

North Shore Gas Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider PIPP-T

Percentage of Income Payment Program - Transition Service

Applicable to Service Classification No. 1

Section A – Availability

- * The Transitional Percentage of Income Payment Program (PIPP) shall be available for a period beginning on December 7, 2009, and ending August 28, 2011, or such later date as determined by DCEO. The Company will determine the number of participants based on available funding, as determined under Section G of this rider. PIPP participants must be: (1) heating customers served under Service Classification No. 1 who: (a) are eligible for LIHEAP funding, as verified by a local administering agency; and (b) meet the criteria described in Section C of this rider.

Section B – Definitions

As used in this rider, the terms below are defined as follows:

Arrearage Forgiveness Amount shall mean an amount equal to 1/12 of the participant's Pre-PIPP Arrearage Balance.

Current shall mean that the participant has no outstanding Required PIPP Payments due the Company.

DCEO shall mean the Department of Commerce and Economic Opportunity or any successor to that agency.

Default shall mean that a participant has a Required PIPP Payment that is more than sixty-two (62) days past due.

Fixed PIPP Bill Amount shall mean, beginning September 1, 2010, the Company's forecast fixed bill payment amount that shall be in effect for the Program Year. Such Fixed PIPP Bill Amount pertains only to this rider and is not determined pursuant to or subject to Rider 3 of this rate schedule.

Monthly PIPP Grant shall mean, for the period ending August 31, 2010, an amount that the Company applies to the participant's bill for amounts due and owing for utility service in excess of the Required PIPP Payment, not to exceed \$150 per month or \$1,800 per Program Year. For the period beginning September 1, 2010, the Monthly PIPP Grant shall mean the amount determined by the local administering agency and submitted to the Company, not to exceed \$100 per month or \$1,200 per Program Year.

Pre-PIPP Arrearage Balance shall mean all outstanding balances on the participant's account at the time the customer applies for service under this rider plus amounts determined under Section D of this rider.

- * **Program Year** shall be the period beginning September 1 and ending August 31 of the following year, except for the last Program Year. The first Program Year will be the period beginning December 7, 2009, and ending August 31, 2010.

Required PIPP Payment shall mean the amount that the PIPP participant is required to pay for utility service each month.

Date Issued: July 14, 2011

Date Effective: August 28, 2011

Asterisk (*) indicates change.

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

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Section C - Customer Qualifications

Any eligible customer may apply for service under this rider. A PIPP participant must:

1. Meet the criteria defined in Section A of this rider;
2. Have an active account at the time the customer applies for service under this rider;
3. Have no history of theft or tampering with a Company meter or service line;
4. Not be currently enrolled in bill payment services such as E-billing or Bank Draft, not currently purchasing non-utility services that are billed on the Company's bill, and not receiving service under Rider CFY of this rate schedule.

Section D - Required PIPP Payment

- * For the period ending August 31, 2010, the Required PIPP Payment will be \$10 per month and will be due on the date specified on the participant's bill. Upon receipt of the Required PIPP Payment, the Company will post the Monthly PIPP Grant to cover the remainder of the customer's current bill, provided that the sum of the Monthly PIPP Grants shall not exceed \$150 per month or \$1,800 per Program Year. The participant is responsible for all amounts due and owing for utility service in excess of the Monthly PIPP Grant and any excess charges will accrue as Pre-PIPP Arrearage Balance for the following Program Year.
- * For the period beginning September 1, 2010, the Required PIPP Payment will be the difference between the Fixed PIPP Bill Amount and the Monthly PIPP Grant and will be due on the date specified on the participant's bill. Upon receipt of the Required PIPP Payment, the Company will post the Monthly PIPP Grant amount to cover the remainder of the customer's current bill, provided that the sum of the Monthly PIPP Grants shall not exceed \$100 per month or \$1,200 per Program Year. The participant is responsible for all amounts due and owing for utility service in excess of the sum of the Required PIPP Payment and the Monthly PIPP Grant and any excess charges will accrue as Pre-PIPP Arrearage Balance for the following Program Year.

Section E - Arrearage Forgiveness Amount

The Company will credit an Arrearage Forgiveness Amount up to \$83.33 per month or \$1,000 per Program Year to the participant's account for each month that the Company receives the Required PIPP Payment, in full, on or before the payment due date.

Date Issued: July 16, 2010

Date Effective: September 1, 2010

Asterisk (*) indicates change.

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

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Section F - Terms of Service

Except as otherwise provided in this rider, Rider PIPP-T is subject to Terms and Conditions of Service and Riders to Schedule of Rates for Gas Service, which are applicable to this rider.

Exemption From Collection Actions

Customers who remain Current will be exempt from the actions and conditions listed under Section F – Default.

Termination of Participation

In all cases of Termination of Participation due to Default, Voluntary Withdrawal, or Termination of Service at the premises at which the participant is receiving service, previously forgiven Arrearage Forgiveness Amounts and monies paid to the participant's actual bill shall remain paid. The remaining portion of the Pre-PIPP Arrearage Balance, as well as all other outstanding balances, are due immediately upon termination from service under this rider.

Default

* The following will apply to all participants who Default or whose status changes prohibit them from receiving service under this rider (1) all account balances owed the Company are due immediately, including a deposit, as applicable under 83 Illinois Administrative Code Part 280; (2) Late Payment Charges begin accruing; (3) written notice of the Company's intention to terminate service will be sent; and (4) collection activities and credit reporting will begin or resume.

Voluntary Withdrawal

A participant may withdraw from service under this rider at any time. The following will apply to participants requesting to withdraw from the program: (1) all account balances owed the Company are due immediately; (2) if the participant's account is Current, the participant may enter into a standard Deferred Payment Agreement; and (3) if the participant's account is Current, no deposit will be requested. The Company reserves the right to request a deposit in the future.

Termination of Service

A participant who requests that service be terminated at the premises where the participant is receiving service under this rider must withdraw from service under this rider, unless the service termination is in conjunction with a Transfer of Service. The following will apply to participants requesting termination of service, unless the service termination is in conjunction with a Transfer of Service: (1) all account balances owed the Company are due immediately; (2) if the participant's account is Current, the participant may enter into a standard Deferred Payment Agreement; and (3) if the participant's account is Current, no deposit will be requested. The Company reserves the right to request a deposit in the future

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Section F - Terms of Service (continued)

Transfer of Service

A participant who requests that service be terminated at the premises where the participant is currently receiving service and concurrently requests service at a new premises may continue to receive service under this rider at the new premises.

Late Payment Charges

Late Payment Charges shall not be applicable to participants while the customer is receiving service under this rider.

Section G - Funding

- * The Company shall limit the number of participants receiving service under this rider based on available funding, as determined under Section 8-105 of the Public Utilities Act. The amount of such funding shall be limited to the incremental change in the Energy Assistance Charge authorized by Public Act 96-0033 and any additional funds that may be available under Section 13 of the Energy Assistance Act (305 ILCS 20/13) for the programs described in Section 8-105 of the Public Utilities Act. The Company, pursuant to Section 8-105 of the Public Utilities Act, shall either net from amounts that it would otherwise be required to remit to the Supplemental Low-Income Energy Assistance Fund established in Section 13 of the Energy Assistance Act, or submit a bill to the DCEO for, all amounts it is allowed to recover under Section 8-105 of the Public Utilities Act, including the cost to administer the program and amount of all benefits, particularly the Monthly PIPP Grant and Arrearage Forgiveness Amount, provided under this rider.

Section H - Company Reporting

- * On or before 45 days after the end of each calendar quarter, the Company shall submit to the Commission, with copies to the Manager of Accounting, a report showing, for the quarter, information requested by the Commission or its Manager of Accounting, including the number of participants taking service under this rider and the total amount of funds netted from amounts otherwise required to be remitted to the Supplemental Low-Income Energy Assistance Fund established in Section 13 of the Energy Assistance Act or billed to the DCEO. Each month, the Company shall submit a report to the DCEO and to the Company's partnering local administering agencies detailing the PIPP participants and their Monthly PIPP Grant amounts.

Date Issued: July 16, 2010

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