

North Shore Gas Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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**Rider 3
Budget Plan of Payment
Applicable to Service Classification Nos. 1 and 2**

A budget plan of payment shall be available to any residential or small business customer purchasing gas under Service Classification No. 1 or 2 that: (1) currently has no past due amounts or (2) if the customer has past due amounts, pays the entire past due amount. The Company shall estimate the aggregate amount of the customer's bills for gas service during a 12-month period to determine a monthly installment amount and shall advise the customer of the amount of the monthly installment to be paid during the budget period. If the customer elects to pay the installment amount in lieu of the amount otherwise due, the customer shall be deemed to have accepted the budget plan of payment, and the plan shall then become effective so long as the customer shall (1) pay each monthly installment on or before its due date, and (2) pay, on or before the due date of the last installment of the budget period, the amount of the excess of the actual charges for gas taken by the customer during the preceding budget period over the sum of the installments previously paid by the customer, if the excess is above a threshold amount determined by the Company. If the excess is less than the threshold amount then the excess will be carried over into the next budget year.

If the aggregate of the monthly installments paid by the customer for any such budget period exceeds the aggregate of the customer's actual charges during the same period, the amount of the excess shall be credited to the customer's account, or shall be refunded to the customer upon the customer's request.

* The Company's estimates are not a guaranty or assurance that the total actual charges will not exceed the estimates. The Company, may from time to time, revise the estimated amounts and revise the amount of the monthly installments. Unless the customer requests another time frame, the Company shall review each plan at least once between the 4th and 7th month of the term to determine if a revision is required. The Company shall advise the customer of the revised installment amount. Thereafter, the Company shall use said revised amount as the basis for budget payments by the customer until such time as it may again be deemed advisable to revise its estimate. Notwithstanding, if the customer budget plan shortfall or credit becomes so large, so as to necessitate a reconciliation, the Company shall provide the following alternatives depending on if a shortfall or a credit would occur for the customer's budget plan. If a large shortfall is present, the Company shall offer the customer the ability to pay off the shortfall or have the budget payment amount adjusted to accommodate the shortfall. If a large credit balance is present, the Company shall offer the option of a refund or adjust the budget payment amount to accommodate the credit balance.

Said estimates, or any revision thereof, shall apply only to the premises then occupied by the customer. If the customer vacates such premises, the plan with respect to said customer shall immediately terminate and any amounts payable by or due to the customer on account of service rendered during the period covered by the plan shall be billed to or paid to the customer.

If the customer notifies the Company that it will transfer service to a new premises while on the budget plan for its current premises, the customer has the option of cancelling its budget plan at its current premises or continuing a budget plan at the new premises. The Company will advise the customer of the budget plan amount for the new premises.

Date Issued: MARCH 17, 2016
Asterisk (*) indicates change.

Date Effective: MAY 1, 2016

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Interest on Credit Balances

The Company will pay interest on the average daily credit balance for the account of each customer under the plan at an annual rate equal to the rate in effect pursuant to 83 Illinois Administrative Code Part 280. In determining the average daily credit balance, a debit balance will be assigned a value of zero. The interest computation will be made for each account at the end of each billing cycle or upon the issuance of a final bill; interest so computed will be credited to the account and will be shown on the bill.

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**Issued by James Schubilske, Vice President – State Regulatory Affairs
200 East Randolph Street, Chicago, Illinois 60601**