

**GAS RATE NO. A3**

**BASIC USAGE BALANCING SERVICE**

**APPLICABILITY:**

This rate is applicable to 3<sup>rd</sup> Party Suppliers providing gas supply services to a Supplier Group of End-Use Customers who have chosen the Basic Delivery Service Option, in accordance with the Utility's requirements.

**SPECIAL PROVISIONS:**

Incorporated herein, and made part of this Gas Rate No. A3, are the Terms and Conditions for Gas Service, as amended from time to time. Capitalized terms used in this rate schedule are defined in the Terms and Conditions for Gas Service.

**BASIC USAGE IMBALANCES:**

The Utility shall cash-out Monthly a 3<sup>rd</sup> Party Supplier with positive or negative daily net Basic Usage Imbalances associated with a Supplier Group of End-Use Customers, under Gas Rate Nos. D3, D4, D5, and D9.

Negative daily net Basic Usage Imbalances reflect situations where a Supplier Group of End-Use Customer(s), consumed a greater volume of Gas than its Daily Gas Supply Deliveries.

Positive daily net Basic Usage Imbalances reflect situations where a Supplier Group of End-Use Customer(s), consumed a lesser volume of Gas than its Daily Gas Supply Deliveries. In all non-Operational Flow Order periods, any net daily Basic Usage Imbalances will be administered in the manner described below.

**MONTHLY CASH-OUT OF DAILY IMBALANCES:**

1. Except under Operational Flow Order or Curtailment conditions, cash-out charges for negative daily net Basic Usage Imbalances are as follows:

100% of applicable Gas Supply Charge from Rider B (including capacity costs) for daily net Basic Usage Imbalances of 0% up to and including 20%.

110% of applicable Gas Supply Charge from Rider B (including capacity costs) for daily net Basic Usage Imbalances of greater than 20% up to and including 30%.

120% of applicable Gas Supply Charge from Rider B (including capacity costs) for daily net Basic Usage Imbalances of greater than 30% up to and including 40%.

140% of applicable Gas Supply Charge from Rider B (including capacity costs) for daily net Basic Usage Imbalances of greater than 40%.

Current rates effective pursuant to  
IURC Order in Cause No. 43975  
ISSUED PURSUANT TO

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**SEP 06 2011**

Effective: September 6, 2011

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**GAS RATE NO. A3 – BASIC USAGE BALANCING SERVICE (Cont'd)**

2. Cash-out charges for negative daily net Basic Usage Imbalances, under Operational Flow Order conditions, are as follows:

For each Therm of a negative daily net Usage Imbalance greater than 5% percent, the greater of the highest per-unit Gas cost paid by the Utility on the date of non-compliance or the daily cash-out charge as calculated above; plus

The payment of all other charges incurred by the Utility and attributable to the 3<sup>rd</sup> Party Suppliers' imbalance, including pipeline penalty charges on the Operational Flow Order shortfall quantities; plus

An Operational Flow Order imbalance charge of \$1.00 per Therm on the portion of the daily imbalance that is greater than 5%; plus applicable taxes.

3. Except under Operational Flow Order or Curtailment conditions, cash-out credits for positive daily net Basic Usage Imbalances are as follows:

100% of applicable Gas Supply Charge from Rider B (without capacity costs) for daily net Basic Usage Imbalances of greater than 0% up to and including 20%.

90% of applicable Gas Supply Charge from Rider B (without capacity costs) for daily net Basic Usage Imbalances of greater than 20% up to and including 30%.

80% of applicable Gas Supply Charge from Rider B (without capacity costs) for daily net Basic Usage Imbalances of greater than 30% up to and including 40%.

60% of applicable Gas Supply Charge from Rider B (without capacity costs) for daily net Basic Usage Imbalances of greater than 40%.

4. Cash-out credits for positive daily net Basic Usage Imbalances, under Operational Flow Order conditions, are as follows:

The Utility will pay the 3<sup>rd</sup> Party Supplier for each Therm of positive daily net Usage Imbalance greater than 5%, the lesser of the lowest per-unit Gas cost paid by the Utility (excluding capacity costs) on the date of non-compliance or the daily cash-out credit as calculated above; offset by

The 3<sup>rd</sup> Party Supplier will pay the Utility all charges incurred and attributable to the 3<sup>rd</sup> Party Supplier's imbalance, including pipeline penalty charges on the Operational Flow Order excess quantities and all applicable taxes; and

The 3<sup>rd</sup> Party Supplier will pay the Utility an Operational Flow Order imbalance charge of \$1.00 per Therm on the portion of the daily positive imbalance greater than 5%.

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Citizens Gas  
2020 North Meridian Street  
Indianapolis, Indiana 46202

Original Page No. 303B

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**GAS RATE NO. A3 – BASIC USAGE BALANCING SERVICE (Cont'd)**

**BILLING FOR DAILY IMBALANCE CASH-OUTS:**

Basic Usage Imbalance charges and credits will be calculated daily, accumulated throughout the Month and billed at Month end, to the applicable 3<sup>rd</sup> Party Supplier. Utility will purchase amounts from a 3<sup>rd</sup> Party Supplier that are not offset by other charges.

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I.U.R.C. Order in Cause No. 43975

Effective: September 6, 2011