

Nicor Gas

EFFECTIVE: August 15, 2006 STANDARD PRACTICE
CUSTOMER CARE SERVICES - 1

SUPERSEDES: Standard Practice SUBJECT: Service and
Customer Care Service – 1 Service Charge
Dated February 22, 2005

REFERENCE: Policy Order C-1 & C-2
Standard Practice Operating – 113
Standard Practice Operating – 116

Specific charges for work on a customer's equipment and details of services offered are contained in the following supplements:

1. Charges.
2. Damage to Customer's Equipment or Property.
3. Turn-on and Turn-off
Connecting and Disconnecting Appliances.
4. Gas Leaks.
5. General Gas Appliance Service and Emergency No-Heat Calls.

Whenever hazardous, or nonconforming conditions are observed, these conditions should be explained to the customer or contractor. Policy Order C-2 and Standard Practice Operating – 113 should be followed and a "Caution Unsatisfactory Condition" tag (Form 1002) prepared when applicable.

The Standard Practice shall be followed throughout the company to provide services and apply charges in a uniform manner. However, in disaster situations such as flood and natural disasters, service charges will not be assessed.

Recommended by:

/s/ James L. Griffin
James L. Griffin
Assistant Vice President
Customer Services

Approved by:

/s/ Rocco J. D'Alessandro
Rocco J. D'Alessandro
Senior Vice President Operations

Supplement No. 1 – Charges

All service work for which charges are made shall be computed as outlined below.

Labor/Transportation

1. Except where otherwise indicated, the customer shall be charged for the total time spent in identifying the trouble and making the repair.
2. Shop and field repairs shall be charged at the same rate.
3. Hourly labor/transportation charge, \$70.76. The minimum charge, when applicable, shall be \$38.92 for the first 18 minutes of work. An additional labor charge of \$6.55 for each additional six minutes or fraction thereof will be assessed over the minimum 18 minutes.
4. When applicable, the charge for reconnecting a customer after discontinuance because of nonpayment for utility service shall follow guidelines detailed in Standard Practice Operating 116.
5. Work performed on a service call for which a charge was made carries a 30-day service warranty, except for damage during this period caused by customer action, vandalism, fire, flood and natural disasters.
6. For customers who request that service be turned off and a final bill rendered, reinstatement of service within 12 months at the same address shall be provided at a charge of \$23.00 plus the Monthly Customer Charges applicable to the period during which service was turned off, as provided for in the Terms and Conditions of the company's rate schedule.

Parts and Materials

1. Parts and materials obtained through the Material and Supply System shall be charged at the current inventory cost plus 12 percent (excluding meters and indexes) to cover materials handling and other costs.
2. Parts installed by the company carry a 90-day part warranty period except for damage during this period caused by customer action, vandalism, fire, flood and natural disasters.

**Supplement No. 2
Damage to Customer's Equipment or Property**

If an employee should damage the customer's property or break some part of the appliance upon which he or she is working, the employee should take the following steps:

1. Advise the customer immediately of the damage.
2. Advise immediate supervisor and prepare Accident Report Non-Vehicle, (Form 9505).
3. Repair the damage either by the employee doing the job or by using an outside agency, subject to approval of the employee's immediate supervisor.

Supplement No. 3
Turn-on and Turn-off
Connecting and Disconnecting Appliances

Services Rendered

1. **Turn-On**

No-Charge Service

- a. Turn-on gas for customer. Light pilots when work is performed at time of turn-on.
- b. Restore service which was shut off due to floods.

2.

Charge Service

- a. Restore service which was shut off at customer's request.
- b. Reinstatement of service at the same address within 12 months for the same customer who had requested that service be turned off and a final bill rendered, as provided for in the Terms and Conditions of the company's rate schedules.
- c. Restore service after repair by others.
- d. Restore service at customer's request after installation of new gas appliances.
- e. Restoration charges after credit activity as outlined in Terms and Conditions.

3. **Turn-off**

No-Charge Service

- a. When an account is closed.
- b. Turn-off due to hazardous conditions, leaks, fire, floods or similar emergency.

Charge Service

When turn-off is made at customer's request.

Supplement No. 3 (Continued)

4. Connecting

Charge Service

Labor and material used when connecting free-standing gas appliances to existing gas piping, providing:

- Appliance is vented, if so required.
- Installation is in compliance with local codes.

5. Disconnecting

Charge Service

- a. Disconnecting appliances at customer's request.
- b. Disconnecting free-standing gas appliances and capping open gas pipe at the customer's request, or at the termination of service.

Supplement No. 4 – Gas Leaks

DETECTION AND REPAIR OF GAS LEAKS IS OF PRIMARY IMPORTANCE FROM THE STANDPOINT OF SAFETY.

When a gas leak is discovered on a customer's premise, it must be repaired or the leaking gas line or appliance disconnected or valved off. If permanent repairs are not made, a "Caution Unsatisfactory Condition" tag (Form 1002) shall be affixed to the leaking gas line or appliance with notification to the customer and appropriate marking of the Customer Order as outlined under Standard Practice Operating – 113.

Services Rendered

No-Charge Service

1. Search for leaks.
2. Repair leaks on Company facilities.

Charge Service

1. Permanent repair of leaks on appliances or on exposed customer piping.
2. No leak found, but a general service is performed as outlined under charge service in Supplement No. 5.
3. Restore service after leaks have been repaired by others.
4. Recheck and removal of a "Caution Unsatisfactory Condition" tag (Form 1002).
5. Replacement of Brass Connectors to customer's facilities/appliances.
6. Misleading emergency call.

Supplement No. 5
Services Rendered

No-Charge Service

1. Service the company is unable to perform-referral calls included.
2. Labor on repeat calls within 30 days (warranty period) except for damage during these periods caused by customer action, vandalism, fire, flood and natural disasters.
3. Correcting conditions which are the responsibility of the company.
4. Providing pounds-to-inches regulators in 2 psig delivery systems in the Carthage area.

Charge Service

1. Replace appliance connector.
2. Labor and material for replacing residential pounds-to-inches regulators in 2 psig delivery systems.

NOTE: Pounds-to-inches regulators are provided at no charge to the customer:

- a. In the Carthage area.
- b. When converting customer's piping to a 2 psig delivery system in connection with a service replacement and meter move-out initiated by Nicor Gas.

Services Not Rendered

When the company does not render the requested service, Policy Order C-1 states that the customer should be referred to a dealer or contractor. If a customer requests the names of qualified agencies, he/she should be advised to consult the yellow pages of the telephone directory or other available directories of products and services for homes and businesses. The following service request should be so referred:

1. Non-emergency no-heat and general service calls on central heating equipment.
2. General appliance service and repair of auxiliary space heaters (room heaters), dryers, cooking equipment (residential and commercial), incinerators, refrigerators, water heaters, air conditioning equipment, furnaces, yard lights and grills.
3. Converting propane appliances.
4. Correcting faulty vent installations.

Supplement No. 5 (continued)

5. Inspection and/or service of existing residential or commercial gas space heating equipment with inputs up to 400,000 BTU.
6. Inspection and/or service of new or existing residential or commercial gas space heating equipment.
7. Instructing customers in the use of gas appliances.
8. Inspection of customers' facilities for the sole purpose of determining Carbon Monoxide content will be conducted at the request of local fire protection districts.



1844 Ferry Road
 Naperville, IL 60563
 (630) 983-8676 Ext. 2124

Company NS
 Year 2009
 From Period 1
 To Period 12

**DAS 3.01
 EXHIBIT 4**

Date Prepared: February 17, 2010

Intercompany Bill

Payment is Due within 10 Days

Activity	Account	Company	Department	Description	Source	Period	Amounts	Hours	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	IBT Expense	JE Journal Entry	1 \$	(48,930)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	IBT Expense	JE Journal Entry	2 \$	(46,059)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	IBT Expense	JE Journal Entry	3 \$	(48,071)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	IBT Expense	JE Journal Entry	4 \$	(58,425)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	May Third Party Turn-Ons Adj.	JE Journal Entry	5 \$	(4,526)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	IBT Expense	JE Journal Entry	5 \$	(54,665)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	IBT Expense	JE Journal Entry	6 \$	(67,526)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	June Third Party Turn-Ons Adj.	JE Journal Entry	6 \$	(5,171)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	IBT Expense	JE Journal Entry	7 \$	(76,975)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	July Third Party Turn-Ons Adj.	JE Journal Entry	7 \$	(5,563)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	July Third Party Turn-Ons Adj.	JE Journal Entry	8 \$	(6,168)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	IBT Expense	JE Journal Entry	8 \$	(70,937)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	September Third Party Turn-Ons	JE Journal Entry	9 \$	(5,881)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	IBT Expense	JE Journal Entry	9 \$	(72,417)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	October Third Party Turn-Ons	JE Journal Entry	10 \$	(5,712)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	IBT Expense	JE Journal Entry	10 \$	(87,200)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	November Third Party Turn-Ons	JE Journal Entry	11 \$	(4,280)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	IBT Expense	JE Journal Entry	11 \$	(66,038)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	IBT Expense	JE Journal Entry	12 \$	(62,029)	0	
5004105 Call Center Sales	641900 Other G&A	200 Nicor Gas	200 Voucher	December Third Party Turn-Ons	JE Journal Entry	12 \$	(4,984)	0	
							IBT Call Center Stop/Start and Data Entry Services	\$ (801,559)	(a)

(a) Nicor Services Call Center (IBT Solutions) performs start and stop services for Nicor Gas customers who call or request it through third party sources or non-utility affiliates.

Gerry O'Connor

From: Arnie Schramel [arnie.schramel@progressiveenergygroup.com]
Sent: Thursday, June 19, 2008 8:12 AM
To: Gerry O'Connor
Cc: Bridget Shahan
Subject: Third Party Billing Service

Gerry:

First, I hope everything is going well with you and your family. Second, I was hoping you could help me out or at least put me into contact with the correct person. I have recently formed a company called Progressive Energy Group and would like to take advantage of Northern Illinois Gas Company d/b/a Nicor Gas "Third Party Billing Service". Specifically, the one filed with the Illinois Commerce Commission on September 30, 2005, issued pursuant to Order of the Illinois Commerce Commission entered September 20, 2005 and as amended September 28, 2005 in Docket No. 04-0779. The sheet number I am referring to is "sheet No. 52.5" which states:

Third Party Billing Service

Any third party desiring to have the Company to include its charges to the customer on the Company's bill shall enter into the Company's standard contract that stipulates the procedures to be followed. The Company will provide up to six (6) standard lines of text that may be used by the third party. The Company will process customer payments in a timely manner and will electronically forward payments to the third party's bank account and notify the third party of the customer's payment on a daily basis. The fee for billing and payment processing will be \$0.25 per bill. If the third party would like additional services with respect to billing, the Company and third party will negotiate in good faith the fees for such additional services. The company will report these additional services and fees to the Illinois Commerce Commission as assurance that any such additional services and fees are being offered on a non-discriminatory basis.

Could you please forward me the following items:

1. A copy of the standard contract that stipulates the procedures to be followed.
2. High level estimate of the lead time needed to set-up Third Party Billing Service
3. A listing of all additional services with respect to billing, the Company (Northern Illinois Gas) currently provides to other third party's including all Nicor affiliates along with the fees associated with these billing services.

Thanks for your prompt consideration; my contact information is listed below:

Arnie Schramel

Progressive Energy Group

2112 West Galena Blvd.

Suite 8210

Aurora, IL 60506

Work Phone 1-888-463-8977

Mobile Phone 1-630-870-9670 (best contact method)



Nicor Gas
1844 Ferry Road
Naperville, IL 60563-9600

Mailing Address:
P.O. Box 3014
Naperville, IL 60566-7014

Phone 630 983-8676
Internet www.nicor.com

July 20, 2008

Mr. Arnie Schramel
Progressive Energy Group
2112 West Galena Blvd.
Suite 8210
Aurora, IL 60506

Dear Arnie,

Per your inquiry dated June 19, 2008, enclosed please find the following information regarding Nicor's third party billing services.

If you are interested in third party billing as an alternative retail gas supplier, our Customer Select ("CSel") program requires that a Supplier Aggregation Agreement and Billing Services Agreement be executed and a \$2000 deposit be provided. Once that has occurred it typically takes 8 weeks for a CSel supplier to be fully integrated into the billing system. Those contracts are available on Nicor's website at www.nicor.com/Select.

If you are interested in third party billing for some other product, the ongoing cost for a third party billing service is the 25¢ charge for billing and payment processing once the IT systems have been modified to handle the new service. The one time incremental cost to upgrade the system for a new third party supplier is approximately \$212,000. This estimate includes coding and configuration changes and testing by the IS and the Billing Departments. The proposed system modification is a separate start up cost that should be borne by the party who caused the costs and would benefit from it.

The CSel billing program was originally designed for multiple users (suppliers), therefore, additional suppliers can easily be added to that IT system. However, the Company's other third party billing system for Nicor Services' warranty products is a different system and it was not designed for multiple users, and therefore, substantial modifications would be required to add another supplier. The time to do the coding, configuration and testing would take approximately 28-30 weeks. Additionally, IS Department's workload is already booked on other projects in progress through the end of October so timing of the 28 weeks would commence in November 2008.

Finally, Nicor does not share other supplier's information, including its own affiliate's services and fees with third parties.

If you have any further questions, please contact me at your convenience 630-388-2697.

Sincerely,

/s/ Bridget

Bridget E. Shahan
Chief Compliance Officer
& Assistant General Counsel



August 21, 2008

Mr. Gerry O'Connor
Nicor Gas
1844 Ferry Road
Naperville, IL 60563

Dear Mr. O'Connor:

Progressive Energy Group, LLC ("PEG") received a response from Ms. Bridget Shahan, Assistant General Counsel of Nicor Gas, dated July 20, 2008 to PEG's request to avail itself of Third Party Billing Service under Nicor Gas' Schedule of Rates. While Ms. Shahan's letter indicated that this could be done, the letter further indicated that PEG would need to pay \$212,000 and that it would take a year for PEG to actually use the billing service because the programming needed to allow PEG to use the billing service would not be completed until July, 2009.

PEG has issues with both the added cost and the time required to implement the service. First, I see nowhere in the Company's tariffs that any cost assessment other than the \$0.25 per bill is required. Second, I see nowhere in Nicor Gas' tariffs a requirement that someone has to wait a year before using third party billing service. Frankly, it is hard to believe that Nicor Gas would offer a service that it cannot provide. PEG is anticipating that it will be launching a marketing campaign shortly and needs to be in a position to beginning billing customers as soon as October 1, 2008. I would appreciate Nicor Gas rethinking its position on this matter to see how we can work together to promptly service common customers.

In addition, to the use of the Third Party Billing Service, PEG also requests access to the same marketing channels that Nicor Gas is currently providing to its affiliates. Specifically, PEG would like access to selling their products to Nicor Gas customers in the same manner as Nicor's affiliates have with inbound telephone calls to Nicor Gas. PEG would also like the same access to the company's website as is currently afforded Nicor's affiliates.

2112 W. Galena Blvd. · Suite 8210 · Aurora, IL. 60506 · 888-463-8977





With respect to inbound telephone calls, PEG would like all calls where a customer expresses interest in products PEG offers and products that Nicor Gas' affiliates offer to be forwarded to the respective parties. Each party can then explain their offers and sign up customers. Nicor Gas should be an unbiased participant in this process and refrain from recommending that customers should select one service over another.

As to the company's website at nicorgas.com, PEG would like to have its products displayed when customers are selecting customer service activities as Nicor Gas does for its affiliates, and be able to sign up for PEG's products online.

PEG requests that Nicor Gas make these marketing channels available to it and any other supplier of gas or utility related products in the same manner they are made available to Nicor Gas' affiliates. Refusal to do so would be a violation of the Commission's rules, specifically the provisions of 83 Illinois Administrative Code Part 550, which generally requires utilities to provide similar services to others as they do for their own affiliates with the exception of corporate support.

I would be happy to meet with you in order to discuss these issues at your earliest convenience but no later than Tuesday, August 26, 2008. As I indicated earlier, PEG is anticipating starting a marketing campaign very shortly and needs these issues resolved quickly. We believe PEG will be a successful and thriving company and believe it is in the best interests of both parties to work together to level the competitive playing field as required by the rules established by the Illinois Commerce Commission..

Sincerely,

A handwritten signature in cursive script, appearing to read "Arnold Schramel", is written over a faint, larger version of the same signature.

Arnold Schramel

Cc: Ms. Bridget Shahan, Nicor Gas
Mr. Harold Stoller, ICC

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P.O. Box 3014
Naperville, IL 60566-7014

Phone 630 983-8676
Internet www.nicor.com

September 22, 2008

Mr. Arnie Schramel
Progressive Energy Group
2112 West Galena Blvd.
Suite 8210
Aurora, IL 60506

Dear Arnie,

Since Progressive Energy Group's August 21, 2008 letter addressed to Nicor was a rejection of Nicor's July 20, 2008 offer to provide third party billing services, there is no purpose in further negotiations of this matter.

Additionally, Nicor is not obligated and will not provide to third parties the type of non-utility services requested in your August 21st letter, specifically inbound call sales and Nicor website access.

Sincerely,

/s/ Bridget Shahan
Bridget E. Shahan
Chief Compliance Officer
& Assistant General Counsel

Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to: Illinois Commerce Commission
Ill.C.C. Docket No. 09-0301
DAS First Set of Data Requests

- DAS 1.12 Q. With regard to non-commodity products, please provide the following:
- a.) How much does Nicor Services pay per bill to Nicor Gas for this billing service?
 - b.) How much did Nicor Services pay initially to Nicor Gas for this billing service? Please provide both deposits and charges for changes to the billing system.
 - c.) How long did Nicor Services have to wait for service to begin from Nicor Gas?

DAS 1.12 A. Corrected Response

Nicor Gas charges Nicor Services for each product/service contract per item billed and for each bill message (e.g. contract renewal) that is included on a Nicor Gas bill. Charges for such items are as follows:

- a.)
- | <u>Time Period</u> | <u>Contract Billing</u> | <u>Messages</u> |
|--------------------|-------------------------|-----------------|
| 2006 | \$0.094 – 0.098 | \$0.040 – 0.042 |
| 2007 | \$0.096 | \$0.041 |
| 2008 | \$0.112 | \$0.112 |
| 2009 | \$0.167 | \$0.133 |
| 2010 | \$0.173 | \$0.139 |
- b.) Nicor Services reimbursed Nicor Gas for the initial start-up programming costs of nearly \$100,000 in the early 1990's and more than \$100,000 for more recent system upgrade programming expenses. No deposits were required.
- c.) No records were maintained to determine the length of time Nicor Services waited for the billing service to begin from Nicor Gas.

Witness: Gerald P. O'Connor

Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to: Illinois Commerce Commission
Ill.C.C. Docket No. 09-0301
DAS Second Set of Data Requests

- DAS 2.02 Q. For the service calls please provide the following:
- a. For the service calls related to the GLCG service, what is the number and percentage of inspections performed by Nicor Gas employees on behalf of Nicor Services?
 - b. For the service calls related to the GLCG service, what is the number and percentage of repairs performed by Nicor Gas employees on behalf of Nicor Services?
 - c. For the repairs related to the other warranty services, what is the number and percentage of inspections performed by Nicor Gas employees on behalf of Nicor Services?
 - d. For the service calls related to the GLCG service, what is the number and percentage of repairs performed by Nicor Gas employees on behalf of Nicor Services?
 - e. What number and percentage of service calls does Nicor Gas repair completely?

- DAS 2.02 A.
- a. For the year ended December 31, 2009, 199 inspections, or 98%, were performed by Nicor Gas on behalf of Nicor Services.
 - b. For the year ended December 31, 2009, for customers purchasing just GLCG, Nicor Gas field technicians performed 7,433, or 98%, of those repairs (excluding inspections).
 - c. None.
 - d. See b. above. [same question as b]
 - e. See b. All GLCG repairs performed by Nicor Gas are completed by Nicor Gas.

Witness: Gerald P. O'Connor

Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to: Illinois Commerce Commission
Ill.C.C. Docket No. 09-0301
DAS Second Set of Data Requests

- DAS 2.05 Q. What regard to Nicor Gas response to DAS 1.15:
- a. How many and what percentage of Nicor Gas “moving calls” does IBT Solutions receive?
 - b. Please provide a list of all products and services which IBT employees market, solicit or otherwise provide information on behalf of any Nicor Gas affiliate.
 - c. For each of the products listed in DAS 2.05b, please provide an economic analysis showing that these products are properly priced so as not to overcharge Nicor Gas customers.
 - d. Does Nicor Gas pay any fees to IBT Solutions for “moving” calls transferred to IBT Solutions?
 - e. Provide the information provided in Exhibit 1 for the second half of 2007 and for the year 2008.

- DAS 2.05 A.
- a. Through November 2009 year to date, IBT received 275,658, or 59.9%, of total moving calls.
 - b. Objection. This data request is not reasonably calculated to lead to the discovery of admissible evidence.
 - c. Objection. This data request is not reasonably calculated to lead to the discovery of admissible evidence.
 - d. Please see response to DLH 2.02 Confidential Exhibits 13 and 14.
 - e. See attached DAS 2.05, Exhibit 1.

Witness: Gerald P. O’Connor