

**RATE 345
RATE FOR GAS SERVICE
SUPPLIER AGGREGATION SERVICE (SAS)**

No. 1 of 10 Sheets

TO WHOM AVAILABLE

This service shall be available to marketers and brokers who: 1) have been designated as a qualified supplier and/or agent by customers who have elected to receive service under Experimental Riders to Rate Schedules 311, 315, 316, 317, 321, and 325 or Rate Schedule FDTs; 2) meet the qualification requirements specified in this Rate Schedule; and 3) have executed a Supplier Aggregation Service (SAS) Agreement with the Company.

CHARACTER OF SERVICE

A Qualifying Aggregator may aggregate individual customers, on whose behalf Qualifying Aggregator is providing gas supply, for nomination, balancing and load management purposes at specified points of receipt on the Company's distribution system or at specified pipeline interconnections available to the Company on its upstream capacity.

Only customers within the same system Zone (currently Zone A and Zone B) utilizing the same transportation service may be aggregated.

This service allows a Qualifying Aggregator to aggregate volumes in the field or at the Company's city gates, depending upon the service election by the Qualifying Aggregator's customers to whom supplies are being provided.

SERVICE AGREEMENT

A Qualifying Aggregator desiring service under this Rate Schedule shall contact the Company to request service. As a condition of receiving service, the Qualifying Aggregator shall execute a Supplier Aggregation Service Agreement.

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NOMINATIONS UNDER SCDS RIDER

Company Nomination Option

At the beginning of each month the Company shall provide to the Qualifying Aggregator a good faith estimate of the daily delivery quantities that will be required for the month for Qualifying Customers served by said Qualifying Aggregator under SCDS. Such estimated daily delivery quantities may be changed by the Company no later than the time required for such nominations by the delivering pipeline(s), in order to adjust for demand and weather variations.

Formula Option

In lieu of nominations by the Company, the Qualifying Aggregator may elect to use a formula, provided by the Company, to calculate daily citygate delivery quantities required under SCDS. Such formula may be adjusted by the Company, in its sole discretion, at the beginning of each month or at any time that the formula volumes deviate from actual consumption under SCDS by more than plus or minus 10%. Qualifying Aggregator shall be notified of any formula adjustments by the Company on a timely basis. Provided, however, adjustments in the formula shall not change the Qualifying Aggregator's daily citygate delivery obligation by more than plus or minus 10% compared to the delivery obligation that would have resulted under the applicable formula prior to the last noticed adjustment.

RATE

Administration Charge

The Administration Charge under this Rate Schedule shall be \$1.50 per meter per month for General Service Customers and \$0.75 per meter per month for Residential Customers or \$500.00 per aggregation contract per month, which ever is greater.

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RATE (continued)

Imbalance and Overrun Charges

A Qualifying Aggregator shall be billed on a monthly basis for under and over deliveries of nominated volumes, authorized and unauthorized overrun capacity charges, as well as charges for unauthorized use of gas by the Qualifying Aggregator's customers when the Qualifying Aggregator fails to deliver adequate quantities of gas and the Qualifying Aggregator has not contracted for Firm No-Notice Backup Supply Service (FNBS).

Other Charges

A Qualifying Aggregator shall be billed such other charges as may be applicable from time to time, including but not limited to charges related to the use and/or assignment of the Company's upstream capacity and a line loss deduction of .85% for all gas deliveries by Company on behalf of the Qualifying Aggregator.

SUPPLIER PERFORMANCE REQUIREMENTS

The obligations that a Qualifying Aggregator agrees to undertake in exchange for the right to sell gas supply under this Rate Schedule are delineated in the Service Agreement between the Qualifying Aggregator and the Company. Qualifying Aggregator shall be subject to reasonable standards of conduct and performance standards, as may be issued from time to time by the Commission, for suppliers that choose to make direct sales to customers electing service under Experimental Rider to Rate Schedule 311, 315, 316, 317 and other Human Needs customers.

Qualifying Aggregator shall post either a cash deposit or irrevocable letter of credit from an issuer meeting Company's approval in order to ensure Qualifying Aggregator's performance of its contractual obligations. The Qualifying Aggregator agrees that the Company shall have the right to access and apply the cash deposit or draw on the letter of credit in an amount equal to any payment obligations owing to Company. In lieu of a cash deposit or letter of credit from the Qualifying Aggregator, Company may, in its sole discretion, agree to accept a parent guaranty from the Qualifying Aggregator's parent company.

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SUPPLIER PERFORMANCE REQUIREMENTS (continued)

The amount of the cash deposit, or irrevocable letter of credit will be based upon the maximum aggregate daily delivery obligation of the Qualifying Aggregator for a fifteen (15) day peak period.

Qualifying Aggregators shall provide a written affidavit certifying to the Indiana Utility Regulatory Commission (Commission) and, simultaneously, a copy to the Company, that it has adequate firm supplies under contract to meet its customers aggregate firm daily demand and firm annual demand or that it has contracted with the Company for Firm No-Notice Backup Supply Service to cover firm delivery short falls.

In the event that there is a good faith dispute between the Qualifying Aggregator and the Company as to whether the Qualifying Aggregator satisfies the requirements of this provision, the Qualifying Aggregator may file a complaint with the Commission asking the Commission to resolve the dispute with the Company as to whether it, in fact, is a "qualified supplier" within the meaning of the tariff.

Alternatively, in lieu of filing a complaint with the Commission the Qualifying Aggregator and the Company may, by mutual agreement, seek a resolution of the good faith dispute through binding arbitration.

DAILY IMBALANCE CASH-OUT PROVISIONS

The Qualifying Aggregator shall be subject to the daily imbalance cash-out provisions included in this Rate Schedule, or in the case of aggregation of FDTS customer loads the Daily Imbalance Cash-out Provisions Rider shall apply.

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DAILY IMBALANCE CASH-OUT PROVISIONS (continued)

Imbalances Under Rate Schedule SCDS

Company Nomination Option

The Daily Imbalance Volume shall be the difference between the daily nomination requested by the Company from the Qualifying Aggregator and the volume of gas actually delivered to the system by that Qualifying Aggregator.

Formula Option

The Daily Imbalance Volume shall be the difference between the volume calculated in the formula using the Company's actual weather data and the volume tendered to the system by the Qualifying Aggregator.

Daily Imbalances During Non-Critical Periods

If on any day the volume of gas delivered by the Qualifying Aggregator differs from the nomination requested by the Company under Supplier Choice Delivery Service (SCDS), after adjustment for allowed balancing tolerances and fuel, such volumes shall be subject to the following charges:

For Over-Deliveries (the Qualifying Aggregator's delivered volume is greater than the Company's requested volume) the Company will purchase gas from the Qualifying Aggregator at the rates below:

Imbalance Level	Company Pays Qualifying Aggregator
+ 0% to 4.99%	100% of the Lesser of Daily Index or First of Month Index
+ 5% to 9.99%	90% of the Lesser of Daily Index or First of Month Index
+10% to 20%	80% of the Lesser of Daily Index or First of Month Index
Over + 20%	60% of the Lesser of Daily Index or First of Month Index

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DAILY IMBALANCE CASH-OUT PROVISIONS (continued)

Daily Imbalances During Non-Critical Periods - (continued)

For Under-Deliveries (the Qualifying Aggregator's delivered volume is less than the Company's requested volume) the Qualifying Aggregator will purchase gas from the Company at the rates below:

Imbalance Level	Qualifying Aggregator Pays Company
- 0% to 4.99%	100% of the Greater of Daily Index or First of Month Index
- 5% to 9.99%	110% of the Greater of Daily Index or First of Month Index
-10% to 20%	120% of the Greater of Daily Index or First of Month Index
Under - 20%	140% of the Greater of Daily Index or First of Month Index

In addition to the charges above, Qualifying Aggregator shall pay all costs, as determined by the Company, associated with managing the Qualifying Aggregator's imbalances, including, but not limited to, all upstream and on-system capacity costs and supply costs.

The Daily Index price shall be the arithmetic average of the range of prices posted for "Chicago LDC's, large end users" under the table Citygate, Pooling Point Prices as published in Gas Daily. In the event this posting is unavailable, Company will establish a new Daily Index price.

The First of Month Index price shall be the arithmetic average of the "Range of Reported Spot Prices Utilities" for the first day of each Month appearing under the table "Northern Illinois/Northern Indiana" as published in INSIDE FERC.

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DAILY IMBALANCE CASH-OUT PROVISIONS (continued)

Daily Imbalances During Critical Periods

For Over-Deliveries (the Qualifying Aggregator's delivered volume is greater than the Company's requested volume) the Company will purchase gas from the Qualifying Aggregator at the rates below:

Imbalance Level	Company Pays Qualifying Aggregator
+ 0% to .99%	100% of the Lesser of Daily Index or First of Month Index
+ 1% to 4.99%	90% of the Lesser of Daily Index or First of Month Index
+ 5% to 10%	80% of the Lesser of Daily Index or First of Month Index
Over + 10%	60% of the Lesser of Daily Index or First of Month Index

For Under-Deliveries (the Qualifying Aggregator's delivered volume is less than the Company's requested volume) the Qualifying Aggregator will purchase gas from the Company at the rates below:

Imbalance Level	Qualifying Aggregator Pays Company
- 0% to .99%	100% of the Greater of Daily Index or First of Month Index
- 1% to 4.99%	110% of the Greater of Daily Index or First of Month Index
- 5% to 10%	120% of the Greater of Daily Index or First of Month Index
Under - 10%	140% of the Greater of Daily Index or First of Month Index

In addition to the above charges, Qualifying Aggregator will pay the greater of \$60.00 per Dth or the applicable pipeline penalty charges. For purposes of this section Critical Period shall be as defined on sheet 4 of 4 in the Company's Daily Imbalance Cash-Out Provisions Rider.

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DAILY IMBALANCE CASH-OUT PROVISIONS (continued)

Should the Qualifying Aggregator be in an imbalance during a Critical Period which is opposite the Company's imbalance during the Critical Period, the Qualifying Aggregator shall be assessed as follows:

- 1) the lesser of Daily Index or First of Month Index for all Over-Deliveries; or
- 2) the greater of Daily Index or First of Month Index for all Under-Deliveries.

If, at the request of the Company, the Qualifying Aggregator assumes an imbalance beneficial to the Company, the Under- or Over-Deliveries shall be assessed at 100% of the Daily Index price.

The Daily Index price and the First of Month Index price shall be as defined above under Daily Imbalances during Non-Critical Periods.

Extraordinary Imbalances and Recurring Unauthorized Use of System Gas Under SCDS

1) Correction for Extraordinary Circumstances

In the event that system supply gas is not available to satisfy underdelivery imbalances, the Company shall use its reasonable efforts to acquire replacement volumes of gas from other sources. Under these circumstances, Qualifying Aggregator shall be responsible for all costs incurred by the Company to obtain gas supply including, but not limited to, upstream and on-system capacity costs, supply costs plus an additional charge of \$60.00 per Dth for all short-fall volumes.

2) Recurring Over-Deliveries

If Qualifying Aggregator delivers excess volumes for more than ten (10) days during any month, Qualifying Aggregator shall provide documentation to the Company that it has contracted for a storage service for a minimum of two months. The Company shall determine, in its reasonable discretion, whether the contracted storage service is adequate to balance Qualifying Aggregator's deliveries.

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DAILY IMBALANCE CASH-OUT PROVISIONS (continued)

If Qualifying Aggregator delivers excess volumes for more than ten (10) days during any month, more than once within a twelve (12) month period, Qualifying Aggregator shall be assigned Optional Storage Service, or an equivalent service (as determined by the Company) in the event Optional Storage Service is fully subscribed, based on the highest over-delivery on the days when the over-deliveries occurred. Qualifying Aggregator shall be obligated to pay for Optional Storage Service as defined in the Optional Storage Service Rate Schedule.

3) Recurring Under-Deliveries

If Qualifying Aggregator fails to deliver sufficient quantities of gas on more than three (3) days during any month, Qualifying Aggregator shall provide documentation to the Company that it has contracted for satisfactory firm no-notice supply service for the next five (5) months. The Company shall determine, in its reasonable discretion, whether the contracted no-notice service is adequate to balance Qualifying Aggregator's deliveries.

In the event Qualifying Aggregator fails to deliver sufficient quantities of gas on more than three (3) days during any month, more than once within a twelve (12) month period, then Qualifying Aggregator shall be assigned Firm No-Notice Backup Supply Service at a volume equal to the highest deficiency on the days when the delivery failures occurred. Qualifying Aggregator shall be obligated to pay Firm No-Notice Backup Supply Service charges for a period of not less than five (5) months.

Imbalances Under Rate Schedule FDTS

Qualifying Aggregators under SAS are eligible for aggregating FDTS customers' loads, in the same delivery zone on the Company's system, under the Imbalance Netting Option of FDTS. Charges for aggregate FDTS customers' imbalances, after netting within the aggregate load, shall be subject to the imbalance provisions included in the Daily Imbalance Cash-out Provisions Rider and billed to Qualifying Aggregator.

MONTHLY RECONCILIATIONS UNDER SCDS

The Company shall reconcile on a monthly basis the nominated volumes plus or minus storage injections or withdrawals for each Qualifying Aggregator with the usage of that Qualifying Aggregator's customers. Any difference as a result of this reconciliation shall be Purchased

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MONTHLY RECONCILIATIONS UNDER SCDS (continued)

either by the Company, if a positive result, or by the Qualifying Aggregator, in the event of a negative result, at a price based on the Company's average commodity cost of purchased gas for the month being reconciled.

The bills for the monthly reconciliation shall be due and payable seventeen (17) days after being submitted.

MINIMUM PAYMENT

The minimum monthly payment under this Rate Schedule shall be the Administrative Charge.

DEFERRED PAYMENT

All bills for SAS shall be rendered and due monthly. If not paid within seventeen (17) days after the bill is mailed, there shall be added to bills of \$3.00 or less, 10% of the amount of the bill; and to bills in excess of \$3.00 there shall be added 10% of the first \$3.00, plus 3% of the amount of the bill in excess of \$3.00.

RULES AND REGULATIONS

As a condition of service hereunder, Qualifying Aggregator agrees to abide by, and is obligated to comply with, the Company's rate schedules and General Rules and Regulations Applicable to Gas Service, as approved by the IURC from time to time, to the extent that they are not in conflict with or inconsistent with the specific provisions of this Rate Schedule.

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