

The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 1 of 11

Rider SST

Selected Standby Transportation Service

Applicable to Service Classification Nos. 2, 4, 6 and 8

Transportation service under this rider is available on and after August 1, 2008, 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, 4, 6 or 8 at said single point of metering;
- (3) has arranged for the delivery of customer-owned gas to a mutually agreeable receipt point on the Company's system for service under said contract; and
- (4) elects to contract for any level of standby service.

Section A - Definitions

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

Allowable Bank (AB) shall mean the maximum quantity of gas that the customer can retain in storage at any time, determined by the following formula:

For Service Classification Nos. 2, 6 and 8: $AB = [BRD + (GCD \times DF \times SSP)] \times MDQ$

For Service Classification No. 4: $AB = [(BRD \times SSP) + (GCD \times DF \times SSP)] \times MDQ$

The customer's AB shall be stated in the contract between the Company and the customer and shall remain in effect during the term, unless revised by the Company to reflect a change in any one of the factors in the formula. As used in this rider, AB also shall mean the account in which the Company maintains a balance of customer-owned gas accounted for as deliveries to and from the AB.

~~**Base Rate Daily Injection (BRDI)** shall mean the maximum daily injection quantity attributable to the Company's Base Rate Storage in any given month.~~

~~**Base Rate Daily Injection Percentage (BRDIP)** shall mean the Base Rate maximum daily injection percentage in any given month determined by the formula:
 $BRDIP = BRDI / DPD$~~

~~**Base Rate Daily Withdrawal (BRDW)** shall mean the maximum daily withdrawal quantity attributable to the Company's Base Rate Storage in any given month.~~

~~**Base Rate Daily Withdrawal Percentage (BRDWP)** shall mean the Base Rate daily withdrawal percentage in any given month determined by the formula:
 $BRDWP = BRDW / DPD$~~

Base Rate Days (BRD) shall mean the number of days of AB provided for in the Company's base rates as approved by the Commission in the Company's most recent rate proceeding.

~~**Base Rate Storage** shall mean the storage for which the Company recovers costs through its base rates.~~

Date Issued: MARCH 9, 2007

Date Effective: APRIL 23, 2007

Issued by James F. Schott, Vice President
130 East Randolph Drive, Chicago, Illinois 60601

The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 2 of 11

Rider SST

Selected Standby Transportation Service

Applicable to Service Classification Nos. 2, 4, 6 and 8

Section A - Definitions - continued

Companion Classification shall mean the Service Classification No. 2, 4, 6 or 8 under which the customer purchases gas service at said single point of metering.

Company-owned Gas shall mean any gas delivered to the customer that has not been delivered to the Company by the customer's supplier on its behalf or withdrawn from their AB.

Critical Day shall mean 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 or gas storage facilities;
- (2) When transmission system pressures or other unusual conditions jeopardize the safe 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; and
- (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 its system.

Notice of a Critical Day will be posted on the Company's electronic 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.

Daily Unauthorized Use shall mean that quantity of Company-owned Gas delivered to the customer on any day which is in excess of the customer's SSQ, unless Authorized Overtake has been made available.

~~**Design Peak Day Demand (DPD)** shall mean the Company's forecast of total system demand for a January weekday having an average temperature of minus 20 degrees Fahrenheit as measured by the National Weather Service at O'Hare International Airport.~~

Diversity Factor (DF) shall mean the constant value that has been approved by the Commission in the Company's most recent rate proceeding for the applicable service classification.

~~**Gas Charge Daily Injection (GCDI)** shall mean the maximum daily injection quantity attributable to the Company's Gas Charge Storage services in any given month.~~

~~**Gas Charge Daily Injection Percentage (GCDIP)** shall mean the Gas Charge maximum daily injection percentage in any given month determined by the formula:—
GCDIP = GCDI / DPD~~

~~**Gas Charge Daily Withdrawal (GCDW)** shall mean the maximum daily withdrawal quantity attributable to the Company's Gas Charge Storage services in any given month.~~

Date Issued: MARCH 9, 2007

Date Effective: APRIL 23, 2007

The Peoples Gas Light and Coke Company**RIDER TO SCHEDULE OF RATES FOR GAS SERVICE**

Page 3 of 11

Rider SST**Selected Standby Transportation Service****Applicable to Service Classification Nos. 2, 4, 6 and 8****Section A - Definitions** - continued

~~Gas Charge Daily Withdrawal Percentage (GCDWP) shall mean the Gas Charge maximum daily withdrawal percentage in any given month determined by the formula:~~

~~$$\text{GCDWP} = \text{GCDW} / \text{DPD}$$~~

Gas Charge Days (GCD) shall mean the number of days of AB provided for in the Company's gas charge rates as shown on an information sheet filed annually with the Commission no later than April 1, to be effective on the next May 1 for a one-year period.

~~Gas Charge Storage shall mean storage services for which the Company recovers costs through Rider 2 of this rate schedule.~~

Imbalance Account (IA) shall mean the account in which customer-owned gas delivered to the Company in excess of the summation of (i) the customer's daily requirements and (ii) AB (as limited by MDIQ) is accounted for.

~~Maximum Daily Injection Percentage (MDIP) shall mean, in relationship to the MDQ, the maximum percentage of gas that the customer can deliver to the Company's system in excess of the customer's requirements, on a given day, determined by the formula:~~

~~For Service Classification Nos. 2, 6 and 8:
$$\text{MDIP} = \text{BRDIP} + (\text{GCDIP} \times \text{DF} \times \text{SSP})$$~~

~~For Service Classification No. 4:
$$\text{MDIP} = (\text{BRDIP} + (\text{GCDIP} \times \text{DF})) \times \text{SSP}$$~~

Maximum Daily Injection Quantity (MDIQ) shall mean the maximum quantity of customer-owned gas that the customer can deliver in excess of its requirements on any day that is accounted for as an injection in the AB and determined, for each month, by the formula:

~~$$\text{MDIQ} = \text{MDIP} \times \text{MDQ (AB)} \times (0.67\%).$$~~

Maximum Daily Quantity (MDQ) shall mean the quantity that shall be stated in and remain effective during the term of the contract and shall be the maximum quantity of customer-owned gas that a customer may deliver on any day. The minimum MDQ shall be the highest daily demand recorded by the installed Daily Demand Measurement Device during the most recent December through February period. If sufficient recorded daily demand device data is not available, the minimum MDQ shall be the highest metered gas requirements in a billing period during the most recent December through February period, adjusted to a 30 day equivalent basis and divided by 21. For new premises, the Company shall determine, in its reasonable judgment, an MDQ based on factors such as the MDQ for similar premises. The Company retains the right to change the MDQ at any time based on evidence of changed usage.

~~Maximum Daily Withdrawal Percentage (MDWP) shall mean, in relationship to the MDQ, the maximum percentage of gas that the customer can withdraw from the Company's system on a given day when the customer's deliveries are less than its requirements, determined by the formula:~~

The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Rider SST

Selected Standby Transportation Service

Applicable to Service Classification Nos. 2, 4, 6 and 8

Section A - Definitions - continued

~~For Service Classification Nos. 2, 6 and 8: $MDWP = BRDWP + (GCDWP \times DF \times SSP)$~~

~~For Service Classification No. 4: $MDWP = (BRDWP + (GCDWP \times DF)) \times SSP$~~

~~**Maximum Daily Withdrawal Quantity** (MDWQ) shall mean the maximum quantity of gas that the customer can receive to meet its requirements on any day that is accounted for as a withdrawal from the AB and determined, for each month, by the formula:~~

~~$MDWQ = MDWP \times MDQ.$~~

Monthly Unauthorized Use shall mean that quantity of Company-owned Gas delivered to the customer in excess of the quantity that it is authorized to receive in the month less the sum of the month's Daily Unauthorized Use.

Non-Critical Day shall mean any day that is not a Critical Day.

Receipt Point shall mean that point of connection where the Company agrees to receive customer-owned gas for service under this rider.

Selected Standby Percentage (SSP) shall mean the percentage, which may not be a fraction, selected by the customer, which shall be a minimum of 0% and a maximum of 100%. The customer's SSP shall be stated in and remain effective during the term of the contract; provided, however, that a customer may revise its SSP if it wishes to transfer its contract to a different supplier's pool. Requests for an increased SSP shall require an application for new service for the increase under Rider 10 of this rate schedule, unless the Company has waived the requirement pursuant to Rider 10.

Selected Standby Quantity (SSQ) shall mean the product obtained by multiplying the customer's SSP by the customer's MDQ. This is the maximum quantity of gas for which the Company shall make up any deficiency in customer-owned gas to meet the customer's requirements. The maximum quantity that can be delivered to the customer in any month under the Companion Classification shall be the customer's SSQ multiplied by the number of days in the month.

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

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

Unaccounted for Gas shall mean the quantity of customer-owned gas the Company shall retain at the time of delivery into its 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 defined in the Terms and Conditions of Service of this rate schedule.

Unauthorized Use of Gas shall mean the sum of Daily Unauthorized Use plus Monthly Unauthorized Use.

The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Rider SST

Selected Standby Transportation Service

Applicable to Service Classification Nos. 2, 4, 6 and 8

Section B - Rates

The rates for service hereunder shall consist of an Administrative Charge, a Cash-out Charge, a Daily Demand Measurement Device Charge, an Imbalance Account Charge, an Imbalance Trade Charge, a Standby Commodity Charge, a Standby Demand Charge and an 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 a Daily Demand Measurement Device Charge and a Standby Demand Charge as well as those charges defined in the customer's Companion Classification.

Administrative Charge

The monthly Administrative Charge shall be \$~~11.2423.00~~ per account for each account listed on a contract.

Cash-out Charge

The monthly Cash-out Charge shall be applied to any remaining imbalance calculated in accordance with Section H of this rider and be based on the percentage of that imbalance compared to the total deliveries to the customer during 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 \$28.00. Charges billed under this provision shall begin with the bill for the first full month following installation, and shall not apply for a device installed as an incident of service under the customer's Companion Classification.

Imbalance Account Charge

The daily Imbalance Account Charge shall be \$.10 per therm of customer-owned gas in the IA each Non-Critical Day. On a Supply Shortage Day, the Imbalance Account Charge shall be zero. On a Supply Surplus Day, the Imbalance Account Charge shall be \$6.00 per therm.

Imbalance Trade Charge

The Imbalance Trade Charge shall be \$5.00 per imbalance trade transaction in the month.

Standby Commodity Charge

The monthly Standby Commodity Charge shall be determined according to the following formula:
$$CGC + (NCGC \times (1 - DF))$$

Each of the effective per therm factors CGC (Commodity Gas Charge) and NCGC (Non-Commodity Gas Charge) shall have the meanings and determinations ascribed to them in Rider 2 of this rate schedule. This charge shall be multiplied by the therms delivered to the customer under the Companion Classification in the month.

Date Issued: MARCH 9, 2007

Date Effective: APRIL 23, 2007

The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Rider SST

Selected Standby Transportation Service

Applicable to Service Classification Nos. 2, 4, 6 and 8

Section B - Rates - continued

Standby Demand Charge

The monthly Standby Demand Charge shall be determined according to the following formula:

$$\text{DGC} \times \text{DF} \times \text{SSQ}$$

The effective per therm factor DGC (Demand Gas Charge) shall have the meaning and determination ascribed to it in Rider 2 of this rate schedule.

Unauthorized Use Charge

The Monthly Unauthorized Use Charge shall be the applicable charges under Rider 9 of this rate schedule multiplied by the applicable quantities of Unauthorized Use of Gas during the month.

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 and all taxes which the Company shall be required to pay or be obligated to collect from the customer for service hereunder. Any such taxes and associated costs that the Company is authorized by law to recover shall be billed to the customer on a monthly basis.

Section C - Authorized Overtake

Authorized Overtake gas shall be any Company-owned Gas made available to the customer pursuant to authorization under this provision. It shall not be available to customers taking service under Rider TB. The Company shall notify customers of the availability of Authorized Overtake gas by notice posted on its electronic bulletin board or by a telephone message available to all customers and suppliers. Authorized Overtake gas delivered to the customer under this provision shall be paid for by the customer under the Companion Classification.

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 as follows (i) AB up to the MDIQ, and (ii) IA. For the purposes of this paragraph, the quantity of customer-owned gas delivered to the Company's system is net of the amounts retained by the Company for Unaccounted for Gas. For customers being served under Rider TB the order of deliveries to the Company shall be determined under Section F of Rider TB of this rate schedule.

Section E - Order of Deliveries to the Customer

For billing purposes, gas delivered to the customer in any day at the point of metering for this rider shall be in the following order:

Date Issued: MARCH 9, 2007

Date Effective:

APRIL 23, 2007

The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 7 of 11

Rider SST

Selected Standby Transportation Service

Applicable to Service Classification Nos. 2, 4, 6 and 8

Section E - Order of Deliveries to the Customer - continued

- (1) the quantity of customer-owned gas delivered to the Company's system in the current day;
- (2) any quantity of customer-owned gas available for withdrawal from the customer's IA;
- (3) any quantity of customer-owned gas available for withdrawal from the customer's AB, ~~up to the customer's effective MDWQ;~~
- (4) the quantity of gas delivered under the Companion Classification, up to the customer's effective SSQ;
- (5) Authorized Overtake; and
- (6) Unauthorized Use.

For this Section, the quantity of customer-owned gas delivered to the Company's system is net of the amounts retained by the Company for Unaccounted for Gas. For customers being served under Rider TB the order of deliveries to the Customer shall be determined under Section G of Rider TB of this rate schedule.

Section F - Inventory / Allowable Bank

In no event shall the quantity of gas accounted for in the AB be negative or customer-owned gas deliveries be accounted for as AB to the extent it would cause the balance to exceed the maximum quantity.

On November 30, the amount of gas accounted for in the AB must be no less than 70% of the AB. To the extent that the customer's inventory is less than 70%, the customer shall purchase the deficient quantity from the Company at 110% of the AMIP determined for November.

On March 31, the amount of gas accounted for in the AB must be no greater than 35% of the AB. To the extent that the customer's inventory exceeds 35%, the Company shall purchase the excess quantity at 90% of the AMIP determined for March.

~~On any day, the portion of the customer's deliveries of customer-owned gas to be accounted for in the AB shall not exceed the MDIQ.~~

~~On any day, the portion of the customer's receipts of customer-owned gas to be accounted for as reductions in the AB shall not exceed the MDWQ.~~

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

Section G - Imbalance Trading and Daily Reallocations

The customer shall have the right to trade amounts accounted for as AB or IA to customers or suppliers receiving service under Riders SST and P of this rate schedule. All trades must be completed by 5:00 p.m. Central Time, using the Company's electronic bulletin board, on the third working day following the Company's notification that trades can commence.

Date Issued: MARCH 9, 2007

Date Effective: APRIL 23, 2007

**Issued by James F. Schott, Vice President
130 East Randolph Drive, Chicago, Illinois 60601**

The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 8 of 11

Rider SST

Selected Standby Transportation Service

Applicable to Service Classification Nos. 2, 4, 6 and 8

Section G - Imbalance Trading and Daily Reallocations - continued

All trades must be confirmed by both parties and shall result in equal amounts of gas being transferred from one party to the other. The result of a trade cannot cause a customer or supplier to be out of compliance with minimum or maximum inventory requirements, cause the AB balance to be less than zero or greater than the maximum AB quantity or cause elimination of daily imbalance charges or cause the injection accounted for in the AB for the month to exceed the product of (0.67%) x (AB) x (number of days in the month).

In addition to imbalance trading, each day a customer with more than one Rider SST contract may reallocate the customer-owned gas that it nominated for delivery among its contracts. The customer may not increase or decrease the confirmed quantity of customer-owned gas that it nominated for delivery on the day prior to gas flow or change or reallocate among the Receipt Points at which it is delivering gas, but it may change how that quantity is allocated between or among its contracts. Such notification shall be no later than 4:00 p.m. Central Time the day of gas flow.

Section H - Disposition of Imbalance Account Amounts

At the end of the month, the amount in the customer's IA shall first be injected into the AB up to the maximum AB quantity, subject to the limitation that the amount injected in any month shall not exceed the product of (0.67%) x (AB) x (number of days in the month). Any remaining imbalance shall be traded or cashed-out under Section E of Rider TB of this rate schedule. Amounts credited to the IA each day shall be assessed an Imbalance Account Charge.

Section I - Contract with the Customer

The initial term of the contract shall end on the first April 30 following the effective date thereof, and automatically renew annually thereafter. The Company or the customer shall have the right to terminate service under the contract at the end of any contract year on 30 days written notice. Upon contract termination, all amounts due the Company shall then be paid, including the Standby Demand Charge for the unexpired portion of the remaining contractual term.

Upon contract termination, the customer shall trade or cash-out any gas remaining in the AB at 100 percent of the AMIP as defined under Section E of Rider TB of this rate schedule. A customer may not discontinue and renew service under this rider within a consecutive twelve month period if service is not renewed under this rider within sixty days of such discontinuance. A customer who terminates service hereunder and subsequently requests service under any service classification in excess of the SSQ effective on the termination date shall be required to apply for new service under Rider 10 of this rate schedule unless the Company has waived the requirement pursuant to Rider 10.

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;
- (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 its supplier provide the Company with the daily delivery data for all customer-owned gas delivered to the Company's system; and

**Issued by James F. Schott, Vice President
130 East Randolph Drive, Chicago, Illinois 60601**

**ILL. C. C. NO. 28
Original Sheet No. 68**

The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 9 of 11

Rider SST

Selected Standby Transportation Service

Applicable to Service Classification Nos. 2, 4, 6 and 8

Section I - Contract with the Customer - continued

(4) standard and customary contract provisions such as governing law, notices and provisions governing contract interpretation.

If the customer has a legal or beneficial ownership or leasehold interest in the premises at more than a single point of metering and is financially responsible for all service rendered under this rider and the Companion Classification, such premises, up to 200 accounts unless otherwise agreed by the Company, may, for the convenience of the parties, be consolidated under the contract for the limited purposes defined in the contract.

The customer, at the Company's request, will furnish the Company with copies of all contracts relating to service hereunder, including all amendments thereto in effect from time to time. Any additional facilities required for the Company to take delivery of customer-owned gas or to meter deliveries of quantities of gas transported for the customer hereunder shall be paid for by the customer prior to service initiation.

A customer, except a customer receiving service pursuant to Section K of this rider, may transfer management of its contract to one supplier under Rider P of this rate schedule. Upon such a transfer, the customer's AB will be transferred to the supplier's AB. No transfer shall relieve the customer of its contractual liabilities and obligations hereunder. The customer shall be 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. This 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 defined in Rider P of this rate schedule.

The provisions of Rider P shall govern when there is a conflict between the provisions of this rider and that of Rider P with respect to a transferred contract. The provisions of this rider shall govern when either Rider P is silent or there is no conflict between the provisions of this rider and that of Rider P. Upon termination of the contract under Rider P the transfer of the customer's contract shall be cancelled.

A Service Classification No. 4 customer with an SSP of zero shall take service under Rider TB of this rate schedule. The provisions of Rider TB shall govern when there is a conflict between the provisions of this rider and that of Rider TB. The provisions of this rider shall govern when either Rider TB is silent or there is no conflict between the provisions of this rider and that of Rider TB.

Section J - Terms and Conditions of Service

Service will be provided hereunder whenever and to the extent that customer-owned gas has been delivered for it to the Company's system in accordance with the contract hereunder. If a customer does not deliver customer-owned gas to the Company for any 30-day period, the Company may terminate the contract.

Date Issued: MARCH 9, 2007

Date Effective: APRIL 23, 2007

**Issued by James F. Schott, Vice President
130 East Randolph Drive, Chicago, Illinois 60601**

The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 10 of 11

Rider SST

Selected Standby Transportation Service

Applicable to Service Classification Nos. 2, 4, 6 and 8

Section J - Terms and Conditions of Service - continued

The customer shall be responsible for providing, installing and maintaining telephone wiring and, if required, electric wiring from the source of power to the device. The Company may terminate the contract hereunder if a customer does not repair malfunctioning telephone wiring or electric wiring within 30 days of notification by the Company. Equipment installed by the Company shall remain its property, regardless of the customer's payment of charges hereunder.

In the event there is a Company gas supply interruption or curtailment, customer-owned gas delivered to the Company will be available to the customer, except that the Company may interrupt deliveries of the same 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. System capacity as used herein shall include storage capacity from all sources.

The Company shall be able to interrupt deliveries of customer-owned gas to the customer and use that gas to serve sales customers when there is a gas supply interruption or curtailment and it believes essential community health or safety activities could be impaired or affected. 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 customer shall be responsible for delivery expenses of its gas to the Company's system and shall ensure deliveries to Company facilities are in accordance with the contract hereunder. The Company shall not be obligated to accept delivery of any customer-owned gas that does not conform to the contractual gas quality specifications. The gas delivered by the Company hereunder shall be measured in accordance with the Terms and Conditions of Service of this rate schedule.

The Company reserves the right to limit the daily and monthly volumes of customer-owned gas delivered for the customer's account when it believes that the customers' or the suppliers' deliveries are excessive in relation to the related 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 hereunder, the Company may: (i) after verbal and written notice, suspend receipt of customer-owned gas into the Company's system until the customer cures such failure; or (ii) terminate all service 10 days after providing written notice, unless the customer cures such failure during this ten-day period. 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 under the terms of the contract hereunder.

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

The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 11 of 11

Rider SST

Selected Standby Transportation Service

Applicable to Service Classification Nos. 2, 4, 6 and 8

Section K - Transition

Any customer that has not yet had a Daily Demand Measurement Device installed may receive service under this rider subject to this Transition provision. This Transition provision shall apply to the customer's service until the first day of the next month following the installation of the Daily Demand Measurement Device (Transition Period). For customers having a contract covering more than one account, the Transition Period shall end upon the first day of the next month following the completed installation of Daily Demand Measurement Devices for all specified accounts.

Service under this Transition provision shall be available upon execution of a contract. If a Daily Demand Measurement Device has not been installed due to any customer failure, including failure to install telephone wiring, after 3 months, the contract shall be terminated and the customer shall be re-billed under this rider assuming 100% standby service for the period that 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 twelve-month period. If the customer elects not to receive service under this rider before installation of a Daily Demand Measurement Device, the customer shall be re-billed under this rider assuming 100% standby service for the period that 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, the customer may, in writing, select an interim SSP in excess of that contractually specified. This interim selection shall be effective from said November 1 until the end of the Transition Period, at which time the originally specified SSP 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. The daily limitations set forth in Section F of this rider shall be applied on a monthly basis.

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 gas in the customer's AB (Minimum AB Balance) calculated by the formula $[1-SSP] \times .75 \times AB$, with the factors SSP and AB having the contractually-specific values. If the balance in the customer's AB is less than the Minimum AB Balance required at the beginning of any month, the customer shall purchase from the Company, under their Companion Classification, an amount of gas equal to the difference between the quantity of customer-owned gas in the AB and the Minimum AB Balance. Any purchased gas hereunder shall be priced at 110% of either AMIP or the applicable GC determined under Rider 2 of this rate schedule, whichever is greater. Such quantity shall be deemed to have been purchased on the last day of the month prior to that in which the required Minimum AB Balance does not exist. Injections to the AB shall not exceed $0.67\% \times AB \times \text{number of days in the month}$. The Minimum AB Balance is in place of the inventory requirements set forth in Section F of this rider.

Date Issued: MARCH 9, 2007

Date Effective: APRIL 23, 2007

**Issued by James F. Schott, Vice President
130 East Randolph Drive, Chicago, Illinois 60601**