rd Party Supplier's level.

Non-Economic Operational Flow Order

The Utility, in its discretion, shall have the right to issue a Non-Economic Operational Flow Order in accordance with the provisions stated in the Terms and Conditions for Gas Service. If a Non-Economic OFO is declared, the Utility will notify the affected 3rd Party Suppliers or End-Use Customers acting as their own Supply Agent, in accordance with the Non-Economic Operational Flow Order procedures stated in the Terms and Conditions for Gas Service. 3rd Party Suppliers, or End-Use Customers acting as their own Supply Agent, who do not comply with the Non-Economic Operational Flow Order, will be subject to the Operational Flow Order imbalance provisions of Basic Usage Balancing Service, under Gas Rate No. A3, or Non-Performance Charges, under Gas Rate No. A4.

GAS RATE NO. D4 – GENERAL HEATING DELIVERY SERVICE (Cont'd)

Usage Imbalances for Supplier Groups, arising from differences in the level of accumulated Daily Gas Supply Deliveries compared to the level of gas consumed by End-Use Customers in the Supplier Group, will be monitored, combined and netted, on a monthly basis. Unless an Operational Flow Order is issued, all monthly net Usage Imbalances will be charged, at month end, to 3rd Party Suppliers through Usage Balancing Service, under Gas Rate No. A2. In the event of an Operational Flow Order, monthly net Usage Imbalances will be charged, at month end, to 3rd Party Suppliers through Non-Performance Charges, under Gas Rate No. A4.

Basic Usage Imbalances, for Basic Delivery Service Customers, arising from differences in the level of Daily Gas Supply Deliveries compared to the level of gas consumed by the End-Use Customer, will be monitored for End-Use Customers acting as their own Supply Agent, or combined and netted, on a daily basis, for all End-Use Customers in a single Supplier Group. All daily net Basic Usage Imbalances will be calculated daily and charged, at month end, to 3rd Party Suppliers, or End-Use Customers acting as their own Supply Agent, through Basic Usage Balancing Service, under Gas Rate No. A3.

Banking Service

All End-Use Customers contracting with 3rd Party Suppliers, or End-Use Customers acting as their own Supply Agent, will be granted Customer Banking Volumes for use throughout the year.

Customer Banking Volumes will be granted periodically by the Utility to each 3rd Party Supplier based on the ratio of the Supplier Group's End-Use Customer's winter season (November through March) consumption to total Utility winter season throughput, both for the preceding heating season, times the storage capacity available for banking. New End-Use Customers will be allocated Customer Banking Volumes based on usage of similar End-Use Customers, if more specific information is not available.

GAS RATE NO. D4 – GENERAL HEATING DELIVERY SERVICE (Cont'd)

If the End-Use Customer elects to change 3rd Party Suppliers, Customer Banking Volumes will remain with the original 3rd Party Supplier and will transfer from the former 3rd Party Supplier to the new 3rd Party Supplier, effective with the next injection season (April 1 through October 31).

Incremental Banking Service

During the Election Period, the Utility will make available Incremental Banking Volumes, through Incremental Banking Service, under Gas Rate No. A9, to all End-Use Customers purchasing gas supply from a 3rd Party Supplier, End-Use Customers acting as their own Supply Agent, or a 3rd Party Supplier. Requirements for use of Incremental Banking Volumes acquired by 3rd Party Supplier or End-Use Customers either are identical to standard Banking Volumes as described below or are in accordance with the nondiscrimination standards determined by the Utility.

Nomination of Customer Banking Volumes

End-Use Customers' daily Banking Volume Injections or Withdrawals will be designated by their 3rd Party Supplier or End-Use Customers acting as their own Supply Agent. All Customer Banking Volumes requested to be injected or withdrawn must be nominated by the 3rd Party Supplier or End-Use Customers acting as their own Supply Agent by the end of the gas day in accordance with the required nomination procedures as described in the Terms and Conditions for Gas Service. Subject to the limitations described below, the Banking Injection or Withdrawal Nominations will be confirmed, in total or in part, at the sole discretion of the Utility.

Confirmed Banking Injection or Withdrawal Nominations will be used in the determination of Delivery and Usage Imbalances.

The Customer Banking Volume injection period will be the period from April 1 through October 31, inclusive. Customer Banking Volume injections shall not be permitted from November 1 through March 31. By October 31 of each year, all Banking Injection Nominations must have been delivered to the Utility's City Gate. The maximum Banking Volume Injection Quantity ("BVIQ") is one-one hundred and fiftieth (1/150) of the Customer Banking Volume, less remaining inventory from the previous year. Banking Withdrawal and Injection Nominations will be done ratably, or in accordance with the Utility's operational needs.

GAS RATE NO. D4 – GENERAL HEATING DELIVERY SERVICE (Cont'd)

Permission for Banking Injection Nominations in excess of the amounts set forth in the preceding section may be requested. Utility may, at its sole discretion, honor such request without discrimination.

If the granted Customer Banking Volume level is not reached by October 31, the Utility will purchase and inject the volume of Gas necessary to bring the Customer Banking Volume inventory to the assigned level and the End-Use Customer's 3rd Party Supplier will be charged for that volume in accordance with the provisions of Gas Rate No. A2.

The Customer Banking Volume withdrawal period will be the period from November 1 through March 31, inclusive. Banking Withdrawal Nominations shall not be permitted from April 1 through October 31. The maximum Banking Volume Withdrawal Quantity ("BVWQ"), on any one day, shall be calculated as one-seventy fifth (1/75) of the granted Customer Banking Volumes. Banking Injection and Withdrawal Nominations will be done ratably or in accordance with the Utility's operational needs.

The BVWQ will be reduced as the withdrawal period progresses in accordance with the following table:

Applicable Dates	Maximum Daily Banking Withdrawal Quantity
Nov. 1 – Dec. 31	100% of BVWQ
Jan. 1 – Jan. 15	75% of BVWQ
Jan. 16 – Feb. 15	50% of BVWQ
Feb. 16 – Mar. 31	25% of BVWQ

Permission for Banking Withdrawal Nominations in excess of the amounts set forth in the preceding section may be requested. Utility may, at its sole discretion, honor such request without discrimination.

GAS RATE NO. D4 – GENERAL HEATING DELIVERY SERVICE (Cont'd)

Customer Banking Volumes must be maintained at or above minimum Customer Banking Volume inventory levels, expressed as a percentage of total Customer Banking Volumes, over the winter season, in accordance with the following table:

Date	Minimum Customer Banking Volume Inventory % of Total Capacity
At January 31	19%
At February 28	9%

No End-Use Customers will be allowed to switch back to Variable-Rate Gas Supply Service under Gas Rate No. S1 during the winter season, unless the required minimum Customer Banking Volume Inventory balances noted above are maintained.

Up to 5% of Customer Banking Volumes may remain in inventory at the end of the withdrawal period (March 31) without penalty. If more than 5% of Customer Banking Volumes is left in inventory at the end of the withdrawal period, the Utility will purchase from the End-Use Customer's 3rd Party Supplier all remaining Customer Banking Volumes above the 5% allowance. The purchase price will be the lesser of 90% of the applicable Variable-Rate Gas Supply Service, for the current month, under Gas Rate No. S1, or 90% of the Utility's Storage WACOG at March 31.

Supply of Last Resort

If the 3rd Party Supplier, or End-Use Customer acting as its own Supply Agent, defaults, as indicated by its failure to nominate and/or deliver gas supplies for three consecutive days, End-Use Customers who have contracted for gas supply services from 3rd Party Suppliers, or are acting as their own Supply Agent, will have access to Supply of Last Resort Service from the Utility, under Gas Rate No. S3, if available. Supply of Last Resort Service, if available, will be provided until the first day of the End-Use Customer's next billing cycle, at which time Variable Rate Gas Supply Service, under Gas Rate No. S1, will apply for a minimum of one billing cycle, subject to the Utility's discretion. If End-Use Customers do not have Automated Meter Reading devices, usage applicable to Supply of Last Resort Service will be prorated.

GAS RATE NO. D4 – GENERAL HEATING DELIVERY SERVICE (Cont'd)

Nominations

3rd Party Suppliers of End-Use Customers in a Supplier Group, and End-Use Customers acting as their own supply Agent, will be required to provide an estimate of Daily Gas Supply Nominations for the following month to the Utility by the required date, as stated in the Terms and Conditions for Gas Service, prior to the beginning of the month. 3rd Party suppliers of End-Use Customers in a Supplier Group or Supplier Pool, and End Use Customers acting as their own Supply Agent, also will be required to provide Daily Gas Supply Nominations to the Utility, as stated in the Terms and Conditions for Gas Service. The Utility retains the right to refuse Daily Gas Supply Nominations that vary significantly from the estimated daily nomination previously provided to the Utility.

Except as otherwise provided herein, 3rd Party Suppliers of Supplier Groups and Supplier Pools, and End-Use Customers acting as their own Supply Agent are required to provide 50% of their Daily Gas Supply Nominations on the Panhandle Eastern Pipe Line and the remaining 50% on the Texas Gas Transmission Pipe Line and/or Heartland Gas Pipe Line (in any combination) at the 3rd Party Supplier's level.

Non-Economic Operational Flow Order

The Utility, in its discretion, shall have the right to issue a Non-Economic Operational Flow Order in accordance with the provisions stated in the Terms and Conditions for Gas Service. If a Non-Economic Operational Flow Order is declared, the Utility will notify the affected 3rd Party Suppliers or End-Use Customers acting as their own Supply Agent, in accordance with the Non-Economic Operational Flow Order procedures stated in the Terms and Conditions for Gas Service. 3rd Party Suppliers, or End-Use Customers acting as their own Supply Agent, who do not comply with the Non-Economic Operational Flow Order, will be subject to the Operational Flow Order imbalance provisions of Basic Usage Balancing Service, under Gas Rate No. A3, or Non-Performance Charges, under Gas Rate No. A4.

GAS RATE NO. D5 – LARGE VOLUME DELIVERY SERVICE (Cont'd)

In addition to the Basic Delivery Service Charges applicable to End-Use Customers selecting Basic Delivery Service, Basic Usage Imbalances, for Basic Delivery Service customers, arising from differences in the level of Daily Gas Supply Deliveries compared to the level of gas consumed by the End-Use Customer, will be monitored for End-Use Customers acting as their own Supply Agent, or combined and netted, on a daily basis, for all End-Use Customers in a single Supplier Group. All daily net Basic Usage Imbalances will be calculated daily and charged, at month end, to 3rd Party Suppliers, or to End-Use Customers acting as their own Supply Agent, through Basic Usage Balancing Service, under Gas Rate No. A3.

Banking Service

All End-Use Customers contracting with 3rd Party Suppliers, or End-Use Customers acting as their own Supply Agent, will be granted Customer Banking Volumes for use throughout the year.

Customer Banking Volumes will be granted periodically by the Utility to each 3rd Party Supplier based on the ratio of the Supplier Group's End-Use Customer's winter season (November through March) consumption to total Utility winter season throughput, both for the preceding heating season times storage capacity available for banking. New End-Use Customers will be allocated Customer Banking Volumes based on usage of similar End-Use Customers, if more specific information is not available.

If the End-Use Customer elects to change 3rd Party Suppliers, Customer Banking Volumes will remain with the original 3rd Party Supplier and will transfer from the former 3rd Party Supplier to the new 3rd Party Supplier, effective with the next injection season (April 1 through October 31).

GAS RATE NO. D5 – LARGE VOLUME DELIVERY SERVICE (Cont'd)

If the granted Customer Banking Volume level is not reached by October 31, the Utility will purchase and inject the volume of Gas necessary to bring the Customer Banking Volume inventory to the assigned level and the End-Use Customer's 3rd Party Supplier will be charged for that volume in accordance with the provisions of Gas Rate No. A2.

The Customer Banking Volume withdrawal period will be the period from November 1 through March 31, inclusive. Banking Withdrawal Nominations shall not be permitted from April 1 through October 31. The maximum Banking Volume Withdrawal Quantity ("BVWQ"), on any one day, shall be calculated as one-seventy fifth (1/75) of the granted Customer Banking Volumes. Banking Injection and Withdrawal Nominations will be done ratably or in accordance with the Utility's operational needs.

The BVWQ will be reduced as the withdrawal period progresses in accordance with the following table:

Applicable Dates	Maximum Daily Banking Withdrawal Quantity
Nov. 1 – Dec. 31	100% of BVWQ
Jan. 1 – Jan. 15	75% of BVWQ
Jan. 16 – Feb. 15	50% of BVWQ
Feb. 16 – March 31	25% of BVWQ

Permission for Banking Withdrawal Nominations in excess of the amounts set forth in the preceding section may be requested. Utility may, at its sole discretion, honor such request without discrimination.

GAS RATE NO. D5 – LARGE VOLUME DELIVERY SERVICE (Cont'd)

Customer Banking Volumes must be maintained at or above minimum Customer Banking Volume inventory levels, expressed as a percentage of total Customer Banking Volumes, over the winter season, in accordance with the following table:

Date	Minimum Customer Banking Volume Inventory % of Total Capacity
At January 31	19%
At February 28	9%

No End-Use Customers will be allowed to switch back to Variable-Rate Gas Supply Service, under Gas Rate No. S1 during the winter season, unless the required minimum Customer Banking Volume Inventory balances noted above are maintained.

Up to 5% of Customer Banking Volumes may remain in inventory at the end of the withdrawal period (March 31) without penalty. If more than 5% of Customer Banking Volumes is left in inventory at the end of the withdrawal period, the Utility will purchase from the End-Use Customer's 3rd Party Supplier all remaining Customer Banking Volumes above the 5% allowance. The purchase price will be the lesser of 90% of the applicable Variable-Rate Gas Supply Service, for the current month, under Gas Rate No. S1, or 90% of the Utility's Storage WACOG at March 31.

Supply of Last Resort

If the 3rd Party Supplier, or End-Use Customer acting as its own Supply Agent, defaults, as indicated by its failure to nominate and/or deliver gas supplies for three consecutive days, End-Use Customers who have contracted for gas supply services from 3rd Party Suppliers, or are acting as their own Supply Agent, will have access to Supply of Last Resort Service from the Utility, under Gas Rate

GAS RATE NO. D5 – LARGE VOLUME DELIVERY SERVICE (Cont'd)

No. S3, if available. Supply of Last Resort Service, if available, will be provided until the first day of the End-Use Customer's next billing cycle, at which time Variable Rate Gas Supply Service, under Gas Rate No. S1, will apply for a minimum of one billing cycle, subject to the Utility's discretion. If End-Use Customers do not have Automated Meter Reading devices, usage applicable to Supply of Last Resort Service will be prorated.

Nominations

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

Except as otherwise provided herein, 3rd Party Suppliers of Supplier Groups and Supplier Pools, and End-Use Customers acting as their own Supply Agent, are required to provide 50% of their Daily Gas Supply Nominations on the Panhandle Eastern Pipe Line and the remaining 50% on the other pipelines connected to the Utility's system (in any combination), at the 3rd Party Supplier's level. The Utility will allow, on a first-come, first-served basis, End-Use Customers with annual usage greater than 1,000,000 Therms, to notify the Utility, in writing, of an intent to nominate volumes that do not comply with the previously stated requirement regarding nomination amounts on all interstate pipelines connected to the Utility's distribution system. The initial total usage of End-Use Customers that can be exempt from the requirement is 5 Bcf. As participating End-Use Customers change their nomination practices to comply with the Utility's requirement, the Utility will open a 30-day sign-up period, allocated on a first-come, first-served basis, for additional End-Use Customers interested in nominating volumes that do not comply with the Utility's requirement.

GAS RATE NO. D9 – HIGH LOAD DELIVERY SERVICE (Cont'd)

In addition to the Basic Delivery Service Charges applicable to End-Use Customers selecting Basic Delivery Service, Basic Usage Imbalances, for Basic Delivery Service customers, arising from differences in the level of Daily Gas Supply Deliveries compared to the level of gas consumed by the End-Use Customer, will be monitored for End-Use Customers acting as their own Supply Agent, or combined and netted, on a daily basis, for all End-Use Customers in a single Supplier Group. All daily net Basic Usage Imbalances will be calculated daily and charged, at month end, to 3rd Party Suppliers, or to End-Use Customers acting as their own Supply Agent, through Basic Usage Balancing Service, under Gas Rate No. A3.

Banking Service

All End-Use Customers contracting with 3rd Party Suppliers, or End-Use Customers acting as their own Supply Agent, will be granted Customer Banking Volumes for use throughout the year.

Customer Banking Volumes will be granted periodically by the Utility to each 3rd Party Supplier based on the ratio of the Supplier Group's End-Use Customer's winter season (November through March) consumption to total Utility winter season throughput, both for the preceding heating season times storage capacity available for banking. New End-Use Customers will be allocated Customer Banking Volumes based on usage of similar End-Use Customers, if more specific information is not available.

If the End-Use Customer elects to change 3rd Party Suppliers, Customer Banking Volumes will remain with the original 3rd Party Supplier and will transfer from the former 3rd Party Supplier to the new 3rd Party Supplier, effective with the next injection season (April 1 through October 31).

GAS RATE NO. D9 – HIGH LOAD DELIVERY SERVICE (Cont'd)

If the granted Customer Banking Volume level is not reached by October 31, the Utility will purchase and inject the volume of Gas necessary to bring the Customer Banking Volume inventory to the assigned level and the End-Use Customer's 3rd Party Supplier will be charged for that volume in accordance with the provisions of Gas Rate No. A2.

The Customer Banking Volume withdrawal period will be the period from November 1 through March 31, inclusive. Banking Withdrawal Nominations shall not be permitted from April 1 through October 31. The maximum Banking Volume Withdrawal Quantity ("BVWQ"), on any one day, shall be calculated as one-seventy fifth (1/75) of the granted Customer Banking Volumes. Banking Injection and Withdrawal Nominations will be done ratably or in accordance with the Utility's operational needs.

The BVWQ will be reduced as the withdrawal period progresses in accordance with the following table:

Applicable Dates	Maximum Daily Banking Withdrawal Quantity
Nov. 1 – Dec. 31	100% of BVWQ
Jan. 1 – Jan. 15	75% of BVWQ
Jan. 16 – Feb. 15	50% of BVWQ
Feb. 16 – March 31	25% of BVWQ

Permission for Banking Withdrawal Nominations in excess of the amounts set forth in the preceding section may be requested. Utility may, at its sole discretion, honor such request without discrimination.

GAS RATE NO. D9 – HIGH LOAD DELIVERY SERVICE (Cont'd)

Customer Banking Volumes must be maintained at or above minimum Customer Banking Volume inventory levels, expressed as a percentage of total Customer Banking Volumes, over the winter season, in accordance with the following table:

Date	Minimum Customer Banking Volume Inventory % of Total Capacity
At January 31	19%
At February 28	9%

No End-Use Customers will be allowed to switch back to Variable-Rate Gas Supply Service, under Gas Rate No. S1 during the winter season, unless the required minimum Customer Banking Volume Inventory balances noted above are maintained.

Up to 5% of Customer Banking Volumes may remain in inventory at the end of the withdrawal period (March 31) without penalty. If more than 5% of Customer Banking Volumes is left in inventory at the end of the withdrawal period, the Utility will purchase from the End-Use Customer's 3rd Party Supplier all remaining Customer Banking Volumes above the 5% allowance. The purchase price will be the lesser of 90% of the applicable Variable-Rate Gas Supply Service, for the current month, under Gas Rate No. S1, or 90% of the Utility's Storage WACOG at March 31.

Supply of Last Resort

If the 3rd Party Supplier, or End-Use Customer acting as its own Supply Agent, defaults, as indicated by its failure to nominate and/or deliver gas supplies for three consecutive days, End-Use Customers who have contracted for gas supply services from 3rd Party Suppliers, or are acting as their own Supply Agent, will have access to Supply of Last Resort Service from the Utility, under Gas Rate

GAS RATE NO. D9 – HIGH LOAD DELIVERY SERVICE (Cont'd)

No. S3, if available. Supply of Last Resort Service, if available, will be provided until another 3rd party supplier can be arranged. If End-Use Customers do not have Automated Meter Reading devices, usage applicable to Supply of Last Resort Service will be prorated.

Nominations

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

Except as otherwise provided herein, 3rd Party Suppliers of Supplier Groups and Supplier Pools, and End-Use Customers acting as their own Supply Agent, are required to provide 50% of their Daily Gas Supply Nominations on the Panhandle Eastern Pipe Line and the remaining 50% on the other pipelines connected to the Utility's system (in any combination), at the 3rd Party Supplier's level. The Utility will allow, on a first-come, first-served basis, End-Use Customers with annual usage greater than 1,000,000 Therms, to notify the Utility, in writing, of an intent to nominate volumes that do not comply with the previously stated requirement regarding nomination amounts on all interstate pipelines connected to the Utility's distribution system. The initial total usage of End-Use Customers that can be exempt from the requirement is 5 Bcf. As participating End-Use Customers change their nomination practices to comply with the Utility's requirement, the Utility will open a 30-day sign-up period, allocated on a first-come, first-served basis, for additional End-Use Customers interested in nominating volumes that do not comply with the Utility's requirement.

GAS RATE NO. A2 – USAGE BALANCING SERVICE (Cont'd)

2. Cash-out credits for net monthly positive Usage Imbalances are as follows (Utility will purchase amounts from a 3rd Party Supplier, or End-Use Customer acting as its own Supply Agent that are not offset by other charges.):

Usage Imbalances of greater than 0% up to and including 10% will be carried over to the next month.

90% of applicable Gas Supply Charge from Rider A (excluding capacity costs) for monthly net Usage Imbalances of greater than 10% up to and including 20%

80% of applicable Gas Supply Charge from Rider A (excluding capacity costs) for monthly net Usage Imbalances of greater than 20% up to and including 30%

60% of applicable Gas Supply Charge from Rider A (excluding capacity costs) for monthly net Usage Imbalances of greater than 30%.

3. Cash out charges for volumes purchased and injected to bring a Customer Banking Volume inventory to the granted level will be charged to the End-Use Customer's 3rd Party Supplier at the following rate:

105% of the applicable Gas Supply Charge from Rider A or Citizens' storage WACOG, whichever is greater.

BILLING:

Charges and credits for Usage Balancing Service will be calculated monthly and billed at month end to the applicable 3rd Party Supplier, or End-Use Customer acting as its own Supply Agent or as otherwise applicable to an End-Use Customer. Utility will purchase amounts from a 3rd Party Supplier, or End-Use Customer acting as its own Supply Agent that are not offset by other charges.

Exhibit A

LEGAL NOTICE

PUBLIC NOTICE is hereby given that on December 21, 2009, the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis d/b/a Citizens Gas (the "Utility") intends to file with the Indiana Utility Regulatory Commission ("Commission") proposed changes to the Utility's tariff. The Utility is proposing to change the manner in which Customer Banking Volumes for End Use Customers served by 3rd Party Suppliers are managed. The Utility also is proposing to change the manner in which gas nominations for 3rd Party Supplier Groups, Supplier Pools and End-Use Customers acting as their own Supply Agent are made. Approval of the proposed changes is expected no later than March 31, 2010. The proposed changes, if approved, will become effective April 1, 2010. Contact information, to which an objection should be made, is as follows:

Secretary
Indiana Utility Regulatory Commission
National City Center
101 West Washington Street
Suite 1500 E
Indianapolis, Indiana 46204
Telephone: (317) 232-2701
Facsimile: (317) 232-6758

Office of Utility Consumer Counselor
National City Center
115 W. Washington St.
Suite 1500 South
Indianapolis, Indiana 46204
Telephone: (317) 232-2494
Toll Free: (888) 441-2494
Facsimile: (317) 232-5923

Date: December 19, 2009