

North Shore Gas Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider GCA

Governmental Agency Compensation Adjustment

Applicable to Service Classification Nos. 1, 2, and 3

The purpose of this rider is to recover fees and costs the Company incurs as a result of requirements that a local governmental unit imposes on the Company solely from those customers taking service from the Company within the boundaries of each local governmental unit imposing such costs.

Except as otherwise provided in this rider, if a local governmental unit enacts an ordinance or otherwise utilizes its constitutional or statutory powers to compel the Company, directly or indirectly, to:

- (a) provide a service in addition to, different from, or instead of a service that would otherwise be required,
- (b) install facilities in a manner different from what would otherwise be required,
- (c) install facilities that are in addition to, different from or instead of those facilities that would otherwise be required,
- (d) remove existing facilities and replace them with facilities different from those facilities that would otherwise be required,
- (e) modify facilities which the Company would otherwise not be required to modify, or modify facilities in a manner different than what would otherwise be required,
- (f) maintain its facilities in a manner that imposes additional requirements on, or is different from the manner that would otherwise be required,
- (g) pay fees or charges other than those included in franchise agreements,

the Company shall charge the costs of complying with such requirements to the Company's customers within the boundaries of such local governmental unit on a per customer basis.

Date Issued: JANUARY 25, 2010

Date Effective: JANUARY 28, 2010

Asterisks not needed replacing sheet in its entirety.

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

Filed Pursuant to Order of Illinois Commerce Commission
Entered January 21, 2010 in Docket No. 09-0166

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Rider GCA

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Applicable to Service Classification Nos. 1, 2, and 3

For the purposes of this rider, the Company is required to provide a service, or install, remove, replace, modify, or maintain facilities in a particular manner only if it is obligated to do so under a state or federal statute, a state or federal regulation, this rate schedule, or such other document as the Company files with the Illinois Commerce Commission to set forth the general conditions under which gas service will be supplied and/or delivered.

For purposes of this rider, a "local governmental unit" means any county, municipality, township, special district, or unit designated as a unit of local government by law.

On or before December 20 each year, the Company shall file with the Commission an information sheet specifying the Governmental Agency Compensation Adjustment ("GCA") charges to be effective for service rendered during the following calendar year. If the Company determines during the Annual Recovery Period that it is appropriate to revise a GCA charge to better match revenues recovered under this rider with actual costs incurred, the Company may, from time to time, calculate a revised GCA charge to become effective as of the beginning of any calendar month during the Annual Recovery Period. An Annual Recovery Period is any calendar year.

After the end of each calendar year, the Company shall reconcile the Company's actual costs incurred with the amount recovered under this rider for each local governmental unit. The Company shall file with the Commission, no later than April 1, an information sheet reflecting adjustments to GCA charges necessary to compensate for any reconciliation amounts over the remainder of the calendar year. Any amounts resulting in a rounded adjustment of less than \$0.01 shall be carried forward.

The additional charge currently applicable in each local governmental unit is shown on the Information Sheet Supplemental to this Rider.

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