

Vanguard Attachment B

ILL. C. C. NO. 27

Second Revised Sheet No. 93

The Peoples Gas Light and Coke Company (Cancelling First Revised Sheet No. 93)

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider SST

Selected Standby Transportation Service

Applicable to Service Classification Nos. 2 and 8

- * Transportation service under this rider is available to any customer who
- (1) executes a written contract for deliveries hereunder at a single point of metering,
 - (2) is a customer under Service Classification No. 2 or 8 at said single point of metering,
 - (3) has arranged for the delivery of customer-owned gas to a mutually agreeable point on the Company's system for the purpose of service under said contract, and
 - (4) elects, pursuant to the terms of this rider, to contract for any level of standby service that is less than 100 percent of the customer's gas requirements.

Section A - Definitions

As used in this rider, the following terms are defined to mean:

- * **Companion classification** shall mean the Service Classification No. 2 or 8 under which the customer purchases gas service at said single point of metering.

Maximum Daily Quantity (MDQ) shall be the quantity, in therms, agreed to by the Company and the customer, but in no case less than the customer's highest daily demand recorded for the customer during the most recent December through February period by the daily demand measurement device installed on the customer's premises; provided, however, that until acceptable actual data are available from the daily demand measurement device, the customer's MDQ can be no less than the customer's metered gas requirements in the billing period with the customer's highest requirements during the most recent December through February period, adjusted to a 30 day equivalent basis divided by 21. The customer's MDQ shall be stated in the contract between the Company and the customer and shall remain in effect during the term of said contract, unless revised by the Company, in its sole judgment, based on evidence of changed usage.

Selected Standby Percentage (SSP) shall be the percentage selected by the customer; provided however, that the SSP must be less than 100 percent. The customer's SSP shall be stated in the contract between the Company and the customer and shall remain in effect during the term of said contract. A customer who requests an increased SSP shall be required to apply for new service for the increase under Rider 10 of this rate schedule.

Selected Standby Quantity (SSQ) shall be the product obtained by multiplying the customer's SSP by the customer's MDQ. This is the quantity in therms, for which the Company shall make up any deficiency in daily deliveries of customer-owned gas to the Company.

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Issued by Thomas M. Patrick, Executive Vice President
130 East Randolph Drive, Chicago, Illinois 60601

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Rider SST

Selected Standby Transportation Service

Applicable to Service Classification Nos. 2 and 8

Section A - Definitions - continued

* **Gas Bank Account (GBA)** shall be the account in which customer-owned gas delivered to the Company in excess of the customer's daily requirements shall be held by the Company until taken by the customer. The customer's GBA shall consist of the summation of the customer's Allowable Bank and Excess Bank.

Allowable Bank (AB) shall be the quantity determined by the following formula:

$$AB = [BD + (GCD \times .5 \times SSP)] \times MDQ$$

Where BD = the number of days of bank provided for in the Company's base rates as shown on the information sheet filed with the Commission on March 1 of each year to be effective for a one-year period commencing on the following May 1.

GCD = the number of days of bank provided for in the Company's gas charge rates as shown on the information sheet filed with the Commission on March 1 of each year to be effective for a one-year period commencing on the following May 1.

The customer's AB shall be stated in the contract between the Company and the customer and shall remain in effect during the term of said contract, unless revised by the Company to reflect a change in the customer's MDQ.

Excess Bank shall be the quantity of customer-owned gas in the customer's GBA that exceeds AB.

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RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Rider SST

Selected Standby Transportation Service

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Applicable to Service Classification Nos. 2 and 8

Section A - Definitions - continued

Unaccounted for Gas shall mean the quantity of customer-owned gas the Company shall retain, at the time of delivery into the Company's system, representing the customer's proportionate share of unaccounted for gas. Such quantity shall equal the number of therms delivered by the customer to the Company's system under this rider multiplied by the effective Factor U, as determined under Rider 2 of this rate schedule.

Critical Day shall be a day which may be declared prior to the day by the Company whenever any of the following five conditions occurs or is anticipated to occur:

- (1) When the Company experiences failure of transmission, distribution, gas storage or gas manufacturing facilities;
- (2) When transmission system pressures or other unusual conditions jeopardize the operation of the Company's system;
- (3) When the Company's transmission, storage, and supply resources are being used at or near their maximum rated deliverability;
- (4) When any of the Company's transporters or suppliers call the equivalent of a Critical Day;
- (5) When the Company is unable to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of all or a portion of the Company's system.

Notice of a Critical Day will be posted on the Company's Bulletin Board no less than two hours prior to the Company's nomination deadline for Rider SST deliveries.

The Company will designate each Critical Day as a Supply Surplus Day or a Supply Shortage Day.

Supply Surplus Day shall be a Critical Day when the Company anticipates supply in excess of requirements.

Supply Shortage Day shall be a Critical Day when the Company anticipates requirements in excess of supply.

Unauthorized use of gas shall be the sum of daily unauthorized use plus monthly unauthorized use.

Daily unauthorized use shall be that quantity of Company-owned gas delivered to the customer on any day which is in excess of the customer's SSQ.

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Applicable to Service Classification Nos. 2 and 8

Section A - Definitions - continued

Monthly unauthorized use shall be that quantity of Company-owned gas delivered to the customer in the month less the sum of the month's daily unauthorized use.

Company-owned gas shall mean, for the purposes of determining unauthorized use of gas, any quantity of gas taken by the customer that the customer is not contractually entitled to take.

Section B - Rates

The rates for service hereunder shall consist of an Administrative Charge, Standby Demand Charge, Standby Commodity Charge, Excess Bank Charge, Factor TS Charge, Imbalance Trade Charge, Daily Demand Measurement Device Charge and Unauthorized Use Charge as well as those charges defined in the customer's companion classification.

For a customer that is a member of a customer group as defined under Rider P of this rate schedule, the Company shall bill the customer for a Standby Demand Charge, Factor TS Charge, and Daily Demand Measurement Device Charge as well as those charges defined in the customer's companion classification.

Administrative Charge

For customers with a contract which lists a single account, the monthly Administrative Charge shall be \$60.00. For customers with a contract which lists more than one account, the monthly Administrative Charge shall be the greater of \$73.00 or \$23.00 times the number of accounts listed in the contract.

Standby Demand Charge

The monthly Standby Demand Charge shall be the effective Demand Gas Charge Per Therm as determined under Rider 2 of this rate schedule times 50 percent, multiplied by the customer's SSQ in therms.

Standby Commodity Charge

The monthly Standby Commodity Charge shall be the sum of the effective Commodity Gas Charge Per Therm, plus the effective Non-Commodity Gas Charge Per Therm times 50 percent, plus the effective Transition Surcharge Per Therm as determined under Rider 2 of this rate schedule. This charge shall be multiplied by the therms of gas delivered to the customer under the companion classification in the month. The maximum quantity of gas that can be delivered to the customer under the companion classification in a month shall be the customer's SSQ multiplied by the number of days in the month.

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RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Selected Standby Transportation Service

Applicable to Service Classification Nos. 2 and 8

Section B - Rates - continued

Excess Bank Charge

The monthly Excess Bank Charge shall be \$.10 per therm of customer-owned gas in the customer's Excess Bank at the end of any month.

*** Factor TS Charge**

The monthly Factor TS Charge shall be an amount equal to (i) the number of therms of customer-owned gas delivered to the customer under this rider, multiplied by (ii) the effective Factor TS determined under Rider 2 of this rate schedule.

The Company shall credit any customer that can document, in a manner acceptable to the Company, the payment of charges imposed November 1, 1994 through February 20, 1998 by Natural Gas Pipeline Company of America (Natural) pursuant to FERC authorization for the purpose of recovering gas supply realignment costs. "A customer must present to the Company acceptable documentation no later than June 30, 1998, in order to receive credit for gas supply realignment costs." The amount of the credit shall be the lesser of the amount of such charges paid by the customer to Natural or the amount of gas supply realignment costs recovered by the Company from the customer through the Factor TS charge.

Imbalance Trade Charge

The Imbalance Trade Charge shall be \$5 per imbalance trade transaction in the month.

Daily Demand Measurement Device Charge

A daily demand measurement device shall be required for each meter at which service is taken under this rider. For each such device installed by the Company to meet this requirement, the monthly charge shall be as follows:

<u>Device Type</u>	<u>Monthly Charge</u>
1. (Single meter without correcting devices)	\$28.00
2. (Single meter with correcting devices)	\$29.00
3. (Two meters without correcting devices)	\$32.00

Billing of a charge applicable under this provision shall begin with the bill for the first full month following installation of the device.

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RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Rider SST

Selected Standby Transportation Service

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Applicable to Service Classification Nos. 2 and 8

Section B - Rates - continued

Daily Demand Measurement Device Charge - continued

The customer shall be responsible for providing and installing telephone wiring and, if required, electric wiring from the source of power to the device. Equipment installed by the Company pursuant to this provision shall remain the property of the Company, notwithstanding the customer's payment of charges hereunder.

Unauthorized Use Charge

The monthly unauthorized use charge shall be the applicable charge under Rider 9 of this rate schedule multiplied by the quantity of unauthorized use of gas in the month subject to each such applicable charge.

Late Payment Charge

A charge for late payment shall be determined under the Late Payment Charge provision in the Terms and Conditions of Service of this rate schedule.

Reimbursement for Taxes

In addition to the charges under Rider 1, the customer shall reimburse the Company for any taxes which the Company shall be required to pay or obligated to collect from the customer in respect of service hereunder. The Company will bill the customer monthly for any such taxes, and for any costs which the Company is specifically authorized by law to recover from the customer incident to such taxes.

Section C - Authorized Overtake

Authorized Overtake gas shall be any Company-owned gas made available to the customer pursuant to authorization under this provision. Authorized Overtake gas delivered to the customer under this provision shall be paid for by the customer under the companion classification.

Winter Period (November 1 through March 31) Authorized Overtake gas shall be made available only upon request by the customer and prior authorization by the Company. Notwithstanding any other provision of this rider any volume of Winter Period Authorized Overtake gas not used by the customer on the day for which it is authorized shall be credited to the customer's GBA.

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East 130 Randolph Drive, Chicago, Illinois 60601**

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Applicable to Service Classification Nos. 2 and 8

Section C - Authorized Overtake - continued

Summer Period (April 1 through October 31) Authorized Overtake gas shall be any therms of Company-owned gas delivered on any day in excess of the customer's SSQ and authorized by the Company. Summer Period Authorized Overtake gas shall be made available unless the Company provides prior notice to the customer.

* **Section D - Order of Deliveries to the Company**

On any day in which customer-owned gas delivered to the Company exceeds the customer's metered gas deliveries from the Company, the difference between such deliveries shall be credited to the customer's GBA. For the purposes of this paragraph, the quantity of customer-owned gas delivered to the Company's system is understood to be net of the amounts retained by the Company for Unaccounted for Gas as defined in this rider.

* **Section E - Order of Deliveries to the Customer**

For billing purposes, gas taken by the customer in any day at the point of metering for this rider shall be deemed to be taken in the following order: (1) Winter Period Authorized Overtake, (2) the quantity of customer-owned gas delivered to the Company's system in the current day, (3) any quantity of customer-owned gas available for withdrawal from the customer's GBA, (4) the quantity of gas delivered under the companion classification, up to the customer's SSQ, (5) Summer Period Authorized Overtake, (6) Unauthorized Use. For the purposes of this paragraph, the quantity of customer-owned gas delivered to the Company's system is understood to be net of the amounts retained by the Company for Unaccounted for Gas as defined in this rider.

Section F - Limitations on GBA Withdrawals and Injections

A customer's daily withdrawals from the GBA on any Supply Shortage Day shall be limited to the lesser of (i) the customer's GBA balance at the beginning of the day or (ii) the quantity of gas determined by $[\text{BD}/(\text{BD} + \text{GCD}) + (\text{GCD}/(\text{BD} + \text{GCD}) \times \text{SSP})] \times \text{MDQ}$. A customer's daily injections into the GBA on a Supply Surplus Day shall be limited to SSQ.

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* **Applicable to Service Classification Nos. 2 and 8**

Section F - Limitations on GBA Withdrawals and Injections - continued

* A customer's monthly withdrawals from its GBA during the period November 1 through March 31 shall be limited to the lesser of (i) the customer's GBA balance at the beginning of the month or (ii) the sum of the customer's Excess Bank at the beginning of the month plus 1/3 of the customer's AB.

Section G - Imbalance Trading

* The customer shall have the right to trade amounts accounted for as GBA to customers or suppliers receiving service under Riders FST, SST, LST and P to reduce or eliminate amounts of the customer's unauthorized use or excess bank. All trades must be completed by 5 p.m. on the 5th working day following the posting of month end meter readings. The result of a trade cannot put an additional customer or supplier in a position of, or increase amounts subject to, monthly unauthorized use, excess bank or cash-out.

Section H - Contract with the Customer

The contract between the Company and a customer hereunder shall continue for an initial term ending on the first April 30 following the effective date thereof, and from year to year thereafter, subject to the right of either party to terminate the contract at the end of the initial term or of any such year to year extension thereof by written notice to the other given not less than 30 days prior to the date of such intended termination; provided, however, that in the event of termination, all amounts due the Company shall forthwith be paid, including the Standby Demand Charge for the unexpired portion of the remaining term of the contract. Upon termination of the contract, the customer shall trade or cash-out at 100 percent of the AMIP as defined under Section E of Rider TB of this rate schedule any gas remaining in the GBA. A customer may not voluntarily discontinue and subsequently renew service under this rider within a period of 12 consecutive months at the same premises. A customer who terminates service hereunder and subsequently requests service under any service classification in excess of the customer's SSQ in effect on the date of such termination shall be required to apply for new service under Rider 10 of this rate schedule.

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Section H - Contract with the Customer - continued

The contract between the Company and the customer shall provide for

- (1) the measurement of customer-owned gas delivered to the Company and shall establish minimum quality specifications for such gas;
- (2) the rate or rates of delivery of gas transported for any customer hereunder and the pressure at which such gas is to be delivered; and
- (3) the procedure by which the customer shall nominate daily delivery quantities of customer-owned gas to the Company. The customer shall arrange to have the pipeline transporter and the seller/shipper provide the Company with the daily delivery data for all customer-owned gas delivered to the Company's system.

The customer will furnish the Company with copies of all contracts relating to service hereunder, including all amendments thereto in effect from time to time.

If additional facilities are required for the Company to take delivery of customer-owned gas or to meter deliveries of quantities of gas transported for the customer hereunder, the customer shall reimburse the Company for all costs thereof prior to the initiation of service hereunder.

The Company will allow a customer to combine Rider SST and LST contracts if the customer agrees to abide by the Rider LST provisions regarding AB and IA. A customer may not assign such a combined contract to a supplier under Rider P of this rate schedule.

- * A customer may assign its contract for the remainder of the contract term to one supplier under Rider P of this rate schedule. Upon assignment of the customer's contract to a supplier under Rider P, the customer's GBA will be transferred to the supplier's GBA. No assignment permitted under this paragraph shall relieve the assignor of its liabilities and obligations to the Company under the contract. The customer agrees that it is liable for its pro rata share of amounts due or to become due under the Rider P contract under which it is a member of a customer group. The customer's pro rata share shall be determined by the ratio of the MDQ under its contract with the Company to the Pool MDQ under the Rider P contract under which it is a member of a customer group, as those terms are defined in Rider P of this rate schedule.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider SST

Selected Standby Transportation Service

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Applicable to Service Classification Nos. 2 and 8

Section H - Contract with the Customer - continued

To the extent there is a conflict between the provisions of this rider and the provisions of Rider P with respect to a contract that has been assigned, the provisions of Rider P shall govern. To the extent there is no conflict between the provisions of this rider and the provisions of Rider P or Rider P is silent the provisions of this rider shall govern. Upon termination of the contract under Rider P the assignment of the customer's contract shall be cancelled.

Section I - Terms and Conditions of Service

Service will be provided hereunder whenever and to the extent that customer-owned gas has been delivered for the customer to the Company's system in accordance with the contract entered into between the customer and the Company hereunder.

In the event there is an interruption or curtailment of the Company's gas supply, all customer-owned gas delivered to the Company will be made available to the customer, except that the Company may interrupt deliveries of customer-owned gas to the customer for reasons of limitation of system capacity to the same extent that service to the customer would be interrupted or curtailed absent service under this rider. For the purpose of this paragraph, system capacity will include storage capacity from all sources. Notwithstanding the foregoing, in the event there is an interruption or curtailment of the Company's gas supply which, in the Company's sole judgment, would have the effect of impairing or interfering with an activity essential to the health or safety of the community the Company shall be entitled to interrupt deliveries of customer-owned gas to the customer and use such gas to serve sales customers. The sole compensation per therm for such an interruption and use of customer-owned gas shall be 100 percent of the AMIP as defined under Section E of Rider TB of this rate schedule plus \$1.50 per therm.

The delivery of customer-owned gas by the customer to the Company's system shall be at the customer's expense and shall be delivered to Company facilities in accordance with the contract between the Company and the customer.

The Company will not be obligated to accept delivery of any customer-owned gas which does not conform to the quality specifications in the contract between the Company and the customer hereunder.

The gas delivered by the Company hereunder shall be measured in accordance with the Terms and Conditions of Service of this rate schedule.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider SST

Selected Standby Transportation Service

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Applicable to Service Classification Nos. 2 and 8

Section I - Terms and Conditions of Service - continued

The Company reserves the right to limit the daily and monthly volumes of customer-owned gas delivered for the customer's account when, in the Company's sole judgment, the customer's deliveries are excessive in relation to the customer's gas requirements and may cause an adverse effect on system operations.

If the customer shall fail to comply with or perform any of the conditions or obligations on the customer's part to be complied with or performed under the contract between the customer and the Company, the Company may: (i) after verbal notice to the customer, confirmed in writing, suspend receipt of customer-owned gas into the Company's system until the customer shall make good such failure; or (ii) terminate all service 10 days after providing written notice of the Company's intention to terminate service unless within such 10 days the customer shall make good such failure. The suspension or termination of service for any such cause shall not release the customer from the obligation to make payment of any amounts due or to become due in accordance with terms of the customer's contract with the Company.

Subject to Terms and Conditions of Service and Riders to Schedule of Rates for Gas Service which are applicable to this rider.

Section J - Transition

Any customer desiring to receive service under this rider who has not yet had a daily demand measurement device installed may receive service under this rider subject to the terms and conditions of this rider as modified by this Transition provision. This Transition provision shall apply to the customer's Rider SST service until the first day of the next calendar month following the month in which the daily demand measurement device is installed (Transition Period); provided, however, that for customers having a contract covering more than one account, the Transition Period shall cease upon the first day of the next calendar month following the month in which installation of daily demand measurement devices is completed for all accounts subject to the contract as of the date of execution.

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Applicable to Service Classification Nos. 2 and 8

Section J - Transition - continued

Service under this Transition provision shall be available upon execution of a Rider SST contract. If 6 months after execution of a Rider SST contract a daily demand measurement device has not been installed due to the customer failing to meet its responsibilities under this rider, the contract with the customer shall be terminated and the customer shall be re-billed under Rider FST for the period during which Rider SST service was taken under this Transition provision. If the contract is terminated due to such failure, the customer may not subsequently renew service under this rider within a period of 12 months at the same premises. If, at any time before the installation of a daily demand measurement device is completed, the customer elects not to receive service under this rider, the customer shall be re-billed under Rider FST for the period during which Rider SST service was taken under this Transition provision.

If a daily demand measurement device has not been installed by November 1 of any year for any customer who has contracted for service under this rider prior to such date, the customer may, by written notification, select an interim SSP in excess of the SSP originally specified in the customer's contract, with such interim selection to be effective from said November 1 until the end of the customer's Transition Period, at which time the SSP originally specified in the contract again shall become effective.

Notwithstanding any other provision in this rider, billing during the Transition Period for a customer subject to this Transition provision shall be based upon monthly rather than daily data.

For the months of November through March, a customer subject to this Transition provision must have, at the beginning of each month, a minimum balance of therms in the customer's GBA (Minimum Storage Balance) calculated by the formula $[1-SSP] \times .75 \times AB$, with the factors SSP and AB having the values specified in the customer's contract. If the balance in the customer's GBA is less than the Minimum Storage Balance required at the beginning of any month, the Company shall make available and the customer shall purchase a quantity of gas representing the difference between the quantity of customer-owned gas in the GBA and the Minimum Storage Balance, to be purchased under the customer's companion classification. Such quantity shall be deemed to have been purchased on the last day of the month prior to the month in which the required Minimum Storage Balance does not exist.

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