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April 2, 2012

Ms. Brenda A Howe
Secretary to the Commission
Indiana Utility Regulatory Commission
PNC Center
101 W. Washington Street – Suite 1500 East
Indianapolis, IN 46204

RECEIVED
April 2, 2012
INDIANA UTILITY
REGULATORY COMMISSION

RE: Thirty Day Filing for Vectren North

This filing is being made on behalf of Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc. (Vectren North) under the Commission's Thirty-Day Administrative Filing Procedures and Guidelines (Guidelines) to request approval to modify Vectren North's Tariff for Gas Service (Tariff) as it applies to School Transportation Service. Specifically, Vectren North requests approval to make transportation service available to all government entities by modifying the following:

1. Definitions on Sheet No. 4, to include the newly defined term "Government Entity".
2. "Rate 225 – School Transportation Service" – Tariff Sheet No. 13 to be renamed "Rate 225 – School/Government Transportation Service" and be applicable to any Non-Residential for which payment of rates and charges to Vectren North is the responsibility of an Educational Institution or Government Entity.
3. "Rate 285 – School Pooling Service" – Tariff Sheet No. 21 to be renamed "Rate 285 – School/Government Pooling Service" and be applicable to any School/Government Supplier that has applied for and been approved under the terms stated in the Tariff.
4. Include Government Entities, in addition to Educational Institutions, for Summary Billing as listed on the renamed rate schedule "Rate 225 – School/Government Transportation Service" – Tariff Sheet No. 13 and under Appendix C ("Other Charges") – Tariff Sheet No. 32.
5. "Appendix J – School Nomination and Balancing Provisions" – Tariff Sheet No. 39 to be renamed "Appendix J – School/Government Nomination and Balancing Provisions" and be applicable to School/Government Suppliers under Rate 285.
6. Other terms used throughout the Tariff, including the Definitions on Sheet No. 4, to include "Government" such that it reads "School/Government Supplier", "School/Government Pooling Agreement" and "School/Government Transportation Agreement", where applicable.

These modified tariff sheets will allow any Non-Residential Customer for which a Government Entity, as defined by Vectren North, is responsible for payment of rates and charges to elect transportation service. Currently only governmental customers whose annual usage meets the minimum requirements of Vectren North's "Rate 245 – Large General Transportation Service", "Rate 260 – Large Volume Transportation Service" or "Rate 270 – Long-Term Contract Service " are eligible for transportation service. Vectren North plans to implement these changes on September 1, 2012, subject to Commission approval.

This filing is an allowable request under the Guidelines because it is a filing for which the Commission has already approved the procedure for the change. Workpapers, including clean and redline tariff sheets reflected on Exhibit B and Exhibit C respectively, are enclosed to support the filing.

Vectren North affirms that a notice regarding this filing in the form attached hereto as Exhibit A was published on March 31, 2012 in the Indianapolis Star, a newspaper of general circulation in the Indianapolis metro area, where the largest number of Vectren North's customers is located. Vectren North also affirms that the notice has been posted on the Vectren North's website. Vectren North does not have a local customer service office in which to post the notice.

Any questions concerning this submission should be directed to Scott E. Albertson, whose contact information is as follows:

Scott E. Albertson
Director of Regulatory Affairs
One Vectren Square
Evansville, IN 47708
Tel: 812-491-4682
Email: scott.albertson@vectren.com

Upon approval of the enclosed tariff sheets, please return one (1) file marked and approved copy of same to me for our files.

Please let me know if the Commission Staff has any questions or concerns about this submission.

Sincerely,



Scott E. Albertson

CC:

Kim Remy, Office of Utility Consumer Counselor
Robert Heidorn
Jerrold Ulrey

VERIFICATION

I, Scott E. Albertson, Director of Regulatory Affairs for Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc. (Vectren North), affirm under penalties of perjury that, in addition to the attached exhibits, the foregoing representations concerning the notice attached as Exhibit A are true and correct to the best of my knowledge, information and belief. The attached notice was published in a newspaper of general circulation encompassing the highest number of the utility's customers affected by the enclosed filing. The attached notice was also published on the Vectren.com website.



Scott E. Albertson

Date: 4-2-12

Exhibit A

LEGAL NOTICE

Notice is hereby given that on or about April 2, 2012, Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc. (“Vectren North”) will file a request for approval of a modification to its Tariff for Gas Service, specifically existing rate schedules “Rate 225 – School Transportation Service” and “Rate 285 – School Pooling Service”, along with associated changes to its “Nomination and Balancing Provisions” and “General Terms and Conditions”, to make transportation service available to government entities for which transportation service is not currently available.

Vectren North anticipates approval of the filing by June 1, 2012 but no sooner than 30 days after receipt of the filing by the Commission. Objections to the filing should be made in writing addressed to:

Brenda A. Howe
Secretary to the Commission
Indiana Utility Regulatory Commission
PNC Center
101 W. Washington Street, Suite 1500 East
Indianapolis, Indiana 46204

A. David Stippler
Indiana Utility Consumer Counselor
Indiana Office of Utility Consumer Counselor
PNC Center
115 W. Washington St., Suite 1500 South
Indianapolis, Indiana 46204

Jerrold L. Ulrey
Vice President, Regulatory Affairs and Fuels
VECTREN UTILITY HOLDINGS, INC

Exhibit B

Proposed Tariff Sheets - Clean

TARIFF SHEET INDEX

TARIFF
SHEET
NO.

DESCRIPTION

1	TITLE PAGE
2	INDEX
3	LOCATIONS SERVED
4	DEFINITIONS
5-9	RESERVED FOR FUTURE USE

RATE

RATE SCHEDULES

10	210	RESIDENTIAL SALES SERVICE
11	211	UNMETERED GAS LIGHTING SALES SERVICE
12	220	GENERAL SALES SERVICE
13	225	SCHOOL/GOVERNMENT TRANSPORTATION SERVICE
14	229	NATURAL GAS VEHICLE SERVICE
15	240	INTERRUPTIBLE SALES SERVICE
16	245	LARGE GENERAL TRANSPORTATION SERVICE
17	260	LARGE VOLUME TRANSPORTATION SERVICE
18	270	LONG-TERM CONTRACT SERVICE
19		RESERVED FOR FUTURE USE
20	280	POOLING SERVICE
21	285	SCHOOL/GOVERNMENT POOLING SERVICE
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APPENDIX

APPENDICES

30	A	GAS COST ADJUSTMENT
31	B	NORMAL TEMPERATURE ADJUSTMENT
32	C	OTHER CHARGES
33	D	BASE COST OF GAS
34	E	NOMINATION AND BALANCING PROVISIONS
35	F	UNACCOUNTED FOR GAS PERCENTAGE
36	G	UNIVERSAL SERVICE FUND RIDER
37	H	PIPELINE SAFETY ADJUSTMENT
38	I	ENERGY EFFICIENCY RIDER
39	J	SCHOOL/GOVERNMENT NOMINATION AND BALANCING PROVISIONS
40-49		RESERVED FOR FUTURE USE

DEFINITIONS

Except where the context requires otherwise, the following terms shall have the meanings defined below when used in this Tariff for Gas Service:

Abbreviations:

Btu - British Thermal Unit
Ccf - Hundred Cubic Feet
Cf - Cubic Foot
Cfh - Cubic Feet per Hour
Dth - Ten therms or One Dekatherm
FERC - Federal Energy Regulatory Commission
GCA - Gas Cost Adjustment
IURC - Indiana Utility Regulatory Commission
Mcf - Thousand Cubic Feet
OUC - Indiana Office of Utility Consumer Counselor
PSIG - Pounds per square inch gauge

Adjustment Rider - A unit cost applied to a Customer's Bill that recovers Company expenses approved by the Commission.

Alternate Fuel - The form of energy used by Customer in place of Gas Service during Curtailment periods. Gas Service provided by Company under another Rate Schedule shall not qualify as an Alternate Fuel.

Annual Usage - Customer's actual total gas usage for the most recent twelve consecutive billing months, or Company's estimate of Customer's total gas usage for the next twelve consecutive billing months if actual usage information is not available.

Bill - An itemized list or statement of fees and charges for Gas Service. A Bill may be rendered by mail or by electronic means.

British Thermal Unit - The average amount of heat necessary to increase the temperature of one pound of water by 1° Fahrenheit in the temperature range of 32° to 212° Fahrenheit at 14.73 pounds per square inch absolute pressure.

Btu Adjustment Factor - The average Btu content of gas supplied to Customer, as determined periodically by Company, which is applied to Customer's metered volumetric usage to determine therms usage for billing purposes.

Bypass - A direct or indirect interconnection of Customer's Premises with another supplier of gas service resulting in the displacement or substantial reduction in Gas Service provided by Company.

Cashout - The monetary settlement of over-delivery and under-delivery gas imbalances between Company and Pool Operators, School/Government Suppliers, or Transportation Customers.

Central Clock Time (CCT) - Central Daylight Time when daylight savings time is in effect and Central Standard Time when daylight savings time is not in effect.

Commercial Customer - Any Customer primarily engaged in wholesale or retail trade and services (including central heating and air conditioning facilities of apartment complexes), any local, state and federal governmental agency and any Customer not covered by another classification. When Gas Service is supplied through one meter to an apartment house or multiple unit dwelling, the service shall be classified as Commercial, in which case the applicable Non-Residential service Rate Schedule shall apply.

DEFINITIONS

Commission - The Indiana Utility Regulatory Commission.

Commission's Regulations - The Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana, as promulgated from time-to-time by the Commission.

Company - Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc. (Vectren North).

Company-Supplied Gas - Gas purchased by Company for resale to Customer.

Company's General Terms and Conditions - General Terms and Conditions Applicable to Gas Service, as amended from time-to-time, and as approved by the Commission as part of this Tariff for Gas Service.

Curtailement - The interruption or limitation of the Gas Service available to Customer pursuant to Company's Curtailement Procedures.

Curtailement Period - The period of time, as specified by Company, during which Gas Service is subject to Curtailement.

Curtailement Procedures - Rule 24 of Company's General Terms and Conditions.

Customer - Any individual, partnership, association, firm, public or private corporation or any other entity receiving Gas Service provided by Company with its consent. A Customer shall include any person receiving Gas Service from Company irrespective of whether that person is the individual in whose name the Gas Service is being received.

Customer-Delivered Gas - Gas delivered by Customer, or on Customer's behalf, to Company's distribution system.

Daily Pipeline Nomination – Nomination made by Supplier on pipeline's EBB indicating the quantity of gas being delivered to Company's city gate.

Daily Transportation Nomination – Nomination made by School/Government Supplier on Company's EBB indicating the quantity of gas being delivered to Company's city gate.

Directed Delivery Quantity (DDQ) - The daily quantity of gas in Dth that School/Government Supplier must deliver to Company's city gates, as specified by Company, to meet the Expected Demand of School/Government Supplier's Pool, adjusted for prior imbalances associated with volume reconciliations, operating constraints, system knowledge/experience, and Company's Unaccounted for Gas Percentage.

Educational Institution – An institution administering or providing educational programs from kindergarten through post-secondary level.

Electronic Bulletin Board (EBB or Extranet) – Company's electronic communications software that facilitates nominations, confirmation and other administrative functions associated with Transportation Service.

Expected Demand – A School/Government Supplier's Pool's forecasted usage for a particular gas day, as determined by Company.

Gas Cost Adjustment - Gas cost recovery process approved for the Company through various Commission orders, including the Commission's generic orders in Cause No. 37091.

DEFINITIONS

Gas Service - The availability of natural gas or a mixture of natural gas and other compatible gases at Company's point of delivery to Customer, irrespective of whether any such gas is actually consumed.

Government Entity – any non-Residential Customer who is an agency or entity of Federal, State, County or Local Government.

Group 1 - Company's designation for a Customer served by a meter with rated capacity of 450 Cfh or less.

Group 2 - Company's designation for a Customer served by a meter with rated capacity of greater than 450 Cfh and less than 5000 Cfh.

Group 3 - Company's designation for a Customer served by a meter with rated capacity of 5000 Cfh or greater.

Heating Degree Day - A standard measure of the coldness of the temperatures experienced, based on the extent to which the daily mean temperature falls below a reference temperature of 65 degrees Fahrenheit.

Industrial Customer - A Customer primarily engaged in a process which creates or changes raw or unfinished materials into another form or product.

Interrupted-type Pilot Light - A pilot light, attached to Customer's alternate fuel equipment, that requires gas only during the flame-establishing period and is cut-off at the end of this period.

Interruptible Service - Gas Service subject to Curtailment and requiring Customer to maintain Alternate Fuel capability.

Maximum Daily Usage - Customer's maximum actual gas usage or Company's estimate of Customer's maximum gas usage for any 24 hour period.

Mobile Home Park - Residential development which includes ten or more permanent Mobile Home sites.

Non-Residential Customer - Any Customer that is not a Residential Customer.

Non-Gas Cost Revenue - Revenue received by Company from Customer, excluding gas costs such as pipeline storage and transportation costs, commodity gas costs, and other gas costs recovered through the Gas Cost Adjustment.

Operating System - Any portion of Company's distribution system for which gas deliveries and gas demands must be balanced separately from other portions of the distribution system, due to operational and contractual limitations.

Operational Flow Order (OFO) – An order issued by the Company via its EBB, fax machine, or telephone directing Pool Operator, School/Government Supplier or Transportation Customer to deliver specific quantities of gas via specific pipelines.

Peak Design Day Demand – The then-effective forecasted peak design day usage of a Customer Pool as calculated and communicated by Company.

Pool - A group of Transportation Customers who have been aggregated by a Pool Operator or School/Government Supplier for gas supply management purposes.

DEFINITIONS

Pool Operator - A marketer, supplier, or Transportation Customer that provides gas supply management for a Pool.

Pool Operator–Delivered Gas - Gas delivered by a Pool Operator or on Pool Operator's behalf, to Company's distribution system.

Premises - The main residence or living quarters for a Residential Customer, or the main building of a Commercial or Industrial Customer. The Premises shall include the outlying or adjacent buildings used by the same Customer, provided the use of Gas Service in the outlying or adjacent building(s) is supplemental to the Gas Service used in the main residence, main living quarters, or main building of Customer.

Rate Schedule - A Gas Service applicable to a particular classification of Customer with specific Availability, Applicability, Character of Service, Rates and Charges, and Terms and Conditions.

Residential Customer - Customer using Gas Service primarily for a single family dwelling unit, mobile home, apartment or condominium.

Sales Customer - A Customer receiving Sales Service from Company.

Sales Service - Gas Service involving the delivery by Company to Customer of Company-Supplied Gas.

School/Government Supplier – A gas supplier that provides gas supply management for a Pool of Customers for which an Educational Institution or Government Entity is responsible for payment of rates and charges to Company.

School/Government Pooling Agreement - An agreement between Company and School/Government Supplier that defines the mutual responsibilities and obligations of those parties relative to services provided under Rate 285-School/Government Pooling Service.

School/Government Supplier–Delivered Gas - Gas delivered by a School/Government Supplier, or on behalf of a School/Government Supplier, to Company's distribution system.

School/Government Transportation Agreement – Written agreement between Company and Educational Institution or Government Entity defining Terms and Conditions of the Educational Institution or Government Entity's Gas Service.

Service Area - Areas in which Company has Gas Service available, or may offer Gas Service, as certified by the Commission.

Spaceheating Customer - Any Customer receiving Gas Service, any part of which Customer uses as fuel for the heating of some portion or all of Customer's Premises.

Summer Season - The months of April through October, inclusive.

Therm - 100,000 Btu.

Throughput - The sum of Sales and Transportation Service quantities.

Transportation Customer - A Customer receiving Transportation Service from Company.

DEFINITIONS

Transportation Service - Gas Service involving the delivery by Company to Customer of Customer-Delivered, School/Government Supplier-Delivered or Pool Operator-Delivered gas.

Unapproved Use of Gas - Any use by Customer of Company-delivered gas that is inconsistent with Company's Tariff for Gas Service.

Winter Season - The months of November through March, inclusive.

RATE 225 **SCHOOL/GOVERNMENT TRANSPORTATION SERVICE**

AVAILABILITY

This Rate Schedule shall be available throughout Company's Service Area, subject to the availability of adequate facilities, which determination shall be within Company's reasonable discretion.

APPLICABILITY

This Rate Schedule shall be applicable to any Non-Residential Customer

- 1) whose Annual Usage is less than 50,000 therms and
- 2) for which payment of rates and charges to Company is the responsibility of an Educational Institution or Government Entity, which elects service hereunder.

CHARACTER OF SERVICE

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

RATES AND CHARGES

The monthly Rates and Charges for Gas Service hereunder shall be:

Customer Facilities Charge –

- Group 1: \$17.00
- Group 2: \$46.00
- Group 3: \$93.00

Distribution Charge -

- First 500 therms @ \$0.1740 per therm
- Over 500 therms @ \$0.1538 per therm

Appendices:

The following Appendices shall be applied monthly, if applicable:

- Appendix A – Gas Cost Adjustment
- Appendix B – Normal Temperature Adjustment
- Appendix G – Universal Service Fund Rider
- Appendix H – Pipeline Safety Adjustment
- Appendix I – Energy Efficiency Rider

Related Charges –

Customer shall reimburse Company for all charges incurred on Customer's behalf in connection with transportation of gas for Customer's account, including any pipeline penalty charges or cashout provisions assessed to Company.

RATE 225

SCHOOL/GOVERNMENT TRANSPORTATION SERVICE

Minimum Monthly Charge –

The Minimum Monthly Charge shall be the Customer Facilities Charge.

Other Charges –

The Other Charges set forth in Appendix C shall be charged to Customer, if applicable.

Switching Charges –

Customer shall be charged \$10.00 per meter per switch for switching School/Government Suppliers more than once per calendar year.

CURTAILMENT

When sufficient capacity or quantities of gas are not available to Company to meet existing and reasonably anticipated demands of Customers or to protect and replenish Company's underground storage reserves, which determinations shall be within Company's reasonable discretion, Customer shall, as provided under Rule 24 of the General Terms and Conditions Applicable to Gas Service ("Rule 24") and upon notice from Company, curtail use of gas to such extent and during such periods as Company shall specify.

Customer must curtail gas usage in not more than two hours upon notice from Company directing Curtailment of Gas Service under this Rate Schedule.

Gas usage by Customer during a Curtailment period in excess of the quantity allowed shall be considered Unauthorized Gas Usage and shall be subject to the Unauthorized Gas Usage Charge set forth in Appendix C.

SCHOOL/GOVERNMENT TRANSPORTATION PROVISIONS

The following School/Government Transportation Provisions are applicable to Customers served under this Rate Schedule.

- (1) A School/Government Transportation Service Customer must become a member of a Pool pursuant to the provisions of Rate 285, School/Government Pooling Service. School/Government Supplier will be responsible for managing the Pool's gas supply. Customer shall enter into a School/Government Transportation Agreement with Company that designates its selected School/Government Supplier from a list of approved School/Government Suppliers that have signed School/Government Pooling Agreements with Company. Such elections will carry over from month to month unless Customer and School/Government Supplier notify Company of any change at least ten (10) business days prior to the start of a new month.
- (2) Customer's prior delinquencies must be cured prior to commencing participation in School/Government Transportation Service, unless otherwise agreed to in advance by Company. School/Government Transportation Service will be effective as of Customer's next read date.
- (3) In the event of default of the School/Government Supplier, Customer shall be returned to Sales Service or may designate another School/Government Supplier. Customer shall be liable for its portion of applicable charges owed by defaulting School/Government Suppliers, as determined by Company after review of all available facts and circumstances including documented deliveries and consumption.

RATE 225
SCHOOL/GOVERNMENT TRANSPORTATION SERVICE

- (4) To compensate for unaccounted for gas losses, the quantity of gas available to School/Government Transportation Customer on a daily basis shall be equal to the quantity of gas delivered to Company's distribution system at the point of receipt for the account of Customer, reduced by the Unaccounted For Gas Percentage as set forth in Appendix F.
- (5) A Customer that has voluntarily returned from School/Government Transportation Service to Sales Service must remain on Sales Service for not less than one year before returning to School/Government Transportation Service, unless expressly authorized by Company.
- (6) An Educational Institution or a Government Entity must be a registered user of vectren.com to obtain historical usage information, and in order to obtain a single summary bill and remit a single monthly payment.

TERMS AND CONDITIONS

Gas Service under this Rate Schedule shall be subject to Company's General Terms and Conditions and the Commission's Regulations.

RATE 285 **SCHOOL/GOVERNMENT POOLING SERVICE**

APPLICABILITY

School/Government Pooling Service is an optional service applicable to any School/Government Supplier that has applied for and been approved under the Creditworthiness Standards and Requirements herein.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of School/Government Pooling Service for Rate 225, School/Government Transportation Service Customers.

School/Government Supplier shall deliver to the Company gas supplies needed to satisfy the daily and monthly usage requirement of School/Government Supplier's Pool Customers in accordance with the requirements set forth in this Rate Schedule, Appendix J, and the School/Government Pooling Agreement. Pooling will not be permitted across multiple operational systems or transportation programs unless approved in advance by Company.

School/Government Supplier shall provide nominations for its aggregated School/Government Pool Customers' deliveries. For purposes of calculating daily imbalances, the School/Government Pool's DDQ will be matched against the School/Government Supplier's total pipeline deliveries for such Pool.

School/Government Supplier shall be responsible for complying with Operational Flow Orders, daily balancing, and the payment of any daily imbalance Cashouts, and applicable charges.

Imbalance trading provided for in Appendix J allows School/Government Supplier to trade imbalances to minimize otherwise applicable imbalance charges.

SUMMARY OF CHARGES

School/Government Supplier's Bill shall be rendered monthly, and shall consist of the following charges, as applicable:

Financial Evaluation Fee:

\$50 for the initial and each subsequent School/Government Supplier financial evaluation performed by Company.

Administrative Fee: School/Government Supplier shall be assessed a monthly Administrative Fee of \$100 for each Pool.

Nomination and Balancing Charges: All nomination and balancing charges and imbalance trading charges associated with School/Government Supplier's School/Government Pool, including those listed in Appendix J, School/Government Nomination and Balancing Provisions, shall be billed to School/Government Supplier each month.

Nomination Error Charge:

School/Government Supplier shall pay a Nomination Error Charge of \$0.50 per Dekatherm on the quantity difference between School/Government Supplier's Daily Transportation Nomination and the confirmed deliveries under School/Government Supplier's Daily Pipeline Nomination for each day such difference occurs.

DDQ Non-Compliance Charge:

\$1 per Dth on days in which no Operational Flow Order (OFO) is in effect (provided no alternate arrangements are made with Company) against the daily difference between the Pool's DDQ and aggregate deliveries

RATE 285

SCHOOL/GOVERNMENT POOLING SERVICE

City Gate Allocation Non-Compliance Charge:

\$1 per Dth on the quantity difference if School/Government Supplier's Daily Pipeline Nomination is less than the minimum or greater than the maximum city gate allocation requirements.

OFO Non-Compliance Charge:

\$10 per Dth applied to the difference between School/Government Supplier's DDQ and actual deliveries if School/Government Supplier over-delivers on days in which a Warm Weather OFO is in effect or under-delivers on days in which a Cold Weather OFO is in effect.

Related Charges: School/Government Supplier shall reimburse Company for all charges incurred by Company in connection with interstate pipeline transportation of School/Government Supplier-Delivered Gas including any gas costs, penalty charges, or Cashouts.

Late Payment Charge: Payment by School/Government Supplier shall be due seventeen (17) days from the date of issuance of the Bill. Company or an authorized agent must receive payment of the total amount due by the due date shown on the School/Government Supplier's Bill. If School/Government Supplier does not pay the total amount due by the date shown, an additional amount equal to one percent (1%) of the total unpaid balance shall also become due and payable. For each subsequent month, or portion thereof, of non-payment, an additional charge of one percent of the total unpaid balance shall be assessed.

Insufficient Funds Check Charge: For each check of School/Government Supplier returned by any bank due to insufficient funds, School/Government Supplier shall be charged as set forth in Appendix C, Other Charges to cover a portion of the cost of processing such check.

PROVISIONS AND REQUIREMENTS FOR SCHOOL/GOVERNMENT SUPPLIER PARTICIPATION

School/Government Supplier shall comply with the following provisions:

Contract:

School/Government Supplier must enter into a written School/Government Pooling Agreement with Company. Such School/Government Pooling Agreement shall set forth specific covenants and obligations undertaken by Company and School/Government Supplier under this Rate Schedule on behalf of the School/Government Supplier's Pool Customers. The School/Government Pooling Agreement shall have an initial term of not less than one year and shall automatically extend for succeeding annual terms thereafter subject to cancellation by either party after written notice submitted not less than ninety days prior to the end of the initial term or any succeeding annual term. However, in no event shall the School/Government Pooling Agreement expire during the Winter Season, unless such mid-winter termination date is mutually agreed upon, or School/Government Supplier fails to perform its responsibilities hereunder and Company elects to terminate School/Government Supplier's participation hereunder.

School/Government Supplier must provide written notice to Company of Customers joining its pool, or Customers leaving their pool, 10 business days prior to the first of the month. The effective date for Customers joining or leaving pools will be Customer's read date the following month.

RATE 285

SCHOOL/GOVERNMENT POOLING SERVICE

Creditworthiness Standards and Requirements:

In order to qualify for participation under the School/Government Pooling Service, School/Government Supplier must pass an initial financial evaluation performed by Company, and any such subsequent evaluation(s) deemed appropriate by Company, to ensure that School/Government Supplier possesses sufficient resources to perform its responsibilities and to ensure financial performance under this Rate Schedule. In addition, if School/Government Supplier's participation in School/Government Pooling Service was previously terminated due to School/Government Supplier's non-compliance, School/Government Supplier shall provide information acceptable to Company that such cause for non-compliance has been corrected and will be avoided in the future. All prior delinquencies must be cured prior to commencing participation in the School/Government Pooling Service. Moreover, any and all charges from previous non-compliance shall be corrected prior to participation in the School/Government Pooling Service.

School/Government Supplier must complete and sign the Company's School/Government Supplier Registration Form and Credit Application to be considered for participation in the School/Government Pooling Service. A School/Government Supplier desiring to participate in the School/Government Pooling Service will be evaluated by the Company to establish credit levels acceptable to the Company. The Company will apply, on a non-discriminatory basis, reasonable financial standards to assess and examine a School/Government Supplier's creditworthiness. These standards will take into consideration the scope of the operations of each School/Government Supplier and the level of risk to Company. In order to pass Company's financial evaluation, School/Government Supplier may be required to provide security, the form and amount of which shall be specified by Company.

Financial evaluations will be based on standard credit factors such as financial and credit ratings, trade references, bank information, unused line of credit, Pool Customers' payment histories, and related financial information that has been independently audited, if available. Company shall determine creditworthiness based on the above criteria, and will not deny School/Government Supplier's participation in the School/Government Pooling Service without reasonable cause.

Company reserves the right to conduct a financial re-evaluation of School/Government Supplier from time to time. Such re-evaluation may be initiated either by a request from School/Government Supplier, or by Company if Company reasonably believes that the creditworthiness of School/Government Supplier may have changed or that the operating environment or other conditions may have changed that may have increased the risks posed by operations of the Pool. Based on such re-evaluation, School/Government Supplier's level of participation may be increased or decreased, additional security may be required, or School/Government Supplier may be removed from further participation in School/Government Pooling Service.

School/Government Supplier Code of Conduct

Each School/Government Supplier participating in School/Government Pooling Service shall:

1. Communicate to Customers, in clear, understandable terms, Customers' rights and responsibilities. This communication shall include: 1) School/Government Supplier's customer service address, local or toll-free telephone number and hours of operation; and 2) a statement describing the procedures for handling complaints and disputes.
2. Provide in writing, pricing and payment terms that are clear and understandable and inform Customers whether the price that Customer will pay is inclusive or exclusive of applicable taxes.

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SCHOOL/GOVERNMENT POOLING SERVICE

3. Refrain from engaging in communications, acts or practices that are fraudulent, deceptive, misleading, unfair, or unconscionable.
4. Deliver gas to Company on a firm basis on behalf of the School/Government Supplier's Pool Customers in accordance with the requirements of Rate 285 and the School/Government Pooling Agreement.
5. Establish and maintain a creditworthy financial position to enable School/Government Supplier to indemnify Company for costs incurred as a result of any failure by School/Government Supplier to deliver gas or pay invoices in accordance with the requirements of this Rate Schedule.
6. Make good faith efforts to resolve all disputes between School/Government Supplier and its Pool Customers and to cooperate with resolution of any joint issues with Company.

Failure to fulfill any of these obligations shall be considered a violation of the School/Government Supplier Code of Conduct, subject to consequences set forth in the Consequences of School/Government Supplier's Failure to Perform or Comply section of the following Terms and Conditions.

Required Regulatory Approvals:

School/Government Supplier must comply with all state and federal regulations related to its transportation of School/Government Supplier-Delivered Gas.

TERMS AND CONDITIONS

Unaccounted for Percentage:

School/Government Supplier shall compensate Company for unaccounted for gas. The quantity of gas available to School/Government Supplier's Pool Customers on a daily basis shall be equal to the quantity of gas delivered for Pool Customers into Company's distribution system at the point of receipt, reduced by the Unaccounted For Gas Percentage as set forth in Appendix F.

Nomination and Balancing Procedures:

School/Government Supplier shall be subject to the School/Government Nomination and Balancing Provisions in Appendix J.

Comparable Firm Capacity Requirement:

Each month, School/Government Supplier agrees to secure sufficient firm interstate pipeline capacity with primary delivery points to Company's city gates and firm supply to meet 100% of that month's Peak Design Day Demand of its Pool Customers.

On a daily basis, Company will provide School/Government Supplier with the revised Peak Design Day Demand for School/Government Supplier's Pool effective the following day. This volume will change over time as necessary to reflect Customers joining and/or leaving School/Government Supplier's Pool and any changes in Company's peak design day demand parameters.

Company may periodically verify School/Government Supplier's compliance with this Comparable Firm Capacity Requirement. School/Government Supplier will provide to Company upon request copies of contracts for upstream pipeline capacity not assigned by Company and supply contracts showing the firm quantities reserved or purchased and the specific points of delivery. If School/Government Supplier is securing firm city gate supplies, School/Government Supplier shall provide a copy of such firm supply agreement, and additional documentation as required by Company to confirm compliance of the applicable interstate pipeline capacity.

Effective: September 1, 2012

RATE 285

SCHOOL/GOVERNMENT POOLING SERVICE

If Company identifies a firm capacity deficiency, such deficiency shall be resolved to Company's satisfaction by one or a combination of the following, at School/Government Supplier's discretion: 1) immediate acquisition by School/Government Supplier of additional firm pipeline capacity, 2) assignment to School/Government Supplier of Company's available pipeline capacity, 3) delayed enrollment of new Pool Customers, 4) return of existing Pool Customers to Company's Sales Service, or 5) transfer of Pool Customers to another School/Government Supplier. If Company identifies a firm supply deficiency, such deficiency shall be resolved to Company's satisfaction by one or a combination of the following, at School/Government Supplier's discretion: 1) immediate acquisition by School/Government Supplier of additional firm supply, 2) delayed enrollment of new Pool Customers, 3) return of existing Pool Customers to Company's Sales Service, or 4) transfer of Pool Customers to another School/Government Supplier.

Assignment of Pipeline Capacity:

School/Government Supplier may seek assignment of Company's firm interstate pipeline capacity for meeting some portion of the usage requirements of School/Government Supplier's Pool Customers. Company may decline to assign firm transportation and/or storage capacity if such capacity is needed to meet the needs of its Sales Service Customers or to perform the operational balancing function.

School/Government Supplier shall take direct assignment of specific interstate pipeline firm transportation and/or storage capacity for a term, unless otherwise agreed to by Company, which is the lesser of: 1) the term of the School/Government Pooling Agreement, or 2) the remaining term of the service agreement with the interstate pipeline applicable to such capacity, less one day, subject to Company's right of capacity recall contained elsewhere in these Terms and Conditions. Specific terms and conditions of any capacity assignment will be negotiated between School/Government Supplier and Company, or its agent, including length of term, price, and recall timing, subject to FERC requirements for capacity release.

School/Government Supplier may not change any primary points of receipt or delivery associated with assigned pipeline transportation contracts during the term of the capacity assignment. In addition, for specific parcels of capacity identified by Company, School/Government Supplier may not utilize any delivery point other than those primary and secondary points identified by Company unless the capacity is released at the pipeline's full tariff rate or unless an alternate capacity billing arrangement is agreed to by School/Government Supplier and Company. The assigned capacity is subject to recall at any time if School/Government Supplier does not perform in accordance with the School/Government Pooling Agreement or fails to comply with the School/Government Supplier Code of Conduct and other provisions set forth in these Terms and Conditions.

School/Government Supplier may re-release any capacity assigned to it hereunder, provided that: 1) School/Government Supplier will continue to be responsible to Company for payment of all pipeline charges associated with the assigned capacity; 2) any re-release of such capacity remains subject to the restrictions identified in the Assignment of Pipeline Capacity section; and 3) the capacity is not needed to satisfy the School/Government Supplier's Pool's DDQ on such day(s). School/Government Supplier may use other firm pipeline capacity to accomplish its DDQ and re-release portions of its assigned pipeline capacity, subject to the previously mentioned restrictions.

RATE 285

SCHOOL/GOVERNMENT POOLING SERVICE

Company Demand Forecast:

Company shall forecast each School/Government Pool's Peak Design Day Demand and Expected Demand based upon Company's design day and forecasted weather, respectively, the number of Customers in the Pool, and the historic usage characteristics of the Pool Customers.

Curtailment Provisions:

School/Government Supplier shall be subject to the Curtailment Procedures in Company's General Terms and Conditions Applicable to Gas Service, Rule 24.

Consequences of School/Government Supplier's Failure to Perform or Comply

If School/Government Supplier fails to deliver gas in accordance with the requirement of the School/Government Pooling Agreement, or otherwise fails to comply with the provisions of this Rate Schedule, Company shall have the discretion to initiate the process to suspend temporarily or terminate such School/Government Supplier's further participation for the applicable Pool.

If School/Government Supplier is suspended or expelled from the School/Government Pooling Service relative to a specific Pool, Customers in such Pool shall revert to Company's Sales Service, unless and until said Customers join another School/Government Supplier's Pool. Any termination or cancellation of the School/Government Pooling Agreement relative to some or all of the School/Government Supplier's Pools and pursuant to any provision of this section shall be without waiver of any remedy, whether at law or in equity, to which the part not in default otherwise may be entitled for breach of the School/Government Pooling Agreement.

School/Government Supplier Operator Withdrawal or Termination:

If School/Government Supplier in total or for a specific Pool is restricted from further participation in the School/Government Pooling Service or elects to withdraw from the School/Government Pooling Service, Company shall have the right to recall all pipeline capacity then assigned to School/Government Supplier by Company associated with the specific Pool(s) in accordance with the terms of the release agreement, and have first rights to any additional pipeline capacity the School/Government Supplier utilizes for delivery to Company's city-gate.

School/Government Supplier shall remain responsible for the differences between the market value of the assigned pipeline capacity and the full demand charges applicable to such capacity until the earliest normal expiration date of the School/Government Pooling Agreement, which shall constitute liquidated damages. Upon withdrawal or termination, any Over-Delivery Imbalance Quantity or Under-Delivery Imbalance Quantity shall be resolved through the purchase or sale of volumes at the price set out in the Volume Reconciliation section of Appendix J.

Other

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and the Commission's Regulations.

APPENDIX C **OTHER CHARGES**

Late Payment Charge –

If Customer does not pay a Bill for Gas Service on or before the gross payment due date, Customer shall be charged a Late Payment Charge as follows:

First \$3.00 or less of net billing - 10%
Over \$3.00 of net billing - 3%

Reconnect Charge –

When Gas Service is discontinued (1) at the request of Customer, (2) for nonpayment of a Bill, (3) when authorized by Company's General Terms and Conditions or the Commission's Regulations, or (4) for any reason beyond the control of Company, and a reestablishment of Gas Service is required by Customer, Customer shall be charged a Reconnect Charge to cover a part of the cost of discontinuance and reestablishment of Gas Service. Such charge shall be sixty dollars (\$60.00). In addition, when Gas Service is reconnected or disconnected after normal working hours at Customer's request, Customer shall be charged an After Hours Charge.

A charge equal to the Customer Facilities Charge for each month of discontinued Gas Service will also be made for reestablishing Gas Service for the same Customer at the same Premises where Gas Service has been discontinued at Customer's request during the preceding nine months. The minimum Customer Facilities Charge assessment under the provisions of this paragraph shall be one month's Customer Facilities Charge.

After Hours Charge –

When Gas Service is connected, reconnected, or disconnected outside of normal business hours at Customer's request, Customer shall be charged an After Hours Charge of twenty-two dollars (\$22.00) in addition to any other applicable charges for each connection, reconnection, or disconnection.

Insufficient Funds Check Charge –

For each check of Customer returned by any bank due to insufficient funds, Customer shall be charged twenty-five dollars (\$25.00) to cover a part of the cost of processing such check.

Unauthorized Gas Usage Charge –

Gas Usage by Customer during a Curtailment Period in excess of the quantity allowed pursuant to Rule 24 shall be considered Unauthorized Gas Usage and shall be subject to the Unauthorized Gas Usage Charge of five dollars (\$5.00) per therm. Company shall have the right to waive all or a portion of the Unauthorized Gas Usage Charge otherwise applicable to any Customer, provided that waiver of such charge shall be exercised on a non-discriminatory basis.

Fraudulent or Unapproved Use of Gas Charge –

When Company identifies fraudulent or unapproved use of gas, or Company's regulation, measuring equipment or other service facilities have been tampered with, Company may assess the actual costs for such field calls and repairs, in addition to the other costs pursuant to Rule 27 of Company's General Terms and Conditions. A minimum charge of seventy dollars (\$70.00) per occurrence shall apply.

Summary Billing Charge –

Bills provided by Company summarizing charges for Educational Institutions and Government Entities who are registered users of vectren.com are subject to a forty-five dollar (\$45.00) charge per summary bill.

APPENDIX F **UNACCOUNTED FOR GAS PERCENTAGE**

APPLICABILITY

This Appendix shall be applicable to all Transportation Customers, School/Government Suppliers and Pool Operators.

DESCRIPTION

0.1% of the quantities received by Company from Transportation Customer, School/Government Supplier or Pool Operator at a point of receipt on the Company's distribution system shall be retained by Company to compensate for unaccounted for gas.

The Unaccounted For Gas Percentage stated above shall be reviewed and adjusted annually by Company, through updating of this Appendix after approval by the Commission, to reflect any changes in the system unaccounted for gas percentage.

APPENDIX I **ENERGY EFFICIENCY RIDER**

APPLICABILITY

The Energy Efficiency Rider shall be applicable to all Customers served under the following Rate Schedules:

- Rate 210 – Residential Sales Service
- Rate 220 – General Sales Service
- Rate 225 – School/Government Transportation Service

DESCRIPTION

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

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

Energy Efficiency Funding Component (EEFC):

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

The estimated annual costs, plus related revenue taxes, shall be divided by projected sales volumes to determine the applicable EEFC. The actual costs recoverable and the actual costs recovered under the EEFC shall be reconciled, with any under or over recovery being recovered or returned via the EEFC over a subsequent twelve month period.

Sales Reconciliation Component (SRC):

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

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

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

The accumulated monthly margin differences for each Rate Schedule shall be divided by projected sales volumes for each Rate Schedule to determine the applicable SRC. Projected and actual recoveries by Rate Schedule under the SRC are reconciled, with any under or over recovery being recovered or returned over the next twelve month period.

APPENDIX J **SCHOOL/GOVERNMENT NOMINATION AND BALANCING** **PROVISIONS**

APPLICABILITY

The following Provisions shall apply to School/Government Suppliers under Rate 285.

DAILY SCHEDULING OF DIRECTED DELIVERY QUANTITIES:

By 10:00 a.m. Central Clock Time (CCT), Company will post on its EBB, School/Government Supplier's DDQ by Pool for the gas day beginning 9:00 a.m. CCT the following day. Such DDQ shall be the sum of: 1) the Expected Demand of School/Government Supplier's Pool for that gas day calculated using the Pool's demand equation and forecasted weather plus an Unaccounted For Gas Percentage as set forth in Appendix F; and 2) any necessary adjustments for interstate pipeline and/or Company operating constraints, system knowledge and experience, and/or prior imbalances associated with the periodic volume reconciliations. The DDQ will be stated in city gate Dekatherms. At the time of posting the DDQ, Company shall indicate the minimum, maximum or exact volume that shall be delivered by Supplier on each interstate pipeline or to each Company city gate to achieve the DDQ, and shall post any interstate pipeline and/or Company operating constraints that are expected to be in effect the following day(s). By 11:30 a.m. CCT each day, and via intra-day nominations thereafter, Supplier shall nominate to the Company via the Company's EBB the quantity of gas that it has scheduled for delivery at Company's city gate(s) for its Pool(s) for the following gas day. Supplier agrees to adhere to comply with any Company operating and/or interstate pipeline restrictions communicated by Company.

APPENDIX J

SCHOOL/GOVERNMENT NOMINATION AND BALANCING PROVISIONS

BALANCING PROVISIONS

School/Government Supplier shall be obligated to balance its forecasted DDQ with the total daily deliveries of School/Government Supplier-Delivered Gas. An Imbalance Quantity shall exist when the School/Government Supplier's DDQ is greater than or less than its total deliveries on a daily basis. Amounts paid by Company to School/Government Supplier in cashing out Imbalance Quantities shall be eligible for recovery in the Gas Cost Adjustment. Amounts received by Company from School/Government Supplier in cashing out Imbalance Quantities shall be credited against gas costs in the Gas Cost Adjustment.

The following definitions shall apply:

Daily Index Price: The Daily Midpoint Prices per Dekatherm reported in Gas Daily, in the table "Daily Price Survey" for delivery to:

- (1) Texas Gas, Zone SL, or
- (2) ANR, La; or
- (3) Texas Eastern, ELA, or
- (4) Panhandle, Tx-Okla; or
- (5) Chicago City-Gates.

Daily Under-Delivery Charge: The Daily Under-Delivery Charge shall be the highest of the sums of each Daily Index price and the maximum interruptible pipeline transportation rate, including fuel and all surcharges, applicable to each Daily Index Price.

Daily Over-Delivery Charge: The Daily Over-Delivery Charge shall be the lowest of the sums of each Daily Index Price and the firm pipeline transportation commodity rate, including fuel and all surcharges, applicable to each Daily Index Price.

DAILY BALANCING PROVISIONS

School/Government Supplier shall be obligated to balance its Pool DDQ with the aggregated total daily deliveries of School/Government Supplier-Owned Gas by the pipeline ("Total Daily Deliveries"). A Daily Imbalance Quantity shall exist when the School/Government Supplier's Total Daily Deliveries are greater than or less than the DDQ.

Daily Under-Delivery Imbalance:

During a Cold Weather OFO, these provisions will be replaced by those specified in the section entitled Operational Flow Orders.

If School/Government Supplier's Total Daily Deliveries are less than its DDQ, the gas shortfall shall be considered Daily Under-Delivery Imbalance Quantities. School/Government Supplier shall pay Company for Daily Under-Delivery Gas Quantities of Total Daily Usage pursuant to the following:

- (1) the Daily Under-Delivery Charge for each Dekatherm of Under-Delivery Imbalance Quantity; plus
- (2) DDQ non-compliance charge of \$1.00 per Dekatherm; plus
- (3) All other charges incurred by Company and attributable to School/Government Supplier's Daily Under-Delivery Imbalance Quantity, including pipeline penalty charges; plus
- (4) Applicable taxes.

Daily Over-Delivery Imbalance:

During a Warm Weather OFO, these provisions will be replaced by those specified in the section entitled Operational Flow Orders.

If School/Government Supplier's Total Daily Deliveries are greater than its DDQ, the excess gas shall be considered Daily Over-Delivery Imbalance Quantities. Company shall pay School/Government Supplier for each Dth of Daily Over-Delivery Gas Quantities the Daily Over-Delivery Charge.

APPENDIX J

SCHOOL/GOVERNMENT NOMINATION AND BALANCING PROVISIONS

School/Government Supplier shall pay Company for Daily Over-Delivery Gas Quantities pursuant to the following:

- (1) the DDQ non-compliance charge of \$1.00 per Dekatherm; plus
- (2) All other charges incurred by Company and attributable to School/Government Supplier's Daily Over-Delivery Imbalance Quantity, including pipeline penalty charges; plus
- (3) Applicable taxes.

OPERATIONAL FLOW ORDERS

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

Cold Weather OFO Day: During a Cold Weather OFO, the School/Government Supplier shall be subject to the following Daily OFO Under-Delivery Imbalance provisions:

When School/Government Supplier has a Daily Under-Delivery Imbalance

School/Government Supplier shall pay Company the following:

- (1) For each Dekatherm of Daily Under-Delivery Imbalance Quantity the higher of the highest incremental gas cost paid by Company on the date of noncompliance or the Daily Under-Delivery Charge; plus
- (2) OFO Non-Compliance Charge of \$10.00 per Dekatherm; plus
- (3) All other charges incurred by Company and attributable to School/Government Supplier's Daily Under-Delivery Imbalance Quantity, including pipeline penalty charges on the OFO shortfall quantities; plus
- (4) Applicable taxes.

Warm Weather OFO Day: During a Warm Weather OFO, the School/Government Supplier shall be subject to the following Daily OFO Over-Delivery Imbalance provisions:

When a School/Government Supplier has a Daily Over-Delivery Imbalance the Company shall pay School/Government Supplier for each Dekatherm of Daily Over-Delivery Imbalance Quantity the lower of the lowest incremental gas cost paid by Company on the date of noncompliance or the Daily Over-Delivery Charge.

School/Government Supplier shall pay Company for Daily Over-Delivery Quantities pursuant to the following:

- (1) OFO Non-Compliance Charge of \$10.00 per Dekatherm; plus
- (2) All charges incurred by Company and attributable to the School/Government Supplier's Daily Over-Delivery Imbalance Quantity; including pipeline penalty charges on the OFO excess quantities; plus
- (3) Applicable taxes.

APPENDIX J

SCHOOL/GOVERNMENT NOMINATION AND BALANCING PROVISIONS

IMBALANCE TRADING

School/Government Supplier may trade daily imbalance quantities with other School/Government Suppliers to reduce or eliminate its imbalances. Imbalance Trading is subject to the following Terms and Conditions:

- (1) Daily Imbalances incurred during Operational Flow Order periods are not eligible for trading.
- (2) The schedule for the trading of imbalances shall be as follows:
 - a. Company shall issue an initial statement of monthly imbalances (i.e. prior to imbalance trades) to School/Government Supplier.
 - b. School/Government Supplier shall complete and submit its monthly imbalance trades to Company within two (2) business days following the issuance of the initial imbalance statement.
 - c. Company shall issue a final imbalance statement of monthly imbalances to School/Government Supplier within three (3) business days following the close of imbalance trading.
- (3) The quantity eligible for trading is 100% of the calculated pre-trade daily imbalance quantities. School/Government Supplier may not trade to establish an imbalance in the opposite direction of the original imbalance.
- (4) Any City-Gate Non-Compliance volumes will not be changed due to trading of imbalances, and will be subject to the City-Gate Non-Compliance Charge.
- (5) Company will bill both parties to an Imbalance Trade a \$10.00 Imbalance Trading Charge for each transaction. For purposes of this charge, a transaction is each transfer of gas imbalance on a specific gas day pursuant to an arrangement by, or between, School/Government Supplier(s) to purchase, sell, or trade gas imbalances.
- (6) Any dollar payments, receipts, or exchanges of other consideration agreed upon between the parties to an Imbalance Trading transaction are outside the scope of this Tariff for Gas Service and must be completed between the parties themselves.
- (7) Trading of imbalances will not be permitted across operational systems or Gas Transportation Programs.

APPENDIX J

SCHOOL/GOVERNMENT NOMINATION AND BALANCING PROVISIONS

VOLUME RECONCILIATIONS

Annual Reconciliation:

Company will identify imbalances on an annual basis for each School/Government Supplier's Pool through calculating the difference between the Pool's Delivered Supplies and its Pool's Usage. Calculation of imbalances will be based on Supplier's monthly deliveries to its Pool reduced by the Unaccounted For Gas Percentage as set forth in Appendix F and compared to the Pool's total usage.

School/Government Supplier will eliminate any annual imbalances via either:

- (1) payment from Company for Over-Delivery Imbalance Quantities, or
- (2) payment from School/Government Supplier for Under-Delivery Imbalance Quantities

at the "Weighted Average Imbalance Price" calculated based on:

- (1) School/Government Supplier deliveries; and
- (2) the arithmetic average of the "Monthly Contract Index" prices published as reported by Inside FERC's Gas Market Report in the table "Prices of Spot Gas Deliveries to Pipelines" for the applicable months during the period of delivery to:

- (1) Texas Gas, Zone SL, or
- (2) ANR, La; or
- (3) Texas Eastern, ELA, or
- (4) Panhandle, Tx-Okla; or
- (5) Chicago City-Gates,

inclusive of firm pipeline transportation commodity rate, fuel and all surcharges, and adjusted for the necessary taxes.

WAIVER OF CHARGES

In its reasonable discretion, on a case-by-case basis, Company may waive all or part of any Charge assessable to School/Government Supplier pursuant to this Appendix J, provided, however, that the waiver of such Charge shall be exercised on a non-discriminatory basis. Requests for waivers, showing justifiable cause, must be submitted in writing to Company.

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

B.1. Gas Supply Curtailment Sequence.

- (1) First, Rate 260 and 270 Non-Pooling Transportation Customers and Pool Operators' and School/Government Suppliers' Pools (under Rate Schedules 280 and 285) shall be subject to the Cold Weather OFO in Appendix E and Appendix J as applicable.
- (2) Next, Rate 240 Customers' purchases of Company-Supplied Gas shall be interrupted 100% and Rate 245 Non-Pooling Customers shall be subject to the Cold Weather OFO in Appendix E.
- (3) Next, as determined by Company, all Rate 220 Firm Curtailment Customers' purchases of Company-Supplied Gas shall be limited to either:
 - (a) their respective Average Daily Throughput each day over any portion of the billing month, or
 - (b) their respective Normal Monthly Throughput.
- (4) Next, as determined by Company, all Rate 220 Firm Curtailment Customers' purchases of Company-Supplied Gas shall be curtailed prorata, either:
 - (a) on a daily basis for any period specified by Company by application of a uniform percentage curtailment to their respective Average Daily Throughput, or
 - (b) on a billing month basis by application of a uniform percentage curtailment to their respective Normal Monthly Throughput.

At this point in the Curtailment sequence, Firm Curtailment Customers shall not be curtailed to a daily quantity less than their respective Plant Protection Levels.

- (5) Next, all Rate 220 Firm Curtailment Customers' purchases of Company-Supplied Gas shall be curtailed to a daily quantity equal to their respective Plant Protection Levels.
- (6) Next, Rate 245, 260 and 270 Non-Pooling Transportation Customers and Pool Operators' and School/Government Suppliers' (under Rate Schedules 280 and 285) Pool Customers' transportation gas quantities on Company's system shall be limited to Customers' respective Plant Protection Levels, and the remainder of their delivered supply shall be diverted to use for Company System supply.
- (7) In the event further Curtailment is required to maintain Gas Service, Company shall be entitled to curtail or interrupt Gas Service to any Customer.
- (8) Compensation for the diversion of Customers' transportation gas quantities as provided for in Rule 27(B1) (6), will be in the amount of:
 - (a) **Daily Index Price:** The Daily Midpoint Prices per Dekatherm as reported in Gas Daily in the table "Daily Price Survey", for delivery to:
 - 1) Texas Gas, Zone SL, or
 - 2) ANR, La; or
 - 3) Texas Eastern, ELA, or
 - 4) Panhandle, Tx-Okla; or
 - 5) Chicago City-Gates.

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

- (b) the maximum interruptible transportation rate, including all applicable surcharges, for the applicable pipeline delivering the diverted gas to Company's system; plus
- (c) The average premium paid by the Company (stated on a per therm basis) to firm gas suppliers.

Such gas costs shall be recoverable by Company through the Gas Cost Adjustment.

B.2. Capacity Curtailment Sequence.

- (1) First, Rate 260 and 270 Non-Pooling Transportation Customers and Pool Operators' and School/Government Suppliers' Pools (under Rate Schedules 280 and 285) shall be subject to the Cold Weather OFO in Appendix E and Appendix J as applicable.
- (2) Next, Rate 240 Customers' purchases of interruptible Company-Supplied Gas quantities shall be interrupted 100%. Rate 245 Non-Pooling Customers shall be subject to the Cold Weather OFO in Appendix E.
- (3) Next, as determined by Company, all Firm Curtailment Customers' transportation quantities or purchases of Company-Supplied Gas, as applicable, shall be limited to either:
 - (a) their respective Average Daily Throughput each day over any portion of the billing month, or
 - (b) their respective Normal Monthly Throughput.
- (4) Next, as determined by Company, all Firm Curtailment Customers' transportation quantities or purchases of Company-Supplied Gas, as applicable, shall be curtailed prorata, either:
 - (a) on a daily basis for any period specified by Company by application of a uniform percentage curtailment to their respective Daily Throughput, or
 - (b) on a billing month basis by application of a uniform percentage curtailment to their respective Normal Monthly Throughput.

At this point in the Curtailment sequence, a Firm Curtailment Customer shall not be curtailed to a daily quantity less than its Plant Protection Level.

- (5) Next, all Firm Curtailment Customers shall be curtailed to their respective Plant Protection Levels.
- (6) In the event further Curtailment is required to maintain Gas Service, Company shall be entitled to curtail or interrupt deliveries of Gas Service to any Customer.

Exhibit C

Proposed Tariff Sheets - Redline

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TARIFF SHEET INDEX

TARIFF SHEET NO.

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2	INDEX
3	LOCATIONS SERVED
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RATE RATE SCHEDULES

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11	211	UNMETERED GAS LIGHTING SALES SERVICE
12	220	GENERAL SALES SERVICE
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18	270	LONG-TERM CONTRACT SERVICE
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APPENDIX APPENDICES

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Effective: September 1, 2012

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DEFINITIONS

Except where the context requires otherwise, the following terms shall have the meanings defined below when used in this Tariff for Gas Service:

Abbreviations:

Btu - British Thermal Unit
Ccf - Hundred Cubic Feet
Cf - Cubic Foot
Cfh - Cubic Feet per Hour
Dth - Ten therms or One Dekatherm
FERC - Federal Energy Regulatory Commission
GCA - Gas Cost Adjustment
IURC - Indiana Utility Regulatory Commission
Mcf - Thousand Cubic Feet
OUC - Indiana Office of Utility Consumer Counselor
PSIG - Pounds per square inch gauge

Adjustment Rider - A unit cost applied to a Customer's Bill that recovers Company expenses approved by the Commission.

Alternate Fuel - The form of energy used by Customer in place of Gas Service during Curtailment periods. Gas Service provided by Company under another Rate Schedule shall not qualify as an Alternate Fuel.

Annual Usage - Customer's actual total gas usage for the most recent twelve consecutive billing months, or Company's estimate of Customer's total gas usage for the next twelve consecutive billing months if actual usage information is not available.

Bill - An itemized list or statement of fees and charges for Gas Service. A Bill may be rendered by mail or by electronic means.

British Thermal Unit - The average amount of heat necessary to increase the temperature of one pound of water by 1° Fahrenheit in the temperature range of 32° to 212° Fahrenheit at 14.73 pounds per square inch absolute pressure.

Btu Adjustment Factor - The average Btu content of gas supplied to Customer, as determined periodically by Company, which is applied to Customer's metered volumetric usage to determine therms usage for billing purposes.

Bypass - A direct or indirect interconnection of Customer's Premises with another supplier of gas service resulting in the displacement or substantial reduction in Gas Service provided by Company.

Cashout - The monetary settlement of over-delivery and under-delivery gas imbalances between Company and Pool Operators, School/Government Suppliers, or Transportation Customers.

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Central Clock Time (CCT) - Central Daylight Time when daylight savings time is in effect and Central Standard Time when daylight savings time is not in effect.

Commercial Customer - Any Customer primarily engaged in wholesale or retail trade and services (including central heating and air conditioning facilities of apartment complexes), any local, state and federal governmental agency and any Customer not covered by another classification. When Gas Service is supplied through one meter to an apartment house or multiple unit dwelling, the service shall be classified as Commercial, in which case the applicable Non-Residential service Rate Schedule shall apply.

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Effective: September 1, 2012

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DEFINITIONS

Commission - The Indiana Utility Regulatory Commission.

Commission's Regulations - The Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana, as promulgated from time-to-time by the Commission.

Company - Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc. (Vectren North).

Company-Supplied Gas - Gas purchased by Company for resale to Customer.

Company's General Terms and Conditions - General Terms and Conditions Applicable to Gas Service, as amended from time-to-time, and as approved by the Commission as part of this Tariff for Gas Service.

Curtailement - The interruption or limitation of the Gas Service available to Customer pursuant to Company's Curtailement Procedures.

Curtailement Period - The period of time, as specified by Company, during which Gas Service is subject to Curtailement.

Curtailement Procedures - Rule 24 of Company's General Terms and Conditions.

Customer - Any individual, partnership, association, firm, public or private corporation or any other entity receiving Gas Service provided by Company with its consent. A Customer shall include any person receiving Gas Service from Company irrespective of whether that person is the individual in whose name the Gas Service is being received.

Customer-Delivered Gas - Gas delivered by Customer, or on Customer's behalf, to Company's distribution system.

Daily Pipeline Nomination - Nomination made by Supplier on pipeline's EBB indicating the quantity of gas being delivered to Company's city gate.

Daily Transportation Nomination - Nomination made by School/Government Supplier on Company's EBB indicating the quantity of gas being delivered to Company's city gate.

Deleted: School

Directed Delivery Quantity (DDQ) - The daily quantity of gas in Dth that School/Government Supplier must deliver to Company's city gates, as specified by Company, to meet the Expected Demand of School/Government Supplier's Pool, adjusted for prior imbalances associated with volume reconciliations, operating constraints, system knowledge/experience, and Company's Unaccounted for Gas Percentage.

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Educational Institution - An institution administering or providing educational programs from kindergarten through post-secondary level.

Electronic Bulletin Board (EBB or Extranet) - Company's electronic communications software that facilitates nominations, confirmation and other administrative functions associated with Transportation Service.

Expected Demand - A School/Government Supplier's Pool's forecasted usage for a particular gas day, as determined by Company.

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Gas Cost Adjustment - Gas cost recovery process approved for the Company through various Commission orders, including the Commission's generic orders in Cause No. 37091.

Effective: September 1, 2012

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DEFINITIONS

Gas Service - The availability of natural gas or a mixture of natural gas and other compatible gases at Company's point of delivery to Customer, irrespective of whether any such gas is actually consumed.

Government Entity - any non-Residential Customer who is an agency or entity of Federal, State, County or Local Government.

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Group 1 - Company's designation for a Customer served by a meter with rated capacity of 450 Cfh or less.

Group 2 - Company's designation for a Customer served by a meter with rated capacity of greater than 450 Cfh and less than 5000 Cfh.

Group 3 - Company's designation for a Customer served by a meter with rated capacity of 5000 Cfh or greater.

Heating Degree Day - A standard measure of the coldness of the temperatures experienced, based on the extent to which the daily mean temperature falls below a reference temperature of 65 degrees Fahrenheit.

Industrial Customer - A Customer primarily engaged in a process which creates or changes raw or unfinished materials into another form or product.

Interrupted-type Pilot Light - A pilot light, attached to Customer's alternate fuel equipment, that requires gas only during the flame-establishing period and is cut-off at the end of this period.

Interruptible Service - Gas Service subject to Curtailment and requiring Customer to maintain Alternate Fuel capability.

Maximum Daily Usage - Customer's maximum actual gas usage or Company's estimate of Customer's maximum gas usage for any 24 hour period.

Mobile Home Park - Residential development which includes ten or more permanent Mobile Home sites.

Non-Residential Customer - Any Customer that is not a Residential Customer.

Non-Gas Cost Revenue - Revenue received by Company from Customer, excluding gas costs such as pipeline storage and transportation costs, commodity gas costs, and other gas costs recovered through the Gas Cost Adjustment.

Operating System - Any portion of Company's distribution system for which gas deliveries and gas demands must be balanced separately from other portions of the distribution system, due to operational and contractual limitations.

Operational Flow Order (OFO) - An order issued by the Company via its EBB, fax machine, or telephone directing Pool Operator, School/Government Supplier or Transportation Customer to deliver specific quantities of gas via specific pipelines.

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Peak Design Day Demand - The then-effective forecasted peak design day usage of a Customer Pool as calculated and communicated by Company.

Pool - A group of Transportation Customers who have been aggregated by a Pool Operator or School/Government Supplier for gas supply management purposes.

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DEFINITIONS

Pool Operator - A marketer, supplier, or Transportation Customer that provides gas supply management for a Pool.

Pool Operator-Delivered Gas - Gas delivered by a Pool Operator or on Pool Operator's behalf, to Company's distribution system.

Premises - The main residence or living quarters for a Residential Customer, or the main building of a Commercial or Industrial Customer. The Premises shall include the outlying or adjacent buildings used by the same Customer, provided the use of Gas Service in the outlying or adjacent building(s) is supplemental to the Gas Service used in the main residence, main living quarters, or main building of Customer.

Rate Schedule - A Gas Service applicable to a particular classification of Customer with specific Availability, Applicability, Character of Service, Rates and Charges, and Terms and Conditions.

Residential Customer - Customer using Gas Service primarily for a single family dwelling unit, mobile home, apartment or condominium.

Sales Customer - A Customer receiving Sales Service from Company.

Sales Service - Gas Service involving the delivery by Company to Customer of Company-Supplied Gas.

School/Government Supplier - A gas supplier that provides gas supply management for a Pool of Customers for which an Educational Institution or Government Entity is responsible for payment of rates and charges to Company.

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School/Government Pooling Agreement - An agreement between Company and School/Government Supplier that defines the mutual responsibilities and obligations of those parties relative to services provided under Rate 285-School/Government Pooling Service.

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School/Government Supplier-Delivered Gas - Gas delivered by a School/Government Supplier, or on behalf of a School/Government Supplier, to Company's distribution system.

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School/Government Transportation Agreement - Written agreement between Company and Educational Institution or Government Entity defining Terms and Conditions of the Educational Institution or Government Entity's Gas Service.

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Service Area - Areas in which Company has Gas Service available, or may offer Gas Service, as certified by the Commission.

Spaceheating Customer - Any Customer receiving Gas Service, any part of which Customer uses as fuel for the heating of some portion or all of Customer's Premises.

Summer Season - The months of April through October, inclusive.

Therm - 100,000 Btu.

Throughput - The sum of Sales and Transportation Service quantities.

Transportation Customer - A Customer receiving Transportation Service from Company.

Effective: September 1, 2012

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DEFINITIONS

Transportation Service - Gas Service involving the delivery by Company to Customer of Customer-Delivered, School/Government Supplier-Delivered or Pool Operator-Delivered gas.

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Unapproved Use of Gas - Any use by Customer of Company-delivered gas that is inconsistent with Company's Tariff for Gas Service.

Winter Season - The months of November through March, inclusive.

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RATE 225 **SCHOOL/GOVERNMENT TRANSPORTATION SERVICE**

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AVAILABILITY

This Rate Schedule shall be available throughout Company's Service Area, subject to the availability of adequate facilities, which determination shall be within Company's reasonable discretion.

APPLICABILITY

This Rate Schedule shall be applicable to any Non-Residential Customer

- 1) whose Annual Usage is less than 50,000 therms and
- 2) for which payment of rates and charges to Company is the responsibility of an Educational Institution or Government Entity, which elects service hereunder.

CHARACTER OF SERVICE

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

RATES AND CHARGES

The monthly Rates and Charges for Gas Service hereunder shall be:

Customer Facilities Charge –

- Group 1: \$17.00
- Group 2: \$46.00
- Group 3: \$93.00

Distribution Charge -

- First 500 therms @ \$0.1740 per therm
- Over 500 therms @ \$0.1538 per therm

Appendices:

The following Appendices shall be applied monthly, if applicable:

- Appendix A – Gas Cost Adjustment
- Appendix B – Normal Temperature Adjustment
- Appendix G – Universal Service Fund Rider
- Appendix H – Pipeline Safety Adjustment
- Appendix I – Energy Efficiency Rider

Related Charges –

Customer shall reimburse Company for all charges incurred on Customer's behalf in connection with transportation of gas for Customer's account, including any pipeline penalty charges or cashout provisions assessed to Company.

Effective: September 1, 2012

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RATE 225 **SCHOOL/GOVERNMENT TRANSPORTATION SERVICE**

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Minimum Monthly Charge –

The Minimum Monthly Charge shall be the Customer Facilities Charge.

Other Charges –

The Other Charges set forth in Appendix C shall be charged to Customer, if applicable.

Switching Charges –

Customer shall be charged \$10.00 per meter per switch for switching School/Government Suppliers more than once per calendar year.

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CURTAILMENT

When sufficient capacity or quantities of gas are not available to Company to meet existing and reasonably anticipated demands of Customers or to protect and replenish Company's underground storage reserves, which determinations shall be within Company's reasonable discretion, Customer shall, as provided under Rule 24 of the General Terms and Conditions Applicable to Gas Service ("Rule 24") and upon notice from Company, curtail use of gas to such extent and during such periods as Company shall specify.

Customer must curtail gas usage in not more than two hours upon notice from Company directing Curtailment of Gas Service under this Rate Schedule.

Gas usage by Customer during a Curtailment period in excess of the quantity allowed shall be considered Unauthorized Gas Usage and shall be subject to the Unauthorized Gas Usage Charge set forth in Appendix C.

SCHOOL/GOVERNMENT TRANSPORTATION PROVISIONS

The following School/Government Transportation Provisions are applicable to Customers served under this Rate Schedule.

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- (1) A School/Government Transportation Service Customer must become a member of a Pool pursuant to the provisions of Rate 285, School/Government Pooling Service. School/Government Supplier will be responsible for managing the Pool's gas supply. Customer shall enter into a School/Government Transportation Agreement with Company that designates its selected School/Government Supplier from a list of approved School/Government Suppliers that have signed School/Government Pooling Agreements with Company. Such elections will carry over from month to month unless Customer and School/Government Supplier notify Company of any change at least ten (10) business days prior to the start of a new month.
- (2) Customer's prior delinquencies must be cured prior to commencing participation in School/Government Transportation Service, unless otherwise agreed to in advance by Company. School/Government Transportation Service will be effective as of Customer's next read date.
- (3) In the event of default of the School/Government Supplier, Customer shall be returned to Sales Service or may designate another School/Government Supplier. Customer shall be liable for its portion of applicable charges owed by defaulting School/Government Suppliers, as determined by Company after review of all available facts and circumstances including documented deliveries and consumption.

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RATE 225
SCHOOL/GOVERNMENT TRANSPORTATION SERVICE

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- (4) To compensate for unaccounted for gas losses, the quantity of gas available to School/Government Transportation Customer on a daily basis shall be equal to the quantity of gas delivered to Company's distribution system at the point of receipt for the account of Customer, reduced by the Unaccounted For Gas Percentage as set forth in Appendix F.
- (5) A Customer that has voluntarily returned from School/Government Transportation Service to Sales Service must remain on Sales Service for not less than one year before returning to School/Government Transportation Service, unless expressly authorized by Company.
- (6) An Educational Institution or a Government Entity must be a registered user of vectren.com to obtain historical usage information, and in order to obtain a single summary bill and remit a single monthly payment.

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TERMS AND CONDITIONS

Gas Service under this Rate Schedule shall be subject to Company's General Terms and Conditions and the Commission's Regulations.

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RATE 285 **SCHOOL/GOVERNMENT POOLING SERVICE**

APPLICABILITY

School/Government Pooling Service is an optional service applicable to any School/Government Supplier that has applied for and been approved under the Creditworthiness Standards and Requirements herein.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of School/Government Pooling Service for Rate 225, School/Government Transportation Service Customers.

School/Government Supplier shall deliver to the Company gas supplies needed to satisfy the daily and monthly usage requirement of School/Government Supplier's Pool Customers in accordance with the requirements set forth in this Rate Schedule, Appendix J, and the School/Government Pooling Agreement. Pooling will not be permitted across multiple operational systems or transportation programs unless approved in advance by Company.

School/Government Supplier shall provide nominations for its aggregated School/Government Pool Customers' deliveries. For purposes of calculating daily imbalances, the School/Government Pool's DDQ will be matched against the School/Government Supplier's total pipeline deliveries for such Pool.

School/Government Supplier shall be responsible for complying with Operational Flow Orders, daily balancing, and the payment of any daily imbalance Cashouts, and applicable charges.

Imbalance trading provided for in Appendix J allows School/Government Supplier to trade imbalances to minimize otherwise applicable imbalance charges.

SUMMARY OF CHARGES

School/Government Supplier's Bill shall be rendered monthly, and shall consist of the following charges, as applicable:

Financial Evaluation Fee:

\$50 for the initial and each subsequent School/Government Supplier financial evaluation performed by Company.

Administrative Fee: School/Government Supplier shall be assessed a monthly Administrative Fee of \$100 for each Pool.

Nomination and Balancing Charges: All nomination and balancing charges and imbalance trading charges associated with School/Government Supplier's School/Government Pool, including those listed in Appendix J, School/Government Nomination and Balancing Provisions, shall be billed to School/Government Supplier each month.

Nomination Error Charge:

School/Government Supplier shall pay a Nomination Error Charge of \$0.50 per Dekatherm on the quantity difference between School/Government Supplier's Daily Transportation Nomination and the confirmed deliveries under School/Government Supplier's Daily Pipeline Nomination for each day such difference occurs.

DDQ Non-Compliance Charge:

\$1 per Dth on days in which no Operational Flow Order (OFO) is in effect (provided no alternate arrangements are made with Company) against the daily difference between the Pool's DDQ and aggregate deliveries

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RATE 285
SCHOOL/GOVERNMENT POOLING SERVICE

City Gate Allocation Non-Compliance Charge:

\$1 per Dth on the quantity difference if School/Government Supplier's Daily Pipeline Nomination is less than the minimum or greater than the maximum city gate allocation requirements.

OFO Non-Compliance Charge:

\$10 per Dth applied to the difference between School/Government Supplier's DDQ and actual deliveries if School/Government Supplier over-delivers on days in which a Warm Weather OFO is in effect or under-delivers on days in which a Cold Weather OFO is in effect.

Related Charges: School/Government Supplier shall reimburse Company for all charges incurred by Company in connection with interstate pipeline transportation of School/Government Supplier-Delivered Gas including any gas costs, penalty charges, or Cashouts.

Late Payment Charge: Payment by School/Government Supplier shall be due seventeen (17) days from the date of issuance of the Bill. Company or an authorized agent must receive payment of the total amount due by the due date shown on the School/Government Supplier's Bill. If School/Government Supplier does not pay the total amount due by the date shown, an additional amount equal to one percent (1%) of the total unpaid balance shall also become due and payable. For each subsequent month, or portion thereof, of non-payment, an additional charge of one percent of the total unpaid balance shall be assessed.

Insufficient Funds Check Charge: For each check of School/Government Supplier returned by any bank due to insufficient funds, School/Government Supplier shall be charged as set forth in Appendix C, Other Charges to cover a portion of the cost of processing such check.

PROVISIONS AND REQUIREMENTS FOR SCHOOL/GOVERNMENT SUPPLIER PARTICIPATION

School/Government Supplier shall comply with the following provisions:

Contract:

School/Government Supplier must enter into a written School/Government Pooling Agreement with Company. Such School/Government Pooling Agreement shall set forth specific covenants and obligations undertaken by Company and School/Government Supplier under this Rate Schedule on behalf of the School/Government Supplier's Pool Customers. The School/Government Pooling Agreement shall have an initial term of not less than one year and shall automatically extend for succeeding annual terms thereafter subject to cancellation by either party after written notice submitted not less than ninety days prior to the end of the initial term or any succeeding annual term. However, in no event shall the School/Government Pooling Agreement expire during the Winter Season, unless such mid-winter termination date is mutually agreed upon, or School/Government Supplier fails to perform its responsibilities hereunder and Company elects to terminate School/Government Supplier's participation hereunder.

School/Government Supplier must provide written notice to Company of Customers joining its pool, or Customers leaving their pool, 10 business days prior to the first of the month. The effective date for Customers joining or leaving pools will be Customer's read date the following month.

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RATE 285 SCHOOL/GOVERNMENT POOLING SERVICE

Creditworthiness Standards and Requirements:

In order to qualify for participation under the School/Government Pooling Service, School/Government Supplier must pass an initial financial evaluation performed by Company, and any such subsequent evaluation(s) deemed appropriate by Company, to ensure that School/Government Supplier possesses sufficient resources to perform its responsibilities and to ensure financial performance under this Rate Schedule. In addition, if School/Government Supplier's participation in School/Government Pooling Service was previously terminated due to School/Government Supplier's non-compliance, School/Government Supplier shall provide information acceptable to Company that such cause for non-compliance has been corrected and will be avoided in the future. All prior delinquencies must be cured prior to commencing participation in the School/Government Pooling Service. Moreover, any and all charges from previous non-compliance shall be corrected prior to participation in the School/Government Pooling Service.

School/Government Supplier must complete and sign the Company's School/Government Supplier Registration Form and Credit Application to be considered for participation in the School/Government Pooling Service. A School/Government Supplier desiring to participate in the School/Government Pooling Service will be evaluated by the Company to establish credit levels acceptable to the Company. The Company will apply, on a non-discriminatory basis, reasonable financial standards to assess and examine a School/Government Supplier's creditworthiness. These standards will take into consideration the scope of the operations of each School/Government Supplier and the level of risk to Company. In order to pass Company's financial evaluation, School/Government Supplier may be required to provide security, the form and amount of which shall be specified by Company.

Financial evaluations will be based on standard credit factors such as financial and credit ratings, trade references, bank information, unused line of credit, Pool Customers' payment histories, and related financial information that has been independently audited, if available. Company shall determine creditworthiness based on the above criteria, and will not deny School/Government Supplier's participation in the School/Government Pooling Service without reasonable cause.

Company reserves the right to conduct a financial re-evaluation of School/Government Supplier from time to time. Such re-evaluation may be initiated either by a request from School/Government Supplier, or by Company if Company reasonably believes that the creditworthiness of School/Government Supplier may have changed or that the operating environment or other conditions may have changed that may have increased the risks posed by operations of the Pool. Based on such re-evaluation, School/Government Supplier's level of participation may be increased or decreased, additional security may be required, or School/Government Supplier may be removed from further participation in School/Government Pooling Service.

School/Government Supplier Code of Conduct

Each School/Government Supplier participating in School/Government Pooling Service shall:

1. Communicate to Customers, in clear, understandable terms, Customers' rights and responsibilities. This communication shall include: 1) School/Government Supplier's customer service address, local or toll-free telephone number and hours of operation; and 2) a statement describing the procedures for handling complaints and disputes.
2. Provide in writing, pricing and payment terms that are clear and understandable and inform Customers whether the price that Customer will pay is inclusive or exclusive of applicable taxes.

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RATE 285 SCHOOL/GOVERNMENT POOLING SERVICE

3. Refrain from engaging in communications, acts or practices that are fraudulent, deceptive, misleading, unfair, or unconscionable.
4. Deliver gas to Company on a firm basis on behalf of the School/Government Supplier's Pool Customers in accordance with the requirements of Rate 285 and the School/Government Pooling Agreement.
5. Establish and maintain a creditworthy financial position to enable School/Government Supplier to indemnify Company for costs incurred as a result of any failure by School/Government Supplier to deliver gas or pay invoices in accordance with the requirements of this Rate Schedule.
6. Make good faith efforts to resolve all disputes between School/Government Supplier and its Pool Customers and to cooperate with resolution of any joint issues with Company.

Failure to fulfill any of these obligations shall be considered a violation of the School/Government Supplier Code of Conduct, subject to consequences set forth in the Consequences of School/Government Supplier's Failure to Perform or Comply section of the following Terms and Conditions.

Required Regulatory Approvals:

School/Government Supplier must comply with all state and federal regulations related to its transportation of School/Government Supplier-Delivered Gas.

TERMS AND CONDITIONS

Unaccounted for Percentage:

School/Government Supplier shall compensate Company for unaccounted for gas. The quantity of gas available to School/Government Supplier's Pool Customers on a daily basis shall be equal to the quantity of gas delivered for Pool Customers into Company's distribution system at the point of receipt, reduced by the Unaccounted For Gas Percentage as set forth in Appendix F.

Nomination and Balancing Procedures:

School/Government Supplier shall be subject to the School/Government Nomination and Balancing Provisions in Appendix J.

Comparable Firm Capacity Requirement:

Each month, School/Government Supplier agrees to secure sufficient firm interstate pipeline capacity with primary delivery points to Company's city gates and firm supply to meet 100% of that month's Peak Design Day Demand of its Pool Customers.

On a daily basis, Company will provide School/Government Supplier with the revised Peak Design Day Demand for School/Government Supplier's Pool effective the following day. This volume will change over time as necessary to reflect Customers joining and/or leaving School/Government Supplier's Pool and any changes in Company's peak design day demand parameters.

Company may periodically verify School/Government Supplier's compliance with this Comparable Firm Capacity Requirement. School/Government Supplier will provide to Company upon request copies of contracts for upstream pipeline capacity not assigned by Company and supply contracts showing the firm quantities reserved or purchased and the specific points of delivery. If School/Government Supplier is securing firm city gate supplies, School/Government Supplier shall provide a copy of such firm supply agreement, and additional documentation as required by Company to confirm compliance of the applicable interstate pipeline capacity.

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SCHOOL/GOVERNMENT POOLING SERVICE

If Company identifies a firm capacity deficiency, such deficiency shall be resolved to Company's satisfaction by one or a combination of the following, at School/Government Supplier's discretion: 1) immediate acquisition by School/Government Supplier of additional firm pipeline capacity, 2) assignment to School/Government Supplier of Company's available pipeline capacity, 3) delayed enrollment of new Pool Customers, 4) return of existing Pool Customers to Company's Sales Service, or 5) transfer of Pool Customers to another School/Government Supplier. If Company identifies a firm supply deficiency, such deficiency shall be resolved to Company's satisfaction by one or a combination of the following, at School/Government Supplier's discretion: 1) immediate acquisition by School/Government Supplier of additional firm supply, 2) delayed enrollment of new Pool Customers, 3) return of existing Pool Customers to Company's Sales Service, or 4) transfer of Pool Customers to another School/Government Supplier.

Assignment of Pipeline Capacity:

School/Government Supplier may seek assignment of Company's firm interstate pipeline capacity for meeting some portion of the usage requirements of School/Government Supplier's Pool Customers. Company may decline to assign firm transportation and/or storage capacity if such capacity is needed to meet the needs of its Sales Service Customers or to perform the operational balancing function.

School/Government Supplier shall take direct assignment of specific interstate pipeline firm transportation and/or storage capacity for a term, unless otherwise agreed to by Company, which is the lesser of: 1) the term of the School/Government Pooling Agreement, or 2) the remaining term of the service agreement with the interstate pipeline applicable to such capacity, less one day, subject to Company's right of capacity recall contained elsewhere in these Terms and Conditions. Specific terms and conditions of any capacity assignment will be negotiated between School/Government Supplier and Company, or its agent, including length of term, price, and recall timing, subject to FERC requirements for capacity release.

School/Government Supplier may not change any primary points of receipt or delivery associated with assigned pipeline transportation contracts during the term of the capacity assignment. In addition, for specific parcels of capacity identified by Company, School/Government Supplier may not utilize any delivery point other than those primary and secondary points identified by Company unless the capacity is released at the pipeline's full tariff rate or unless an alternate capacity billing arrangement is agreed to by School/Government Supplier and Company. The assigned capacity is subject to recall at any time if School/Government Supplier does not perform in accordance with the School/Government Pooling Agreement or fails to comply with the School/Government Supplier Code of Conduct and other provisions set forth in these Terms and Conditions.

School/Government Supplier may re-release any capacity assigned to it hereunder, provided that: 1) School/Government Supplier will continue to be responsible to Company for payment of all pipeline charges associated with the assigned capacity; 2) any re-release of such capacity remains subject to the restrictions identified in the Assignment of Pipeline Capacity section; and 3) the capacity is not needed to satisfy the School/Government Supplier's Pool's DDQ on such day(s). School/Government Supplier may use other firm pipeline capacity to accomplish its DDQ and re-release portions of its assigned pipeline capacity, subject to the previously mentioned restrictions.

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RATE 285 **SCHOOL/GOVERNMENT POOLING SERVICE**

Company Demand Forecast:

Company shall forecast each School/Government Pool's Peak Design Day Demand and Expected Demand based upon Company's design day and forecasted weather, respectively, the number of Customers in the Pool, and the historic usage characteristics of the Pool Customers.

Curtailment Provisions:

School/Government Supplier shall be subject to the Curtailment Procedures in Company's General Terms and Conditions Applicable to Gas Service, Rule 24.

Consequences of School/Government Supplier's Failure to Perform or Comply

If School/Government Supplier fails to deliver gas in accordance with the requirement of the School/Government Pooling Agreement, or otherwise fails to comply with the provisions of this Rate Schedule, Company shall have the discretion to initiate the process to suspend temporarily or terminate such School/Government Supplier's further participation for the applicable Pool.

If School/Government Supplier is suspended or expelled from the School/Government Pooling Service relative to a specific Pool, Customers in such Pool shall revert to Company's Sales Service, unless and until said Customers join another School/Government Supplier's Pool. Any termination or cancellation of the School/Government Pooling Agreement relative to some or all of the School/Government Supplier's Pools and pursuant to any provision of this section shall be without waiver of any remedy, whether at law or in equity, to which the part not in default otherwise may be entitled for breach of the School/Government Pooling Agreement.

School/Government Supplier Operator Withdrawal or Termination:

If School/Government Supplier in total or for a specific Pool is restricted from further participation in the School/Government Pooling Service or elects to withdraw from the School/Government Pooling Service, Company shall have the right to recall all pipeline capacity then assigned to School/Government Supplier by Company associated with the specific Pool(s) in accordance with the terms of the release agreement, and have first rights to any additional pipeline capacity the School/Government Supplier utilizes for delivery to Company's city-gate.

School/Government Supplier shall remain responsible for the differences between the market value of the assigned pipeline capacity and the full demand charges applicable to such capacity until the earliest normal expiration date of the School/Government Pooling Agreement, which shall constitute liquidated damages. Upon withdrawal or termination, any Over-Delivery Imbalance Quantity or Under-Delivery Imbalance Quantity shall be resolved through the purchase or sale of volumes at the price set out in the Volume Reconciliation section of Appendix J.

Other

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and the Commission's Regulations.

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APPENDIX C **OTHER CHARGES**

Late Payment Charge –

If Customer does not pay a Bill for Gas Service on or before the gross payment due date, Customer shall be charged a Late Payment Charge as follows:

First \$3.00 or less of net billing - 10%
Over \$3.00 of net billing - 3%

Reconnect Charge –

When Gas Service is discontinued (1) at the request of Customer, (2) for nonpayment of a Bill, (3) when authorized by Company's General Terms and Conditions or the Commission's Regulations, or (4) for any reason beyond the control of Company, and a reestablishment of Gas Service is required by Customer, Customer shall be charged a Reconnect Charge to cover a part of the cost of discontinuance and reestablishment of Gas Service. Such charge shall be sixty dollars (\$60.00). In addition, when Gas Service is reconnected or disconnected after normal working hours at Customer's request, Customer shall be charged an After Hours Charge.

A charge equal to the Customer Facilities Charge for each month of discontinued Gas Service will also be made for reestablishing Gas Service for the same Customer at the same Premises where Gas Service has been discontinued at Customer's request during the preceding nine months. The minimum Customer Facilities Charge assessment under the provisions of this paragraph shall be one month's Customer Facilities Charge.

After Hours Charge –

When Gas Service is connected, reconnected, or disconnected outside of normal business hours at Customer's request, Customer shall be charged an After Hours Charge of twenty-two dollars (\$22.00) in addition to any other applicable charges for each connection, reconnection, or disconnection.

Insufficient Funds Check Charge –

For each check of Customer returned by any bank due to insufficient funds, Customer shall be charged twenty-five dollars (\$25.00) to cover a part of the cost of processing such check.

Unauthorized Gas Usage Charge –

Gas Usage by Customer during a Curtailment Period in excess of the quantity allowed pursuant to Rule 24 shall be considered Unauthorized Gas Usage and shall be subject to the Unauthorized Gas Usage Charge of five dollars (\$5.00) per therm. Company shall have the right to waive all or a portion of the Unauthorized Gas Usage Charge otherwise applicable to any Customer, provided that waiver of such charge shall be exercised on a non-discriminatory basis.

Fraudulent or Unapproved Use of Gas Charge –

When Company identifies fraudulent or unapproved use of gas, or Company's regulation, measuring equipment or other service facilities have been tampered with, Company may assess the actual costs for such field calls and repairs, in addition to the other costs pursuant to Rule 27 of Company's General Terms and Conditions. A minimum charge of seventy dollars (\$70.00) per occurrence shall apply.

Summary Billing Charge –

Bills provided by Company summarizing charges for Educational Institutions and Government Entities who are registered users of vectren.com are subject to a forty-five dollar (\$45.00) charge per summary bill.

Effective: September 1, 2012

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APPENDIX F **UNACCOUNTED FOR GAS PERCENTAGE**

APPLICABILITY

This Appendix shall be applicable to all Transportation Customers, ~~School/Government~~ Suppliers and Pool Operators.

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DESCRIPTION

0.1% of the quantities received by Company from Transportation Customer, ~~School/Government~~ Supplier or Pool Operator at a point of receipt on the Company's distribution system shall be retained by Company to compensate for unaccounted for gas.

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The Unaccounted For Gas Percentage stated above shall be reviewed and adjusted annually by Company, through updating of this Appendix after approval by the Commission, to reflect any changes in the system unaccounted for gas percentage.

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APPENDIX I **ENERGY EFFICIENCY RIDER**

APPLICABILITY

The Energy Efficiency Rider shall be applicable to all Customers served under the following Rate Schedules:

- Rate 210 – Residential Sales Service
- Rate 220 – General Sales Service
- Rate 225 – School/Government Transportation Service

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DESCRIPTION

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

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

Energy Efficiency Funding Component (EEFC):

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

The estimated annual costs, plus related revenue taxes, shall be divided by projected sales volumes to determine the applicable EEFC. The actual costs recoverable and the actual costs recovered under the EEFC shall be reconciled, with any under or over recovery being recovered or returned via the EEFC over a subsequent twelve month period.

Sales Reconciliation Component (SRC):

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

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

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

The accumulated monthly margin differences for each Rate Schedule shall be divided by projected sales volumes for each Rate Schedule to determine the applicable SRC. Projected and actual recoveries by Rate Schedule under the SRC are reconciled, with any under or over recovery being recovered or returned over the next twelve month period.

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APPENDIX J
SCHOOL/GOVERNMENT NOMINATION AND BALANCING
PROVISIONS

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APPLICABILITY

The following Provisions shall apply to School/Government Suppliers under Rate 285.

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DAILY SCHEDULING OF DIRECTED DELIVERY QUANTITIES:

By 10:00 a.m. Central Clock Time (CCT), Company will post on its EBB, School/Government Supplier's DDQ by Pool for the gas day beginning 9:00 a.m. CCT the following day. Such DDQ shall be the sum of: 1) the Expected Demand of School/Government Supplier's Pool for that gas day calculated using the Pool's demand equation and forecasted weather plus an Unaccounted For Gas Percentage as set forth in Appendix F; and 2) any necessary adjustments for interstate pipeline and/or Company operating constraints, system knowledge and experience, and/or prior imbalances associated with the periodic volume reconciliations. The DDQ will be stated in city gate Dekatherms. At the time of posting the DDQ, Company shall indicate the minimum, maximum or exact volume that shall be delivered by Supplier on each interstate pipeline or to each Company city gate to achieve the DDQ, and shall post any interstate pipeline and/or Company operating constraints that are expected to be in effect the following day(s). By 11:30 a.m. CCT each day, and via intra-day nominations thereafter, Supplier shall nominate to the Company via the Company's EBB the quantity of gas that it has scheduled for delivery at Company's city gate(s) for its Pool(s) for the following gas day. Supplier agrees to adhere to comply with any Company operating and/or interstate pipeline restrictions communicated by Company.

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APPENDIX J SCHOOL/GOVERNMENT NOMINATION AND BALANCING PROVISIONS

BALANCING PROVISIONS

School/Government Supplier shall be obligated to balance its forecasted DDQ with the total daily deliveries of School/Government Supplier-Delivered Gas. An Imbalance Quantity shall exist when the School/Government Supplier's DDQ is greater than or less than its total deliveries on a daily basis. Amounts paid by Company to School/Government Supplier in cashing out Imbalance Quantities shall be eligible for recovery in the Gas Cost Adjustment. Amounts received by Company from School/Government Supplier in cashing out Imbalance Quantities shall be credited against gas costs in the Gas Cost Adjustment.

The following definitions shall apply:

Daily Index Price: The Daily Midpoint Prices per Dekatherm reported in Gas Daily, in the table "Daily Price Survey" for delivery to:

- (1) Texas Gas, Zone SL, or
- (2) ANR, La; or
- (3) Texas Eastern, ELA, or
- (4) Panhandle, Tx-Okla; or
- (5) Chicago City-Gates.

Daily Under-Delivery Charge: The Daily Under-Delivery Charge shall be the highest of the sums of each Daily Index price and the maximum interruptible pipeline transportation rate, including fuel and all surcharges, applicable to each Daily Index Price.

Daily Over-Delivery Charge: The Daily Over-Delivery Charge shall be the lowest of the sums of each Daily Index Price and the firm pipeline transportation commodity rate, including fuel and all surcharges, applicable to each Daily Index Price.

DAILY BALANCING PROVISIONS

School/Government Supplier shall be obligated to balance its Pool DDQ with the aggregated total daily deliveries of School/Government Supplier-Owned Gas by the pipeline ("Total Daily Deliveries"). A Daily Imbalance Quantity shall exist when the School/Government Supplier's Total Daily Deliveries are greater than or less than the DDQ.

Daily Under-Delivery Imbalance:

During a Cold Weather OFO, these provisions will be replaced by those specified in the section entitled Operational Flow Orders.

If School/Government Supplier's Total Daily Deliveries are less than its DDQ, the gas shortfall shall be considered Daily Under-Delivery Imbalance Quantities. School/Government Supplier shall pay Company for Daily Under-Delivery Gas Quantities of Total Daily Usage pursuant to the following:

- (1) the Daily Under-Delivery Charge for each Dekatherm of Under-Delivery Imbalance Quantity; plus
- (2) DDQ non-compliance charge of \$1.00 per Dekatherm; plus
- (3) All other charges incurred by Company and attributable to School/Government Supplier's Daily Under-Delivery Imbalance Quantity, including pipeline penalty charges; plus
- (4) Applicable taxes.

Daily Over-Delivery Imbalance:

During a Warm Weather OFO, these provisions will be replaced by those specified in the section entitled Operational Flow Orders.

If School/Government Supplier's Total Daily Deliveries are greater than its DDQ, the excess gas shall be considered Daily Over-Delivery Imbalance Quantities. Company shall pay School/Government Supplier for each Dth of Daily Over-Delivery Gas Quantities the Daily Over-Delivery Charge.

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APPENDIX J SCHOOL/GOVERNMENT NOMINATION AND BALANCING PROVISIONS

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School/Government Supplier shall pay Company for Daily Over-Delivery Gas Quantities pursuant to the following:

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- (1) the DDQ non-compliance charge of \$1.00 per Dekatherm; plus
- (2) All other charges incurred by Company and attributable to School/Government Supplier's Daily Over-Delivery Imbalance Quantity, including pipeline penalty charges; plus
- (3) Applicable taxes.

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OPERATIONAL FLOW ORDERS

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

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Cold Weather OFO Day: During a Cold Weather OFO, the School/Government Supplier shall be subject to the following Daily OFO Under-Delivery Imbalance provisions:

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When School/Government Supplier has a Daily Under-Delivery Imbalance

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School/Government Supplier shall pay Company the following:

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- (1) For each Dekatherm of Daily Under-Delivery Imbalance Quantity the higher of the highest incremental gas cost paid by Company on the date of noncompliance or the Daily Under-Delivery Charge; plus
- (2) OFO Non-Compliance Charge of \$10.00 per Dekatherm; plus
- (3) All other charges incurred by Company and attributable to School/Government Supplier's Daily Under-Delivery Imbalance Quantity, including pipeline penalty charges on the OFO shortfall quantities; plus
- (4) Applicable taxes.

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Warm Weather OFO Day: During a Warm Weather OFO, the School/Government Supplier shall be subject to the following Daily OFO Over-Delivery Imbalance provisions:

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When a School/Government Supplier has a Daily Over-Delivery Imbalance the Company shall pay School/Government Supplier for each Dekatherm of Daily Over-Delivery Imbalance Quantity the lower of the lowest incremental gas cost paid by Company on the date of noncompliance or the Daily Over-Delivery Charge.

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School/Government Supplier shall pay Company for Daily Over-Delivery Quantities pursuant to the following:

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- (1) OFO Non-Compliance Charge of \$10.00 per Dekatherm; plus
- (2) All charges incurred by Company and attributable to the School/Government Supplier's Daily Over-Delivery Imbalance Quantity; including pipeline penalty charges on the OFO excess quantities; plus
- (3) Applicable taxes.

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APPENDIX J **SCHOOL/GOVERNMENT NOMINATION AND BALANCING** **PROVISIONS**

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IMBALANCE TRADING

School/Government Supplier may trade daily imbalance quantities with other School/Government Suppliers to reduce or eliminate its imbalances. Imbalance Trading is subject to the following Terms and Conditions:

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- (1) Daily Imbalances incurred during Operational Flow Order periods are not eligible for trading.
- (2) The schedule for the trading of imbalances shall be as follows:
 - a. Company shall issue an initial statement of monthly imbalances (i.e. prior to imbalance trades) to School/Government Supplier.
 - b. School/Government Supplier shall complete and submit its monthly imbalance trades to Company within two (2) business days following the issuance of the initial imbalance statement.
 - c. Company shall issue a final imbalance statement of monthly imbalances to School/Government Supplier within three (3) business days following the close of imbalance trading.
- (3) The quantity eligible for trading is 100% of the calculated pre-trade daily imbalance quantities. School/Government Supplier may not trade to establish an imbalance in the opposite direction of the original imbalance.
- (4) Any City-Gate Non-Compliance volumes will not be changed due to trading of imbalances, and will be subject to the City-Gate Non-Compliance Charge.
- (5) Company will bill both parties to an Imbalance Trade a \$10.00 Imbalance Trading Charge for each transaction. For purposes of this charge, a transaction is each transfer of gas imbalance on a specific gas day pursuant to an arrangement by, or between, School/Government Supplier(s) to purchase, sell, or trade gas imbalances.
- (6) Any dollar payments, receipts, or exchanges of other consideration agreed upon between the parties to an Imbalance Trading transaction are outside the scope of this Tariff for Gas Service and must be completed between the parties themselves.
- (7) Trading of imbalances will not be permitted across operational systems or Gas Transportation Programs.

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APPENDIX J **SCHOOL/GOVERNMENT NOMINATION AND BALANCING** **PROVISIONS**

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VOLUME RECONCILIATIONS

Annual Reconciliation:

Company will identify imbalances on an annual basis for each School/Government Supplier's Pool through calculating the difference between the Pool's Delivered Supplies and its Pool's Usage. Calculation of imbalances will be based on Supplier's monthly deliveries to its Pool reduced by the Unaccounted For Gas Percentage as set forth in Appendix F and compared to the Pool's total usage.

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School/Government Supplier will eliminate any annual imbalances via either:

- (1) payment from Company for Over-Delivery Imbalance Quantities, or
- (2) payment from School/Government Supplier for Under-Delivery Imbalance Quantities

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at the "Weighted Average Imbalance Price" calculated based on:

- (1) School/Government Supplier deliveries; and
- (2) the arithmetic average of the "Monthly Contract Index" prices published as reported by Inside FERC's Gas Market Report in the table "Prices of Spot Gas Deliveries to Pipelines" for the applicable months during the period of delivery to:

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- (1) Texas Gas, Zone SL, or
- (2) ANR, La; or
- (3) Texas Eastern, ELA, or
- (4) Panhandle, Tx-Okla; or
- (5) Chicago City-Gates,

inclusive of firm pipeline transportation commodity rate, fuel and all surcharges, and adjusted for the necessary taxes.

WAIVER OF CHARGES

In its reasonable discretion, on a case-by-case basis, Company may waive all or part of any Charge assessable to School/Government Supplier pursuant to this Appendix J, provided, however, that the waiver of such Charge shall be exercised on a non-discriminatory basis. Requests for waivers, showing justifiable cause, must be submitted in writing to Company.

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

B.1. Gas Supply Curtailment Sequence.

- (1) First, Rate 260 and 270 Non-Pooling Transportation Customers and Pool Operators' and School/Government Suppliers' Pools (under Rate Schedules 280 and 285) shall be subject to the Cold Weather OFO in Appendix E and Appendix J as applicable.
- (2) Next, Rate 240 Customers' purchases of Company-Supplied Gas shall be interrupted 100% and Rate 245 Non-Pooling Customers shall be subject to the Cold Weather OFO in Appendix E.
- (3) Next, as determined by Company, all Rate 220 Firm Curtailment Customers' purchases of Company-Supplied Gas shall be limited to either:
 - (a) their respective Average Daily Throughput each day over any portion of the billing month, or
 - (b) their respective Normal Monthly Throughput.
- (4) Next, as determined by Company, all Rate 220 Firm Curtailment Customers' purchases of Company-Supplied Gas shall be curtailed prorata, either:
 - (a) on a daily basis for any period specified by Company by application of a uniform percentage curtailment to their respective Average Daily Throughput, or
 - (b) on a billing month basis by application of a uniform percentage curtailment to their respective Normal Monthly Throughput.

At this point in the Curtailment sequence, Firm Curtailment Customers shall not be curtailed to a daily quantity less than their respective Plant Protection Levels.

- (5) Next, all Rate 220 Firm Curtailment Customers' purchases of Company-Supplied Gas shall be curtailed to a daily quantity equal to their respective Plant Protection Levels.
- (6) Next, Rate 245, 260 and 270 Non-Pooling Transportation Customers and Pool Operators' and School/Government Suppliers' (under Rate Schedules 280 and 285) Pool Customers' transportation gas quantities on Company's system shall be limited to Customers' respective Plant Protection Levels, and the remainder of their delivered supply shall be diverted to use for Company System supply.
- (7) In the event further Curtailment is required to maintain Gas Service, Company shall be entitled to curtail or interrupt Gas Service to any Customer.
- (8) Compensation for the diversion of Customers' transportation gas quantities as provided for in Rule 27(B1) (6), will be in the amount of:
 - (a) **Daily Index Price:** The Daily Midpoint Prices per Dekatherm as reported in Gas Daily in the table "Daily Price Survey", for delivery to:
 - 1) Texas Gas, Zone SL, or
 - 2) ANR, La; or
 - 3) Texas Eastern, ELA, or
 - 4) Panhandle, Tx-Okla; or
 - 5) Chicago City-Gates.

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

- (b) the maximum interruptible transportation rate, including all applicable surcharges, for the applicable pipeline delivering the diverted gas to Company's system; plus
- (c) The average premium paid by the Company (stated on a per therm basis) to firm gas suppliers.

Such gas costs shall be recoverable by Company through the Gas Cost Adjustment.

B.2. Capacity Curtailment Sequence.

- (1) First, Rate 260 and 270 Non-Pooling Transportation Customers and Pool Operators' and ~~School/Government~~ Suppliers' Pools (under Rate Schedules 280 and 285) shall be subject to the Cold Weather OFO in Appendix E and Appendix J as applicable.
- (2) Next, Rate 240 Customers' purchases of interruptible Company-Supplied Gas quantities shall be interrupted 100%. Rate 245 Non-Pooling Customers shall be subject to the Cold Weather OFO in Appendix E.
- (3) Next, as determined by Company, all Firm Curtailment Customers' transportation quantities or purchases of Company-Supplied Gas, as applicable, shall be limited to either:
 - (a) their respective Average Daily Throughput each day over any portion of the billing month, or
 - (b) their respective Normal Monthly Throughput.
- (4) Next, as determined by Company, all Firm Curtailment Customers' transportation quantities or purchases of Company-Supplied Gas, as applicable, shall be curtailed prorata, either:
 - (a) on a daily basis for any period specified by Company by application of a uniform percentage curtailment to their respective Daily Throughput, or
 - (b) on a billing month basis by application of a uniform percentage curtailment to their respective Normal Monthly Throughput.

At this point in the Curtailment sequence, a Firm Curtailment Customer shall not be curtailed to a daily quantity less than its Plant Protection Level.

- (5) Next, all Firm Curtailment Customers shall be curtailed to their respective Plant Protection Levels.
- (6) In the event further Curtailment is required to maintain Gas Service, Company shall be entitled to curtail or interrupt deliveries of Gas Service to any Customer.

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