

**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

DRAFT

Ill.C.C. No. 16 - Gas
1st Revised Sheet No. 39.5
(Canceling Original Sheet
No. 39.5 effective February 22,
2001)

Terms and Conditions

(Continued from Sheet No. 39)

If a Customer does not make payment by the installment due date, unless the Customer has a credit balance, the installment will be considered past due. A Customer shall be removed from the program when two installments are past due. A Customer can be reinstated on the budget plan after all past due installments are paid. One reinstatement is permitted during the twelve-month budget plan period.

During the twelve-month budget period, when there is a budget plan balance, which reflects payments greater than actual bills, the Company will apply a credit to the variance. Such credit shall be based on the average daily credit balance, at an annual rate equal to that earned on 13-week Treasury Bills as reported by The Wall Street Journal, "Money Rates" table. Such rate shall be determined for each calendar quarter by averaging the daily reported 13-week Treasury Bill rate for the period beginning on the first working day of the previous quarter and ending five working days before the end of that quarter. Such average rate shall become effective as of the first day of each calendar quarter (i.e., January 1, April 1, July 1 and October 1). In the event such rate and/or publication becomes unavailable, a comparable rate and/or publication shall be substituted. Upon request from the Customer, part or all of any credit balance will be refunded to the Customer.

- If the Customer incurs a debit balance during the budget plan period, a fee equal to the annual credit rate will be charged based on the Customer's monthly account balance shortfall.

The furnishing by the Company of any estimate shall not be construed by the Customer as a guarantee or assurance that total actual charges will not exceed the estimates. Whenever, in the Company's judgement, it is deemed advisable to revise the estimate of the aggregate amount of any Customer's bills for the budget period, the Company shall prepare such revised estimate and advise the Customer of the amount thereof. The Company will review the budget payment amount on a quarterly basis and may revise the payment amount if it varies by \$6.00 or more from the budget payment amount in effect at the time of the review. Thereafter, the revised estimate shall be used by the Company as the basis for budget payments by the Customer until such time as it may be deemed advisable to revise the estimate.

Said estimates, or any revision thereof, shall apply only to the premises then occupied by the Customer, and if the Customer vacates such premises, the plan with respect to said Customer shall immediately terminate and any amounts payable by or due to the Customer on account of service rendered during the period covered by the plan shall be billed or paid to the Customer.

(Continued on Sheet No. 40)