



**DLA Piper US LLP**  
203 North LaSalle Street, Suite 1900  
Chicago, Illinois 60601-1293  
www.dlapiper.com

CEAFUR 1.06  
Exhibit 1A  
Page 1 of 2

Christopher J. Townsend  
chris.townsend@dlapiper.com  
T 312.368.4039  
F 312.630.6300

**IGS 2.15**  
**Exhibit 1**

February 22, 2008

**Via Email and U.S. Mail**

Mr. Russ Strobel  
President  
Nicor Gas Company  
1844 Ferry Road  
Naperville, IL 60563-9600  
RStrobe@nicor.com



**Re: Services and Information Requests**

Dear Mr. Strobel:

We are writing to you on behalf of our client The Manchester Group, LLC ("Manchester"). Manchester operates throughout the Midwest, including within the service territory of Nicor Gas ("Nicor"), offering utility line warranty products. With this letter, Manchester requests that Nicor provide Manchester with services and information as detailed herein.

**Background**

Manchester provides utility warranty products under the product name Utility Shield, and coverage options include inside natural gas lines, as well as other customer-owned utility lines inside and outside the home. It is our understanding that Manchester's Utility Shield product is substantially similar to the Protection Solutions products currently being offered by Nicor's unregulated affiliate, Nicor Services.

**Requests**

Manchester has two (2) distinct requests:

First, Manchester requests that, for Manchester's Utility Shield product, Nicor provide the same utility billing service that is being provided to Nicor Services for its Protection Solutions products (including billing, collection and remittance). Please advise us of what additional information Nicor needs from Manchester in order to provide this service as soon as possible.

Second, Manchester seeks a better understanding of Nicor's relationship with its affiliate(s), including the full line of services Nicor has offered to its affiliates ("Nicor Affiliate Services"), to enable Manchester to consider utilizing Nicor to provide those services. To assist Manchester in understanding the Nicor Affiliate Services and to enable Manchester to determine if it desires to utilize Nicor to provide those services, please provide a detailed explanation of the Nicor Affiliate Services, including the terms and conditions applicable to Nicor providing those services to its affiliate(s). Based on public information, Manchester understands that Nicor



**IGS 2.15  
Exhibit 1**

Russ Strobel  
February 22, 2008  
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provides marketing, administration, customer service, billing, and repair service to its affiliate(s), and believes that there may be other services as well. Manchester is confident that Nicor will offer to provide those services to Manchester on equal terms and conditions, and would like to understand those terms and conditions as soon as possible.

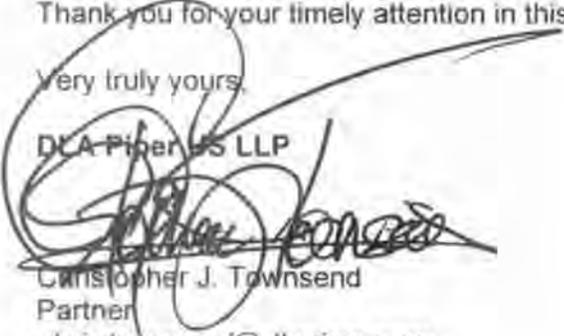
Manchester respectfully requests that Nicor respond to these requests within seven (7) business days. The responsive information should be directed to the attention of the undersigned. Please do not hesitate to contact us if you have any questions; we would be happy to discuss these requests with you.

Manchester looks forward to working with Nicor on these and other important competitive market issues that impact Nicor customers.

Thank you for your timely attention in this matter.

Very truly yours,

DLA Piper US LLP



Christopher J. Townsend  
Partner

*chris.townsend@dlapiper.com*

CJT/ly

cc: Paul Gracey, Nicor General Counsel  
Bill Thomas, President, The Manchester Group LLC

**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](http://www.nicor.com)

**IGS 2.15**  
**Exhibit 2**

CEAFUR 1.06  
Exhibit 1B  
Page 1 of 2

March 5, 2008

Mr. Christopher Townsend  
DLA Piper  
203 North LaSalle St., Ste 1900  
Chicago, IL 60601

**RE: The Manchester Group LLC and Utility Shield**

Dear Mr. Townsend:

This letter is in response to your request for information about billing and other services Northern Illinois Gas Company d/b/a Nicor Gas Company (“Nicor Gas”) provides to its affiliates in order for your client, Manchester Group LLC, to consider utilizing those services. Nicor Gas provides the following services to its affiliates as well as third parties:

1. Nicor Gas offers third parties and its affiliates the opportunity to advertise by including a separate billing insert in the utility’s bill.
2. Nicor Gas provides billing and collection services for the affiliate’s warranty product and alternative gas suppliers. There would be up front costs for integration of IT systems, file formatting and system testing that would have to be addressed with the appropriate Information Systems personnel of both companies.
3. Nicor Gas’ call center handles inbound customer service calls regarding service and billing questions and directs calls to the appropriate supplier and provides the phone number.
4. Nicor Gas offers certain customer information pursuant to a Residential and Small Commercial Data License Agreement.
5. Nicor Gas offers certain customer information pursuant to an Eligible Commercial Customer List Licensing Agreement.
6. Pursuant to the Nicor Gas ICC Tariff Riders 13 and 16, Nicor Gas provides transportation and storage services for gas suppliers to transport on Nicor Gas’ system and to aggregate accounts on behalf of their customers.

7. Nicor Gas purchases and sells natural gas at wholesale pursuant to the natural gas industry's standard contract, the North American Energy Standards Board's Base Contract for Sale and Purchase of Natural Gas.
8. From time to time, Nicor Gas releases capacity it holds on interstate pipelines. Such releases are posted and implemented by the interstate pipelines pursuant to the Federal Energy Regulatory Commission's capacity release regulations (18 C.F.R. ¶284.8).

If your client would like to have any further information about the above referenced services, please have them contact me at 630-388-2697 at their convenience.

Additionally, Nicor Gas provides the following services only to its affiliate. The Nicor Gas call center sells warranty products for Nicor Services at the end of completing a customer inbound call. Nicor Gas field technicians responding to customer calls (i) inspect Nicor Services' warranted appliances and will tag them if there is a problem, and (ii) repair or replace Nicor Services' warranted pipes if there is a leak.

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

Sincerely,

---

Bridget E. Shahan  
Chief Compliance Officer  
& Assistant General Counsel

**Skey, Christopher**

**From:** Bridget Shahan [BShahan@NICOR.COM]  
**Sent:** Friday, April 18, 2008 1:20 PM  
**To:** Skey, Christopher  
**Subject:** RE: Call regarding The Manchester Group LLC  
Chris,

I wanted to let you know that I'm not going to be able to get you a contract today. IT is still working on the scope of the system changes, the costs and timing. Particularly, how to fit the work into the current IT resource plan. So I hope to have you a draft early next week.

Bridget

-----Original Message-----

**From:** Skey, Christopher [mailto:Christopher.Skey@dlapiper.com]  
**Sent:** Thursday, April 17, 2008 2:16 PM  
**To:** Bridget Shahan  
**Cc:** Townsend, Christopher J.  
**Subject:** RE: Call regarding The Manchester Group LLC

Thanks Bridget.

---

Christopher N. Skey  
DLA Piper US LLP  
203 North LaSalle Street  
Chicago, IL 60601  
phone 312.368.8923  
fax 312.251.5835  
christopher.skey@dlapiper.com

---

**From:** Bridget Shahan [mailto:BShahan@NICOR.COM]  
**Sent:** Thursday, April 17, 2008 2:06 PM  
**To:** Skey, Christopher  
**Cc:** Townsend, Christopher J.  
**Subject:** RE: Call regarding The Manchester Group LLC

Yes, that's fine.

-----Original Message-----

**From:** Skey, Christopher [mailto:Christopher.Skey@dlapiper.com]  
**Sent:** Thursday, April 17, 2008 1:35 PM  
**To:** Bridget Shahan  
**Cc:** Townsend, Christopher J.  
**Subject:** RE: Call regarding The Manchester Group LLC

Bridget -

Thanks for this information. Just to double check, I understand you are OK with personnel at Manchester contacting Ms. Hotchkiss directly going forward. Please confirm.

The primary contact at Manchester is:

Barb Dodge  
5025 Bradenton, Suite B  
Dublin, OH 43017  
(O) 614-763-0967 (C) 740-815-7699 (F) 614-652-1200  
[bdodge@iqsenergy.com](mailto:bdodge@iqsenergy.com)

Thanks, Chris

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Christopher N. Skey  
DLA Piper US LLP  
203 North LaSalle Street  
Chicago, IL 60601  
phone 312.368.8923  
fax 312.251.5835  
christopher.skey@dlapiper.com

**From:** Bridget Shahan [mailto:BShahan@NICOR.COM]  
**Sent:** Thursday, April 17, 2008 11:57 AM  
**To:** Skey, Christopher  
**Subject:** RE: Call regarding The Manchester Group LLC

Sorry for the delay.

Vida Hotchkiss, Manager of Billing Services is Manchester's primary contact.  
phone - 630-388-2916  
[VHOTCHK@NICOR.COM](mailto:VHOTCHK@NICOR.COM)

Nicor Gas Company  
1844 Ferry Road  
Naperville, IL 60563  
(630) 388-2697

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-----Original Message-----

**From:** Skey, Christopher [mailto:Christopher.Skey@dlapiper.com]  
**Sent:** Thursday, April 17, 2008 11:28 AM  
**To:** Bridget Shahan  
**Cc:** Townsend, Christopher J.  
**Subject:** RE: Call regarding The Manchester Group LLC

Bridget -

We wanted to follow up on contact information. We understood you would provide the contact information list so that the parties can move forward with setting up another call next week. Thanks.

Chris

Christopher N. Skey  
DLA Piper US LLP  
203 North LaSalle Street  
Chicago, IL 60601  
phone 312.368.8923  
fax 312.251.5835  
[christopher.skey@dlapiper.com](mailto:christopher.skey@dlapiper.com)

**From:** Bridget Shahan [mailto:BShahan@NICOR.COM]  
**Sent:** Monday, April 14, 2008 12:22 PM  
**To:** Skey, Christopher  
**Subject:** RE: Call regarding The Manchester Group LLC

Chris,

Thanks for setting up the conference call.

Bridget

Bridget E. Shahan  
Chief Compliance Officer  
& Assistant General Counsel  
Nicor Gas  
1844 Ferry Rd  
Naperville, IL 60563  
630-388-2697

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-----Original Message-----

**From:** Skey, Christopher [mailto:Christopher.Skey@dlapiper.com]  
**Sent:** Monday, April 14, 2008 12:18 PM  
**To:** Bridget Shahan

**Cc:** Townsend, Christopher J.  
**Subject:** Call regarding The Manchester Group LLC

Bridget -  
This will confirm our discussion a few minutes ago the conference call scheduled for **Tuesday 1:30 p.m. (CST)**. We have set up the following call-in number for the call:

**Call in # - (888) 472-4293**  
**Access # - 3688923**

We would appreciate if you could confirm receipt of this email.

We look forward to the call. Please call or email if you have questions or would like to discuss.

Thank you.

Chris

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Christopher N. Skey  
DLA Piper US LLP  
203 North LaSalle Street  
Chicago, IL 60601  
phone 312.368.8923  
fax 312.251.5835  
christopher.skey@dlapiper.com

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Thank you.

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Thank you.

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Thank you.

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**From:** Vida Hotchkiss  
**Sent:** Wednesday, November 10, 2010 2:38 PM  
**To:** Nancy Brucher  
**Cc:** Neil Maloney  
**Subject:** FW: Manchester Group Billing Integration

"Privileged Attorney-Client Communication and Attorney Work Product"

This is the agenda sent by Manchester where the billing agreement was discussed.

Bridget, Cindy Nelson and myself represented Nicor at this meeting.

vh

**Vida Hotchkiss**

Nicor Gas  
Senior Manager  
Billing Services and Gas Transp.  
(630) 388-2916  
[vhotchk@nicor.com](mailto:vhotchk@nicor.com)

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**From:** Jon Payton [<mailto:jpayton@igsenergy.com>]  
**Sent:** Monday, April 21, 2008 10:24 AM  
**To:** Vida Hotchkiss  
**Subject:** Manchester Group Billing Integration

Vida, this is a follow-up to the voicemail I just left you. My name is Jon Payton and I'm a business analyst working with the Manchester Group. I would like to set up a meeting with you later this week to start gathering requirements for billing integration between Nicor and MG. I just need to know what is a good day and time for you.

I'm attaching a draft of the meeting agenda for you to review. Please feel free to invite whoever is most appropriate on your side.

As I said in my voicemail, I'm new to MG and won't have a dedicated phone number until Wednesday. If you need to contact me you can email me or leave a message with my manager, Barb Dodge ...  
Barb Dodge  
614-763-0967

Thanks, and I look forward to working with you on this project.

Jon Payton  
Interstate Gas Supply, Inc.

# Manchester Group/Nicor Billing Integration Discussions

Meeting called by: Jon Payton

**Agenda:**

**I. Project Goals**

- Clearly understand what we are trying to accomplish and what should be our end result

**II. High Level Billing Integration Walkthrough**

- Nicor representative to lead us through the high-level process
- Describe the files and formats to be used, examples if possible
- Define the timing of the interfaces
- Define the reject codes we could expect to see during validation and their description

**III. Review Initial Integration Questions**

- What unique keys will we need to collect from the customer to integrate with Nicor? Account number and/or premises number? Others?
- Will there ever be a situation when a unique key is changed (Account number) and if so how will MG be notified?
- Will Nicor require customer enrollment information from MG prior to billing? If so, what lead-time is required prior to the initial billing cycle?
- Does Nicor only bill customers monthly or do they have customers on alternative billing cycles? For example, bi-weekly. If so, how would this impact the integration?
- Does Nicor send out "zero balance due" customer bills on months when there is no gas usage?
- What are the cash application business rules on the Nicor side when dealing with partial monthly payments? How will cash be applied to the outstanding balances and in what order?
- How will MG be notified when a Nicor customer is deactivated and will no longer be receiving a bill?

**Action Items:**

<i>Date</i>	<i>Description</i>	<i>Owner</i>	<i>Status</i>	<i>Close Date</i>

**Skey, Christopher**

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**From:** Skey, Christopher  
**Sent:** Thursday, April 24, 2008 5:53 PM  
**To:** Bridget Shahan  
**Subject:** RE: Are you here at Nicor Today for your settlement meeting?

No. It was not at your offices.

I'll try to call you tomorrow. Thanks.

Chris

---

Christopher N. Skey  
DLA Piper US LLP  
203 North LaSalle Street  
Chicago, IL 60601  
phone 312.368.8923  
fax 312.251.5835  
christopher.skey@dlapiper.com

---

**From:** Bridget Shahan [mailto:BSshahan@NICOR.COM]  
**Sent:** Thursday, April 24, 2008 12:10 PM  
**To:** Skey, Christopher  
**Subject:** Are you here at Nicor Today for your settlement meeting?

Maybe we can meet for a few minutes.

Bridget E. Shahan  
Chief Compliance Officer  
and Assistant General Counsel  
Nicor  
1844 Ferry Road  
Naperville, IL 60563  
(630) 388-2697

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**IGS 2.15 Supp  
Exhibit 6**

**Vida Hotchkiss**

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**From:** Jon Payton [jpayton@igsenergy.com]  
**Sent:** Friday, April 25, 2008 7:30 AM  
**To:** Vida Hotchkiss  
**Subject:** Today's Meeting

Vida, I just wanted to let you know that I'll have a couple of IT resources and a couple of BA's on the conference call today. I guess our hope is to get a clearer understanding of what it's going to take to get Manchester Group charges added to the NICOR bill from a process and system and perspective. I spoke to the president of Manchester and shared your initial estimate and he's willing to move forward with the project.

Will you have any agenda or documents that I'll need printed out prior to the meeting? If you do, just send them my way today.

Thanks,

Jon

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## Manchester Group NICOR 3<sup>rd</sup> Party Interface

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**Meeting called by:** Vida Hotchkiss (NICOR)  
**Meeting Date:** 4/25/2008  
**Meeting attendees:** Vida Hotchkiss (NICOR), Cindy Nelson (NICOR), Stella Udumula (Nikor), Jon Payton, John Stamets, Tim Bower, Rosie O'Leary

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### Agenda/Overview:

- **Meeting Goals**
  - Discuss estimated development hours from NICOR for the MG billing interface

### Minutes:

- Vida kicked off the meeting by saying NICOR would like to understand MG's business requirements.
- Jon P. stated MG in no way wanted special accommodations, but just wanted their charges to be on the same bill line as the existing NICOR affiliate. MG will conform to NICOR's needs. Vida agreed that NICOR had that same basic understanding.
- NICOR confirmed that the initial estimate is for a total charge of \$180K to \$200K. Cindy would not elaborate on the total hours, however she did say that it would be 2-3 resources working up to 8 months to complete.
- Cindy said that the bulk of the work would be in ...
  - developing new internal processes and the system mods to support those processes
  - testing
  - establishing MG as a new supplier
- Vida said that unless priorities changed, work on this interface would not likely begin before the end of the year due to projects that are already planned.
- NICOR was asked if the interface would be similar to the existing interface between IGS and NICOR, in that there would files transferred between the two parties. Vida confirmed that it would be "very similar to Select", however there still needed to be significant development.
- NICOR's IT reps proceeded to detail the files that would be passed back and forth with MG. The one new file that isn't currently being used in the IGS-NICOR interface is a "Billing Notification File".
- NICOR was requested to provide a breakdown of the estimate, including hours by major effort, cost and expected duration. Cindy stated that she would work to have that estimate included in the contract. She said the contract was near to being complete and would be sent out the week of 4/28.

**IGS 2.15**  
**Exhibit 3**CEAFUR 1.06  
Exhibit 1C  
Page 1 of 2

**From:** Bridget Shahan  
**Sent:** Friday, April 25, 2008 11:58 AM  
**To:** 'Skey, Christopher'  
**Subject:** RE: Follow Up  
[Manchester Group Third Party Billing](#)

Chris,

Per our phone conversation, there are two matters I want to bring to you and your client's attention.

First, my IS department has determined that the costs to implement billing for Manchester would be between \$180,000 to \$200,000. The time to do the coding, configuration and testing would take approximately 8 months. Additionally, IS's workload is already booked on other projects through the end of the year so timing of when IS could commence has not been determined, but it would be closer to the end of the year. These costs are due to the fact that the billing program for our affiliate's warranty product is not the same computer program as the Customer Select billing program. The Customer Select program was designed for multiple users (suppliers); the warranty billing program was not. So there is substantial work to be done to add another user.

Second, a Nicor affiliate, IBT Solutions, is a call center that handles Nicor "moving calls" (customers moving in, out of or within Nicor's service area). IBT see the customer's complete file, which would include Manchester's charge. After IBT has handled the customer's moving instructions, IBT offers Nicor Service's warranty product to the customer.

I want your client to have all the facts in order to make fully informed decisions. If you have any questions (non-IT), please give me a call.

Bridget

-----Original Message-----

**From:** Skey, Christopher [mailto:Christopher.Skey@dlapiper.com]  
**Sent:** Friday, April 25, 2008 11:37 AM  
**To:** Bridget Shahan  
**Subject:** Follow Up

Bridget -

Thank you for speaking with me this morning regarding Manchester. Per our discussion, I understand you will send me an email on the items we discussed. I would appreciate if you could send that email to me today. Please advise if that will not be possible.

Thank you.

Chris Skey

---

Christopher N. Skey  
DLA Piper US LLP  
203 North LaSalle Street  
Chicago, IL 60601  
phone 312.368.8923  
fax 312.251.5835  
[christopher.skey@dlapiper.com](mailto:christopher.skey@dlapiper.com)

NRC 007892

**NGOA 004602**

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Thank you.

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**Skey, Christopher**

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**From:** Bridget Shahan [BShahan@NICOR.COM]  
**Sent:** Monday, April 28, 2008 6:50 PM  
**To:** Skey, Christopher  
**Cc:** Kevin Kirby; Sharon Grove; Vida Hotchkiss; Barbara Zeller; Cindi Reyes; Cindy Nelson  
**Subject:** Nicor Gas Third Party Billing Contract  
**Attachments:** BILLING SERVICE AGREEMENT Manchester (4-28-08).doc

Chris,

Attached please find a draft of Nicor's consolidated billing agreement for third party billing services. When I receive the file formats I'll forward those on to you.

Bridget

Bridget E. Shahan  
Chief Compliance Officer  
& Assistant General Counsel  
Nicor Gas  
1844 Ferry Rd  
Naperville, IL 60563  
630-388-2697

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## **NICOR GAS COMPANY CONSOLIDATED BILLING SERVICE AGREEMENT**

This Billing Service Agreement ("Agreement") is effective the \_\_\_\_ day of May 2008 ("Effective Date"). For good and valuable consideration, Northern Illinois Gas Company, d/b/a Nicor Gas Company ("Nicor Gas" or "Company") agrees to include The Manchester Group LLC ("Manchester") Utility Shield<sup>®</sup> customer charges to a Nicor Gas customer on the Company's bill, ("Billing Services"). Nicor Gas and Manchester shall be collectively referred to as "parties." The parties hereby agree to the following terms and conditions:

### **1. Scope of Agreement**

Nicor Gas' Billing Services is comprised of Nicor Gas products, services, and support systems which enable Nicor Gas to present bills, on Manchester' behalf, to Manchester' customers who have elected to enroll in the Manchester' Utility Shield<sup>®</sup> utility line protection services. The Billing Services will also enable Nicor Gas to electronically deliver remittance files to Manchester. Nicor Gas agrees to provide the Billing Services to Manchester, and Manchester agrees to pay all charges and comply with the terms and conditions set forth below.

### **2. Term and Termination**

**2.1** This Agreement shall be for one year from the Effective Date ("Initial Term"). The Agreement shall automatically renew and extend for successive one (1) year terms, commencing at the conclusion of the Initial Term or any renewal term. This Agreement shall terminate if notice, is given by Manchester or Nicor Gas at least ninety (90) days prior to the end of the then current term.

**2.2** Manchester is granted the right, at its option, to terminate this Agreement for its convenience and without cause at any time after the Initial Term by giving ninety (90) days prior written notice of termination, and by paying to Nicor Gas an amount in cash which shall be the product resulting from multiplying the number of months remaining in the Agreement's current term on the date of termination by the highest monthly Nicor Gas billed service charge amount during the last six-month period (or since the Effective Date in the event six months have not accrued), it being agreed that such sum constitutes reasonable liquidated damages to be sustained by Nicor Gas by reason of such early termination.

**2.3** Upon termination, obligation of a continuing nature shall continue to be binding and in full force and effect including, without limitation, those reflected in: "File Security Retention and Transfer at Time of Termination"; "Warranty and Limitation of Liability"; "Indemnification"; and "Default; Termination Upon Default".

### **3. Charges**

**3.1** Manchester agrees to pay Nicor Gas as per the Third Party Billing Services clause on Sheet No. 52.5 of Nicor Gas Terms and Conditions Tariff approved by the Illinois Commerce Commission (currently \$0.25 per bill). Nicor Gas shall provide sixty (60) days prior written notice to Manchester of any change in the charge. If such notice is given, Manchester may, by giving written notice to Nicor Gas at least thirty (30) days prior to the Effective Date of any such changes, reject the Billing Services, whereupon the obligations of both parties with respect to all Billing Services shall terminate.

- 3.2** There shall be added to all invoices for Billing Services an amount equal to any applicable sales or other taxes levied, based on, arising from or in any way connected with the furnishing of Billing Services to Manchester. All invoices for the Billing Services rendered hereunder shall be due and payable fourteen (14) days after receipt of the invoice. If Manchester fails to pay any such amounts when due, Nicor Gas may, at its option, and after giving at least seven (7) days prior written notice, discontinue furnishing Billing Services unless and until all such past due amounts are paid in full, all without impairment of any other remedy which may be available to Nicor Gas.
- 3.3** The initial establishment of the Billing Service for Manchester will require certain configurations, coding and testing of Nicor Gas' hardware and software systems. The charges for the establishment of the Billing Service are set forth on Appendix A. Manchester shall pay one third (1/3) of the total estimated charges on or before five (5) Business Days after the Effective Date of this Agreement; one third (1/3) on the 15<sup>th</sup> day of the fourth month after the Effective Date of this Agreement or the next Business Day; and one third (1/3) five (5) Business Days after receiving notice from Nicor Gas of completion the work. Nicor Gas shall send a notice of completion and a final invoice stating the remaining costs three (3) Business Days after determination that the systems are fully operational and properly functioning. Business Day shall mean any day except Saturday, Sunday or Federal Reserve Bank holidays.
- 3.4** Manchester shall provide a form of Security (Security means a deposit, parental guaranty or irrevocable letter of credit) in an amount equal to three months of the Nicor Gas Billing Service charge invoiced to Manchester. The initial Security shall be \$7,500.00 determined as follows: it will be assumed that Manchester has 10,000 customers multiplied by 25¢ times 3 months. In the event of a Default, as defined in Section 14, by Manchester, Nicor Gas may, at its sole discretion, require an additional Security in an amount equal to most recent six months of the Nicor Gas Billing Service charge invoiced to Manchester.

#### **4. Reliance on Information Provided**

- 4.1** Nicor Gas shall rely on the accuracy of all information provided to Nicor Gas by Manchester. Manchester shall promptly inform Nicor Gas of any incorrect data or information. Manchester shall bear the cost of correction and pay any damages arising therefrom if the correction of such data results in costs to Nicor Gas which exceed those incurred in the process of routinely receiving and preparing correct data for normal usage.
- 4.2** If any transmitted Billing Services' data is received in an unintelligible or garbled form, the receiving party shall promptly notify the originating party, within one business day, (if identifiable from the received transmitted data) in a reasonable manner. The originating party shall be obligated to retransmit the Billing Services' data upon receipt of notice from Nicor Gas. Notwithstanding the above, Nicor Gas shall not be liable for the consequence of unintelligible or garbled transmission, if the error is or should be in all circumstances detectable to Manchester.

#### **5. Third Party Service Providers**

- 5.1** Each party shall be liable for the acts or omissions of employees or its third party provider ("Provider"), if applicable, while transmitting, receiving, storing or handling Billing Services' data, or performing related activities, for such party as though they were the party's own acts or omissions, and for purposes of the Agreement the Provider shall be deemed to be an agent of that party. Any party utilizing a Provider shall ensure that it is a contractual obligation of the Provider that no change in the data content of the Billing Services' data is made or disclosed to any unauthorized person.
- 5.2** Manchester acknowledges that it has been informed that Nicor Gas uses an affiliate, IBT Solutions, LLC ("IBT") to handle certain incoming calls from Nicor customers who are moving

("Moving Calls") during which time IBT sees all of the customer's billing information and that once IBT completes the Moving Call it is allowed to offer the customer Nicor Services' products and services, such as Gas Line Comfort Guard and HVAC repair and maintenance service. Nicor Gas and IBT's call centers shall not offer the affiliate's warranty product if the customer already has a valid contract in effect for Manchester's Utility Shield<sup>®</sup>.

## 6. System Operation

Each party, at its own expense, shall provide and maintain the requisite equipment, software, services and testing necessary to effectively and reliably transmit and receive Billing Services' data in compliance with the specifications set for in Appendix B hereto. Each party, at its own expense, will be responsible for retaining an emergency backup plan for its equipment, software, and services to effectively and reliably transmit and receive Billing Services' data in the event its equipment, software and/or services fails, is not in service or is otherwise inaccessible.

## 7. Security Procedures

Nicor Gas reserves the right to make an emergency suspension of transmitted Billing Services' data to protect resources from illegal access or damage. Any action taken by Nicor Gas pursuant to this provision shall not constitute termination or Default of the Agreement.

## 8. Modifications in the Services

From time to time and upon giving reasonable advance notice to Manchester, Nicor Gas, at its expense, may make any modifications, changes, adjustments or enhancements to the Billing Services, including but not limited to, changes to file formats and billing formats, which is considers to be suitable or which are required by law or governmental regulation. Manchester shall cooperate with any required testing at its own expense. Specifically, Manchester recognizes that Nicor Gas plans to revise its bill format during the second half of 2008. The new bill format will require additional configurations, coding and testing which may cause delays in the processing Manchester's charges and issuance of Nicor Gas' bills. There will be no additional charges to Manchester for Nicor Gas' revise bill format. Manchester shall cooperate with any required testing at its own expense.

## 9. Nicor Gas' Obligations

**9.1 Customer Enrollment:** Manchester will maintain the enrollment site, receive and record customer enrollments, create and maintain a database of customers, and notify Nicor Gas of enrollments via electronic files transmitted to Nicor Gas pursuant to the file formats set forth in Appendix B ("Enrollment File" and "customer List File"). Thereafter for so long as this Agreement remains in effect, or until instructions to the contrary are received by Nicor Gas, Manchester will bill Nicor Gas customers with Utility Shield<sup>®</sup> using Nicor Gas' Billing Services.

**9.2 Bill Preparation:** Manchester will provide electronically to the Company its billing data in conformance with the specifications set forth in Appendix B hereto ("Billing Charges"). Nicor Gas has absolute discretion as to the Manchester' text on the billing line and in what format it will appear. Changes to such descriptions will be reviewed and approved on a case by case basis. In addition to the Billing Charges, Nicor Gas shall also print the previous balance (includes Nicor Gas and all third party charges), payment received, thank you; total due, Manchester' name and phone number on the Company's bill. Manchester shall adhere to existing Nicor Gas file format for the billing interface between Nicor Gas and Manchester. Manchester's Billing Charges that are properly transmitted to Nicor will be on the next Nicor Gas bill issued to Manchester's customers pursuant to Nicor Gas' ICC approved tariff and ICC regulations. Manchester may also include the following standardized billing message on a customer's bill for no additional charge. "Your 12-month Utility Shield<sup>®</sup> agreement will automatically renew beginning with your next billing cycle unless you cancel within 30 days. Complete renewal and cancellation terms are in your current agreement or call Manchester Group @ 1-800-####-####."

**9.3 Payment Processing:** The Company agrees to process payments received from customers as part of the fee assessed for providing Billing Services. Processing customer payments shall mean the collection – via cash, check, money order, electronic funds transfer, or by any other means of legal tender; made by mail, in-person, electronically or through one of the Company’s authorized agents; and the deposit of such payment into one of the Company’s financial institutions. Monies received by the Company shall first be applied to past due amounts owed to Nicor Gas, then to past due amounts owed to Manchester. Any remaining funds will be applied to current amounts owed Nicor Gas, then to current amounts owed to Manchester. After forty five (45) days, past due amounts (receivables) owed to Manchester will be returned Manchester, and Nicor will no longer any obligation to invoice or collect such monies if either of the following occurs: (i) Manchester informs Nicor that it’s customer contract has been cancelled or terminated, or (ii) the customer has terminated service with Nicor. If a customer informs Nicor that it is moving within Nicor’s service territory, Nicor will transfer the customer’s Utility Shield Billing Charges to the new address. No Low Income Home Energy Assistance Program (“LIHEAP”) funding will be applied to any Manchester Utility Shield<sup>®</sup> customers’ accounts.

**9.4 Remittance Deliveries:** Nicor Gas will electronically initiate payment to Manchester as frequently as such payment data becomes available for transfer to Manchester. Remittance of customer’s payments received by Nicor Gas will be sent via ACH to the financial institution designated by Manchester in the Agreement in Section 16. In the event a remittance date falls on a weekend or a bank holiday, Nicor Gas will remit customer payments, on the next business day which is not a weekend or a bank holiday.

**9.5 Records:** Nicor Gas will maintain records of all Utility Shield<sup>®</sup> customer bill presentation and payment activity in compliance with all applicable federal, state and local regulations and provide such information related thereto as Manchester may reasonable request upon reasonable notice to Nicor Gas during regular business hours.

**9.6 File Security, Retention and Transfer at Time of Termination.** Nicor Gas shall take all reasonable steps to ensure that access to Manchester’s computerized files and records are available only to Nicor Gas or Nicor Gas contractors. All files transmitted between the parties must be encrypted. Nicor Gas reserves the right, at its expense, to issue and change procedures from time-to-time to improve or protect file security. Nicor Gas shall take all reasonable precautions to prevent the loss or alteration of Manchester’s computerized files and records accessed or retained by Nicor Gas, but Nicor Gas cannot and does not guarantee or indemnify against any such loss or alteration. Accordingly, Manchester shall, at its expense, keep copies of the source documents of the information delivered to Nicor Gas and shall maintain a backup procedure for reconstruction of lost or altered Manchester’s computerized files and records to the extent deemed necessary by Manchester. Nicor Gas shall promptly inform Manchester of any such lost or altered data or information and upon notice from Nicor Gas; Manchester shall retransmit all such data or information. Nicor Gas shall retain Manchester’s computerized files and records for twenty-four (24) months.

**9.7 Customer Liaison.** Manchester’s primary contact concerning Nicor’s Billing Services shall be Nicor’s manager of Billing Services, Vida Hotchkiss, 630-388-2916, vhotchk@nicor.com.

## **10. Manchester’s Obligations**

**10.1 Processing:** Manchester will transmit accurate and timely Manchester customer charges pursuant to the Utility Shield<sup>®</sup> to Nicor Gas in conformance with the specifications set forth in Appendix B.

**10.2 Customer Service:** Nicor Gas will provide customers with Manchester's customer service department's phone number for discussion with a Manchester representative, who will respond to the specific Billing Service inquiry.

**10.3 Code of Conduct:** Manchester unconditionally warrants, covenants and represents that it will comply with the Nicor Gas' Tariff "Standards of Conduct" Section of Rider 16, which shall be applicable to Manchester's marketing practices.

**10.4 Nicor Liaison.** Nicor's primary contact concerning Manchester's Billing Services shall be [NAME, PHONE, EMAIL].

## **11. Government Regulation**

**11.1** Each party shall: a) to the extent relevant, be responsible for compliance with all applicable laws, rules, and regulations including, without limitation, the rules of any applicable national or regional Automated Clearinghouse Association ("ACH"); and b) establish, maintain, and be responsible for error resolution procedures. The parties will cooperate with one another in the investigation and resolution of any alleged errors.

**11.2** Should a governmental agency which has regulatory authority over Manchester wish to review the Billing Services, Manchester agrees to pay Nicor Gas for all costs incurred in the preparation of data for inspection, examination or audit for such services.

## **12. Warranty and Limitation of Liability**

**12.1** Nicor Gas warrants that it will exercise reasonable care in the performance of its obligations under this Agreement. NICOR GAS MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF FITNESS OR MERCHANTABILITY FOR A PARTICULAR PURPOSE WITH RESPECT TO THE SERVICES PROVIDED HEREUNDER. Because of the extreme difficulty of fixing actual damages for any failure of Nicor Gas to perform its obligations hereunder, or from any failure of Nicor Gas to perform any obligations imposed by law, the parties agree that Nicor Gas' liability hereunder for any loss, shall be limited to liquidated damages in the amount of the Billing Services' fees paid by Manchester to Nicor Gas for the two (2) calendar months immediately preceding the month in which the event occurred which gave rise to the damages. The provisions of this paragraph apply even though the loss or damage, irrespective of cause or origin, results, directly or indirectly, either from performance or nonperformance of obligations imposed by this Agreement.

**12.2** IN NO EVENT WILL NICOR GAS BE RESPONSIBLE FOR (A) ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING LOST REVENUES OR PROFITS, LOSS OF BUSINESS OR LOSS OF DATA REGARDLESS OF WHETHER IT WAS ADVISED, HAD REASON TO KNOW, OR IN FACT KNEW OF THE POSSIBILITY THEREOF; OR (B) FOR ANY LOSS OR DAMAGE TO THE OTHER PARTY OR TO A CUSTOMER, DIRECT OR CONSEQUENTIAL, ARISING OUT OF OR IN ANY WAY RELATED TO ACTS OR OMISSIONS OF THIRD PARTIES INCLUDING, BUT NOT LIMITED TO, VARIOUS COURIER SERVICES, THE FEDERAL RESERVE BANK, OTHER BANKS WITH WHICH THE OTHER PARTY DEALS OR THE EMPLOYEES OR AGENTS OF SUCH BANK OR ANY FINANCIAL INSTITUTION WHICH RECEIVES OR ORIGINATES ENTRIES OR PAYS ELECTRONIC DEBITS FROM THE PARTIES' ACCOUNTS.

**12.3** Nicor Gas shall not be liable for any delay or other failure of performance caused by upgrades in system technology or processes, or force majeure, factors beyond its reasonable control, such as,

but not limited to, strikes, insurrection, war, fire, acts of God, acts of terrorism, governmental acts or regulation, or acts of third parties. If, after the date of this Agreement, any law, regulation, or ordinance, whether federal, state or local, becomes effective which substantially and materially alters the ability of Nicor Gas to perform Billing Services hereunder, Nicor Gas, after making a bona fide effort to overcome the impairment, shall have the right to terminate this Agreement, without penalty, upon thirty (30) days written notice to Manchester.

**13. Indemnification.**

Manchester agrees to indemnify Nicor Gas, its officers, directors, and employees from and against any and all lost, liability, cost and expense, including reasonable attorneys' fees, incurred by any one or more of them by reason of any and all claims, demands, suits or proceedings, made or brought against any one or more of them arising from or related to any act or omission of Manchester or the breach of any obligation, responsibility, warranty, or representation of Manchester to Nicor Gas related to the operation, promotion, or use of the Billing Services pursuant to this Agreement.

**14. Default; Termination Upon Default.**

In the event of a Default of this Agreement, the non-defaulting party shall have an immediate right to terminate this Agreement in the event a Default remains uncured for thirty (30) days after notice thereof to the defaulting party. All expenses incurred by the non-defaulting party in terminating the relationship under this Agreement shall be borne by the defaulting party. Default means to: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; or (vi) not have paid any amount due the other party hereunder on or before five days following such payment's due date.

**15. General.**

**15.1** This Agreement shall not be modified in any way unless such modification is in writing and signed by both parties.

**15.3** This Agreement shall be binding upon and shall insure to the benefit of Nicor Gas and Manchester and their respective successors and permitted assigns.

**15.4** If any provision of this Agreement (or any portion thereof) shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remainder hereof, shall not in any way be affected or impaired thereby.

**15.5** The headings in this Agreement are intended for convenience of reference and shall not affect its interpretation.

**15.6** The individuals executing this Agreement on behalf of Nicor Gas and Manchester do each hereby represent and warrant that they are duly authorized by all necessary action to execute this Agreement on behalf of their respective principals.

**15.7** This Agreement is made in the State of Illinois, and shall be construed and interpreted in accordance with the laws of the State of Illinois without regard to choice of law principles.

**15.8** The parties do not intend the benefits of this Agreement to inure to any third party, and nothing contained herein shall be construed as creating any right, claim or cause of action in favor of any such third party against either of the parties hereto.

15.9 Nothing in this Agreement shall be deemed to limit: (i) the applicability of any relevant statutes of limitation or repose; or (ii) any waivers contained in this Agreement.

15.10 This Agreement constitutes entire Agreement of the parties with respect to the subject matter herein. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than those expressly set forth in this Agreement.

**16. Notices.**

Service of all notices under this Agreement shall be in writing and sent by Certified Mail, return receipt requested, postage paid, addressed to the party to be served notice, or by nationally recognized overnight mail service, at the following addresses. All such notices and communications shall be effective upon receipt.

Nicor Gas

Manchester

Name: Nicor Gas Company  
c/o Billing Services Program  
Address: 1844 Ferry Road  
Naperville, IL 60563

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Manchester' Bank Information:**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Account Number: \_\_\_\_\_  
Routing Number: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**NICOR GAS COMPANY**

**THE MANCHESTER GROUP LLC**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**Appendix A**  
**INITIAL ESTABLISHMENT COSTS**  
**FOR**  
**BILLING SERVICE**

<b>Scope</b>	<b>Time Frame</b>	<b>Estimated Costs</b>
IS Department will make the necessary changes to Nicor Gas' customer service system to introduce a new supplier for the purpose of enrolling, billing, collecting payments, and customer status reporting for a service guard protection product	<ul style="list-style-type: none"> <li>• Requirements: 1 week</li> <li>• Conceptual Design: 2 weeks</li> <li>• Design: 6 weeks</li> <li>• Configuration, Coding &amp; Unit Test: 12 weeks</li> <li>• Integration Testing: 2 weeks</li> <li>• Integration Testing with Manchester: 4 weeks</li> <li>• Performance Testing: 1-2 weeks</li> <li>• Implementation: 1 week</li> </ul>	\$180,000 - \$200,000
Billing Services Department's implementation and testing	Testing concurrent with IS Department work.	\$10,000 - \$12,000

**Appendix B**

FILE FORMAT

*To be provided*