

The Peoples Gas Light and Coke Company

SCHEDULE OF RATES FOR GAS SERVICE

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Service Classification No. 7

Contract Service to Prevent Bypass

This rate is available to any customer for whom bypass of the Company's gas distribution system is, in the judgment of the Company, economically feasible and practical.

Contract

The customer shall enter into a written contract with the Company specifying the nature of the service to be supplied, the prices to be paid, and such other terms and conditions of service as are mutually agreeable. The customer will provide to the Company an affidavit stating the customer's intent to bypass the Company's facilities absent service hereunder, and provide evidence required by the Company to verify the investment required on the customer's part in order to accomplish the intended bypass.

The contract entered into between the Company and the customer hereunder shall be submitted to the Illinois Commerce Commission for informational purposes as provided by 83 Illinois Administrative Code Part 335. Such contract shall be treated on a confidential and proprietary basis.

The maximum term of contract under this service classification shall be ten years.

Charges

The charges for service hereunder shall be the charges contained in the contract between the Company and the customer.

Date Issued: FEBRUARY 8, 2008

Date Effective: FEBRUARY 14, 2008

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

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