

**RIDER TO RATES 311, 315, 316, 317, 321 AND 325
SUPPLIER CHOICE DELIVERY SERVICE (SCDS)**

No. 1 of 5 Sheets

TO WHOM AVAILABLE

This is an experimental Rider to Rate Schedules 311, 315, 316, 317, 321 and 325 available to Customers which elect to have a qualified supplier other than the Company supply their natural gas requirements (Qualifying Customers). The term of this Rider shall be the period commencing May 1, 2006 and ending April 30, 2010. Any extension of this Rider shall be made by the Company subject to a determination, in its sole discretion, that such extension of the Rider is operationally and administratively feasible. Timely notice of the Company's determination shall be provided to all Customers.

CHARACTER OF SERVICE

A Qualifying Customer shall select a gas supplier from a list of qualified gas suppliers and notify the Company of its choice. The Company shall purchase and provide all of the transportation services required to deliver the Qualifying Customer's gas from the qualified supplier's source to the Qualifying Customer's meter under the Terms and Conditions of this Rider. These services include: firm transportation and storage on upstream pipeline facilities, daily and monthly scheduling and nominations, load balancing, and firm transportation on the Company's distribution facilities.

Provided however, if the Qualifying Customer's qualified supplier chooses the formula option for nominations under SCDS as provided for in the Supplier Aggregation Service Rate Schedule, then the Qualifying Customer's qualified supplier will effectuate the delivery of gas supplies to the Company's city gate for redelivery to the Qualifying Customer under this Rider.

Issued Date

April 27, 2006

Issued By

Mark T. Maassel
President, NIPSCO
Merrillville, Indiana

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May 1, 2006

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CHARACTER OF SERVICE (continued)

NOMINATIONS

The nominations provided by the Company pursuant to this Rider shall be submitted directly to the Qualifying Customer's qualified supplier as provided in the SAS Agreement between the Company and the qualified supplier.

RATE

Commencing with the month in which service begins under this Rider and each month thereafter, Company will bill and Qualifying Customer will pay the following charges:

Delivery Charge

The Delivery Charge will be comprised of 1) the rates and charges, including the Gas Cost Adjustment, and adjustments for surcharges to recover take-or-pay costs, transition costs or any similar costs applicable to this Rider, as set forth in the Rate Schedule under which the Qualifying Customer receives basic service (Rate Schedule 311, 315, 316, 317, 321, or 325); and 2) A credit for the commodity cost component of Gas Supply Cost as stated in RATE ADJUSTMENT below.

Gas Purchase Charge

The gas purchase charge per therm, as established by the Qualifying Customer's selected qualified gas supplier, shall be multiplied by the number of therms of gas delivered by the Company for the billing period at the Qualifying Customer's metering point. The Company will bill the applicable sales tax on qualified supplier's charges consistent with the procedures on other services as provided by the Company. Qualifying Customer's supplier may elect to separately bill Qualifying Customer for gas supply charges. In that event, the Company will not bill Qualifying Customer for gas purchase charges under this Rider.

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RATE ADJUSTMENT

The Rider is subject to credits for the Commodity Cost of Gas Interstate Pipeline Demand Cost of Gas Adjustments, and Surcharges as stated in Appendix A - Sheet No. 22 and Appendix B - Sheet No. 23 for all customer-owned gas used in the billing period.

GENERAL TERMS AND CONDITIONS

1. Supplier Selection

A Qualifying Customer under this Rider must choose a gas supplier from a list of qualified suppliers, which will be maintained by the Company. The Qualifying Customer shall pick a gas supplier from the list and the supplier must notify the Company of the customers' choice by submitting a customer account enrollment request via electronic data exchange .

A Qualifying Customer who receives service under this Rider shall have the option to change suppliers throughout the term. . Qualifying Customer must cancel enrollment with their existing supplier before changing suppliers. The suppliers perform the cancellation and enrollment through an electronic data exchange.

Company will maintain a list of qualified suppliers from which the Qualifying Customer can choose. Such list shall include suppliers who sign a Supplier Aggregation Service Agreement in which they agree to participate in and abide by Company's requirements for its supplier choice program A list shall be available to eligible Qualifying Customers through the company's website and upon request throughout the year by calling the Company's provided toll free phone number

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GENERAL TERMS AND CONDITIONS (continued)

2. Applications and Service Dates

A Qualifying Customer, who desires service under this Rider, shall submit a request for service to the Company through its supplier. The supplier will enroll the customer by submitting a customer account enrollment request via electronic data exchange. Requests so received, if approved by Company, shall normally receive service commencing on the next regularly scheduled read date.

A Qualifying Customer who changes suppliers or who, with the Company's agreement, elects to terminate service under this Rider and return to Company's sales service, must notify the supplier of their intent to cancel enrollment with their existing supplier before changing suppliers or return back to the Company's sales service. The suppliers perform the cancellation and enrollment through an electronic data exchange. Requests so received, if approved by Company, shall normally receive service commencing on the next regularly scheduled read date.

3. Access to Usage History and Current Billing Information -

Each request for service under this Rider shall authorize Qualifying Customer's supplier to receive Qualifying Customer's historic usage data for the prior twenty four months from the Company, and to act on Qualifying Customer's behalf in making billing/usage inquiries, and in exchanging current billing information with the Company, including notices of commencement or termination of service by either party.

The Company may also elect to provide Qualifying Customer's additional historic usage data and forecast data, for a negotiated fee, to third parties (Qualified Suppliers) who wish to market services to the Qualifying Customer. The Company shall not disclose Qualifying Customer's data to third parties without Qualifying Customer's written consent.

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GENERAL TERMS AND CONDITIONS (continued)

4. Balancing

Qualifying Customer will be deemed to be in balance at all times and will not incur any imbalance charges from the Company for over- or under-deliveries of gas supplies on the Qualifying Customer's behalf, caused by the Qualifying Customer's selected qualified supplier. All imbalance charges and penalties for such over- or under-deliveries of gas supplies caused by the Qualifying Customer's selected qualified supplier shall be charged to said qualified supplier pursuant to the terms of the Supplier Aggregation Service Rate Schedule of this Tariff.

5. Company Delivery Obligation

The Company shall deliver the Qualifying Customer's total daily gas requirements on a firm basis so long as the selected supplier with whom the Qualifying Customer has contracted for supplies continues to deliver gas supplies to the Company, and satisfies its contractual obligations as contained within its Supplier Aggregation Service Agreement with the Company.

6. Supplier's Performance Requirements

The obligations a supplier agrees to undertake are delineated in the Supplier Aggregation Service Agreement between the supplier and the Company. Suppliers shall be subject to performance standards that the Commission may issue or approve as a condition of participation in the Company's program. The gas supply obligations a supplier agrees to with the Qualifying Customers are a matter of contract between the supplier and its Qualifying Customers.

RULES AND REGULATIONS

As a condition of service hereunder, Qualifying Customer 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 Rider.

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