

The Peoples Gas Light and Coke Company

SCHEDULE OF RATES FOR GAS SERVICE

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The Peoples Gas Light and Coke Company

SCHEDULE OF RATES FOR GAS SERVICE

Service Classification No. 1

Small Residential Service

The following rates are available to any customer who takes service through a single meter for one or two dwelling units only. Gas service is not available hereunder for use in alternation with or as standby or supplement to other sources of energy.

“Sales Customers” are customers who take service solely under this Service Classification. “Transportation Customers” are customers who take service under this Service Classification and under Rider CFY.

Rates

The rates for service hereunder shall consist of a Customer Charge, a Distribution Charge and a Gas Charge. The sum of the Customer Charge and the Distribution Charge represents the charges for delivery service from the Company.

	<u>Sales Customers</u>	<u>Transportation Customers</u>
* Customer Charge		
The monthly Customer Charge shall be as follows:	\$23.30	\$20.50

* **Distribution Charge**
The Distribution Charge shall be a per therm charge for all gas delivered in any month as follows:

<u>Therms Taken in any Month</u>	<u>Sales & Transportation Customers</u>
For the first 50 therms	39.871 cents
For all over 50 therms	14.766 cents

Gas Charge

The Gas Charge shall be, for all gas delivered, an amount per therm determined under Rider 2 of this rate schedule.

Subject to adjustments under riders applicable to this service classification.

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.

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130 East Randolph Drive, Chicago, Illinois 60601

The Peoples Gas Light and Coke Company

SCHEDULE OF RATES FOR GAS SERVICE

Service Classification No. 2

General Service

- * The following rates are available to any customer who consumed an average of 41,000 therms per month or less except those eligible for service under Service Classification No. 5 of this rate schedule. The Company shall assess eligibility at two-year intervals, or more frequently based on evidence of changed usage, and shall consider usage data from the most recent preceding twenty-four month or two calendar years in making this assessment. If the customer does not have usage data for the most recent twenty-four month or two calendar year period, the Company's assessment of the customer's eligibility shall be based on usage at the same or a similar premise and for a similar type of customer.
- * "Sales Customers" are customers who take service solely under this Service Classification. "Transportation Customers" are customers who take service under this Service Classification and under Rider CFY, FST or SST.

Rates

The rates for service hereunder shall consist of a Customer Charge, a Distribution Charge and a Gas Charge. The sum of the Customer Charge and the Distribution Charge represents the charges for delivery service from the Company.

Customer Charge

The Customer Charge shall be a monthly charge based on meter class as follows:

<u>Meter Class</u>	<u>Sales Customers</u>	<u>Transportation Customers</u>
1 (Up to 700 cubic feet per hour)	\$28.30	\$23.80
2 (Over 700 and no more than 3000 cubic feet per hour)	\$88.20	\$83.70
3 (Over 3000 cubic feet per hour)	\$209.20	\$204.70

Distribution Charge

The Distribution Charge shall be a per therm charge for all gas delivered in any month as follows:

<u>Therms Taken in any Month</u>	<u>Sales & Transportation Customers</u>
For the first 100 therms	35.942 cents
For the next 4,900 therms	15.361 cents
For all over 5,000 therms	12.389 cents

Gas Charge

The Gas Charge shall be, for all gas delivered, an amount per therm determined under Rider 2 of this rate schedule.

Subject to adjustments under riders applicable to this service classification.

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.

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Service Classification No. 4

Large Volume Demand Service

* The following rates are available to any customer who uses an average of over 41,000 therms per month. The Company shall assess eligibility at two-year intervals, or more frequently based on evidence of changed usage, and shall consider usage data from the most recent preceding twenty-four month or two calendar years in making this assessment. If the customer does not have usage data for the most recent twenty-four month or two calendar year period, the Company's assessment of the customer's eligibility shall be based on usage at the same or a similar premise and for a similar type of customer.

* **Rates**

The rates for service hereunder shall consist of a Customer Charge, a Demand Charge, a Distribution Charge, a Standby Service Charge and a Gas Charge. The sum of the Customer Charge, the Demand Charge, the Distribution Charge and the Standby Service Charge represents the charges for delivery service from the Company.

* **Customer Charge**

The monthly Customer Charge shall be \$750.00.

* **Demand Charge**

The monthly Demand Charge shall be 66.707 cents per therm of Billing Demand.

* **Distribution Charge**

The Distribution Charge shall be 4.861 cents per therm for all gas delivered in any month.

* **Standby Service Charge**

The monthly Standby Service Charge shall be 33.000 cents per therm of Standby Demand.

Gas Charge

The Gas Charge shall be, for all gas delivered, an amount per therm determined under Rider 2 of this rate schedule.

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Service Classification No. 4

Large Volume Demand Service

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.

Billing Demand

The Billing Demand shall be the customer's highest daily demand, in therms, that has occurred during the peak period months of December through February in the most recent twelve-month period.

The minimum Billing Demand shall be 60 percent of the customer's highest daily demand that has occurred during the most recent nine non-peak months.

To determine the highest daily demand, the maximum consumption during any Gas Day shall be measured by a daily demand measurement device; provided, however, that if actual data are not available from such device, the customer's daily demand in any billing period shall be the customer's metered usage in the billing period, adjusted to a 30 day equivalent basis, divided by 21; provided, further, the Company may, in its sole discretion, permit the customer to exclude from the calculation up to ten Gas Days during any December through February period, subject to each of the conditions listed below.

1. The customer submits its request in writing, including by electronic means, and the Company receives this request by 9:00 a.m. Central Time at least two business days prior to the affected Gas Day(s). The Company will grant or deny, in writing, including by electronic means, any requested waiver prior to the start of the affected Gas Day(s).
2. The request to exclude Gas Day(s) is due to infrequent, unusual and short duration customer loads, such as the testing and/or maintenance of equipment, or short-term production requirements.
3. The Company expects no adverse impacts to other customers.
4. The customer shall be subject to any constraints, curtailments, or other limitations of service, as well as any associated penalties, and charges during Gas Day(s) covered by a request that the Company grants.

*

Standby Demand

The Standby Demand shall be equal to the Billing Demand for all customers except those taking service under Rider SST; for a customer taking service under Rider SST, its Standby Demand shall be equal to its Selected Standby Quantity.

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Service Classification No. 4

Large Volume Demand Service

Maximum Contract Daily Demand

- * The Company shall determine a Maximum Contract Daily Demand (MCDD), which shall be the maximum daily number of therms the Company shall be obligated to deliver to the customer. If at any time a customer's Billing Demand exceeds the customer's MCDD, then such Billing Demand shall become the MCDD, beginning with the month in which the Billing Demand first exceeds the MCDD; provided, however, that such increase in MCDD shall not become effective if the Company determines that a sufficient supply of gas is not available to meet such increase; provided, further, that the customer must provide the Company written notification, as far in advance as practicable, if the customer expects to increase its MCDD by more than 10 percent from its existing MCDD.

*

Terms of Service

- * The Company's obligation shall commence when it begins to supply service hereunder and shall continue for an initial term ending the first April 30 after service commences and after the initial term shall extend automatically for additional 12-month periods, subject to the provisions of its Terms and Conditions of Service, until terminated under the terms of this rate schedule. The customer's obligation to pay for gas and services rendered hereunder shall begin when the Company begins to supply service and continue until payment in full of all amounts due hereunder shall have been made. In addition, if service terminates prior to the end of the initial term or any 12-month period, except if the customer transfers to Service Classification No. 2 because the customer no longer meets the minimum usage requirement under this service classification, then all amounts due the Company shall be paid, including the Demand Charge for the unexpired portion of the remaining initial or 12-month period.

*

- The customer shall be responsible for providing, installing and maintaining telephone wiring and, if required, electric wiring from the source of power to the daily demand measurement device. The Company on 30 days' prior written notice, may suspend or terminate service under this service classification if a customer fails to install or maintain the required telephone wiring or electric wiring.

General

Subject to the Terms and Conditions of Service and Riders to Schedule of Rates for Gas Service that are applicable to this service classification.

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Service Classification No. 8

Compressed Natural Gas Service

The following rates are available to any customer for gas to be used only as compressed natural gas to fuel a vehicle and who shall agree during the term of a written contract with the Company: (1) to exclusively use gas delivered hereunder in the equipment specified in its contract, and (2) not to voluntarily discontinue and renew service under this service classification within a consecutive twelve-month period.

Rates

The rates for service hereunder shall consist of a Customer Charge, a Distribution Charge and a Gas Charge. The sum of the Customer Charge and the Distribution Charge represents the charges for delivery service from the Company.

* **Customer Charge**

The monthly Customer Charge shall be \$73.00.

* **Distribution Charge**

The Distribution Charge shall be 10.389 cents per therm for all gas delivered in any month.

Gas Charge

The Gas Charge shall be, for all gas delivered, an amount per therm determined under Rider 2 of this rate schedule.

Subject to adjustments under riders applicable to this service classification.

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.

* **Contract with the Customer**

The initial term of the contract shall be for an initial term ending the first April 30 after service commences and after the initial term shall automatically renew for one-year periods upon expiration of the initial term and each one-year extension. 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.

The Company and the customer may agree in the contract for the Company to install compression facilities on the customer's premises, and the contract shall provide for the Company's recovery of such facilities' cost through a monthly charge.

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* **Service Activation Charge**

The Company shall assess a service activation charge whenever a Company employee activates service at a customer's premises. The service activation charge shall be \$15.00 when only a meter reading is taken. The service activation charge shall be \$25.00 when gas has to be turned on and a maximum of four gas appliances are relit. Each additional gas appliance being relit shall be done at a charge of \$5.00 per appliance.

* **Service Reconnection Charges**

When the Company has discontinued service to any customer as provided in this rate schedule or in Chapter 83 of the Illinois Administrative Code, before restoration, the Company shall collect a reconnection charge. The reconnection charge shall be \$60.00 except that (1) where service has been discontinued by removing the meter, the reconnection charge shall be \$125.00, and (2) where service has been discontinued by excavating either to cut the service pipe or shut off the service at the main, the reconnection charge shall be \$350.00. Each customer shall receive an automatic waiver for the first reconnection charge of \$60.00 in any calendar year where service has been reconnected at the meter.

* For any customer whose service is discontinued at the customer's request, reinstatement of service within twelve months shall be provided at a charge of \$60.00, plus the Customer Charges applicable during the period of service discontinuance.

* For any customer whose service has been discontinued because of the customer's failure to allow the Company or its authorized agents to have access to the customer's premises for the purpose of inspection of metering equipment, service pipe and all other equipment relating to the Company's service, the reconnection charge shall be \$60.00, except where service has been discontinued by excavating either to cut the service pipe or shut off the service at the main, in which case the reconnection charge shall be \$350.00.

* Included in any reconnection charge is the relighting of a maximum of four gas appliances per account. Any additional gas appliances to be relit shall be done at a charge of \$5.00 per appliance. This provision and charges shall apply regardless of any automatic reconnection charge waiver.

* **Second Pulse Data Capability**

A customer that has an installed and operational meter, meter corrector, or daily demand measurement device capable of providing a second pulse for further data collection capability may choose to have the Company enable this capability on such meter or device for a monthly charge of \$14.00; provided that, any customer who, prior to February 14, 2008, had such capability installed and paid for the device shall not be subject to such monthly charge. Installation of such capability shall be pursuant to a written contract specifying the customer name, account(s) and term.

The initial term of the contract shall end on the first April 30 following the effective date thereof, and the contract shall automatically renew for one-year periods upon expiration of the initial term and each one-year extension. The Company or the customer shall have the right to terminate service under the contract at the end of the initial term or any subsequent contract year on 30 days written notice; provided, however, that in the event of early termination, all amounts due the Company for the unexpired portion of the remaining contract term shall forthwith be paid.

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Controlled Attachment on the Rendering of Gas Service

All requests for firm gas service for inputs over 500 cubic feet per hour for central space heating, any type of commercial or industrial space heating or industrial processing or power generation must be made in writing. Rider 10 of this rate schedule governs the Company's obligation to render gas service for such requests.

Operational Integrity and Delivery Restrictions

In order to maintain the safe, efficient, and cost effective operation of its system, the Company, on any Gas Day, may, but shall not be obligated to, specify the quantity of gas that it shall accept at one or more of its citygate stations or specify the total quantity of gas that an entity may deliver to its system, and such specification may be stated in any reasonable manner, including as a specific percentage or other cap on increases from prior Gas Day's deliveries. Each entity delivering gas to the Company's system is responsible for adhering to such specifications. The Company shall not invoke this Operational Integrity and Delivery Restrictions provision for economic reasons, and shall provide a two-hour minimum notice of such specifications prior to any applicable nomination deadlines. This Operational Integrity and Delivery Restrictions provision shall be applied to all entities in a non-discriminatory manner. If an entity delivering gas requests to deliver gas in excess of a delivery restriction, the Company shall use reasonable efforts to adjust, on a non-discriminatory basis, the applicable restriction to allow the entity to deliver sufficient gas to meet the expected usage of customers served by the delivering entity and taking into account usage (deliveries to and from) those customers' gas bank accounts. Nothing in this paragraph shall prevent the Company from unilaterally taking actions, in addition to or in lieu of specifying delivery requirements at citygate stations, as may be necessary to maintain system pressure and preserve the integrity of its system.

Limitations on the Rendering of Gas Service

In the event of a gas shortage or an interruption in the Company's gas supply for any reason, the Company shall be entitled (1) to curtail deliveries of gas to any firm commercial or industrial customer, whenever in its judgment such curtailment shall be necessary for the maintenance of gas service to the Company's residential and small commercial customers, and (2) to allocate available gas supply among some or all of its remaining firm customers, whenever in its judgment such supply shall be inadequate to provide gas service to all of those customers in addition to other customer classes.

* In effecting any such curtailment or allocation of deliveries, the Company shall first curtail or discontinue the supply of gas to such customers as commonly use large quantities of gas and are not engaged in an activity essential to health or safety, and where the Company can conveniently and readily use the gas not delivered to reduce any gas supply deficiency to its other customers. The Company shall not be liable for any damage whatsoever by reason of any such curtailment or discontinuance or because of any shortness of advance notice given directing such curtailment or discontinuance.

Suspension or Termination of Contract in Case of Fire or Other Casualty

In the event of a fire or other casualty occurring in a customer's premises, rendering them wholly unsuitable for its business purposes, any contract between the Company and the customer for service under any service classification or rider shall, at the option of the customer, be either terminated or suspended until such time as the premises shall have been reconstructed and reoccupied by the customer for its business purposes.

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Continuous Service

The Company will endeavor to furnish a regular supply of gas to the customer, unless otherwise specified in the service classification or rider. The liability of the Company for damages arising out of service interruptions occurring in the course of furnishing service, and not caused by the negligence of the customer, shall in no event exceed an amount equivalent to the fixed charges that would otherwise be billed to the customer for the period of service during which such service interruption occurs. No other liability shall in any case attach to the Company.

Measurement of Gas Delivered by the Company

The gas delivered to a customer under each service classification and rider shall be measured by a meter or meters to be installed by, and at a location suitable to, the Company, provided by the customer upon its premises. The Company may use remote meter reading devices, which include any device that reads the meter and any device that corrects for pressure, temperature or supercompressibility; readings transmitted by such remote devices shall be considered actual meter readings within the meaning of the Public Utilities Act and 83 Illinois Administrative Code Part 280. Where the Company has installed a remote meter reading device, the volume of gas delivered to the customer may be determined on the basis of readings taken. The registration of the meter shall control in any case that discrepancies exist or the device malfunctions.

All bills for gas service shall be based upon such measurement, except that, in any case where the Company is unable to take the regular reading of the meter and in alternate months for certain customers served under Service Classification No. 1 or 2, the Company shall issue an estimated bill based upon the customer's use of service in previous billing periods and reflecting the effect of weather measured in degree days.

Gas Not to Be Submetered for Sale or Resale

No gas purchased or delivered under this rate schedule shall, for the purpose of sale or resale, be submetered or remeasured by the customer. This prohibition, however, shall not apply to gas purchased or delivered for use as vehicular fuel.

* **Correction for Pressure, Temperature and/or Supercompressibility**

In any case where the Company measures the gas delivered to said customer under a pressure greater than that exerted by a column of water 12 inches in height, the volume of gas registered by the gas measurement meter shall be corrected for billing purposes by a device or by the application of a proper pressure correction factor. The Company reserves the right to correct the volume of gas registered by such meter to a base temperature of 60° Fahrenheit and for supercompressibility.

Heating Value of Gas

The term "therm" means a quantity of heat at least equivalent to one hundred thousand British thermal units.

The gas to be supplied under each service classification and rider shall have a minimum average total heating value of one thousand British thermal units per cubic foot.

The therms for which the customer is billed shall be determined in accordance with Rider 8 of this rate schedule. Unless otherwise provided in this rate schedule, all quantities shall be therms.

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Charge for Dishonored Checks and/or Incomplete Electronic Withdrawal

A charge of \$25.00 shall be assessed a customer who remits any negotiable instrument that is not honored and subsequently returned by a bank, savings institution or other financial institution for any reason except error of the institution.

A charge of \$25.00 shall be assessed any customer participating in the Company's Automatic Payment Plan when the electronic withdrawal from the designated account is not completed by the participating bank, savings institution or other financial institution for any reason except error of the institution.

Any customer who, within a twelve-month period, remits two checks that are dishonored or has two incomplete electronic withdrawals, or has a combination of two dishonored checks or incomplete electronic withdrawals, for any reason except error of the financial institution shall be required to make all future payments by United States currency, money order, or certified check for the following twelve months.

Charge for Payment by Wire Transfer

The Company shall permit a customer to pay any amounts due and owing by wire transfer to the account designated by the Company. A customer making payment by wire transfer shall be liable for the charge assessed the Company by the financial institution effectuating the wire transfer.

*

Access to Premises

Properly authorized Company agents shall, at all reasonable times, have free access to the customer's premises for the purpose of initiating, maintaining, interrupting or discontinuing service; reading meters; inspecting metering equipment, service pipe and all other equipment relating to the Company's service; and installing, repairing or removing the Company's meters or other property and equipment.

Company's Property and Protection Thereof

Unless otherwise provided by contract between the Company and the customer, all meters and other appliances and equipment furnished by and at the expense of the Company that may at any time be upon the customer's premises shall be and remain Company property, and no one other than a Company agent is authorized to remove or disturb such property.

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Providing Customer Information That Requires Customer Consent - continued

Customer consent must be stated in unambiguous and everyday language and unequivocal with respect to the customer information sought. The customer's written signature is not required if other satisfactory indicia of customer consent are present. Independent third party verification may be used as evidence of customer consent, but it is not required. Customer consent may be evidenced in different ways, and the supplier need not use the same method for all customers. Any supplier wishing to obtain customer information from the Company must, by written contract with the Company, warrant and represent that it has the necessary customer consent and agree to produce proof of customer consent upon the Company's request, including for audit purposes or to resolve a dispute.

The charge per contract year for customer information shall be based on the incremental costs of providing such information, and, until April 1, 2011, such charge shall be determined by dividing \$57,500 by the number of customers who have contracted for such service by April 1 of the contract year. For a supplier who contracts for such service during a contract year, such contract shall be effective on the first day of the month following execution and the annual charge shall be determined by dividing \$57,500 by the number of customers who have executed a contract during the contract year and prorated by the number of months remaining in the contract year. Any amounts recovered from customers who execute a contract during the contract year shall be refunded in equal amounts to suppliers under previously effective contracts, such that the total amount charged in a contract year does not exceed \$57,500. Effective April 1, 2011, the amount used to determine the annual charge shall be reduced from \$57,500 to \$23,300.

Use of Gas as Compressed Natural Gas

A customer purchasing gas for compression and use as compressed natural gas to propel a vehicle on the public highways shall give the Company prior written notice of intent to purchase gas for that purpose. All gas delivered for such use shall be metered separately by the Company. In the event that any customer's equipment relating to compression of gas may or does interfere with service to any other customer or with metering, the Company or the customer shall, at the customer's expense, provide suitable facilities to preclude such interference.

Definition of Gas Day

The term "Gas Day" shall mean the period beginning at 9:00 a.m. Central Time, and ending at 9:00 a.m. Central Time on the following day. When required by the context in which it is used the word "day" shall mean Gas Day. "Central Time" shall mean the prevailing time in the Central time zone.

*

Definition of Person

The term "person" shall have the meaning set forth in Article III of the Public Utilities Act (220 ILCS 5/1-101, *et seq.*).

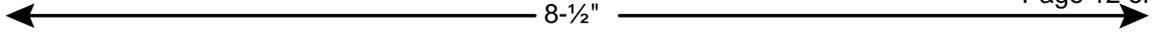
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TERMS AND CONDITIONS OF SERVICE



<p>Definition of Terms</p> <p>Customer Classification</p> <p>Rate 1, Small Residential Service – Available to any residential customer who receives service through a single meter for one or two dwelling units.</p> <p>Rate 2, General Service – Available to residential, commercial and industrial customers.</p> <p>Usage</p> <p>Types of Meter Readings:</p> <p>Actual – Reading taken by the company.</p> <p>Customer – Reading taken by the customer.</p> <p>Estimate – Reading estimated by the company based on weather and previous usage patterns.</p> <p>Pressure Correction Factor – A factor used to compute the quantity of gas when it is delivered at higher than normal pressures.</p> <p>BTU Factor (British Thermal Unit) – A factor used to convert measured gas volumes into the heating value of the gas.</p> <p>Therms – For billing purposes, the volume of gas used multiplied by the BTU Factor.</p> <p>Charges</p> <p>Customer Charge – A fixed monthly charge that pays for some of the fixed costs for providing service to customers. This charge includes charges from the State of Illinois that funds energy assistance and renewable energy grants.</p> <p>Delivery Charge – A charge that pays for costs of delivering gas to customers.</p> <p>Efficiency Program Charge – A charge that pays for the costs related to energy efficiency programs.</p> <p>Environmental Charge – A charge that pays for the cleanup from past manufactured gas operations.</p> <p>Gas Charge – A charge that pays for the cost of gas supplies purchased for customers.</p> <p>Volume Balancing Adjustment – A charge or credit that stabilizes the revenue collected through the distribution charge.</p> <p>Infrastructure Cost Recovery – A charge that pays for the costs related to the replacement of cast iron mains.</p> <p>Aggregation Balancing Charge – A charge that is assessed to Choices For You customers to pay for gas related storage expenses.</p> <p>Taxes</p> <p>Chicago Municipal Tax – Imposed by the City of Chicago on current charges before taxes.</p> <p>Chicago Gas Use Tax – Imposed by the City of Chicago, on a per therm basis, on gas that is purchased from an alternative supplier and is not subject to the Chicago Municipal Tax.</p> <p>State Tax (Illinois Gross Revenue Tax) – Mandated by the State of Illinois to fund the Illinois Commerce Commission.</p>	<p>Definición de términos</p> <p>Clasificación de clientes</p> <p>Tipo 1, Servicio para pequeñas residencias – Disponible para cualquier cliente residencial que reciba servicio a través de un solo medidor con sólo una o dos unidades de vivienda.</p> <p>Tipo 2, Servicio general – Disponible para clientes residenciales, comerciales e industriales.</p> <p>Uso</p> <p>Tipos de lectura del medidor:</p> <p>Real – La lectura es realizada por la compañía.</p> <p>Cliente – La lectura es realizada por el cliente.</p> <p>Estimada – La lectura se determina según un estimado realizado por la compañía basada en el clima y los patrones de uso previos.</p> <p>Factor de corrección de la presión – Un factor usado para calcular la cantidad de gas cuando se suministra a presiones por encima de lo normal.</p> <p>Factor BTU (British Thermal Unit) – Un factor usado para convertir los volúmenes de gas medidos al valor calorífico del gas.</p> <p>Termias – Para propósitos de facturación, es el volumen de gas usado multiplicado por el Factor BTU.</p> <p>Cargos</p> <p>Cargo al cliente – Un cargo mensual fijo que paga parte de los costos fijos de provisión de servicio a los clientes. Este cargo incluye cargos del Estado de Illinois que financian donaciones de programas de conservación de energía.</p> <p>Cargo de suministro – Un cargo que paga costos de suministro de gas a los clientes.</p> <p>Cargo del programa de eficiencia de energía – Un cargo que paga los costos relacionados con los programas de conservación de energía.</p> <p>Cargo medioambiental – Un cargo que paga costos de la limpieza fabricado por antiguas operaciones de gas.</p> <p>Cargo de gas – Un cargo que paga el costo de los suministros de gas comprados por los clientes.</p> <p>Ajuste por equilibrio de volumen – Un cargo o crédito que estabiliza la renta cobrada a través del cargo de distribución.</p> <p>Recuperación de costos de infraestructura – Un cargo que paga los costos relacionados con el reemplazo de las tuberías principales de hierro forjado.</p> <p>Cargo por equilibrio de agregado – Un cargo impuesto a los clientes de Choices For You para pagar los gastos de almacenamiento relativos al gas.</p> <p>Impuestos</p> <p>Impuesto municipal de Chicago – Requerido por la Ciudad de Chicago sobre los cargos actuales antes de impuestos.</p> <p>Impuesto de uso de gas de Chicago – Requerido por la Ciudad de Chicago, en base a cada termia, sobre el gas que es comprado de un proveedor alternativo y no está sujeto al impuesto Municipal de Chicago.</p> <p>Impuesto estatal (impuesto a la renta bruta de Illinois) – Ordenado por el Estado de Illinois para financiar la Comisión de Comercio de Illinois.</p> <p>Impuesto a la renta de gas estatal – Ordenado por el Estado de Illinois, ya sea el 5% de los cargos actuales antes de impuestos o 2.4 centavos por termia, lo que sea menor.</p>
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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 2

Rider 1

Additional Charges for Taxes and Customer Charge Adjustments

Applicable to All Service Classifications and to All Riders Except Rider Nos. 3, 4, 5, 8 and 10

Additional Charges for Compressed Natural Gas Use Tax

A customer receiving gas for compression and use as compressed natural gas shall reimburse the Company for all taxes payable to any governmental body on the delivery of gas to be used as compressed natural gas.

* **Customer Charge Adjustments**

(1) Energy Assistance Charge for the Supplemental Low-Income Energy Assistance Fund

Pursuant to Section 13 of the Energy Assistance Act, the Company is required to impose a monthly Energy Assistance Charge for the Supplemental Low-Income Energy Assistance Fund on each gas service account and shall increase the monthly customer charge by the following amounts:

Service Classification No. 1 Accounts

\$0.40 per month on each account.

All Other Accounts

\$4.00 per month on each account which had distributed to it less than 4,000,000 therms of gas in the previous calendar year.

\$300.00 per month on each account which had distributed to it 4,000,000 or more therms of gas in the previous calendar year.

(2) Renewable Energy Resources and Coal Technology Development Assistance Charge

Pursuant to the provisions of Section 6-5 of the Renewable Energy, Energy Efficiency and Coal Resources Development Law of 1997, the Company is required to impose a monthly Renewable Energy Resources and Coal Technology Development Assistance Charge on each gas service account and shall increase the monthly customer charge by the following amounts:

* **Service Classification No. 1 Accounts**

\$0.05 per month on each account.

All Other Accounts

\$0.50 per month on each account which had distributed to it less than 4,000,000 therms of gas in the previous calendar year.

\$37.50 per month on each account which had distributed to it 4,000,000 or more therms of gas in the previous calendar year.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 1 of 9

Rider 2

Gas Charge

**Applicable to All Service Classifications and
Riders FST, SST, P, CFY and AGG**

*

* The Gas Charge, applicable to all service classifications and to Riders FST, SST, P, CFY and AGG, shall be determined in accordance with the provisions of this rider.

Section A - Applicability

Each month the Company shall determine the Gas Charge to be placed into effect with service rendered on and after the first day of the following month.

A general description for each Gas Charge and its applicability shall be as follows. The monthly charge for each Gas Charge shall be determined in accordance with Section F.

Gas Charge

Factor	Description
GC	Gas Charge - The sum of Factor CGC, Factor HCGC ₁ and Factor NCGC.
CGC	Commodity Gas Charge - A commodity related, per therm, gas cost recovery mechanism applied to all Company-supplied therms delivered or estimated to be delivered.
HCGC	Hub Credit Gas Charge - A commodity related, per therm, gas revenue crediting mechanism applied to all therms delivered or estimated to be delivered by the Company. There shall be a HCGC ₁ applicable to Sales Customers, that is included in Factor GC, and applicable to CFY Customers, that is included in the Aggregation Balancing Charge, and a HCGC ₂ applicable to Large Volume Transportation Customers that is a stand alone factor.
NCGC	Non-Commodity Gas Charge - A non-commodity related, per therm, gas cost recovery mechanism applied to all Company-supplied therms delivered or estimated to be delivered.
*	DGC Demand Gas Charge - A non-commodity related, per demand therm, gas cost recovery mechanism applied to the contracted backup levels of transportation customers served under Riders FST and SST. This charge is the backup level based counterpart to the NCGC. Revenues arising through the application of this charge will be credited to the Factor NCGC.
ABGC	Aggregation Balancing Gas Charge – a non-commodity related, per therm, gas cost recovery mechanism applied to all therms delivered or estimated to be delivered by the Company to customers served under Rider CFY. This charge is equivalent to the NCGC less any costs not associated with balancing or storage. Revenues arising through the application of this charge will be credited to the Factor NCGC.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider 2

Gas Charge

**Applicable to All Service Classifications and
Riders FST, SST, P, CFY and AGG**

*

Section A – Applicability - continued

A monthly report, in a format designated by the Commission postmarked by the twentieth day of the Filing Month, shall show determinations of the Gas Charge for the following Effective Month. A monthly report postmarked after that date but prior to the first day of the Effective Month will be submitted only if it corrects an error or errors from a timely filed report for the same Effective Month. Any other report postmarked after that date will be submitted only as a special permission request under the provisions of Section 9-201(a) of the Public Utilities Act.

Section B - Definitions

Base Period shall mean the Effective Month or the remaining months in the Reconciliation Year that includes the Effective Month.

CFY Customer shall mean a customer taking service under Service Classification No. 1 or 2 and under Rider CFY.

Effective Month shall mean the month following the Filing Month, during which the Gas Charge will be in effect.

Filing Month shall mean the month in which the Gas Charge is determined by the Company and submitted to the Commission.

Gas Used By the Company shall mean all gas used by the Company except gas utilized in the manufacture of gas through a reforming process, and shall include gas furnished to municipalities or other governmental authorities without reimbursement in compliance with franchise, ordinance or similar requirements.

Hub Revenues shall mean the revenue received by the Company from the interstate storage and transportation services that the Company provides pursuant to the authority of the Federal Energy Regulatory Commission.

Large Volume Transportation Customer shall mean a customer taking service under a service classification and Rider FST or SST.

Reconciliation Year shall mean the 12-month period ending December 31, for which actual gas costs and associated revenues are to be reconciled as provided in Section G of this rider.

Sales Customer shall mean a customer who takes service solely under a service classification and does not also take transportation service under Rider CFY, FST or SST.

System Average Cost of Gas shall mean the weighted average cost per therm of gas estimated to be purchased, withdrawn from storage, and manufactured during the Base Period or Reconciliation Year.

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RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider 2

Gas Charge

**Applicable to All Service Classifications and
Riders FST, SST, P, CFY and AGG**

*

Section C - Cost Basis

Each Gas Charge shall represent the Company's estimate of recoverable gas costs (as prescribed in Section D) to be incurred during the Base Period, with an adjustment to such costs through use of Adjustment Factors (as prescribed in Sections E, F and G). Any Gas Charge established to recover commodity gas costs (separately or in conjunction with non-commodity gas costs) shall use an estimate of the recoverable costs to be incurred during the Effective Month. Any Gas Charge established to recover only non-commodity gas costs shall use an estimate of the recoverable costs to be incurred during the remaining months of the Reconciliation Year.

Section D - Recoverable Gas Costs

- (a) Costs recoverable through the Gas Charge shall include the following:
- (1) Costs of natural gas and any solid, liquid or gaseous hydrocarbons purchased for injection into the gas stream or purchased as feedstock or fuel for the manufacture of gas, or delivered under exchange agreements;
 - (2) Costs for storage services purchased;
 - (3) Transportation costs related to such natural gas and any solid, liquid or gaseous hydrocarbons and any storage services; and
 - (4) Other out-of-pocket direct non-commodity costs, related to hydrocarbon procurement, transportation, supply management, or price management, net of any associated proceeds, and Federal Energy Regulatory Commission approved charges required by pipeline suppliers to access supplies or services described in subsections (a)(1) through (3) of this Section.
- (b) Determinations of the Gas Charge shall exclude the actual cost of gas to be used by the Company. Gas Used By the Company will be provided for by purchasing supplies separately from supplies purchased for customers.
- (c) The cost of gas estimated to be withdrawn from storage during the Base Period shall be included in the Gas Charge.
- (d) Recoverable gas costs shall be offset by the revenues derived from transactions at rates that are not subject to the Gas Charge if any of the associated costs are recoverable gas costs as prescribed by subsection (a) of this Section. This subsection shall not apply to transactions subject to rates contained in tariffs on file with the Commission, or in contracts entered into pursuant to such tariffs, unless otherwise specifically provided for in the tariff.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider 2

Gas Charge

**Applicable to All Service Classifications and
Riders FST, SST, P, CFY and AGG**

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* **Section D - Recoverable Gas Costs** -continued

- (e) Revenues from penalty charges or imbalance charges, which the Commission has previously approved to prevent unauthorized actions of customers, shall offset gas costs.
- (f) Revenues arising from cash-out sales as defined in Section D of Rider AGG of this rate schedule shall offset recoverable gas costs. Costs arising from cash-out purchases as defined in Section G of Rider FST, Sections H and I of Rider SST, Sections H and I of Rider P and Sections D, F and L of Rider AGG of this rate schedule shall be treated as gas costs recoverable under this Section. Revenues arising from sales pursuant to Section E of Rider FST, Sections F and K of Rider SST, Section F of Rider P and Section G of Rider AGG of this rate schedule shall offset gas costs. Costs arising from purchases by the Company pursuant to Section H of Rider FST, Section J of Rider SST, Sections F and J of Rider P and Sections G and L of Rider AGG of this rate schedule shall be treated as gas costs recoverable under this Section.

Section E - Adjustments to Gas Costs

- (a) The Adjustment Factor (Factor A) shall be treated as an addition to or an offset against actual gas costs. This Adjustment Factor shall include the total of the following items:
 - (1) Refunds, directly billed pipeline surcharges, unamortized balances of adjustments in effect as of the Company's implementation date, and other separately designated adjustments;
 - (2) The difference between actual recoverable gas costs and gas cost recoveries for the months preceding the Filing Month;
 - (3) The difference between actual Hub Revenues shown as a credit and amounts arising from the application of the HCGC for the months preceding the Filing Month; and
 - (4) The unamortized portion of any Adjustment Factors included in prior determinations of the Gas Charge.
- (b) If the Company determines the need to amortize the Adjustment Factor over a period longer than the Base Period, this Adjustment Factor shall be amortized over a period not to exceed 12 months. The Company shall, in the monthly filing in which Factor A is first amortized, include an amortization schedule showing the Adjustment Factor amount to be included in the Base Period. The associated carrying charge established by the Commission under 83 Ill. Adm. Code 280.70(e)(1) and in effect when the Adjustment Factor is first amortized shall be applied to each month's unamortized balance and included within Factor A.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider 2

Gas Charge

**Applicable to All Service Classifications and
Riders FST, SST, P, CFY and AGG**

*

Section F - Determination of Gas Charge

- (a) Each month the Company shall determine under this Section the Commodity Gas Charge (CGC), the Hub Credit Gas Charge (HCGC), Non-Commodity Gas Charge (NCGC), the Demand Gas Charge (DGC) and the Aggregation Balancing Gas Charge (ABGC) to be placed into effect for service rendered during the Effective Month.
- (b) Each type of Gas Charge shall be determined in accordance with the following formula:

$$GC = \left[\frac{G \pm A \pm O}{T} \right] \times 100$$

Where: GC = The Gas Charge for the applicable type of gas cost in cents per therm rounded to the nearest 0.01¢; any fraction of 0.01¢ shall be dropped if less than 0.005¢ or, if 0.005¢ or more, shall be rounded up to the next full 0.01¢.

G = Factor G, as defined for each type of Gas Charge determined by the Company under this Section.

Where: A = Factor A, as defined for each type of Gas Charge determined by the Company under this Section.

O = Factor O, as defined for each type of Gas Charge determined by the Company under this Section including interest charged at the rate established by the Commission under 83 Ill. Adm. Code 280.70(e)(1) from the end of the Reconciliation Year to the order date in the reconciliation proceeding. If the Commission determines it is necessary to amortize the additional over or under recovery, additional interest shall be charged in the same manner as that prescribed in subsection (b) of Section E.

T = Factor T, as defined for each type of Gas Charge determined by the Company under this Section.

Determination of Gas Charge (Factor GC):

Factor GC shall be the sum of Factors CGC, HCGC₁ and NCGC.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider 2

Gas Charge

**Applicable to All Service Classifications and
Riders FST, SST, P, CFY and AGG**

*

Section F - Determination of Gas Charge - continued

Determination of Commodity Gas Charge (Factor CGC):

Factor CGC shall be determined according to the Gas Charge formula as defined in subsection (b) of Section F, and shall utilize a Base Period equal to the Effective Month.

- Where:
- G = The sum of the commodity-related gas costs as specified in subsection (a) through subsection (f) of Section D, less commodity-related costs of gas injected into storage for the Base Period.
 - A = The sum of commodity-related adjustments to gas costs as specified in subsection (a) and subsection (b) of Section E.
 - O = The amount of the over or under recovery of commodity-related gas costs as ordered by the Commission.
 - T = The estimated therms sold by the Company of gas associated with service to be rendered during the Base Period.

Determination of Hub Credit Gas Charge (Factor HCGC):

*

Factor HCGC shall be determined according to the Gas Charge formula as defined in subsection (b) of Section F and shall utilize a Base Period equal to the Effective Month.

- Where:
- G = Hub Revenues for the Base Period shown as a credit.
 - A = The sum of adjustments to Hub Revenues as specified in subsection (a) and subsection (b) of Section E.
 - O = The amount of the over or under crediting of Hub Revenues as ordered by the Commission.
 - T = The estimated therms sold or delivered by the Company associated with service to be rendered during the Base Period.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider 2

Gas Charge

**Applicable to All Service Classifications and
Riders FST, SST, P, CFY and AGG**

*

Section F - Determination of Gas Charge - continued

Determination of Hub Credit Gas Charge (Factor HCGC₁):

Factor HCGC₁ shall be determined according to the Gas Charge formula as defined under Section F of the Hub Credit Gas Charge (Factor HCGC) and shall utilize a Base Period equal to the Effective Month.

Where: The numerator shall be the numerator defined under Factor HCGC times 85.5%.

T = The estimated therms sold by the Company associated with service to be rendered during the Base Period plus the estimated therms delivered to CFY Customers during the Base Period.

Determination of Hub Credit Gas Charge (Factor HCGC₂):

Factor HCGC₂ shall be determined according to the Gas Charge formula as defined under Section F of the Hub Credit Gas Charge (Factor HCGC) and shall utilize a Base Period equal to the Effective Month.

Where: The numerator shall be the numerator defined under Factor HCGC less the numerator defined under Factor HCGC₁.

T = The estimated therms delivered to Large Volume Transportation Customers during the Base Period.

Determination of Non-Commodity Gas Charge (Factor NCGC):

Factor NCGC shall be determined according to the Gas Charge formula as defined in subsection (b) of Section F and shall utilize a Base Period equal to the remaining months of the Reconciliation Year, including the Effective Month.

Where: G = The sum of non-commodity-related gas costs estimated for the Base Period as specified in subsection (a) through subsection (f) of Section D. Such costs shall be reduced by the total Demand Gas Charge revenue arising from the application of Factor DGC and the total Aggregation Balancing Gas Charge revenue arising from the application of Factor ABGC.

A = The sum of non-commodity-related adjustments to gas costs as specified in subsection (a) and subsection (b) of Section E.

O = The amount of the over or under recovery of non-commodity-related gas costs as ordered by the Commission.

T = The estimated therms sold by the Company associated with service to be rendered during the Base Period.

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Rider 2

Gas Charge

**Applicable to All Service Classifications and
Riders FST, SST, P, CFY and AGG**

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* **Section F - Determination of Gas Charge** - continued
Determination of Demand Gas Charge (Factor DGC):

Factor DGC is applicable to standby gas service as provided in Riders FST and SST. Factor DGC shall be determined according to the Gas Charge formula as defined in subsection (b) of Section F and shall utilize a Base Period equal to the remaining months of the Reconciliation Year including the Effective Month.

- Where:
- G = The sum of non-commodity-related gas costs estimated for the Base Period as specified in subsection (a) through subsection (f) of Section D.
 - A = The sum of non-commodity-related adjustments to gas costs as specified in subsection (a) and subsection (b) of Section E.
 - O = The amount representing the over or under recovery of non-commodity-related gas costs as ordered by the Commission.
 - T = System supply design peak day requirements stated in therms multiplied by the number of remaining months in the Reconciliation Year.

Determination of Aggregation Balancing Gas Charge (Factor ABGC):

Factor ABGC is applicable to all therms delivered or estimated to be delivered to customers by the Company under Rider CFY. Factor ABGC shall be determined according to the Gas Charge formula as defined in subsection (b) of Section F and shall utilize a Base Period equal to the remaining months of the Reconciliation Year, including the Effective Month.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider 2

Gas Charge

**Applicable to All Service Classifications and
Riders FST, SST, P, CFY and AGG**

*

Section F - Determination of Gas Charge - continued

- Where:
- G = The sum of non-commodity-related gas costs estimated for the Base Period as specified in subsection (a) through subsection (f) of Section D, excluding any costs that do not support the Company's storage and balancing services.
 - A = The sum of non-commodity-related adjustments to gas costs as specified in subsection (a) and subsection (b) of Section E.
 - O = The amount of the over or under recovery of non-commodity-related gas costs as ordered by the Commission.
 - T = The estimated therms sold by the Company associated with service to be rendered during the Base Period plus the estimated therms delivered to customers served under Rider CFY during the Base Period.

Section G - Annual Reconciliation

- (a) In conjunction with a docketed reconciliation proceeding, the Company shall file with the Commission an annual reconciliation statement, that shall be certified by independent public accountants and verified by a Company officer. This statement shall show the difference between the following:
 - (1) The costs recoverable through the Gas Charge during the Reconciliation Year, as adjusted by Factor A and Factor O, and
 - (2) The revenues arising through the application of the Gas Charge to applicable therms during the Reconciliation Year.
- (b) If, after hearing, the Commission finds that the Company has not shown all costs to be prudently incurred or has made errors in its reconciliation statement for such Reconciliation Year, the difference determined by the Commission shall be refunded or recovered, as appropriate, under the Ordered Reconciliation Factor (Factor O), along with any interest or other carrying charge authorized by the Commission.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider 4

Extension of Mains

*

Applicable to Service Classification Nos. 1, 2, 4 and 8

*

If the Company shall receive a request from a customer, an applicant for service or a group of applicants for service for extension of a gas main in a street, alley or public way in order to make gas available to a customer's premises, and such extension shall be in excess of the free limit for extensions as defined in 83 Illinois Administrative Code Part 500, the Company shall, in light of the prospective cost and use of the particular extension, the revenues to be derived from its use and all other relevant circumstances, determine whether to provide the main extension. If the main extension is to be provided, the Company shall determine whether a main extension deposit shall be required and any amount thereof. The amount of the main extension deposit shall not exceed the cost of the excess extension.

*

If the Company shall receive such a request from a person proposing to develop property and such person is not a customer or an applicant for service, then the Company may require a deposit from such person and the amount of the deposit shall not exceed the cost of the excess extension. For purposes of computing any main deposit, the free limit for extension shall be the amount available to a single applicant for service.

*

The Company shall refund any main extension deposit to the depositor after extension completion in accordance with the provisions of 83 Illinois Administrative Code Part 500. Making a deposit under this rider shall not confer upon the depositor or the customer any title or right of property in the extension.

*

If the Company shall receive a request to install, relocate or replace a gas main or mains in addition to or in a manner other than what is required for the Company to provide service, including installations on private property such as private drives, the requestor shall pay the Company's costs of installation, relocation or replacement. Such costs include, but are not limited to, labor costs, material costs, transportation costs and overheads.

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RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider 5

Gas Service Pipe

Applicable to Service Classification Nos. 1, 2, 4 and 8

The Company shall install, at its expense, except as otherwise provided in this rider, all service pipe extending from the Company's main located adjacent to the customer's premises. In the case of inside meters, the service pipe extension shall enter the premises not more than five feet beyond either corner of the building wall nearest to said main. The service pipe shall not extend more than ten feet inside the building wall entrance. In the case of outside meters, the inlet connection of the meter shall not be more than five feet beyond either corner of the building wall nearest to said main. In no case shall the service pipe extension exceed sixty feet inside the customer's lot line. If more than one main is located adjacent to the customer's premises, the Company shall select the main that it deems most suitable for the project.

For the purposes of this rider, the "Company's cost" includes, but is not limited to, labor costs, materials costs, transportation costs and overheads.

All service pipe extensions shall further be subject to the following:

1. If the service pipe extends beyond sixty feet inside the customer's lot line, the Company will install such additional length of service pipe if the customer pays the Company's cost of installation.
2. For temporary service, the customer shall pay the Company's cost of installing and removing the entire service pipe and associated gas facilities.
3. If the installation of a special apparatus not regularly provided for in this rate schedule or in 83 Illinois Administrative Code Part 500 is required, the customer shall pay the Company's cost of installing such special apparatus.
4. The customer shall pay the Company's cost for any construction expenses resulting from any abnormal obstruction.
5. The customer shall pay the Company's cost for any change in the Company-specified point of delivery or location of the service pipe, including installations on private property such as private drives, that the customer requests and the Company approves.
6. When replacement or enlargement of service pipe is necessary to furnish satisfactory volume or pressure or in connection with the Company's established rehabilitation practices, the Company shall replace or enlarge, at its expense, all existing service pipe as delineated above, except as provided in 83 Illinois Administrative Code Part 500.
7. When a customer requests that a service pipe, which is to be replaced or enlarged in accordance with Company practice, be relocated or modified in accordance with the customer's preferred design, the customer shall pay the Company's cost of relocation or modification.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider 5

Gas Service Pipe

Applicable to Service Classification Nos. 1, 2, 4 and 8

- * 8. When a customer requests that a service pipe be disconnected for building teardown, the customer shall pay the Company's costs associated with such disconnection. If such customer, within two years of disconnection, requests service at the same location and the disconnected service pipe can be used to serve the new account, the customer shall pay the Company's costs associated with the required reconnection. If the disconnected service pipe cannot be used or if the customer requests that such service pipe be relocated or modified in accordance with the customer's preferred design, the customer shall pay the Company's cost of relocation or modification.
9. If the customer's premises does not have a corner wall, the service pipe extension shall be to the front of the building.

* If there is no customer at the premises, a person who is not a customer or applicant for service, but who is proposing to develop property, may request installation, replacement, enlargement, relocation, modification or disconnection of service pipe under this rider. For the limited purpose of determining whether the Company or such person is responsible for the Company's cost, such person shall be treated as a customer under this rider and such person shall be responsible for providing the Company the information required to perform work required under this rider.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider 8

Heating Value of Gas Supplied

*** Applicable to All Service Classifications and Riders 9, FST, SST, P, CFY and AGG**

The therms for which the Company bills a customer shall be determined by multiplying the meter reading difference, registered by the meter or meters located on such customer's premises, by the Btu adjustment factor calculated hereunder. The term "meter reading difference" shall mean the volume of gas delivered by the Company to a customer, computed in accordance with the provisions of this rate schedule and expressed in hundreds of cubic feet of gas. The term "gas purchased, produced or transported" as used in this rider shall mean all natural gas, substitute natural gas, liquefied petroleum gases and other hydrocarbons which are purchased, produced or received by the Company and delivered to the Company's distribution system for delivery to customers.

The Btu adjustment factor shall be calculated by dividing (a) the quotient, rounded to the nearest whole Btu per cubic foot, of (i) the aggregate Btu heating value of gas purchased, produced or transported during the twelve months preceding the month of determination, divided by (ii) the aggregate number of cubic feet of gas purchased, produced or transported during the same twelve-month period adjusted to 14.65 pounds per square inch absolute pressure at a temperature of sixty degrees Fahrenheit by (b) 1,000. The Btu adjustment factor so calculated shall represent the number of therms per hundred cubic feet of gas.

On or before the 25th day of each month, the Company shall submit to the Commission a statement specifying the Btu adjustment factor to become effective with meter readings taken on and after the first day of the following month, together with data in explanation thereof. Such Btu adjustment factor shall, unless otherwise ordered by the Commission, become effective with meter readings taken on and after the first day of the following month.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 1 of 1

Rider 9

Unauthorized Use of Gas Service

*** Applicable to All Service Classifications and Riders SST and P**

Except as otherwise provided in this rider, the customer shall pay for unauthorized use of gas service at the rates set forth in the service classification and in the rider under which the customer is or would be regularly served, plus an additional charge of \$0.50 per therm, except on a Supply Shortage Day, on which the additional charge delineated in (c) and (d) below shall apply. As used herein, "Supply Shortage Day" has the meaning ascribed to it in Rider SST of this rate schedule.

The provisions of this rider shall not be construed as giving the customer any right to take gas service and the Company reserves the right to disconnect service to a customer taking unauthorized use of gas service until it is satisfied that the customer will not repeat such unauthorized use.

For the purpose of this rider, unauthorized use of gas service shall mean:

- (a) any use of gas in violation of any provision of Rider 10 of this rate schedule in equipment having a rated input over 500 cubic feet per hour;
- (b) any use of gas by a customer during a period of curtailment imposed by the Company pursuant to the Limitations on the Rendering of Gas Service provision in the Terms and Conditions of Service;
- * (c) any use of gas by a Rider SST customer that is unauthorized use of gas service under the Order of Deliveries to the Customer provision in Rider SST of this rate schedule, provided, however, on a Supply Shortage Day, the additional charge shall be \$6.00 per therm;
- * (d) any use of gas by a Rider P supplier that is unauthorized use of gas service under the Order of Deliveries to the Customer Group provision in Rider P of this rate schedule, provided, however, on a Supply Shortage Day, the additional charge shall be \$6.00 per therm.

For the purpose of this rider, the term "customer" shall include any user of gas service.

Credit Provision

Each month the Company shall determine the amount of revenue arising from the application of the additional charge per therm set forth in this rider. This amount shall be credited in accordance with the application of Rider 2, Section D, subsection (e) of this rate schedule.

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.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Rider 10

Controlled Attachment Plan

*** Applicable to All Service Classifications and Riders FST, SST and CFY**

Written application is required for all new and increased year-round firm gas service for inputs over 500 cubic feet per hour for:

1. All central space heating; and
2. Any type of commercial or industrial space heating or industrial processing or power generation.

As gas supply conditions permit, the Company shall give authorizations in the following priority:

Category One:

All requests for:

- (i) Residential and commercial space heating for inputs over 500 cubic feet per hour;
- (ii) Industrial space heating and/or industrial processing for inputs over 500 cubic feet per hour up to and including 30,000 cubic feet per hour; and
- (iii) Industrial applications where gas is the only form of energy which can be practicably used (such as prepared atmospheres, chemical feedstock applications and fume incineration).

Category Two:

All requests for industrial applications not specified in Category One or Three.

Category Three:

All requests for industrial boiler fuel applications of more than 30,000 cubic feet per hour.

Within Categories Two and Three, authorization will be given by input groupings, in the order of smallest to largest, as follows:

Input Grouping (Rated Input of Equipment in Cubic Feet Per Hour)	
501 -	2,000
2,001 -	5,000
5,001 -	10,000
10,001 -	30,000
30,001 -	50,000
50,001 -	100,000
100,001 -	150,000
150,001 -	300,000
Over	300,000

The Company shall give authorizations on a "first-come-first-served" basis. Nothing contained herein shall prevent the Company from granting authorizations to an entire Category or input grouping of any Category as applications are received and verified where gas supply conditions permit, nor from waiving the requirement for written applications for an entire Category or input grouping of any Category where gas supply conditions permit.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider 10

Controlled Attachment Plan

*** Applicable to All Service Classifications and Riders FST, SST and CFY**

Authorizations granted hereunder shall be void after 30 days unless the applicant notifies the Company in writing of the applicant's intention to install within the time period provided, the gas equipment for which gas service has been requested.

Unless otherwise extended in writing, applicants receiving authorizations under this rider shall install the gas equipment for which service has been requested within:

- (a) twelve months from the effective date thereof for new construction and for existing buildings owned by any governmental body in a non-proprietary capacity ("public buildings"), or
- (b) six months from the effective date thereof for all other instances.

If an applicant in (a) above is unable to utilize gas within its respective installation timeframe, but by overt action taken (such as contractual obligations, site preparation, architectural plans and, in the case of public buildings, budget appropriations) can demonstrate that it fully intends to proceed with the gas equipment installation, then the Company may, as future gas supply conditions permit, give authorization for up to a two-year installation extension.

Authorizations given to any applicant not installing said equipment within the specified time period will become void at the end of such period, and another application will need to be submitted.

The Commission shall be provided thirty days advance notice of any change in the rate of growth or the proposed release of gas permits which have an estimated annual impact equivalent to more than one-half of one percent of the Company's total annual sales as reported in the most recent Annual Report (Form 21) filed with the Commission.

Unauthorized Attachments

The Company is authorized and required to discontinue service to any customer who connects gas consuming equipment in violation of this rider until the customer disconnects the violating equipment.

Emergency Authorizations

During the thirty-day period immediately prior to the date of any planned release of gas, an emergency authorization will be granted to any requesting applicant, provided (a) the applicant has a request under this rider for gas service at the time of the emergency condition, (b) the emergency results from equipment breakdown that requires replacement or major repair, (c) the applicant's authorization request is in writing, (d) a Company representative makes an on-site verification of the emergency condition, and (e) the applicant would be included in the ensuing planned release of gas.

A shortage of fuel on the part of the applicant does not constitute an emergency condition hereunder.

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Rider 10

Controlled Attachment Plan

*** Applicable to All Service Classifications and Riders FST, SST and CFY**

Conditional Authorization

Where gas supply conditions would permit an authorization under this rider for a request of 30,000 cubic feet per hour or more but the Company is unable prior to the next following heating season to make changes in its distribution system as reasonably required to provide service to the applicant at temperatures below 15 degrees Fahrenheit, the Company may condition an authorization in such manner and for such period of time as it deems necessary to protect its ability to serve existing customers, provided that any such condition shall be in a written contract, with a maximum one-year term, between the Company and the applicant. The Company's obligation to render service to the applicant shall be limited by and subject to the conditions contained in such contract.

Vacated Buildings

Where a building has been vacated and gas space heating equipment has remained on the premises during the period of vacancy, an applicant for gas space heating service for such building shall be entitled to an authorization in an amount comparable to the prior space heating usage.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider 11

Adjustment for Incremental Costs of Environmental Activities

Applicable to Service Classification Nos. 1, 2, 4 and 8

*

Each month the Company shall determine an adjustment under this rider. If such adjustment computes to 0.01¢ per therm or more, it shall be billed over an annual billing cycle commencing on the first day of the month following the Filing Month. If such adjustment does not compute to at least 0.01¢ per therm, then the amount used to determine the adjustment shall be retained in the Deferred Account hereinafter described until a subsequent adjustment computes to at least 0.01¢ per therm. The charge under this rider shall be the sum of all currently effective monthly adjustments and shown on a separate line on the customer's bill.

On or before the sixth day of each month, the Company shall file with the Commission an information sheet specifying all adjustments to be effective under this rider for service rendered in the following month. Such filing shall include a statement showing the determination of the most recent monthly adjustment under this rider, along with explanatory data.

Section A - Definitions

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

Base Period shall mean the first 12 of the 13 months immediately preceding the Filing Month.

Deferred Account shall mean the Deferred Account approved by the Commission for Incremental Costs. This account shall be debited or credited according to Section B.

Environmental Activities shall mean the investigation, testing, removal, disposal, storage, remediation or other treatment of Residues associated with Manufactured Gas Operations or with the dismantling of facilities utilized in Manufactured Gas Operations or with other operations that generated substances subject to federal, state or local environmental laws conducted at locations where Manufactured Gas Operations or the dismantling of facilities utilized in Manufactured Gas Operations were at any time conducted.

Factor T shall mean the therms of gas delivered to customers by the Company, including the number of therms of customer-owned gas delivered by the Company during the Base Period.

Filing Month shall mean the month in which an adjustment is determined by the Company and filed with the Commission.

Incremental Costs shall mean (a) all costs incurred by the Company in connection with Environmental Activities, which arise from charges, billings, assessments or other liabilities (other than expenses for wages and salaries of the Company's employees or for services rendered by a corporate affiliate of the Company) or from judgments, orders or decisions (including settlements) by a court, a governmental agency or department, or other adjudicatory or quasi-adjudicatory body, and (b) all costs of carrying charges before recovery through rates.

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RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider 11

Adjustment for Incremental Costs of Environmental Activities

* **Applicable to Service Classification Nos. 1, 2, 4 and 8**

Section A - Definitions - continued

Manufactured Gas Operations shall mean all operations relating to the manufacture of gas, the storage, treatment, transportation and disposal of Residues, and the storage of manufactured gas.

Residues shall mean and include any hazardous substance, raw material, by-product, waste product or other residue.

Settlement Fund shall mean the amount, if any, arising from Settlements With Insurance Carriers or Other Entities that is available to pay costs otherwise recoverable under this rider, as determined under Section F.

Settlements With Insurance Carriers or Other Entities shall mean amounts received by the Company from insurance carriers or other entities in settlement or satisfaction of claims by the Company for payment of Incremental Costs other than amounts described in paragraph 2(b) of Section B.

Section B - Deferred Account

- (1) Each month this account shall be debited by the Incremental Costs incurred in such month.
- (2) Each month this account shall be credited by (a) an amount equal to the revenues arising from application of adjustments under this rider to therms sold or delivered by the Company during such month, (b) amounts received from insurance carriers or other entities during such month which represent reimbursement or recovery of Incremental Costs previously charged to the account, and (c) the amount of Incremental Costs recovered through the Settlement Fund in such month, as determined under Section F.
- (3) Each month the account shall be debited or credited, as appropriate, with a carrying charge which shall be computed as follows:

$$(A - B) \times C \times D / E$$

Where:

- (A) Represents the average of the opening and closing balances before recording the carrying charge.
- (B) Represents the accumulated deferred income taxes recognized in this rider unless provided for elsewhere.
- (C) Means the annual after-tax cost of capital as determined in the Company's most recent rate proceeding.
- (D) Represents the number of days in the month.
- (E) Represents the number of days in the fiscal year.

The carrying charge shall be debited to the account if the average balance is positive and shall be credited to the account if the average balance is negative.

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Rider 11

Adjustment for Incremental Costs of Environmental Activities

Applicable to Service Classification Nos. 1, 2, 4 and 8

*

Section B - Deferred Account - continued

(4) A subaccount shall be created for each adjustment that becomes effective under this rider and shall be maintained for the applicable annual billing cycle. The opening balance of such subaccount shall be the amount used to determine the adjustment. Such subaccount shall be credited monthly by an amount equal to the revenues arising from application of the subaccount's corresponding adjustment to therms sold or delivered by the Company during such month. After completion of the applicable annual billing cycle, such subaccount shall be terminated. The closing balance thereof becomes part of the Deferred Account in general.

Section C - Determination of Adjustment

The per therm adjustment amount under this rider shall be determined by dividing (a) the balance in the Deferred Account at the end of the Base Period less the total at the end of the Base Period of all subaccounts required by paragraph 4 of Section B, by (b) the number of therms equal to the quantity Factor T. If an adjustment computes to 0.01¢ per therm or more, any fraction of 0.01¢ in the computed per therm adjustment amount shall be dropped if less than 0.005¢ or, if 0.005¢ or more, shall be rounded up to the next full 0.01¢.

Section D - Reports

The Company shall file with the Commission within 45 days after each fiscal quarter ending March 31, June 30, September 30 and December 31, a statement of activity in the Deferred Account and a statement of activity in the Settlement Fund for the quarter and for the fiscal year through the quarter; and, for each adjustment under this rider which terminated during the quarter, a statement of the difference between the amount of Incremental Costs used to determine the adjustment and the amount recovered through rates. The report for the quarter ending December 31 shall include a summary of adjustments under this rider during the fiscal year. The statement of activity in the Deferred Account and the statement of activity in the Settlement Fund for an entire fiscal year included in the report for the quarter ending December 31 shall be certified by independent public accountants. Each quarterly report shall include a summary of Incremental Costs for the quarter and for the fiscal year through the quarter and a description of the Environmental Activities in which the Company was involved during the quarter. Each report shall be verified by an officer of the Company.

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Rider 11

Adjustment for Incremental Costs of Environmental Activities

Applicable to Service Classification Nos. 1, 2, 4 and 8

*

Section E - Commission Review

Upon review of the quarterly reports filed by the Company under Section D for an entire fiscal year, the Commission may require a hearing to receive from the Company such evidence as the Commission requires regarding Incremental Costs incurred in the fiscal year. Such evidence shall include testimony which demonstrates the prudence of the Company's environmental costs included in the reports based upon the following standards: (1) reasonable and appropriate business practices, (2) requirements of state and/or federal authorities, (3) the minimization of costs to ratepayers, consistent with safety, reliability, and quality assurance, and (4) be based on facts and knowledge that the Company knew or reasonably should have known at the time the costs were incurred. If, within twelve months of the end of the fiscal year, the Commission has not ordered a hearing, the Company may file a petition to initiate a hearing. If the Commission finds after hearing that any amounts were incorrectly debited or credited to the Deferred Account during the fiscal year, the Commission may by order require that the Deferred Account be adjusted by appropriate credits or debits thereto.

Section F - Settlement Fund

- (1) Each month the fund shall be increased by (a) the after-tax amount of Settlements With Insurance Carriers or Other Entities received, and (b) the after-tax amount of interest on the fund, during and for such month.
- (2) Each month the fund shall be reduced by (a) one-half of net Incremental Costs for such month, less the income tax benefit associated with such costs, or (b) the balance of the fund if smaller than the amount computed in (a). Net Incremental Costs for a month shall be the Incremental Costs incurred in such month (exclusive of carrying charges) minus the Incremental Costs recovered from insurance carriers or other entities during such month and recorded under paragraph 2(b) of Section B, and shall be no less than zero.
- (3) Interest on the fund shall be computed on the average of the opening balance and the closing balance (before the computation of interest) of the fund at an annual rate based on the after-tax costs of capital as determined in the Company's most recent rate proceeding.
- (4) The amount of Incremental Costs recovered through the fund in a month shall be the amount of Incremental Costs, before adjustment for the income tax benefit, by which the fund is reduced in such month.

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The Peoples Gas Light and Coke Company

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Rider 11

Adjustment for Incremental Costs of Environmental Activities

* **Applicable to Service Classification Nos. 1, 2, 4 and 8**

Section F - Settlement Fund- continued

- (5) The monthly filing under this rider shall include a statement of activity in the Settlement Fund for the last month of the Base Period.

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The Peoples Gas Light and Coke Company

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Rider FST

Full Standby Transportation Service

Applicable to Service Classification Nos. 2, 4 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, 4 or 8 at said single point of metering, and
- (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.

Section A - Definitions

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

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

$$AB = [BRD + (GCD \times DF)] \times MDQ$$

The customer's AB shall be stated in the contract between the Company and the customer and shall remain in effect during the term of said contract, 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 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.

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

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.

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

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 Bank Account (GBA) shall be the account in which customer-owned gas delivered to the Company in excess of the customer's 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.

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Rider FST

Full Standby Transportation Service

Applicable to Service Classification Nos. 2, 4 and 8

Section A - Definitions – continued

Maximum Daily Nomination (MDN) shall be the maximum daily quantity of customer-owned gas that a customer may nominate for delivery to the Company for the period April through October. The MDN shall be determined in accordance with Section E of this rider.

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 nominate for delivery to the Company 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, rounded to the nearest dekatherm. 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.

Pool shall have the meaning ascribed to it in Rider P of this rate schedule.

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

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 defined in the Terms and Conditions of Service of this rate schedule.

Section B - Rates

The rates for service hereunder shall consist of an Administrative Charge, Standby Commodity Charge, Standby Demand Charge, a Hub Credit Gas Charge (HCGC₂), an Excess Bank Charge, and an Imbalance Trade 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 as well as those charges defined in the customer's Companion Classification.

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Rider FST

Full Standby Transportation Service

Applicable to Service Classification Nos. 2, 4 and 8

Section B - Rates - continued

Administrative Charge

The monthly Administrative Charge shall be \$9.87 per account for each account listed on a contract.

Standby Commodity Charge

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

$$\text{CGC} + (\text{NCGC} \times (1 - \text{DF}))$$

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.

Standby Demand Charge

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

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

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.

Hub Credit Gas Charge

The monthly Hub Credit Gas Charge shall be the effective Hub Credit Gas Charge (HCGC₂) as determined under Rider 2 of this rate schedule. This charge shall be multiplied by the therms delivered to the customer in the month.

Excess Bank Charge

The monthly Excess Bank Charge shall be \$0.10 per therm of customer-owned gas in the customer's Excess Bank at the end of the month.

Imbalance Trade Charge

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

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Rider FST

Full Standby Transportation Service

Applicable to Service Classification Nos. 2, 4 and 8

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 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 - Order of Deliveries to the Company

In any month 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 D - Order of Deliveries to the Customer

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

- (1) the quantity of customer-owned gas delivered to the Company's system in the current month,
- (2) any quantity of customer-owned gas available for withdrawal from the customer's GBA,
- (3) the quantity of gas delivered under the Companion Classification.

For the purposes of this section, 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 - Inventory/Allowable Bank/Daily Deliveries/Limitation on GBA Withdrawals

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, as defined under Section L of Rider SST of this rate schedule, determined for November. If the customer has transferred management of its contract to a Pool, the determination of whether the customer meets this inventory requirement shall be made pursuant to Rider P. If the customer has not transferred management of its contract to a Pool, the customer's supplier may, by notice to the Company no later than December 1, include the customer in its aggregation of Pools and customers for the sole purpose of meeting this inventory requirement, as further described in Section F of Rider P; provided, however, that if such customer has purchased gas from more than one supplier in November, the customer may not be included in a supplier's aggregation; provided further, that if more than one supplier timely notifies the Company that the customer should be in its aggregation, the customer shall not be included in an aggregation.

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**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

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Full Standby Transportation Service

Applicable to Service Classification Nos. 2, 4 and 8

Section E - Inventory/Allowable Bank/Daily Deliveries/Limitation on GBA Withdrawals - continued

For the period April through October, the customer's daily delivery nominations to the Company shall be no greater than the MDN. The MDN shall be the Company's estimate of the customer's average daily use for the comparable month of the prior year plus 0.67% of the customer's AB. If the required billing and usage data are available, the customer's average daily use shall be the usage in the customer's bill for the prior year's comparable month divided by the number of days in the month. The MDN shall be the same for each day of the month for which it is determined. If the required billing and usage data are not available or if the customer's usage profile has changed materially, the Company shall make a good faith estimate of the average daily use in order to compute the MDN. If a customer's usage profile materially changes as compared with the prior year, the Company shall accept a customer's request to revise the MDN and, in good faith, entertain granting the customer's request to revise the MDN based on demonstrable evidence of the occurrence or reasonably expected occurrence of a material change in the customer's usage profile. The Company shall have no obligation to accept a customer nomination to deliver any quantity in excess of the applicable MDN. For the period November through March, the customer's daily deliveries to the Company shall be no greater than the MDQ.

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. For quantities that would be in excess of this limitation, the customer shall purchase the gas under the Companion Classification.

Section F - Imbalance Trading and Daily Reallocations

The customer shall have the right to trade amounts accounted for as GBA to customers or suppliers receiving service under Riders FST, 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.

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 the minimum inventory requirement, or cause the AB balance to be less than zero or greater than the maximum AB quantity.

In addition to imbalance trading, each day a customer with more than one contract under Riders FST and SST 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.

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RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider FST

Full Standby Transportation Service

Applicable to Service Classification Nos. 2, 4 and 8

Section G - 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 termination of the contract, the customer shall trade or cash-out any gas remaining in the GBA at 100 percent of the AMIP as defined under Section L of Rider SST 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 120 days of such discontinuance.

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
- (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.

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Section G - Contract with the Customer - continued

A customer 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.

Section H- 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.

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 L of Rider SST of this rate schedule plus \$1.50 per therm.

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Section H- Terms and Conditions of Service – continued

The customer shall be responsible for delivery expenses of its gas to the Company's system and shall ensure deliveries to the 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 supply 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 suppliers' deliveries are excessive in relation to the related gas requirements and may cause an adverse effect on system operations.

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Full Standby Transportation Service

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Section H- Terms and Conditions of Service - continued

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.

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Rider SST

Selected Standby Transportation Service

* **Applicable to Service Classification Nos. 2, 4 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, 4 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 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 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.

- * **Companion Classification** shall mean the Service Classification No. 2, 4 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.

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Rider SST

Selected Standby Transportation Service

*

Applicable to Service Classification Nos. 2, 4 and 8

Section A - Definitions - continued

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 or in a manner and format determined by the Company and available to all customers and suppliers 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.

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 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.

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 is accounted for.

Maximum Daily Nomination (MDN) shall be the maximum daily quantity of customer-owned gas that a customer may nominate for delivery to the Company for the period April through October. The MDN shall be determined in accordance with Section F of this rider.

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Rider SST

Selected Standby Transportation Service

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

Section A - Definitions - continued

* **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 nominate for delivery 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, rounded to the nearest dekatherm. 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.

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.

Pool shall have the meaning ascribed to it in Rider P of this rate schedule.

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.

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Selected Standby Transportation Service

Applicable to Service Classification Nos. 2, 4 and 8

*

Section A - Definitions - continued

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.

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, a Hub Credit Gas Charge (HCGC₂) 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 \$9.87 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.

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Selected Standby Transportation Service

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

Section B – Rates - continued

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.

Standby Demand Charge

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

$$DGC \times DF \times SSQ$$

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.

Hub Credit Gas Charge

The monthly Hub Credit Gas Charge shall be the effective Hub Credit Gas Charge (HCGC₂) as determined under Rider 2 of this rate schedule. This charge shall be multiplied by the therms delivered to the customer in the month

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.

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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. The Company shall notify customers of the availability of Authorized Overtake gas by notice posted on its electronic bulletin board or in a manner and format determined by the Company and 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 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.

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:

- (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;
- (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.

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Rider SST

Selected Standby Transportation Service

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

Section F - Inventory / Allowable Bank / Daily Deliveries

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, under Section L of this rider determined for November. If the customer has transferred management of its contract to a Pool, the determination of whether the customer meets this inventory requirement shall be made pursuant to Rider P. If the customer has not transferred management of its contract to a Pool, the customer's supplier may, by notice to the Company no later than December 1, include the customer in its aggregation of Pools and customers for the sole purpose of meeting this inventory requirement, as further described in Section F of Rider P; provided, however, that if such customer has purchased gas from more than one supplier in November, the customer may not be included in a supplier's aggregation; provided further, that if more than one supplier timely notifies the Company that the customer should be in its aggregation, the customer shall not be included in an aggregation.

For the period April through October, the customer's daily delivery nominations to the Company shall be no greater than the MDN. If the required billing and usage data are available, the MDN shall be the Company's estimate of the customer's average daily use for the comparable month of the prior year plus 0.67% of the customer's AB. The customer's average daily use shall be the usage in the customer's bill for the prior year's comparable month divided by the number of days in the month. The MDN shall be the same for each day of the month for which it is determined. If the required billing and usage data are not available or if the customer's usage profile has changed materially, the Company shall make a good faith estimate of the average daily use in order to compute the MDN. If a customer's usage profile materially changes as compared with the prior year, the Company shall accept a customer's request to revise the MDN and, in good faith, entertain granting the customer's request to revise the MDN based on demonstrable evidence of the occurrence or reasonably expected occurrence of a material change in the customer's usage profile. The Company shall have no obligation to accept a customer nomination to deliver any quantity in excess of the applicable MDN. For the period November through March, the customer's daily deliveries to the Company shall be no greater than the MDQ.

* A customer's daily withdrawals from the AB on any Supply Shortage Day shall be limited to the lesser of (i) the customer's AB balance at the beginning of the day or (ii) the quantity of gas determined by $[\text{BRD}/(\text{BRD} + \text{GCD}) + (\text{GCD}/(\text{BRD} + \text{GCD}) \times \text{SSP})] \times \text{MDQ}$ for customers served under Service Classification Nos. 2 and 8 and for customers served under Service Classification No. 4, the quantity of gas determined by SSQ. A customer's daily injections into the AB on any Supply Surplus Day shall be limited to SSQ, provided that no deliveries shall be accounted for as AB to the extent it would cause the balance to exceed the maximum quantity.

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

Section F – - Inventory / Allowable Bank / Daily Deliveries - continued

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. For quantities that would be in excess of this limitation, the customer shall purchase gas under the Companion Classification in a quantity not to exceed the product of the SSQ times the number of days in the month minus standby service gas purchased during the month and any remaining quantity shall be Unauthorized Use.

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 FST, 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.

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 the minimum 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.

In addition to imbalance trading, each day a customer with more than one contract under Riders FST and SST 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. Any remaining imbalance shall be traded or cashed-out under Section L of this rider. 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.

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Selected Standby Transportation Service

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

Section I - Contract with the Customer – continued

* 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 L of this rider. 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 120 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
- (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. If such a contract includes one or more accounts served under Service Classification No. 2 or 8 and one or more accounts served under Service Classification No. 4, the customer may not transfer management of said contract to a supplier under Rider P.

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.

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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

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

Section I - Contract with the Customer – continued

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.

*

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.

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.

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The Peoples Gas Light and Coke Company

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Rider SST

Selected Standby Transportation Service

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

Section J - Terms and Conditions of Service - (continued)

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 L of this rider 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.

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The Peoples Gas Light and Coke Company

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Rider SST

Selected Standby Transportation Service

*

Applicable to Service Classification Nos. 2, 4 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.

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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 and 8**

Section K - Transition - continued

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, except the MDN, 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 its 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 the AMIP as defined under Section L of this rate schedule. 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. The Minimum AB Balance is in place of the inventory requirement set forth in Section F of this rider.

* **Section L - Cash-Out**

IA amounts determined under this rider and subject to cash-out shall be cashed out on a tiered basis pursuant to the following schedule:

<u>Monthly Imbalance</u>	<u>Overage (Company pays Customer)</u>	<u>Underage (Customer pays Company)</u>
0% to 5%	100% times AMIP	100% times AMIP
> than 5% to 10%	90% times AMIP	110% times AMIP
> than 10% to 15%	80% times AMIP	120% times AMIP
> than 15% to 20%	70% times AMIP	130% times AMIP
Greater than 20%	60% times AMIP	140% times AMIP

The imbalance will be cashed out based on the percentage of that imbalance compared to the total deliveries to the customer during the month.

The Average Monthly Index Price (AMIP) for a month shall be the arithmetic average of the daily prices published for that month in "Gas Daily" under the headings Citygates, Chicago city-gates, Midpoint (average price in the Common range), or any successor to that index. On any day that the index is unavailable, the Company shall compute the AMIP using the remaining days. When required by the context in which the term is used, the price shall be converted from a price per dekatherm to a price per therm by dividing the per dekatherm charge by 10. The monthly Cash-out Charge shall be the sum of each tier's monthly imbalance multiplied by the corresponding price.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider P

Pooling Service

Applicable to Riders FST and SST

- * Pooling service under this rider is available to all suppliers who deliver gas to the Company for transportation to a Rider FST or SST customer and execute a written contract for service hereunder.

Section A - Definitions

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

- * **Companion Classification** shall mean the Service Classification No. 2, 4 or 8 under which the customer purchases gas service.

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

Critical Day shall have the meaning ascribed to it in Rider SST.

Customer Group shall mean the group of Rider FST or the group of Rider SST customers that contract with the Company to be in a supplier's Pool. Each Customer Group shall be limited to 300 accounts, or may consist of a single contract up to 200 accounts, unless a larger number is approved by the Company.

Diversity Factor (DF) shall have the meaning ascribed to it in Rider FST or SST.

Non-Critical Day shall have the meaning ascribed to it in Rider SST.

Pool shall mean the Customer Group that the supplier establishes under its Pooling contract with the Company.

Pool Allowable Bank (AB) shall mean the sum of the Allowable Banks of customers in the Customer Group, as determined under Rider FST or SST.

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

Pool Excess Bank shall mean, for a Rider FST Pool, the quantity of gas in the Pool GBA that exceeds the Pool AB.

Pool Gas Bank Account (GBA) shall mean the account for Rider FST Pools in which supplier-owned gas in excess of the Customer Group's requirements is accounted for.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider P

Pooling Service

Applicable to Riders FST and SST

Section B - Rates

The rates for service hereunder shall consist of a Cash-out Charge, an Excess Bank Charge, an Imbalance Account Charge, an Imbalance Trade Charge, a Pooling Charge, a Standby Commodity Charge, and an Unauthorized Use Charge.

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 Pool during the month.

Excess Bank Charge

The Excess Bank Charge for Rider FST pools shall be \$.10 per therm of gas in the Pool Excess Bank at the end of the month.

Imbalance Account Charge

The daily Imbalance Account Charge for Rider SST Pools shall be \$.10 per therm of gas in the Pool 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.

Pooling Charge

* The monthly Pooling Charge shall be \$200.00 per month and \$6.97 per account in the Customer Group.

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 Group under the Companion Classification in the month.

Unauthorized Use Charge

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

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Rider P

Pooling Service

Applicable to Riders FST and SST

Section B – Rates – continued

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

Section C - Authorized Overtake

- * Authorized Overtake gas shall be any Company-owned gas made available to the supplier pursuant to authorization under this provision. The Company shall notify suppliers of the availability of Authorized Overtake by notice posted on its electronic bulletin board or in a manner and format determined by the Company and available to all customers and suppliers. Authorized Overtake gas delivered to the Customer Group under this provision shall be paid for by the supplier under the Companion Classification.

Section D - Order of Deliveries to the Company

- * On any day in which supplier-owned gas delivered to the Company exceeds the Customer Group's metered gas deliveries from the Company, the difference between such deliveries shall be determined pursuant to Section C of Rider FST or Section D of Rider SST of this rate schedule provided that, for purposes of applying such provisions, the determinations shall be based on supplier-owned gas. For the purposes of this paragraph, the quantity of supplier-owned gas delivered to the Company's system is net of the amounts retained by the Company for Unaccounted for Gas.

Section E - Order of Deliveries to the Customer Group

- * For billing purposes, gas delivered to the Customer Group in any day at the points of metering for this rider shall be in the order determined pursuant to Section D of Rider FST or Section E of Rider SST of this rate schedule provided that, for purposes of applying such provisions, the determinations shall be based on supplier-owned and Company-owned Gas delivered to the Customer Group.

For this Section, the quantity of supplier-owned gas delivered to the Company's system is net of the amounts retained by the Company for Unaccounted for Gas.

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Rider P

Pooling Service

Applicable to Riders FST and SST

Section F - Inventory / Allowable Bank / Daily Deliveries

In no event shall the quantity of gas accounted for in the Pool AB be negative or supplier-owned gas deliveries be accounted for as Pool 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 Pool AB must be no less than 70% of the Pool AB. To the extent that the supplier's inventory is less than 70%, the supplier shall purchase the deficient quantity from the Company at 110% of the AMIP under Section L of Rider SST determined for November. For purposes of determining if this inventory requirement is met, the supplier may aggregate all or some of its Pools and all or some of the individual customers that it serves by giving notice to the Company on or before December 1 of the Pools and customers to be included in the aggregation. For an individual customer not in a Pool, a supplier may include such customer in its aggregation only if such customer purchased gas solely from the supplier in November of the year applicable to the inventory determination; if more than one supplier identifies an individual customer, the Company shall exclude such customer from any aggregation for purposes of determining compliance with this inventory requirement.

For the period April through October, the Pool's daily deliveries to the Company shall be no greater than the Pool MDN. The Pool MDN shall be the same for each Day of the month for which it is determined. For the period November through March, the Pool's daily deliveries to the Company shall be no greater than the Pool MDQ.

- * For Rider SST Pools, a Pool's daily withdrawals from the AB on any Supply Shortage Day shall be limited to the lesser of (i) the Pool's AB balance at the beginning of the day or (ii) the quantity of gas determined by $[\text{BRD}/(\text{BRD} + \text{GCD}) + (\text{GCD}/(\text{BRD} + \text{GCD}) \times \text{Pool SSP})] \times \text{MDQ}$ for customers served under Service Classification Nos. 2 and 8 and for customers served under Service Classification No. 4, the quantity of gas determined by SSQ. A Pool's daily injections into the AB on a Supply Surplus Day shall be limited to the Pool SSQ, provided that no deliveries shall be accounted for as Pool AB to the extent it would cause the balance to exceed the maximum quantity.

For Rider SST Pools, a Pool's monthly withdrawals from the AB during the period November 1 through March 31 shall be limited to the lesser of (i) the Pool AB balance at the beginning of the month or (ii) 1/3 of the customer's AB. For Rider FST Pools, a Pool's monthly withdrawals from its GBA during the period November 1 through March 31 shall be limited to the lesser of (i) the Pool GBA balance at the beginning of the month or (ii) the sum of the Pool's Excess Bank at the beginning of the month plus 1/3 of the customer's AB.

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Rider P

Pooling Service

Applicable to Riders FST and SST

Section G - Imbalance Trading and Daily Reallocations

The supplier shall have the right to trade amounts accounted for as GBA, AB or IA with customers or suppliers receiving service under Riders FST, 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. 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 increase the amount of the imbalance.

In addition to imbalance trading, each day a supplier with more than one Pool contract may notify the Company that it wishes to re-allocate the supplier-owned gas that it nominated for delivery among its contracts. The supplier may not increase or decrease the confirmed quantity of supplier-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 net amount in the Pool's IA shall first be injected into the Pool's AB up to the maximum Pool AB quantity. Any remaining imbalance shall be traded or cashed-out under Section L of Rider SST of this rate schedule. Amounts credited to the Pool's IA each day shall be assessed an Imbalance Account Charge.

Section I - Contract with the Supplier

- * 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 supplier shall have the right to terminate the contract at the end of any contract year on 30 days written notice. Upon contract termination, the supplier shall trade or cash-out any gas remaining in the Pool's GBA or AB at 100 percent of the AMIP as defined under Section L of Rider SST of this rate schedule.

The supplier must provide adequate assurances of payment to the Company. Such assurances shall be an irrevocable standby letter of credit drawn on a bank acceptable to the Company, cash deposit, or parental guaranty, based upon the Company's determination of qualifications, for an amount equivalent to three months' service under this rider.

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Rider P

Pooling Service

Applicable to Riders FST and SST

Section I - Contract with the Supplier – continued

The contract between the Company and the supplier shall provide for:

- (1) the measurement of supplier-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 supplier hereunder and the pressure at which such gas is to be delivered;
- (3) the procedure by which the supplier shall nominate daily delivery quantities of supplier-owned gas to the Company. The supplier shall arrange to have the pipeline transporter and the seller/shipper provide the Company with the daily delivery data for all supplier-owned gas delivered to the Company's system; and
- (4) standard and customary contract provisions such as governing law, notices and provisions governing contract interpretation.

The supplier, 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. Such contracts shall include each contract between the supplier and each member of the Customer Group authorizing the supplier to act as its agent, each member's Rider FST or Rider SST contract, and the transfer of contract showing that each customer transferred to the supplier management of its Rider FST or SST contract.

Section J - Terms and Conditions of Service

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

*

In the event there is a Company gas supply interruption or curtailment, all supplier-owned gas delivered to the Company will be made available to the Pool, except that the Company may interrupt deliveries of the same to the Pool for reasons of limitation of system capacity to the same extent that service to the Pool would be interrupted or curtailed absent service under this rider. System capacity as used herein shall include storage capacity from all sources.

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Rider P

Pooling Service

Applicable to Riders FST and SST

Section J - Terms and Conditions of Service - continued

- * The Company shall be able to interrupt deliveries of supplier-owned gas to the Pool 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 supplier-owned gas shall be 100 percent of the AMIP as defined under Section L of Rider SST of this rate schedule plus \$1.50 per therm.

The Company reserves the right to limit the daily and monthly volumes of supplier-owned gas delivered for the suppliers' Customer Groups when it believes that the deliveries are excessive in relation to the Customer Groups' gas requirements and may cause an adverse effect on system operations.

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Rider CFY

Choices For Yousm Transportation Service

Applicable to Service Classification Nos. 1, 2 and 8

Transportation service under this rider is available to any customer who meets the following criteria:

- (1) satisfies each of the qualifications set forth in Section B of this rider;
- (2) is a customer under Service Classification No. 1, 2 or 8 at a single point of metering; and
- (3) contracts with a CFY Supplier.

Section A - Definitions

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

Billing Cycle shall mean the regular periodic interval for reading the meter or estimating the consumption of a customer for billing purposes.

Companion Classification shall mean Service Classification No. 1, 2 or 8.

Maximum Daily Quantity (MDQ) shall mean the quantity, calculated by the Company, equal to the customer's highest metered gas requirements in the billing period during the most recent December through February period, adjusted to a 30 day equivalent basis and divided by 21, rounded to the nearest dekatherm.

The Company shall recalculate the customer's MDQ each March. The customer's MDQ shall remain in effect for the one year period commencing April 1, unless revised by the Company based on evidence of changed usage or as required in connection with a Transfer of Service, as defined in Section D of this rider.

Pool shall have the meaning ascribed to it in Rider AGG.

CFY Supplier shall mean any supplier who executes a written contract with the Company for service under Rider AGG.

Section B - Customer Qualifications

To take service under this rider, a customer must:

- (1) enter into a contract with a CFY Supplier;
- (2) be a member of a Pool; and
- (3) provide the Company regular access to the meter.

Section C - Rates

The rates for service hereunder shall consist of an Aggregation Balancing Charge as well as those charges defined in the customer's Companion Classification, excluding the Gas Charge.

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Rider CFY

Choices For Yousm Transportation Service

Applicable to Service Classification Nos. 1, 2 and 8

Section C - Rates - continued

Aggregation Balancing Charge

The monthly Aggregation Balancing Charge shall be an amount equal to (i) all therms delivered to the customer under this rider, multiplied by (ii) the sum of the effective Aggregation Balancing Gas Charge (ABGC) and the effective Hub Credit Gas Charge (HCGC₁) determined under Rider 2 of this rate schedule.

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 that the Company shall be required to pay or 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 D - Terms and Conditions of Service

Service shall be provided hereunder whenever and to the extent that CFY Supplier-owned gas has been delivered for the customer to the Company's system in accordance with Rider AGG.

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

Except as noted, this rider is subject to Terms and Conditions of Service and Riders to Schedule of Rates for Gas Service, which are applicable to this rider.

Initiation of Service

For a customer receiving service under this rider, the effective date of service shall be the first day of the customer's Billing Cycle after the customer's enrollment under this rider has been acknowledged by the Company.

Termination of Service

Customers may elect to terminate service under this rider. However, a customer may not terminate and subsequently renew service under this rider within a twelve month period if service is not renewed under this rider within 120 days of such termination.

A customer electing to terminate service under this rider must contact their elected CFY Supplier. The effective date of termination shall be the first day of the customer's next Billing Cycle following notification to the Company by the CFY Supplier.

The Company may terminate service to the customer due to non-payment of Company charges or non-compliance with the provisions of this rider.

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The Peoples Gas Light and Coke Company

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Rider CFY

Choices For Yousm Transportation Service

Applicable to Service Classification Nos. 1, 2 and 8

*

Section D - Terms and Conditions of Service - continued

Termination for non-payment of Company charges shall be in accordance with 83 Illinois Administrative Code Part 280. Except for non-payment of Company charges, if the customer shall fail to comply with or perform any of the conditions or obligations hereunder, the Company may terminate all service under this rider 10 days after providing written notice, unless the customer cures such failure during this ten-day period. The 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 the terms of this rider.

The CFY Supplier may terminate service to the customer subject to contractual provisions between the parties and must also provide fifteen days written notice to the customer. The effective termination date shall be the first day of the customer's next Billing Cycle following notification to the Company by the CFY Supplier. In the event of a CFY Supplier-initiated termination, the customer may return to retail service under the Companion Classification. The customer has the option of contracting with a different CFY Supplier, subject to the provisions described in Changing CFY Suppliers and Termination of Service of this rider.

Transfer of Service

A customer who requests that service be terminated at the current premises in conjunction with the initiation of service at a different premises within the Company's service territory may remain on this rider, provided that service at the different premises meets the requirements of Section B of this rider and subject to the provisions described in Termination of Service of this rider.

Changing CFY Suppliers

Customers may change CFY Suppliers no more than once each Billing Cycle. It is the customer's responsibility to coordinate any required contractual arrangements with the CFY Supplier.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider CFY

Choices For Yousm Transportation Service

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*

Section D - Terms and Conditions of Service - continued

Bills to Customer

Customers shall receive a bill from the Company for charges defined in Section C; provided, if the customer is receiving third party billing, the Company shall send such bills or billing information to the customer's CFY Supplier. The bill from the Company shall contain the information required by 83 Illinois Administrative Code Part 500 and be issued on a monthly or bimonthly basis.

The customer shall be billed by the Company and remit payments to the Company for the CFY Supplier's charges if the CFY Supplier, acting as agent for the customer, has: (a) entered into an agreement with the Company for such billing services, and (b) informed the Company that this customer is to receive such service.

Third-Party Billing

Customers receiving service under this rider may designate their CFY Supplier as the bill recipient for bills rendered by the Company.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 1 of 13

Rider AGG

Aggregation Service

Applicable to Rider CFY

Available to CFY Suppliers who execute a written contract for service hereunder.

Section A - Definitions

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

Adjusted Monthly Storage Activity (Adjusted MSA) shall mean, for each month, the month's Monthly Storage Activity (MSA) adjusted for the previous months' Storage Carryover.

Aggregation Service shall mean a service provided by the Company that allows CFY Suppliers to deliver gas to the Company, on an aggregated basis, for the Rider CFY customers that comprise the membership of the CFY Supplier's Pool.

Billing Cycle shall mean the regular periodic interval for reading the meter or estimating the consumption of a customer for billing purposes.

Carry Forward Account shall mean the account in which the Company tabulates carry forward activity pursuant to Section H.

Carry Forward Quantity shall mean the Pool MDQ determined prior to the first day of each month multiplied by four.

CFY Supplier shall have the meaning ascribed to it in Rider CFY.

Critical Day shall have the meaning ascribed to it in Rider SST. Each such Critical Day shall, as described in Rider SST, be designated a Supply Shortage Day or a Supply Surplus Day.

*

Customer of Record shall mean the person whose name appears on the Company's records as having agreed to pay for utility service at the premises for which service under Rider CFY shall be provided.

Daily Imbalance-Overage shall mean the number of therms by which the CFY Supplier's actual deliveries to the Company on any day are greater than the RDDQ, as adjusted for the applicable tolerance described in Section E of this rider.

Daily Imbalance-Underage shall mean the number of therms by which the CFY Supplier's actual deliveries to the Company on any day are less than the RDDQ, as adjusted for the applicable tolerance described in Section E of this rider.

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The Peoples Gas Light and Coke Company

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Rider AGG

Aggregation Service

Applicable to Rider CFY

Section C - Application Process – continued

Applicants must also provide the following documents that are required for Company informational purposes and to determine the form of adequate assurances of payment that the CFY Supplier may provide:

- (1) latest financial statements;
- (2) current Annual Report, if applicable;
- (3) latest 10K or 10Q, if applicable;
- (4) name, address, and telephone number of three utility references;
- (5) organizational structure of parent corporation and affiliate companies;
- (6) disclosure of current or pending operation under bankruptcy or insolvency laws; and
- (7) disclosure of current or pending legal proceedings related to providing gas transportation service to residential, commercial, or industrial customers.

Applicants who are not currently operating a pool under Rider P or under either Rider P or Rider AGG of North Shore Gas Company's Schedule of Rates for Gas Service shall be required to include documentation demonstrating business experience as a supplier to residential, commercial, or industrial customers.

Standard credit factors shall be used to evaluate the eligibility of suppliers.

Section D - Rates

The rates for service hereunder shall consist of an Aggregation Charge, an Application Charge, a Cash-out Charge, LDC Billing Option Charges if applicable, an Under-delivery Charge, and an Over-delivery Charge.

Aggregation Charge

- * The monthly Aggregation Charge shall be \$200.00 per Pool and a credit of \$1.14 per customer in such Pool.

Application Charge

- * The Application Charge shall be \$2,000.00 per applicant. Payment is due with the application. The Application Charge shall be refunded in full if the applicant does not meet the qualifications described in Sections B (1) and B (2) of this rider.

Cash-out Charge

- * The monthly Cash-out Charge shall be the Pool's Monthly Cash-out Quantity multiplied by 100% of the AMIP as defined in Section L of Rider SST. In addition, the Cash-out Charge shall include a charge of \$1.00 for each therm by which the CFY Supplier's actual daily deliveries to the Company in the month, adjusted for daily deliveries outside the applicable tolerances described in Section L of Rider SST, are greater or less than the RMDQ by 5 percent.

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The Peoples Gas Light and Coke Company

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Rider AGG

Aggregation Service

Applicable to Rider CFY

Section E - Delivery Determination

The Company shall inform the CFY Suppliers of the RDDQ for each day no later than 8:30 a.m. Central Time on the business day prior to the day of flow. If the Company has, for any reason, not posted on its electronic bulletin board or otherwise notified the CFY Suppliers of the RDDQ on or before 8:45 a.m. Central Time on any business day, the CFY Supplier shall deliver a gas quantity equal to the previously forecasted RDDQ for such day.

The RDDQ shall be calculated using the Company's estimation procedure. This procedure incorporates the unique heating and non-heating factors for each customer in the Pool, actual weather forecasts, an adjustment for Pool Unaccounted for Gas, the applicable MSA divided by the number of days in the month, an adjustment based on the Pool Coefficient to provide weather sensitivity as described in Section I, an adjustment to meet the Storage Carryover requirement in Section I, and an adjustment to meet the carry forward requirements in Section H.

The factors used to derive the RDDQ shall be provided to the CFY Suppliers. On each Non-Critical Day, the CFY Supplier shall deliver a gas quantity within the range defined by the RDDQ, plus or minus 10 percent of the RDDQ (rounded to the nearest dekatherm). On each Critical Supply Surplus Day and on each Critical Supply Shortage Day, the CFY Supplier shall deliver a gas quantity equal to the RDDQ. At the end of each month, the Monthly Adjusted Deliveries shall be within plus or minus 5 percent of the RMDQ (rounded to the nearest dekatherm).

Section F - Contract with the CFY Supplier

* The initial term of the contract shall end on the first March 31 following the effective date thereof, and automatically renew annually thereafter. The Company or the CFY Supplier shall have the right to terminate the contract at the end of any contract year on 30 days written notice. Upon contract termination, all amounts due the Company shall be paid and the customer shall cash-out at 100 percent of the AMIP as defined under Section L of Rider SST, the Pool MSQ, adjusted for the cumulative MSA at the time of termination, any gas accounted for in the Carry Forward Account and, pursuant to Section D, Cash-out Charge, the Monthly Cash-out Quantity. CFY Suppliers must provide adequate assurances of payment. Such assurances shall be an irrevocable standby letter of credit drawn on a bank acceptable to the Company, cash deposit, or parental guarantee, based upon the Company's determination of qualifications. The amounts shall be determined by November 1 annually, based on the customers served by the CFY Supplier and a rate of \$2.00 per therm of Pool MDQ. The Company may revise the amounts from time to time if the Pool MDQ changes significantly.

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The Peoples Gas Light and Coke Company

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Rider AGG

Aggregation Service

Applicable to Rider CFY

Section L - Terms of Service – continued

* The Company shall be able to interrupt deliveries of CFY Supplier-owned gas to the Pool 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 CFY Supplier-owned gas shall be 100 percent of the AMIP as defined under Section L of Rider SST of this rate schedule plus \$1.50 per therm.

The CFY Supplier 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 CFY Supplier-owned gas that does not conform to the contractual quality specifications.

If the CFY Supplier 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 CFY Supplier-owned gas into the Company's system until the CFY Supplier cures such failure; or (ii) terminate all service 10 days after providing written notice, unless the CFY Supplier cures such failure during this ten-day period. The suspension or termination of service for any such cause shall not release the CFY Supplier from the obligation to make payment of any amounts due or to become due in accordance with terms of the contract hereunder.

Upon termination of service, the CFY Supplier's Pool MSQ, adjusted for the cumulative MSA at the time of termination and any gas accounted for in the Carry Forward Account, shall be cashed out at an amount equal to the current month's AMIP. The CFY Supplier shall also cash-out the Monthly Cash-out Quantity pursuant to Section D of this rider.

The Company may terminate service to a Rider CFY customer in accordance with Rider CFY and 83 Illinois Administrative Code Part 280. The Company shall notify the CFY Supplier of the effective termination date, and subsequent RDDQs shall exclude said customer's consumption.

CFY Suppliers may terminate service to a Rider CFY customer subject to contractual provisions between the parties. The Company shall be notified of all customers terminated from a CFY Supplier's Pool(s) via the electronic data transmission method described in Section K. The effective termination date shall be the first day of the customer's next Billing Cycle following notification to the Company by the CFY Supplier. Subsequent RDDQs shall exclude said customer's consumption.

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

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider SBO

Supplier Bill Option Service

Applicable to Riders CFY and AGG

Service under this rider, pursuant to which CFY Suppliers shall issue bills to CFY Billing Customers that include the Company Charges, is available to a CFY Supplier who:

- (1) satisfies each of the qualifications set forth in Section B of this rider;
- (2) is a CFY Supplier under Rider AGG of this rate schedule;
- (3) provides the performance assurances set forth in Section G of this rider; and
- (4) contracts with the Company.

Section A - Definitions

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

Business Day shall mean those days on which the Company is open for the conduct of business with the public.

CFY Billing Customer shall mean a CFY Customer receiving billing service from a CFY Supplier pursuant to this rider.

CFY Customer shall mean a customer of the Company taking service pursuant to Rider CFY.

CFY Supplier shall mean a marketer or broker providing service to CFY Customers pursuant to Rider AGG.

* **Companion Classification** shall mean the service classification under which the CFY Customer takes service from the Company, and such Companion Classification shall be Service Classification No. 1, 2 or 8.

Company Charges shall mean the charges due and owing the Company for services pursuant to this rate schedule provided by the Company to the CFY Billing Customer that the Company assesses while services are being provided by the CFY Supplier.

Consumption Data shall mean the gas volume consumed by the CFY Billing Customer and used in the determination of Company Charges.

EFT shall mean electronic funds transfer in immediately available funds.

Pool shall mean the group of CFY Customers that the CFY Supplier establishes under its Rider AGG contract with the Company.

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RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider SBO

Supplier Bill Option Service

Applicable to Riders CFY and AGG

Section B - CFY Supplier Qualifications

Before commencing service hereunder, a CFY Supplier shall comply with the following prerequisites. Such CFY Supplier shall have, and demonstrate through the successful completion of the Company's testing program:

- (1) the ability to electronically accept billing information for each of the CFY Billing Customers, and electronically accept from and transmit to the Company on a timely basis billing information and payment transaction information on a per customer basis for each of the CFY Billing Customers;
- (2) the ability to accept from CFY Billing Customers and electronically transmit by EFT to the Company payments of Company Charges for the CFY Billing Customers; and
- (3) the ability to issue bills for each of the CFY Billing Customers pursuant to the conditions hereunder.

The ability to accept and transmit information electronically shall be subject to a testing program developed by the Company. Such testing program shall specify:

- (1) the responsibilities of the CFY Supplier and the Company during testing;
- (2) the infrastructure required for testing and production;
- (3) hardware, software and other technical requirements that are required for the testing and ongoing interchange of data between the CFY Supplier and the Company;
- (4) a schedule, including target dates, by which certain testing phases shall be completed;
- (5) samples of reports and screens that shall be produced during testing. The Company shall provide CFY Suppliers all testing life cycles and files;
- (6) a problem resolution process for obstacles encountered during testing; and
- (7) the final approval process by which a successful test shall be documented and communicated from the Company to the CFY Supplier.

Section C - Company Obligations

The Company shall:

- (1) electronically submit the Company Charges, Consumption Data and other pertinent billing information to the CFY Supplier for each CFY Billing Customer no later than three (3) Business Days after the same for such CFY Billing Customers are determined for the applicable billing period;
- (2) determine the Companion Classification charges and other billing information submitted to the CFY Supplier taking service hereunder;
- (3) provide a credit of \$0.35 per customer per month to the CFY Supplier on the Rider AGG bill,
- (4) electronically accept from the CFY Supplier billing information and payment transaction information on a per customer basis for each CFY Billing Customer; and
- (5) accept from the CFY Supplier payments by EFT for the Company Charges received by the CFY Supplier from the CFY Billing Customers.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider IT

Interruptible Transportation Service

Section D - Character of Service - continued

If timely nominations for service under this rider exceed available capacity, then the Company shall allocate the available capacity to shippers as follows. First, available capacity shall be allocated based on the Transportation Charge that shippers have agreed to pay and priority shall be in the order of the highest to the lowest charge. Service to shippers paying the highest charge shall be scheduled first. Second, if there is insufficient capacity to schedule all service for which the same Transportation Charge is being paid, the remaining available capacity shall be allocated *pro rata* among such shippers based on the ratio of each such shipper's nomination to the total nominations of such shippers.

If the Company schedules deliveries for a Gas Day, service shall not be interrupted during said Gas Day except for events of *force majeure*.

Section E - Deliveries to and by the Company and Imbalances

On each Gas Day that the shipper takes service under this rider, the quantity of gas nominated to and confirmed by the Company for delivery to the Receipt Point shall equal the quantity of gas, less Unaccounted for Gas, delivered by the Company to the Delivery Point. The Company shall have no obligation to deliver Company-owned gas to the shipper or to store shipper-owned gas on the shipper's behalf.

The Company may, in its sole discretion, agree to transport quantities of shipper-owned gas in amounts in excess of the MDQ to the shipper upon prior agreement of the Company and the shipper.

*

On any Gas Day that the quantity of gas delivered for the shipper's account to the Receipt Point does not equal the quantity of gas, less Unaccounted for Gas, delivered by the Company to the Delivery Point, the difference shall be accounted for as an imbalance quantity. The sum of each Gas Day's imbalance quantity shall be the monthly imbalance quantity. If an operational balancing agreement (OBA), which provides for resolution of imbalance quantities under this rider, is in effect between the Company and Northern Illinois Gas Company, then the imbalance quantity shall be resolved in accordance with such OBA. If no such OBA is in effect, then the monthly imbalance quantity shall be cashed out by the Company and the shipper at 100% of the AMIP, as defined in Section L of Rider SST of this rate schedule, applicable to the month in which the imbalance quantity occurred.

Section F - Scheduling

The Company shall decline to schedule service if the shipper's nomination is not confirmed by both Transporter and Northern Illinois Gas Company in a timely manner.

The Company may decline to schedule service under this rider: (i) if the shipper tenders gas that fails to conform to Transporter's quality standards; (ii) for reason of *force majeure*; (iii) due to routine repair and maintenance; (iv) to maintain system integrity; (v) if there is a dispute over title, ownership or right to tender or receive gas; or (vi) if capacity is required to provide service to a firm shipper.

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RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 1 of 7

Rider ICR

Infrastructure Cost Recovery

Applicable to Service Classification Nos. 1, 2, 4 and 8

The Infrastructure Cost Recovery Charge shall be determined in accordance with the provisions of this rider. The Infrastructure Cost Recovery Charge shall be applied to bills of customers.

Section A – Applicability

The purpose of the ICR Charge is to recover a return on, and depreciation expense related to, the Company's investment in QIP net of related savings as described in Section D of this rider.

On or before March 20 of each year, the Company shall file with the Commission an information sheet specifying the ICR Charge Percentage to be effective for service rendered during the period of April 1 through December 31 of such year. Such filing shall include a statement showing the determination of such Percentage under Sections F and G and supporting data. The initial charge to be determined under this rider shall be effective April 1, 2011.

Section B – Definitions

As used in this rider, the terms below are defined as follows:

"Act" means the Public Utilities Act [220 ILCS 5/1-101 et seq.].

"Annual ICR Base Rate Revenues" mean ICR Base Rate Revenues for the calendar year period beginning January 1 and ending December 31 of the Effective Period.

"Effective Period" means a period commencing April 1 and ending the following December 31.

"Excluded Credits" mean credits resulting from Riders 2, EEP, and SBO.

"Excluded Revenues" means revenues arising from Service Classification Nos. 5 and 7 and Riders 1, 2, 9, 11, EEP, FST, SST, P, CFY, AGG, SBO, UEA, and IT and revenues arising from ICR Charges.

"ICR Base Rate Revenues" mean revenues recorded in Accounts 480, 481, 482 and 489. ICR Base Rate Revenues, however, shall not include any Excluded Revenues and shall not be reduced by any Excluded Credits.

"ICR Charge Percentage" is the percentage determined in accordance with Section F of this rider.

"Infrastructure Cost Recovery Charge" or "ICR Charge" means the amount added to a customer bill when the ICR Charge Percentage is applied in accordance with Section F (a) of this rider.

"Operation Year" means any calendar year after the Test Year.

"Qualifying Infrastructure Plant" or "QIP" means certain plant that is not reflected in the rate base used to establish the Company's base rates and is consistent with the terms of Section D of this rider.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider ICR

Infrastructure Cost Recovery

Applicable to Service Classification Nos. 1, 2, 4 and 8

Section B – Definitions, continued

"QIP Costs" mean Qualifying Infrastructure Plant costs that are recoverable through the ICR Charge as determined in accordance with Section F of this rider.

"QIP Percent" means the percentage for each applicable category of QIP that is to be applied to QIP Costs as set forth in Sections F and H of this rider. The initial QIP Percent for Accounts 381 and 383, as set forth in Section D of this rider, shall be 10% and 94%, respectively. The QIP Percent shall be re-determined each reconciliation year as described in Section H(c) of this rider and shall be applicable for the Effective Period immediately following the reconciliation year.

"Test Year" means the test year period used by the Company in its last rate case as defined in 83 Ill. Adm. Code Sec. 287.20.

Section C - Terms and Conditions

- (a) The ICR Charge shall not exceed 5% of Annual ICR Base Rate Revenues. The ICR Charge Percentage shall only be applied to charges which derive ICR Base Rate Revenues.
- (b) On the effective date of new base rates that provide for the recovery of the costs that had previously been recovered under this rider, the ICR Charge Percentage shall be reset to zero.
- (c) The ICR Charge, which shall be the product of the ICR Charge Percentage times applicable base rate charges for the Effective Period, shall be presented as a separate line item on customer bills.
- (d) The revenues resulting from this rider shall be recorded in a separate revenue sub-account.

Section D – Qualifying Infrastructure Plant

- (a) To be classified as QIP, the plant additions must meet the following criteria:
 - (1) Plant additions must be replacements of existing plant items from the accounts listed in subsection (b) or additions required to support replacement of existing plant items from the accounts listed in subsection(b) or additions required to be installed as part of the Company's main replacement program;
 - (2) Such replacements are installed to replace cast iron and ductile iron main and ancillary infrastructure; and
 - (3) Such replacements were not included in the calculation of the rate base in the Company's last rate case.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider ICR

Infrastructure Cost Recovery

Applicable to Service Classification Nos. 1, 2, 4 and 8

Section D – Qualifying Infrastructure Plant, continued

(b) The plant additions shall include items from the following accounts, pursuant to 83 Ill. Adm. Code Part 505:

- (1) Account 376, Distribution Mains;
- (2) Account 378, Measuring and Regulating Station Equipment, General;
- (3) Account 379, Measuring and Regulating Station Equipment, City Gate Check Stations;
- (4) Account 380, Services;
- (5) Account 381, Meters including Meter Installations; and
- (6) Account 383, House Regulators

(c) QIP shall include only plant additions installed or estimated to be installed on or after January 1 of the year in which the Company files its initial ICR Charge Percentage. For Accounts 381 and 383, QIP shall include all Company additions installed or estimated to be installed and adjusted by the applicable QIP Percent as defined in Section B of this rider.

Section E - Recoverable Qualifying Infrastructure Plant Costs

QIP costs shall include the pre-tax return on QIP and the depreciation expense applicable to QIP.

(1) PTR means pre-tax return and is calculated using the weighted cost of debt and weighted cost of equity determined in the Company's last rate case. The weighted cost of equity is multiplied by the gross revenue conversion factor. The product is then added to the weighted cost of debt to obtain the pre-tax return. The pre-tax return is calculated using the following formulas:

$$\text{GRCF} = \frac{1}{(1-\text{UE}) (1 - \text{SIT}) (1 - \text{FIT})}$$

$$\text{PTR} = (\text{WCCE} \times \text{GRCF}) + \text{WCD}$$

Where:

GRCF = Gross Revenue Conversion Factor.

UE = The uncollectible expense percentage from the Company's last rate case.

SIT = Effective Illinois State income tax rate.

FIT = Effective Federal income tax rate.

PTR = Pre-tax return.

WCCE = Weighted cost of common equity from the Company's last rate case.

WCD = Weighted cost of debt from the Company's last rate case.

(2) Depreciation expense shall be calculated monthly by applying the Company's approved depreciation rates, including removal and salvage, to the beginning and ending month average QIP balance for each category of QIP as described in Section D of this rider.

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RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider ICR

Infrastructure Cost Recovery

Applicable to Service Classification Nos. 1, 2, 4 and 8

Section F - Determination of the Infrastructure Cost Recovery Charge Percentage

- (a) The ICR Charge Percentage shall be expressed as a percentage carried to two decimal places. The ICR Charge Percentage shall be applied to the total amount billed to each customer based on the Company's applicable charges that would derive ICR Base Rate Revenues for the Effective Period.
- (b) The ICR Charge Percentage for an Effective Period shall be determined by using the following formula:

$$\text{ICR}\% = \frac{(\text{OQIP} \times \text{PTR}) + \text{NetDep} + \text{IOM} - \text{SV} + \text{RA} + \text{O} + \text{INT}}{\text{BRR}} \times 100$$

Where:

ICR% = ICR Charge Percentage.

OQIP =

- (i) For Accounts 376, 378, 379 and 380, the average forecasted cost of the investment in QIP, less forecasted retirements, less forecasted accumulated depreciation. The average forecasted cost of QIP, net of retirements and accumulated depreciation, shall be computed by using an average of the balances of QIP, retirements and accumulated depreciation for December 31 of the year preceding the Operation Year and December 31 of the Operation Year.
- (ii) For Accounts 381 and 383, the average forecasted cost of the investment in QIP less retirements, less forecasted accumulated depreciation, all multiplied times the applicable QIP Percent. The average forecasted cost of QIP, net of retirements and accumulated depreciation, shall be computed by using an average of the balances of QIP, retirements and accumulated depreciation for December 31 of the year preceding the Operation Year and December 31 of the Operation Year.
- (iii) OQIP shall be the sum of the amounts in (i) and (ii).

PTR = Pre-tax return as described in Section E (1) of this rider.

NetDep = Depreciation expense as described in Section E(2). For Accounts 381 and 383, Deprecation Expense shall be applied to the QIP adjusted for its respective QIP Percent. NetDep shall be the sum of NetDep calculated for each QIP Account.

IOM = Incremental operation and maintenance expenses arising from the cost of program management and additional labor. IOM shall not include any costs recovered in base rates in the Company's most recent rate case.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider ICR

Infrastructure Cost Recovery

Applicable to Service Classification Nos. 1, 2, 4 and 8

Section F - Determination of the Infrastructure Cost Recovery Charge Percentage, continued

SV = Savings, which is determined as \$6,000.00 times the number of miles of cast iron and ductile iron that is abandoned or estimated to be abandoned under the Company's main replacement program in the Operation Year.

RA = Company-determined reconciliation component calculated for the reconciliation year under the reconciliation feature as described in Section H (c) of this rider. The reconciliation component shall be collected over nine months from April through December. The reconciliation year shall be the Operation Year of the preceding Effective Period.

BRR = The Company's forecasted ICR Base Rate Revenues for the Effective Period.

O = An amount ordered by the Commission as described in Section H(a) of this rider.

INT = The calculated interest attributable to the O component. This interest shall be calculated as described in Section H(a) of this rider.

Section G - Information Sheet Filings

The ICR Charge Percentage shall be filed on an information sheet with supporting data no later than March 20. An information sheet with supporting data filed after that date, but prior to the effective date, shall be accepted only if it corrects an error or errors from a timely filed information sheet for the same effective date. Any other information sheet with supporting data shall be accepted only if submitted as a special permission request to become effective on less than 45 days notice under the provisions of Section 9-201(a) of the Act.

Section H - Annual Reconciliation

(a) Each year following the first Effective Period, the Company shall file a petition, testimony and reconciliation statement seeking initiation of an annual reconciliation hearing. Upon review of the Company's filing, the Commission may require a hearing to receive from the Company such evidence as the Commission requires regarding any aspect of determining the charges under this rider. If the Commission finds, after hearing, that any amounts were incorrectly debited or credited to the rider during the applicable Effective Period, the Commission may by order require that the rider be adjusted by appropriate credits or debits thereto. Any adjustments so ordered shall be reflected as Factor O in the ICR Charge Percentage formula in Section F over a succeeding Effective Period. Amounts either collected or refunded through the O component shall accrue interest at the rate established by the Commission under 83 Ill. Adm. Code Sec. 280.70(e)(1). Interest on the O component shall be applied from the end of the reconciliation year until the O component is refunded or charged to ratepayers through the ICR Charge.

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Rider ICR

Infrastructure Cost Recovery

Applicable to Service Classification Nos. 1, 2, 4 and 8

Section H - Annual Reconciliation, continued

- (b) Any adjustment made through the RA component shall be in effect for nine months commencing on the April 1 immediately following submittal of the annual reconciliation.
- (c) The Company shall calculate the RA component using the following formula:

$$RA = (\text{ActNetQIP} \times \text{PTR}) + \text{ActNetDep} - \text{ActSav} + \text{ActIOM} - \text{ICRRev} + \text{RApy} + \text{Opy}$$

Where:

RA = Company-determined reconciliation component.

ActNetQIP = The average actual cost of the investment in QIP for the reconciliation year less actual retirements, less actual accumulated depreciation of QIP for the reconciliation year. The average actual cost of QIP, net of retirements and depreciation, shall be computed by using an average of year end balances of QIP and accumulated depreciation for December 31 of the year preceding the reconciliation year and December 31 of the reconciliation year. For the purposes of this rider, the actual cost of the investment in QIP for Accounts 381 and 383 in any reconciliation year shall equal the average actual cost of the total investment for each Account for the reconciliation year less actual retirements, less actual accumulated depreciation, all multiplied times the actual QIP Percent. The actual QIP Percent will be determined separately for Accounts 381 and 383 by dividing the actual number of units installed during the reconciliation year under the Company's main replacement program by the total number of units purchased during the reconciliation year. The Company will submit data to the Commission with its filing which supports the determination of the actual QIP Percent.

PTR = Pre-tax return as described in Section E (1) of this rider.

ActNetDep = Actual depreciation expense related to the average investment in each category of QIP for the reconciliation year. Depreciation expense shall be calculated monthly by multiplying the actual investment in QIP by plant account, net of retirements, by the approved depreciation rates, including removal and salvage, to the beginning and ending month average QIP for the respective accounts as described in Section D of this rider. For Accounts 381 and 383, Deprecation Expense shall be applied to the QIP adjusted for its respective QIP Percent.

ActSav = Actual savings, which is determined as \$6,000.00 times the actual number of miles of cast iron and ductile iron main abandoned in the reconciliation year.

ActIOM = Actual incremental operation and maintenance costs for the reconciliation year.

ICRRev = Actual ICR revenues collected during the reconciliation year through the ICR Charge.

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Rider ICR

Infrastructure Cost Recovery

Applicable to Service Classification Nos. 1, 2, 4 and 8

Section H - Annual Reconciliation, continued

RApy = The RA component from the previous reconciliation year.

Opy = The sum of the O component and the calculated interest attributable to the O component included in the calculation of the ICR Charge Percentage during the previous reconciliation year.

Section I – Annual Internal Audit

The Company shall submit annually to the Manager of the Accounting Department of the Commission's Financial Analysis Division, no later than September 1, an internal audit report that determines whether the ICR Charge and information provided in Section H have been calculated in accordance with this rider. The initial internal audit under this rider shall be submitted no later than September 1, 2012.

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Rider UEA

Uncollectible Expense Adjustment

Applicable to Service Classification Nos. 1, 2 and 4

This rider is applicable to any sales customer for which the Company provides gas delivery service. The Uncollectible Expense Adjustment allows the Company to recover uncollectible gas costs it incurs.

Sales customer shall mean a customer who takes service solely under a service classification and does not also take transportation service under Rider CFY, FST or SST.

Uncollectible Expense Adjustment

The Uncollectible Expense Adjustment billed to sales customers shall be determined by multiplying the applicable Uncollectible Factor times the revenues billed under Rider 2, Gas Charge of this rate schedule.

	<u>Uncollectible Factor</u>
S. C. No. 1, Small Residential	.0304
S. C. No. 2, General Service	.0101
S. C. No. 4, Large Volume Demand	.0012

Miscellaneous General Provisions

This rider is subject to the Terms and Conditions of Service and Riders to the Schedule of Rates for Gas Service which are applicable to this rider.

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