

The Peoples Gas Light and Coke Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider IT

Interruptible Transportation Service

Interruptible transportation service under this rider is available to any shipper who:

- (1) is an end user transportation customer of Northern Illinois Gas Company, a marketer serving such a customer or market, or Northern Illinois Gas Company; and
- (2) executes a written contract with the Company for service under this rider.

Section A - Definitions

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

Delivery Point shall mean the point of interconnection between the facilities of Company and the facilities of Northern Illinois Gas Company at a point near Northern Illinois Gas Company's Skokie Station.

Maximum Daily Quantity (MDQ) shall mean the agreed-to quantity, in therms, that shall be stated in the contract. The MDQ represents the maximum quantity of gas that the Company may transport on the shipper's behalf on any Gas Day. The shipper's MDQ shall remain in effect during the term, unless revised by both parties via written amendment.

Receipt Point shall mean any point of interconnection between the Company's facilities and the facilities of the Transporter and shall be the point at which the shipper delivers gas to the Company.

Transporter shall mean the interstate pipeline that transports gas on behalf of the shipper to the Receipt Point.

Transporter's Tariff shall mean Transporter's FERC Gas Tariff on file and in effect, as revised from time to time, with the Federal Energy Regulatory Commission, or any successor to that agency.

Unaccounted for Gas shall mean the quantity of shipper-owned gas retained by the Company at the time of delivery to the Receipt Point, representing the shipper's proportionate share of unaccounted for gas. Such quantity shall equal the number of therms delivered by the shipper to the Company's system under this rider multiplied by the effective Factor U, as defined in the Terms and Conditions of Service of this rate schedule.

Section B - Valid Request for Service

A request for service under this rider shall be valid if it specifies: (i) the shipper's name; (ii) whether the shipper is an end user transportation customer of Northern Illinois Gas Company, a marketer serving such a customer or market, or Northern Illinois Gas Company; (iii) proposed Maximum Daily Quantity; and (iv) that the gas will ultimately be consumed in Illinois.

Date Issued: FEBRUARY 8, 2008

Date Effective: FEBRUARY 14, 2008

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

Filed Pursuant to Order of Illinois Commerce Commission
Entered February 5, 2008 in Docket No. 07-0242

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Section B - Valid Request for Service - continued

A request for service shall not be valid and the Company shall not be required to grant any such request for service if: (i) the Company determines, based on its credit analysis, that the shipper does not possess sufficient financial stability to make it reasonably likely that the service provided under this rider will be paid for on a timely basis; (ii) the service requested would not comply with this rider; or (iii) the service requested is at less than the applicable maximum rate; provided, however, that the Company may agree to provide service under this rider at less than the applicable maximum rate.

The Company shall tender a contract for service under this rider upon its acceptance of the shipper's request for service. A shipper's request for service shall be invalid if it fails to execute the contract within 10 days of tendering.

Section C - Rates

The rate for service under this rider shall consist of a Transportation Charge per therm.

Transportation Charge

The monthly Transportation Charge shall be a per therm amount that is negotiated by the Company and the shipper. The Company shall have no obligation to agree to provide service under this rider at less than the applicable maximum rate. The Transportation Charge shall be stated in the contract hereunder and shall remain in effect during the term, unless revised by both parties via written amendment. The Transportation Charge shall not exceed a maximum rate of the lesser of: (i) \$.007 per therm, or (ii) the amount per therm that the Company is charging an affiliated interest (as that term is defined in Section 7-101(2) of the Public Utilities Act) for firm or interruptible transportation to the Delivery Point, nor be less than a minimum rate of \$.0025 per therm of gas delivered to the Delivery Point.

Late Payment Charge

A charge for late payment shall be determined under the Late Payment Charge provision in the Terms and Conditions of Service of this rate schedule.

Reimbursement for Taxes

In addition to the charges under Rider 1, the shipper shall reimburse the Company for any and all taxes which the Company shall be required to pay or obligated to collect from the shipper for service hereunder. Any such taxes and costs that the Company is authorized by law to recover shall be billed to the shipper on a monthly basis.

Section D - Character of Service

The Company shall provide service under this rider on an interruptible basis. The Company shall schedule nominated and confirmed service under this rider to the extent capacity is available after taking into account nomination rights (including short notice nomination rights) and scheduling of firm services.

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Section D - Character of Service - continued

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

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

Section E - Deliveries to and by the Company and Imbalances

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

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

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

Section F - Scheduling

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

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

Date Issued: JANUARY 25, 2010
Asterisk (*) indicates change.

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Section G - Contract with the Shipper

The initial term of the contract shall be for a period of one year and shall automatically renew annually thereafter. The Company or the shipper shall have the right to terminate service under the contract at the end of any contract year on 30 days written notice.

The contract between the Company and the shipper shall include:

- (1) the Transportation Charge per therm;
- (2) the MDQ;
- (3) the procedures by which the shipper shall nominate daily delivery quantities of shipper-owned gas to the Company;
- (4) statement from the shipper that all gas transported under this rider shall be consumed in Illinois; and
- (5) except if the shipper is Northern Illinois Gas Company, statement from the shipper that it is an end user transportation customer of Northern Illinois Gas Company or a marketer serving one or more such customers.

Section H - Terms and Conditions of Service

Service will be provided hereunder whenever and to the extent that shipper-owned gas has been nominated, scheduled and delivered to the Receipt Point in accordance with this rider and the contract hereunder.

The shipper shall be responsible for delivery expenses of its gas to the Receipt Point and shall ensure deliveries are in accordance with this rider and the contract hereunder. The shipper shall make all necessary arrangements with other parties (i) at and upstream of the Receipt Point, and (ii) at and downstream of the Delivery Point. Such arrangements must be consistent with this rider and be coordinated with the Company.

The shipper shall arrange with the Transporter, Northern Illinois Gas Company and the shipper's marketer, if applicable, to provide the Company with the daily delivery data for all shipper-owned gas delivered to the Receipt Point.

The shipper shall make gas available to the Company as nearly as practicable at uniform hourly rates of flow.

Shipper-owned gas delivered to the Receipt Point shall meet the minimum quality specifications contained in Transporter's Tariff. The Company shall not be obligated to accept delivery of shipper-owned gas that does not meet such quality specifications.

Any measurement required to determine deliveries to the Company of shipper-owned gas at each Receipt Point shall be done by Transporter in accordance with the terms of Transporter's Tariff and metering practices applicable to deliveries to the Company.

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Date Effective:

FEBRUARY 14, 2008

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

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Section H - Terms and Conditions of Service – continued

Shipper shall hold title to gas delivered under this rider at all times. As between the shipper and the Company, the Company shall be deemed to be in control and possession of the gas deliverable to the shipper after its receipt by the Company at the Receipt Point until its delivery to the shipper at the Delivery Point; the shipper shall be deemed to be in control and possession of such gas at all times at and prior to delivery to the Receipt Point and at and after delivery to the Delivery Point.

If the shipper shall fail to comply with or perform any of the conditions or obligations hereunder, the Company may: (i) after verbal and subsequent written notice within 2 business days, suspend receipt of shipper-owned gas at the Receipt Point until the shipper cures such failure; or (ii) terminate service under this rider 10 days after providing written notice, unless the shipper cures such failure during this ten-day period. The Company may request that the shipper provide adequate future performance assurances as part of any such cure. The suspension or termination of service for any cause shall not release the shipper from the obligation to make payment of any amounts due or to become due (including, but not limited to, resolution of imbalance quantities through cash-out) in accordance with this rider and the contract between the Company and the shipper.

In no event shall the Company be required to take any action, engage in any activity or provide any service that would cause the Company to become subject to the jurisdiction of the Federal Energy Regulatory Commission or to lose its exemption to Federal Energy Regulatory Commission jurisdiction pursuant to Section 1(b) or 1(c) of the Natural Gas Act (15 U.S.C. 717 (b), 717(c)).

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

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