

July 31, 2012

Advice No. 1459

BY HAND DELIVERY

Ms. Elizabeth A. Rolando
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701

Re: The Peoples Gas Light and Coke Company
Ill. C.C. No. 28; Proposed General Increase in Rates

Dear Ms. Rolando:

Enclosed for filing with the Illinois Commerce Commission on July 31, 2012, to become effective September 14, 2012, are copies of the tariff sheets listed below of The Peoples Gas Light and Coke Company's ("Peoples Gas" or "PGL") Schedule of Rates for Gas Service (Ill.C.C. No. 28). Peoples Gas is filing this request to meet requirements in Sections 9-220(h) and 9-220(h-1) of the Public Utilities Act (220 ILCS 5/9-220(h), 9-220(h-1)). The following tariff sheets effect a general increase in rates and include other revisions to the table of contents, service classifications, riders and terms and conditions of service included in Peoples Gas' Schedule of Rates for Gas Service.

Fifteenth Revised Sheet No. 4
(Canceling Fourteenth Revised Sheet No. 4)

Seventh Revised Sheet No. 5
(Canceling Sixth Revised Sheet No. 5)

Second Revised Sheet No. 6
(Canceling First Revised Sheet No. 6)

Seventh Revised Sheet No. 7
(Canceling Sixth Revised Sheet No. 7)

Fifth Revised Sheet No. 8
(Canceling Fourth Revised Sheet No. 8)

Seventh Revised Sheet No. 9
(Canceling Sixth Revised Sheet No. 9)

- Fifth Revised Sheet No. 10
(Canceling Fourth Revised Sheet No. 10)
- Seventh Revised Sheet No. 16
(Canceling Sixth Revised Sheet No. 16)
- Fourth Revised Sheet No. 18
(Canceling Third Revised Sheet No. 18)
- Ninth Revised Sheet No. 28
(Canceling Eighth Revised Sheet No. 28)
- Eighth Revised Sheet No. 29
(Canceling Seventh Revised Sheet No. 29)
- Fourth Revised Sheet No. 59
(Canceling Third Revised Sheet No. 59)
- Eleventh Revised Sheet No. 130
(Canceling Tenth Revised Sheet No. 130)
- Seventh Revised Sheet No. 131
(Canceling Sixth Revised Sheet No. 131)
- Seventh Revised Sheet No. 132
(Canceling Sixth Revised Sheet No. 132)
- Seventh Revised Sheet No. 133
(Canceling Sixth Revised Sheet No. 133)
- Seventh Revised Sheet No. 134
(Canceling Sixth Revised Sheet No. 134)
- Seventh Revised Sheet No. 135
(Canceling Sixth Revised Sheet No. 135)
- Seventh Revised Sheet No. 136
(Canceling Sixth Revised Sheet No. 136)
- Eighth Revised Sheet No. 137
(Canceling Seventh Revised Sheet No. 137)
- Eighth Revised Sheet No. 138
(Canceling Seventh Revised Sheet No. 138)

Second Revised Sheet No. 138.1
(Canceling First Revised Sheet No. 138.1)

Tenth Revised Sheet No. 139
(Canceling Ninth Revised Sheet No. 139)

Ninth Revised Sheet No. 140
(Canceling Eighth Revised Sheet No. 140)

First Revised Sheet No. 151.1
(Canceling Original Sheet No. 151.1)

Pursuant to 83 Ill. Admin. Code Part 255, Peoples Gas also submits its Supplemental Statement, which provides an explanation of the nature, purposes, and reasons for the proposed changes in the Schedule of Rates.

Pursuant to 83 Ill. Admin. Code §285.111(a), Peoples Gas also submits the materials and information called for by the Commission's Standard Information Filing Requirements (83 Ill. Admin. Code Part 285). Peoples Gas is providing information to the Directors of the Financial Analysis Division and of the Energy (Safety & Reliability) Division in accordance with the Standard Information Filing Requirements.

In accordance with 83 Ill. Admin. Code §285.111(b), certain portions of the information called for by the Standard Information Filing Requirements are confidential and/or proprietary and Peoples Gas has so designated this material and is submitting it separately from the remainder of the materials. In accordance with 83 Ill. Admin. Code §285.112(b), with respect to such designated confidential and/or proprietary information, Peoples Gas intends to seek a protective order under 83 Ill. Admin. Code §200.430 no later than the first status hearing in the proceedings in this matter, and asks that such designated information not be released except as authorized by law.

In accordance with 83 Ill. Admin. Code §286.20(a), Peoples Gas submits for filing its direct testimony and attachments in support of the proposed general increase in rates. Peoples Gas' submission consists of 15 direct testimonies, numbered sequentially and designated PGL Ex. 1.0 through PGL Ex. 15.0, with attached exhibits for each witness numbered as subparts to the witness' testimony (e.g., PGL Ex. 2.1). Peoples Gas provided the required copies to the Director of the Financial Analysis Division.

In accordance with the provisions of 83 Ill. Admin Code Part 255, concurrent with this filing, Peoples Gas has posted public notice in a public and conspicuous place in its offices. Peoples Gas will also cause notice of the instant filing to be published in a secular newspaper in accordance with the provisions of that Part.

Ms. Elizabeth A. Rolando

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Peoples Gas is sending copies of this letter to Mr. Gene Beyer (Bureau Chief, Bureau of Public Utilities), Mr. Harry L. Stoller (Director, Safety & Reliability Division), and Ms. Joy Nicdao-Cuyugan (Director, Financial Analysis Division) of the Commission's Staff.

Please acknowledge the Commission's receipt of these materials by providing the representatives who are submitting this filing with a file-stamped copy of this transmittal letter. An extra copy of this letter and attachments is also enclosed for your convenience in acknowledging receipt of this letter and the enclosures.

Very truly yours,

A handwritten signature in black ink that reads "Debra E. Egelhoff" followed by a stylized flourish.

Debra E. Egelhoff
Manager,
Gas Regulatory Services

Encl.

The Peoples Gas Light and Coke Company

SCHEDULE OF RATES FOR GAS SERVICE

TABLE OF CONTENTS - continued

<u>Rider</u>		<u>Sheet Number</u>
*	-	Reserved for Future Use.....
		130, 131, 132, 133 134, 135, 136, 137 138 and 138.1
	UEA	Uncollectible Expense Adjustment
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	UEA-GC	Uncollectible Expense Adjustment – Gas Costs
		151.1
	OBF	On-Bill Financing.....
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	EOA	Energy Efficiency and On-Bill Financing Adjustment
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	PIPP	Percentage of Income Payment Program
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	PIPP-T	Percentage of Income Payment Program – Transition Service
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Date Issued: JULY 31, 2012

Date Effective: SEPTEMBER 14, 2012

Asterisk (*) indicates change.

The Peoples Gas Light and Coke Company

SCHEDULE OF RATES FOR GAS SERVICE

Page 1 of 2

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.

* “Heating Customers” are customers who use gas as their principal source of space heating requirements. “Non-Heating Customers” are customers who do not use gas as their principal source of space heating requirements.

Rates

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

* **Customer Charge – Non-Heating Customers**

Except as provided below, the monthly Customer Charge shall be as follows: \$15.98

Customer Charge – Heating Customers

Except as provided below, the monthly Customer Charge shall be as follows: \$32.83

If a court finds or holds that the Commission lacks or lacked authority to approve Rider VBA of this rate schedule or Rider VBA of this rate schedule is otherwise not permitted to remain in effect by action of the Commission, the Illinois General Assembly or any other body, then on and after the date of such court or other action, the monthly Customer Charge shall be \$17.01 for Non-Heating Customers and \$44.69 for Heating Customers.

* **Distribution Charge**

Except as provided below, the Distribution Charge shall be 13.343 cents per therm for all gas delivered in any month.

If a court finds or holds that the Commission lacks or lacked authority to approve Rider VBA of this rate schedule or Rider VBA of this rate schedule is otherwise not permitted to remain in effect by action of the Commission, the Illinois General Assembly or any other body, then on and after the date of such court or other action, the Distribution Charge shall be \$0.00 per therm for all gas delivered in any month.

Storage Charge

For Sales Customers, the Storage Charge shall be the Storage Service Charge, an amount, as determined under Rider SSC of this rate schedule, per therm of all gas delivered. For Transportation Customers, the Storage Charge shall be the Storage Banking Charge, an amount, as determined under Rider SSC of this rate schedule, per therm of storage capacity.

Date Issued: JULY 31, 2012

Date Effective: SEPTEMBER 14, 2012

Asterisk (*) indicates change.

The Peoples Gas Light and Coke Company

SCHEDULE OF RATES FOR GAS SERVICE

Page 2 of 2

Service Classification No. 1

Small Residential Service

**** 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.

Terms of Service

The Company's obligation shall commence when it begins to supply service hereunder and shall continue, subject to the provisions of its Terms and Conditions of Service, until it discontinues service pursuant to this rate schedule or notice from the customer no less than 10 days prior to the requested discontinuance date. The customer's obligation to pay for gas and services rendered hereunder shall begin when the Company begins to supply service and shall continue until payment in full of all amounts due hereunder shall have been made for service rendered through the discontinuance date.

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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Asterisks ()** indicates moved from a prior page.

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, SST or SST-T.

Rates

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

Customer Charge

Except as provided below, the Customer Charge shall be a monthly charge based on meter class as follows:

*

<u>Meter Class</u>	
1 (Up to 700 cubic feet per hour)	\$36.94
2 (Over 700 and no more than 3000 cubic feet per hour)	\$123.93
3 (Over 3000 cubic feet per hour)	\$319.52

If a court finds or holds that the Commission lacks or lacked authority to approve Rider VBA of this rate schedule or Rider VBA of this rate schedule is otherwise not permitted to remain in effect by action of the Commission, the Illinois General Assembly or any other body, then on and after the date of such court or other action, the monthly Customer Charge shall be as follows:

<u>Meter Class</u>	
1 (Up to 700 cubic feet per hour)	\$53.73
2 (Over 700 and no more than 3000 cubic feet per hour)	\$196.75
3 (Over 3000 cubic feet per hour)	\$1,039.94

Distribution Charge

Except as provided below, 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>	
For the first 100 therms	15.599 cents
For the next 4,900 therms	13.103 cents
For all over 5,000 therms	9.135 cents

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Asterisk (*) indicates change.

The Peoples Gas Light and Coke Company

SCHEDULE OF RATES FOR GAS SERVICE

Page 2 of 2

Service Classification No. 2

General Service

- * and ** **Distribution Charge** - continued
If a court finds or holds that the Commission lacks or lacked authority to approve Rider VBA of this rate schedule or Rider VBA of this rate schedule is otherwise not permitted to remain in effect by action of the Commission, the Illinois General Assembly or any other body, then on and after the date of such court or other action, the Distribution Charge shall be \$0.00 per therm for all gas delivered in any month.
- ** **Storage Charge**
For Sales Customers, the Storage Charge shall be the Storage Service Charge, an amount, as determined under Rider SSC of this rate schedule, per therm of all gas delivered. For Transportation Customers, the Storage Charge shall be the Storage Banking Charge, an amount, as determined under Rider SSC of this rate schedule, per therm of storage capacity.
- 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.
- Terms of Service**
The Company's obligation shall commence when it begins to supply service hereunder and shall continue, subject to the provisions of its Terms and Conditions of Service, until it discontinues service pursuant to this rate schedule or notice from the customer no less than 10 days prior to the requested discontinuance date. The customer's obligation to pay for gas and services rendered hereunder shall begin when the Company begins to supply service and shall continue until payment in full of all amounts due hereunder shall have been made for service rendered through the discontinuance date.
- 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.

Date Issued: JULY 31, 2012

Date Effective: SEPTEMBER 14, 2012

Asterisk (*) indicates change.

Asterisk () indicates moved from a prior page.**

The Peoples Gas Light and Coke Company

SCHEDULE OF RATES FOR GAS SERVICE

Page 1 of 3

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.

"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 FST, SST-T or SST.

Rates

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

* **Customer Charge**
The monthly Customer Charge shall be \$692.00.

* **Demand Charge**
The monthly Demand Charge shall be 77.828 cents per therm of Billing Demand.

* **Distribution Charge**
The Distribution Charge shall be 4.875 cents per therm for all gas delivered in any month.

Storage Charge
For Sales Customers, the Storage Charge shall be the Storage Service Charge, an amount, as determined under Rider SSC of this rate schedule, per therm of all gas delivered. For Transportation Customers, the Storage Charge shall be the Storage Banking Charge, an amount, as determined under Rider SSC of this rate schedule, per therm of storage capacity.

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.

Date Issued: JULY 31, 2012

Date Effective: SEPTEMBER 14, 2012

Asterisk (*) indicates change.

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

The Peoples Gas Light and Coke Company

SCHEDULE OF RATES FOR GAS SERVICE

Page 2 of 3

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.

*

Date Issued: JULY 31, 2012

Date Effective: SEPTEMBER 14, 2012

Asterisk (*) indicates change.

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

The Peoples Gas Light and Coke Company

SCHEDULE OF RATES FOR GAS SERVICE

Page 1 of 2

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.

"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, SST or SST-T.

Rates

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

*

Customer Charge

The monthly Customer Charge shall be \$129.00.

*

Distribution Charge

The Distribution Charge shall be 15.704 cents per therm for all gas delivered in any month.

Storage Charge

For Sales Customers, the Storage Charge shall be the Storage Service Charge, an amount, as determined under Rider SSC of this rate schedule, per therm of all gas delivered. For Transportation Customers, the Storage Charge shall be the Storage Banking Charge, an amount, as determined under Rider SSC of this rate schedule, per therm of storage capacity.

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.

Date Issued: JULY 31, 2012

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The Peoples Gas Light and Coke Company

TERMS AND CONDITIONS OF SERVICE

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* **Application for Service**

Each customer must make an application for service. The Company may require a customer to submit a written application for service, signed by the customer. Such application shall contain the information necessary to determine the type of service required by the customer and the conditions under which the Company shall render service.

The customer shall select the service classification or rider under which it wishes to receive service. If the Company determines in its sole discretion that the customer meets the eligibility requirements of the selected service classification or rider, the Company shall render service under the same. The Company shall assist the customer in making such selection, but does not guarantee that the customer shall receive service under, and shall not be responsible to notify the customer of, the most favorable service classification or rider at all times. The Company reserves the right to change the service classification or rider under which a customer receives service if the Company determines, in its sole discretion, that the customer is not eligible for service under its existing service classification or rider.

The customer shall notify the Company of any material changes in the customer's gas requirements or in premises characteristics that affect eligibility for a service classification or rider. After the Company receives such notification, the Company shall assist the customer in determining if a change in service classification or rider is best suited to or required for the customer's changed gas requirements or premises characteristics.

Except as specifically required or provided in a service classification or rider, no customer who receives service under a particular service classification or rider hereof for a particular use or uses at the customer's premises, shall receive service for the same from the Company except under said service classification or rider.

Unless required by material changes in the customer's gas requirements or premises characteristics, as established or determined by the Company, not more than one change of service classification or rider shall be allowed within any twelve-month period. For purposes of this Application for Service section, "service classification" includes the heating customer and non-heating customer designations in Service Classification No. 1 of this rate schedule.

Right to Refuse or Discontinue Service

The Company shall have the right to refuse to initiate gas service to an applicant or to discontinue service to a customer and remove its property from the premises in accordance with the terms of 83 Illinois Administrative Code Part 280. The Company shall have the right, after mailing the customer three letters and a notice of disconnection, to discontinue service when the customer fails to allow the Company or its authorized agents to have access to its premises for the purpose of inspection of metering equipment, service pipe and all other equipment relating to the Company's service.

Deposits

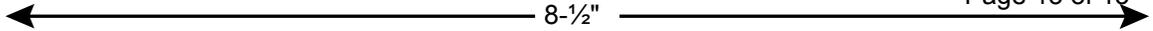
The Company shall bill applicants for gas service and customers under any service classification or rider for deposits in accordance with 83 Illinois Administrative Code Part 280. The Company shall use a credit scoring system as one of the methods to determine whether it shall bill a deposit to a residential service applicant. A deposit shall be billed if the credit score of the applicant is below the predetermined minimum. This may not apply if the applicant is eligible for the Low Income Home Energy Assistance Program (LIHEAP) or provides proof of identity fraud.

Date Issued: JULY 31, 2012
Asterisk (*) indicates change.

Date Effective: SEPTEMBER 14, 2012

The Peoples Gas Light and Coke Company

TERMS AND CONDITIONS OF SERVICE



*

Definition of Terms

Service Classification

Rate 1, Small Residential Service – Available to any residential customer who receives service through a single meter for one or two dwelling units.

Rate 2, General Service – Available to residential, commercial and industrial customers who consume an average of 41,000 therms per month or less.

Usage

Types of Meter Readings:

Actual – Reading taken by the company.

Customer – Reading taken by the customer.

Estimate – Reading estimated by the company based on weather and previous usage patterns.

Pressure Correction Factor – A factor used to compute the quantity of gas when it is delivered at higher than normal pressure.

BTU Factor (British Thermal Unit) – A factor used to convert measured gas volumes into the heating value of the gas.

Therms – For billing purposes, the volume of gas used multiplied by the BTU Factor.

Charges

Delivery Charge – Consists of the customer charge, volumetric distribution charges and a storage charge. These charges pay for the costs of delivering gas to customers.

Customer Charge – A monthly charge that pays for some of the fixed costs for providing service to customers. This charge includes State of Illinois charges that fund energy assistance and renewable energy grants and adjustment(s) allowed by Illinois Public Act 96-0033.

Gas Charge – A charge that pays for the cost of gas supplies purchased for customers.

Natural Gas Savings Program – A charge that pays for the costs related to energy efficiency and on-bill financing programs as allowed by Illinois Public Act 96-0033.

Environmental Charge – A charge that pays for the cleanup from past manufactured gas operations.

Volume Balancing Adjustment – A charge or credit that stabilizes the revenue collected through the distribution charge.

Storage Service Charge – A charge that is assessed to sales customers that pays for the costs related to providing base rate storage services.

Storage Banking Charge – A charge that is assessed to transportation customers that pays for the costs related to providing base rate storage services.

UEA-Gas Cost Adjustment – A charge for sales customers that pays for gas supply related uncollectible accounts expense.

Storage Gas Charge – A charge that is assessed to transportation customers to pay for gas cost related storage expenses.

HUB Credit Gas Charge – A separate per therm adjustment for transportation customers related to interstate storage and transportation services.

Taxes

Chicago Municipal Tax – Imposed by the City of Chicago on current charges before taxes.

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.

State Tax (Illinois Gross Revenue Tax) – Mandated by the State of Illinois to fund the Illinois Commerce Commission.

State Gas Revenue Tax – Mandated by the State of Illinois, either 5% of current charges before taxes or 2.4 cents per therm, whichever is lower.

State Gas Use Tax – Imposed by the State of Illinois on a per therm basis on gas that is purchased from an alternative supplier and is not subject to the State Gas Revenue Tax.

Other Charges

Service Activation Charge – For initiating gas service.

Reconnection Charge – For reconnecting gas service when it has been discontinued.

Energy Efficiency Loan – For third party loan payments related to the on-bill financing program as allowed by Illinois Public Act 96-0033.

Late Payment Charge – For payments not received by the Payment Due Date. 1.5% of the unpaid balance is applied to the next bill.

Payment Options and Plans

Credit Card and Electronic Check Payments – Call 1-866-295-0086. A transaction fee will apply.

e-Bill Paperless Billing & Payment – Receive and pay your bill online. Enroll at peoplesgasdelivery.com.

Budget Billing – Spreads your total annual bill more-or-less evenly over the year. Your monthly bill will adjust occasionally, depending on your usage and gas prices.

Automatic Payment – Deducts payments from a checking or savings account.

Credit Reporting – We report payments to credit bureaus. Bills more than 60 days past due and bills greater than \$100 and 31 days past due may adversely affect your credit rating.

Financial Assistance

Share the Warmth – Provides matching heating assistance grants to eligible customers. Call CEDA at 1-800-571-2332.

Low Income Home Energy Assistance Program (LIHEAP) – Provides heating assistance grants to eligible customers. Call CEDA at 1-800-571-2332.

Safety Warnings

Visit peoplesgasdelivery.com for more safety information.

Flex Connectors – Replace uncoated brass flexible connectors with newer stainless steel or plastic coated brass connectors to prevent possible fire, explosion and death.

Carbon Monoxide (CO) – Install a CO detector and change the batteries two times per year.

Call Before You Dig – Striking underground natural gas lines can cause gas leaks, fires and explosions. Call DIGGER at 1-312-744-7000 48 hours before you dig to have lines marked.

Definición de términos

Clasificación de los servicios

Tarifa 1, Servicio para pequeñas residencias – Disponible para clientes residenciales que reciben el servicio a través de un único medidor para una o dos unidades de vivienda.

Tarifa 2, Servicio general – Disponible para clientes residenciales, comerciales e industriales que consumen un promedio de 41,000 terms por mes o menos.

Uso

Tipos de lecturas de los medidores

Real – Lectura que registra la compañía.

Cliente – Lectura que registra el cliente.

Estimada – Lectura estimada que realiza la compañía conforme al clima y a patrones de uso previos.

Factor de corrección de presión – Factor que se utiliza para calcular la cantidad de gas cuando se proporciona a una presión superior a la normal.

Factor de BTU (unidad térmica británica) – Factor que se utiliza para convertir volúmenes de gas medidos en el valor térmico del gas.

Termins – A los propósitos de facturación, el volumen de gas consumido multiplicado por el factor BTU.

Cargos

Cargo de suministro – Está compuesto por el cargo al cliente, los cargos de distribución volumétrica y el cargo de almacenamiento. Estos cargos cubren los costos del suministro de gas a los clientes.

Cargo al cliente – Un cargo mensual fijo que paga algunos de los costos fijos por brindar servicio al cliente. Este cargo incluye cargos del estado de Illinois que financian la asistencia de energía y los subsidios y ajustes de energía renovable permitidos por la Ley Pública de Illinois 96-0033.

Cargo del gas – Un cargo que se utiliza para pagar el costo de los suministros de gas adquiridos para los clientes.

Programa de ahorro de gas natural – Un cargo que paga los costos relacionados con la eficiencia energética y los programas de financiamiento en la factura según lo permite la Ley Pública de Illinois 96-0033.

Cargo medioambiental – Un cargo que se utiliza para pagar la limpieza de operaciones anteriores de gas fabricado.

Ajuste por volumen – Un cargo o crédito que estabiliza el ingreso obtenido a través del cargo de distribución.

Cargo de servicio por almacenamiento – Cargo asignado a los clientes de ventas que se paga por los costos relacionados con la provisión de servicios de almacenamiento de tarifa básica.

Cargo bancario por almacenamiento – Cargo asignado a los clientes de transporte que se paga por los costos relacionados con la provisión de servicios de almacenamiento de tarifa básica.

Ajuste por gasto incobrable-UEA – Cargo para los clientes de ventas que se paga por el suministro de gas relacionado con gastos de cuentas incobrables.

Cargo por almacenamiento de gas – Un cargo calculado y asignado a los clientes de transporte para pagar los costos relacionados con el almacenamiento del gas.

Cargo del gas con crédito del centro – Un ajuste separado por termia para los clientes de transporte relacionado con los servicios de almacenamiento y transporte interestatales.

Impuestos

Impuesto municipal de Chicago – La Ciudad de Chicago lo impone sobre los cargos actuales antes de impuestos.

Impuesto por uso de gas de Chicago – La Ciudad de Chicago lo impone según las termias sobre el gas adquirido de un proveedor alternativo y no está sujeto al impuesto municipal de Chicago.

Impuesto estatal (impuesto bruto estatal de Illinois) – Impuesto obligatorio que exige el estado de Illinois para financiar la Comisión de Comercio de Illinois.

Impuesto estatal al gas – Impuesto obligatorio que exige el estado de Illinois, que puede ser el 5% de los cargos actuales antes de impuestos o 2.4 centavos por termia, lo que sea inferior.

Impuesto estatal por uso de gas – El estado de Illinois lo impone según las termias sobre el gas adquirido de un proveedor alternativo y no está sujeto al impuesto estatal al gas.

Otros cargos

Cargo por activación del servicio – Cargo por inicio del servicio.

Cargo por reconexión – Cargo que se cobra para reconectar el servicio de gas cuando se ha interrumpido el suministro.

Préstamo para el uso eficiente de la energía – Para los pagos de préstamos de terceros relacionados con el programa de financiamiento en la factura según lo permite la Ley Pública de Illinois 96-0033.

Cargo por pago retrasado – Para pagos que no se reciben antes de la fecha de vencimiento del pago. El 1.5% del saldo adeudado se aplica a la próxima factura.

Opciones y planes de pago

Pagos con tarjeta de crédito y cheques electrónicos – Llame al 1-866-295-0086. Se aplicará un cargo por transacción.

Facturación y pago electrónicos sin facturas impresas – La factura se recibe y se paga en línea. Inscríbase en peoplesgasdelivery.com.

Facturación presupuestada – Distribuye su facturación total anual de una manera más o menos uniforme durante el año. Su factura mensual se ajustará de manera ocasional, según el uso y los precios del gas.

Pago automático – Los pagos se deducen de una cuenta de cheques o de ahorro.

Informe de crédito – Informamos los pagos a las agencias de crédito. Las facturas con un atraso superior a los 60 días y aquellas por un valor superior a \$100 y con atrasos de 31 días pueden afectar negativamente su calificación de crédito.

Asistencia financiera

Comparta el calor (Share the Warmth) – Ofrece subsidios de asistencia para calefacción para clientes elegibles. Llame a CEDA al 1-800-571-2332.

Programa de Asistencia de Energía para Hogares con Bajos Ingresos (Low Income Home Energy Assistance Program, LIHEAP) – Ofrece subsidios de asistencia para la calefacción para clientes elegibles. Llame a CEDA al 1-800-571-2332.

Advertencias de seguridad

Visite peoplesgasdelivery.com para obtener más información sobre seguridad.

Conectores flexibles – Reemplace los conectores flexibles de bronce sin protección por nuevos conectores de acero inoxidable o de bronce con revestimiento de plástico, a fin de evitar posibles incendios, explosiones e incluso la muerte.

Monóxido de carbono (CO) – Instale un detector de CO y cambie las baterías dos veces al año.

Llame antes de excavar – Golpear líneas de gas natural subterráneas puede ocasionar fugas de gas, incendios y explosiones. Llame a DIGGER al 1-312-744-7000 48 horas antes de excavar para que marquen las líneas.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 2 of 3

Rider SSC

Storage Service Charge

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

Section A – Determination of Charges – continued

SC = Total on and off-system storage capacity that is estimated to be available for service to sales and transportation customers for the 12-month period beginning the May 1 prior to the Annual Recovery Period.

* The initial Storage Banking Charge shall be 0.540 cents per therm. The Storage Banking Charge to be effective each June 1 thereafter, shall be determined as described under this Section A(2).

(3) **The Storage Service Charge** shall consist of a Storage Service Charge and a Reconciliation Adjustment which shall be summed together for billing purposes. The Storage Service Charge shall recover the cost of the Company's investment in production and storage and be determined as follows:

$$\text{Storage Service Charge} = ((\text{SRR} - \text{SBCR}) / \text{T}) \times 100 + \text{RA}$$

Where:

SRR = The storage classified revenue requirement in the Company's embedded cost of service study for rates approved in the Company's most recent rate proceeding.

SBCR = The estimated revenues arising from the Storage Banking Charge for the Annual Recovery Period based upon the amount of storage allocated and subscribed by transportation customers as of the most recent May 1 prior to the Annual Recovery Period.

T = The therms estimated to be delivered to sales customers during the Annual Recovery Period.

RA = The amount due the Company (+RA) or due the customers (-RA) as a result of any under or over-collection of amounts under this rider during the previous Annual Recovery Period. The RA shall be determined in accordance with the provisions of Section (A)4 of this rider.

* The initial Storage Service Charge shall be 4.060 cents per therm. The Storage Service Charge to be effective each June 1 thereafter, shall be determined as described under this Section A(3).

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 1 of 13

Rider UEA

Uncollectible Expense Adjustment

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

Section A – Applicability and Purpose

The adjustments developed pursuant to this rider are applicable to customers taking service from the Company under Service Classification Nos. 1, 2, 4 and 8.

The purpose of this rider is to provide for monthly adjustments to customer bills for any over- or under-recoveries of the Company's actual Uncollectible Accounts Expense amounts or the Actual Net Write-Off amount for a reporting year. Such adjustments are based on the incremental difference between actual Uncollectible Accounts Expense or the Actual Net Write-Off amount and the Commission-approved Uncollectible Accounts Expense amounts included in the Company's base rates, adjusted for any amounts billed under Rider UEA-GC. This rider operates pursuant to Section 19-145 of the Public Utilities Act.

* **Section B – Description of Incremental Uncollectible Adjustments**

Adjustment amounts are determined pursuant to this rider for delivery service provided under Service Classification Nos. 1, 2, 4 and 8, and Riders 1, 11, EEP, EOA, VBA and SSC; gas supply service provided under Rider 2; and for transportation service provided under Riders CFY, FST, SST, SST-T, AGG, P and P-T. The adjustment amounts for each service type (delivery service, gas supply service, and transportation service) shall be designated as the IDUA, ISUA, and ITUA, respectively, and shall be computed separately for each service classification (C). For adjustments to be effective June 1, 2013 and thereafter, there shall be no adjustment amounts determined for the ITUA and any Reconciliation Adjustment amounts pertaining to the ITUA shall be included in the IDUA.

The adjustments determined under this rider shall be included in the monthly customer charge. The adjustment applicable to sales customers shall be the sum of the IDUA and the ISUA. For adjustments effective prior to June 1, 2013, the adjustment applicable to transportation customers shall be the sum of the IDUA and the ITUA. Effective June 1, 2013, the adjustment applicable to transportation customers shall be the IDUA. If there is an insufficient number of sales or transportation customers in any service classification, the Company may group all customers together under a single service type for the purposes of determining an adjustment.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider UEA

Uncollectible Expense Adjustment

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

* **Section B - Description of Incremental Uncollectible Adjustments - continued**

For the 2009 reporting year, and for subsequent reporting years, the adjustment amounts shall charge or credit customers for the difference between the actual Uncollectible Accounts Expense amounts for Account 904 or the Actual Net Write-Off Amount, as reported in the Company's Form 21 report to the Illinois Commerce Commission (Form 21) for the reporting year, and the Uncollectible Accounts Expense amounts included in the Company's base rates, and amounts billed under Rider UEA-GC of this rate schedule, that were in effect for such reporting year. Prior to the 2013 reporting year, the actual Uncollectible Accounts Expense amount for purposes of this rider shall be the amount recorded in Account 904. For the 2013 reporting year and thereafter, the actual Uncollectible Accounts Expense amount for purposes of this rider shall be the Actual Net Write-Off amount for the reporting year. The adjustment shall be applied to the applicable tariff customer charge component during the following twelve-month effective period, beginning June 1 (June 1, 2010 for the 2009 reporting year) and extending through May 31.

The delivery services uncollectible adjustment (IDUA) amount shall be applied to the applicable customer charge component on the monthly bill. The supply services uncollectible adjustment (ISUA) amount shall be applied to the applicable customer charge component for those customers also being billed for the Company's purchased gas supply charges under Rider 2. The transportation uncollectible adjustment (ITUA) amount shall be applied to the applicable customer charge component for those customers also being billed for the Company's transportation programs under Rider CFY, FST, SST or SST-T or being supported by services provided under Rider AGG, P or P-T. Effective June 1, 2013 and thereafter, there shall be no adjustment amounts determined for the ITUA.

The "Uncollectible Accounts Expense amounts included in the Company's base rates" shall be:

1. For the period January 1, 2008, through February 13, 2008: \$26,602,000;
2. For the period February 14, 2008, through January 27, 2010: \$39,302,000;
3. For the period January 28, 2010, through January 20, 2012: \$29,916,000;
4. For the period January 21, 2012, until the date rates filed July 31, 2012 become effective: \$13,941,291, which excludes any amounts recoverable under Rider UEA-GC; and
5. For the period that rates filed July 31, 2012, become effective until the rates filed in a subsequent rate case become effective: \$20,595,000, which excludes any amounts recoverable under Rider UEA-GC.

Effective January 21, 2012, the Uncollectible Accounts Expense amount for gas supply service shall be recovered under Rider UEA-GC of this rate schedule.

Section C - Determination of Allocation Factors

Unless determined otherwise in the Company's base rates, allocation factors shall be used to allocate the Uncollectible Accounts Expense amounts reflected in the Company's base rates and the actual Account 904 Uncollectible Accounts Expense amounts or Actual Net Write-Off amounts, as applicable, reported in the Company's Form 21, for each service classification and for each service type. The allocation factors and their determinations are described below.

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The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 1 of 1

Rider UEA - GC

Uncollectible Expense Adjustment – Gas Costs

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

Section A – Applicability and Purpose

This rider is applicable to sales customers taking service from the Company under Service Classification Nos. 1, 2, 4 and 8. The Uncollectible Expense Adjustment – Gas Costs allows the Company to recover uncollectible gas cost expenses 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, SST or SST-T.

*

Section B – Charge

Uncollectible Expense Adjustment - Gas Costs

The Uncollectible Expense Adjustment – Gas Costs 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. The Uncollectible Factors are based on the Commission-approved Uncollectible Accounts Expense amounts and allocations for each applicable Service Classification in the Company's most recent rate case proceeding.

Uncollectible Factor

S. C. No. 1, Small Residential Service Non-Heating	.0461
S. C. No. 1, Small Residential Service Heating	.0372
S. C. No. 2, General Service	.0139
S. C. No. 4, Large Volume Demand Service	.0001

Section C – Terms and Conditions

Subject to Terms and Conditions of Service and Riders to Schedule of Gas Rates which are applicable to this rider. Amounts billed under this rider shall represent the Gas Supply Related Uncollectible Costs (SUR) for the applicable reporting period under Rider UEA.

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