

North Shore Gas Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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Rider 8

Heating Value of Gas Supplied

*** Applicable to All Service Classifications and Riders 9, FST, SST, P, CFY and AGG**

The therms for which the Company bills a customer shall be determined by multiplying the meter reading difference, registered by the meter or meters located on such customer's premises, by the Btu adjustment factor calculated hereunder. The term "meter reading difference" shall mean the volume of gas delivered by the Company to a customer, computed in accordance with the provisions of this rate schedule and expressed in hundreds of cubic feet of gas. The term "gas purchased, produced or transported" as used in this rider shall mean all natural gas, substitute natural gas, liquefied petroleum gases and other hydrocarbons which are purchased, produced or received by the Company and delivered to the Company's distribution system for delivery to customers.

The Btu adjustment factor shall be calculated by dividing (a) the quotient, rounded to the nearest whole Btu per cubic foot, of (i) the aggregate Btu heating value of gas purchased, produced or transported during the twelve months preceding the month of determination, divided by (ii) the aggregate number of cubic feet of gas purchased, produced or transported during the same twelve-month period adjusted to 14.65 pounds per square inch absolute pressure at a temperature of sixty degrees Fahrenheit by (b) 1,000; the Btu adjustment factor so calculated shall represent the number of therms per hundred cubic feet of gas.

On or before the 25th day of each month, the Company shall submit to the Commission a statement specifying the Btu adjustment factor to become effective with meter readings taken on and after the first day of the following month, together with data in explanation thereof. Such Btu adjustment factor shall, unless otherwise ordered by the Commission, become effective with meter readings taken on and after the first day of the following month.

Date Issued: SEPTEMBER 24, 2013

Date Effective: NOVEMBER 8, 2013

Asterisk (*) indicates change.

**Issued by Dennis M. Derricks, Assistant Vice President
130 East Randolph Street, Chicago, Illinois 60601**