

### Nicor Gas Commercial Rates and Transportation Service Options



# Natural Gas

— A Natural Choice

For a complete description of Nicor Gas' rates and service options, please refer to the Company's tariffs. In the event of inconsistency between this document and applicable Company tariffs, the Company tariffs will prevail.

The energy decisions you make are key to your business operations. Natural gas is the preferred choice of many businesses because it's clean-burning, reliable and an excellent value as compared to other energy options.

We recognize that your energy needs are unique and may change as your business changes and grows. That's why we have a variety of rate options that enable you to make choices that best meet your specific needs.

You may choose to be a "sales service" customer, whereby you purchase all of your natural gas supplies from Nicor Gas, or you may elect to become a "transportation service" customer. Transportation customers purchase gas supplies themselves, or use energy management services and brokers/marketers to purchase natural gas supplies for them. If these marketers can secure supplies at lower rates than our gas supply charge, a savings may be realized.

On the following pages, you will find information that will help you realize the most value for your energy dollar. We encourage you to review your options and periodically evaluate your energy needs. Detailed information regarding our Rates and Transportation Services can be found at [www.nicorgas.com/commercial](http://www.nicorgas.com/commercial).

For any terminology not explained herein, please refer to the **Glossary of Terms** on page 14.

## Transportation Service Options

### Traditional Transportation

Nicor Gas believes in offering its customers choice. Since the introduction of transportation service in the mid-1980s for commercial and industrial customers, more than 65,000 of these customers have decided to purchase natural gas supplies from a source other than Nicor Gas. As stated earlier, under these services, customers make gas purchases themselves or through energy management services or brokers/marketers.

Of these customers, approximately 15,000 are "traditional" transportation customers that can take advantage of additional options including:

- Use of our underground storage system
- Individual or group billing
- Varying backup levels and service options

### Customer Select®

In 1999, Nicor Gas became the first Illinois gas utility to offer a transportation option, Customer Select, to Rate 1 residential customers. Today, about 150,000 residential customers and 50,000 commercial customers participate in the Customer Select program

## Service Options

- whereby you choose a supplier from an approved list of participating marketers\*. In turn, the marketer purchases your natural gas supplies for you. The natural gas supplies provided by the marketers are distributed through the Nicor Gas pipeline delivery system.

Depending on the supplier you choose, you will find some offers that lock in your gas price and others that compete with Nicor Gas' monthly gas supply charge. By comparing offers and making the choice that's best for you, you may be able to save money on the cost of your natural gas.

For more information on Customer Select, visit our Web site at [www.nicorgas.com/commercial](http://www.nicorgas.com/commercial), and click on "Choosing Your Supplier."

*\* Marketers (suppliers) participating in the Customer Select program that serve residential and commercial customers using less than 5,000 therms annually are required to be certified by the Illinois Commerce Commission.*

## How We Determine Rate Classifications

Our rate classifications are based on the way customer groups use natural gas and the impact of their use on the operation and maintenance of our system. Factors that are considered include annual load (how much natural gas is used during the year) and load factor (how uniform the use is throughout the year). If your use remains fairly constant throughout the year, you have a high load factor. If your use rises and falls throughout the year, your load factor is low.

## Your Rate Options

### **Rate 4 – General Service**

Rate 4 is appropriate for commercial and industrial customers with annual use up to 800,000 therms. Rate 4 sales service customers purchase all natural gas supplies from Nicor Gas.

### **Rate 4 with Customer Select®**

Certain Rate 4 customers may find the Customer Select program to be advantageous. Through Customer Select, customers can select from a number of natural gas suppliers offering this service. Program participants continue to pay the Nicor Gas delivery charges because Nicor Gas continues to deliver their gas to them, but do not pay the Nicor Gas gas supply cost because their gas supplies are provided by a third party.

However, a portion of the Nicor Gas gas supply cost is used to provide this service. Therefore, Customer Select customers pay a Customer Select Charge (see Glossary of Terms - page 14) to recover this cost. Additionally, Customer Select customers receive a Transportation Service Credit (therms X \$.0102) for costs normally incurred by Nicor Gas sales service customers that are not incurred by Customer Select customers. Both items are per therm charges or credits applied to the monthly use of the customer. Finally, suppliers participating in Customer Select are assessed various charges from Nicor Gas, including an account charge of \$.59 per month, per account, which the supplier may or may not pass on to its customers.

### **Rate 4 with Rider 25\* – Firm Transportation Service**

The customer profile is the same as Rate 4 – General Service. However, these customers arrange for gas purchases from another source and contract with Nicor Gas for storage and 100 percent backup service. The customer also pays the Nicor Gas delivery charge, a portion of the gas supply charge (for providing the 100 percent backup service) and administrative charges.

*\*Rider 25 is a fully bundled service under which customers can transport their own supplies. A fixed storage capacity is assigned to each customer equivalent to 26 times their Maximum Daily Contract Quantity (MDCQ) through June 1, 2006 and 28 times their MDCQ after June 1, 2006. Each customer is fully backed up and any supplies required in excess of customer-owned gas will be provided by Nicor Gas at the Commodity Gas Cost. Customers that have more than one account in our service territory may form groups. Grouping allows consolidation of administrative activities such as nominating gas.*

### **Rate 74 – General Transportation Service**

The customer profile is the same as Rate 4 – General Service. However, these customers arrange for gas purchases from another source and contract with Nicor Gas for varying amounts of storage and firm backup options. Rate 74 is considered an “unbundled” rate because you can select your storage and backup levels.

### **Rate 5 – Seasonal Use Service**

Rate 5 is available to customers that use less than five percent of their annual gas consumption during the billing months ending January 1 through April 30. Examples of this type of customer would include a farm with grain dryers or an asphalt plant. These customers have the same storage and backup service options as those shown for Rate 4. Their usage is limited to 250,000 therms annually.

### **Rate 5 with Customer Select®**

The customer profile is the same as Rate 5 – Seasonal Use Service. However, certain Rate 5 customers may find the options offered by Customer Select to be advantageous. See “Rate 4 with Customer Select” for program details.

### **Rate 5 with Rider 25**

The customer profile is the same as Rate 5 – Seasonal Use Service. However, these customers arrange for gas purchases from another source and contract with Nicor Gas for storage and 100 percent backup service. Charges are similar to those explained in Rate 4 with Rider 25.

### **Rate 75 – Seasonal Use Transportation Service**

Rate 75 provides unbundled transportation service similar to Rate 74, but is intended for seasonal use customers (see Rate 5) that use less than five percent of their annual gas consumption from December through March and purchase their gas from another source.

## Rate Options

### **Rate 6 – Large General Service**

Rate 6 is economical for large commercial and industrial customers with annual loads greater than 800,000 therms. This rate has a minimum bill of \$3,500 excluding gas commodity costs. Customers purchase all natural gas supplies from Nicor Gas.

### **Rate 6 with Rider 25**

The customer profile is the same as Rate 6 - Large General Service. However, these customers arrange for gas purchases from another source and contract with Nicor Gas for storage and 100 percent backup service. Additional charges are similar to those explained in Rate 4 with Rider 25.

### **Rate 76 – Large General Transportation Service**

Rate 76 provides unbundled transportation service similar to Rate 74, but for Rate 6 profile customers. This rate has a minimum bill of \$2,550 excluding gas commodity costs.

### **Rate 7 – Large Volume Service**

Our largest customers with a **monthly** use greater than 400,000 therms find this rate most economical. Rate 7 has a minimum monthly bill of \$7,800, excluding gas commodity costs and is dependent on load factor because it has a demand charge based on the highest daily use in the month and a distribution charge for each metered therm. We can provide a detailed analysis that will determine whether Rate 6 or Rate 7 is more appropriate.

### **Rate 7 with Rider 25**

The customer profile is the same as Rate 7 – Large Volume Service. However, these customers arrange for purchases from another source and contract with Nicor Gas for storage and 100 percent backup service. Additional charges are similar to those explained in Rate 4 with Rider 25.

### **Rate 77 – Large Volume Transportation Service**

Rate 77 provides unbundled transportation service similar to Rate 74, but is intended for Rate 7 profile customers. This rate has a minimum bill of \$8,100 excluding gas commodity costs.

## **About Unbundled Services**

Greater savings may be realized by customers who choose to reduce their services under an unbundled transportation rate. However, there are risks that you assume by reducing your purchase of backup service (i.e., any amount less than 100%) and you need to understand a few important restrictions associated with that risk.

### **Critical Day**

Nicor Gas will declare a Critical Day when it is necessary to maintain the operational integrity of the company's system. A Critical Day can only occur between November 1 and April 30. On these days, your storage withdrawals will be limited (unless you have 100% backup service) and your use of company supplies will depend on your service selections.

### **Firm Backup Service (FBS)**

With this service, you can contract for an amount of company-supplied gas on a Critical Day in addition to 2.3 percent (1.7 percent effective June 1, 2006) of your SBS capacity, as defined below.

### **Operational Flow Order (OFO)**

Nicor Gas may declare an Operational Flow Order (OFO) shortage or surplus day depending on the actions of transportation customers. Similar to a Critical Day, an OFO would be issued if a portion of the company's delivery system becomes inadequate to provide service due to an over delivery of gas supplies or an under delivery of gas supplies. In these instances, Nicor Gas will request that transporters assist in rectifying the situation by voluntarily increasing or decreasing their deliveries to the system. If voluntary action does not solve the problem, the company will impose additional restrictions on transporters.

### **Storage Banking Service (SBS)**

Rate 74, 75, 76 and 77 customers can select their level of storage capacity. A selection of at least one MDCQ Day is required and a bank of 26 MDCQ Days is available to all customers through June 1, 2006 and 28 MDCQ Days after June 1, 2006. SBS customers will be allowed Critical Day withdrawal rights of 2.3 percent (1.7 percent effective June 1, 2006) of their SBS capacity.

### **Storage Withdrawal Factor**

Cycling gas in and out of our storage fields insures the continual efficient operation of the Nicor Gas storage system. Therefore, unbundled rate transportation customers have an incentive to fill to at least 90 percent of their selected storage capacity by November 1 of each year. If a transporter does not reach this goal, Nicor Gas will proportionally reduce the transporter's storage withdrawal rights on a Critical Day or OFO Shortage Day. In other words, customers will have less than 2.3 percent (1.7 percent effective June 1, 2006) of their storage capacity available on a Critical Day or OFO Shortage Day if they do not have 90 percent of their capacity filled by November 1.

### **Recording Devices**

Customers selecting unbundled transportation service will have their use and nominations balanced daily through the use of a recording device installed by the company. The recording device requires a telephone line which must be provided by the customer.

# About Our Gas Accounting Procedures

### Gas is accounted for in the following order:

1. Requested Authorized Use
2. Deliveries of customer-owned gas
3. Customer-owned gas withdrawn from storage
4. Company-supplied gas under FBS
5. Authorized Use
6. Unauthorized Use

### Important Note

On a non-critical day, if customer use is greater than deliveries, the remainder of gas requirements are met first from customer gas withdrawn from storage, next from company supplies under FBS – charged at the Commodity Gas Cost (CGC) – and finally, Authorized Use – charged at the higher of the Gas Cost (GC) or the market price on that day.

On a Critical Day, requirements are met in the same order, but with some limits. Customers can only withdraw 2.3 percent (1.7 percent effective June 1, 2006) of their SBS capacity times any applicable SWF from storage. Additionally, Authorized Use – charged at the GC – is limited to company supplies up to the remainder of unused SBS withdrawal rights. The balance of any company supplies will be charged as Unauthorized Use at \$6 per therm plus the higher of the GC or the market price on that day.

## Additional Service Options

### Supplier Transportation Service

Under Rider 13, Supplier Transportation Service, up to 150 accounts that are not commonly owned have the opportunity to be grouped. This service is available to customers electing an unbundled rate. Nominations, SBS and FBS are monitored at the group level. However, on a Critical Day, customers are monitored based on their individual SBS and FBS selections. The group manager is assessed a \$35 monthly grouping fee and is responsible for all company-supplied gas charges.

### Storage Balance Transfers

A customer or group manager may request a transfer of any month-end excess storage balance. The request may be submitted up to 20 days after the bill with the excess storage charge is issued. The transferring party will be assessed a \$15 fee.

### Additional Storage

If a portion of transportation customers choose less than 26 MDCQ Days when selecting Storage Banking Service (SBS) capacity through June 1, 2006 and 28 MDCQ Days after June 1, 2006, the additional storage will be made available to other transportation customers. Each year the company will determine the amount of unsubscribed storage and then allocate this storage to transportation customers requesting more than 26 days prior to June 1, 2006 and 28 days after June 1, 2006. This storage will be treated as additional SBS capacity.

## Summary of Charges

	Rate 4	Rate 74
<b>Monthly Customer Charge*</b>		
less than 1,000 cfh	\$15.87	\$15.87
1,000 to 10,000 cfh	\$55.32	\$55.32
more than 10,000 cfh	\$101.06	\$101.06
*based on meter size		
<b>Distribution Charge</b>		
First 150 therms	\$0.1463	\$0.1159
Next 4,850 therms	\$0.0817	\$0.0513
Over 5,000 therms	\$0.0482	\$0.0349
<b>Administrative Charge</b>		
Individual		\$25.00
Group		\$7.00
Minimum		\$32.00
<b>Recording Device Charge</b>		
Diaphragm Meter		\$5.00
All other meter types		\$12.00

	Rate 5	Rate 75
<b>Monthly Customer Charge*</b>		
less than 1,000 cfh	\$18.00	\$18.00
1,000 to 10,000 cfh	\$57.50	\$57.50
more than 10,000 cfh	\$130.50	\$130.50
*based on meter size		
<b>Non-Winter Use Distribution Charge</b>		
All therms	\$0.0297	\$0.0155
<b>Winter Use Distribution Charge</b>		
All therms	\$0.0351	\$0.0246
<b>Administrative Charge</b>		
Individual		\$25.00
Group		\$7.00
Minimum		\$32.00
<b>Recording Device Charge</b>		
Diaphragm Meter		\$5.00
All other meter types		\$12.00

All charges are monthly unless otherwise noted.

## Summary of Charges

	Rate 6	Rate 76
<b>Monthly Customer Charge</b>	\$449.00	\$474.00
<b>Distribution Charge</b>		
All therms	\$0.0274	\$0.0191
<b>Minimum Monthly Bill</b>		
Customer Charge + Rider 1 + Distribution Charge	\$3,500	\$2,550

	Rate 7	Rate 77
<b>Monthly Customer Charge</b>	\$837.00	\$862.00
<b>Demand Charge</b>		
First 10,000 therms	\$0.7956	\$0.7956
Over 10,000 therms	\$0.0266	\$0.0266
<b>Commodity Charge</b>		
All therms	\$0.0053	\$0.0053
<b>Minimum Monthly Bill</b>		
Customer Charge + Rider 1 + Demand Charge + Commodity Charge	\$7,800	\$8,100

<b>Additional Charges for Rates 74, 75, 76, and 77</b>	
Storage Banking Service	\$0.0029 per SBS Capacity therms
Firm Backup Service	FBS therms x Demand Gas Cost (DGC)

<b>Rider 25 Charges</b>	
<b>Administrative Charge</b>	
Single Account	\$25.00
Group Account	\$7.00
Minimum	\$32.00
<b>Demand Gas Cost</b>	$(.53 \times \text{MDCQ}) \times \text{DGC}$

<b>Additional Charges for Customer Select</b>	
Customer Select Charge	therms x CSC
Transportation Service Credit	therms x (\$0.0102)

<b>Non-Residential Rider 1 Customer Charge Adjustments</b>	
<b>Energy Assistance Charge for the Supplemental Low-Income Energy Assistance Fund</b>	
Less than 4 million therms used in last calendar year	\$4.00
4 million therms or more used in last calendar year	\$300.00
<b>Renewable Energy Resources and Coal Technology Energy Assistance Charge</b>	
Less than 4 million therms used in last calendar year	\$0.50
4 million therms or more used in last calendar year	\$37.50

All charges are monthly unless otherwise noted.

## Which Rates And Services Are Best For Your Business?

Nicor Gas offers a variety of rates and services to meet your natural gas needs. Below is a “snapshot” of our offerings that will assist you in making informed decisions.

Rate	Annual Therm Use	Nicor Gas provides gas supplies	Marketer provides gas supplies	Nicor Gas provides storage and backup	Minimum bill excluding gas commodity cost
4	less than 800,000	✓			
4 w/Customer Select	less than 800,000		✓		
4 w/Rider 25	less than 800,000		✓	✓ (100% backup)	
74	less than 800,000		✓	✓	
5	250,000 therms maximum annually – Less than 5% used during billing months January through April	✓			
5 w/Customer Select	250,000 therms maximum annually – Less than 5% used during billing months January through April		✓		
5 w/Rider 25	250,000 therms maximum annually – Less than 5% used during billing months January through April		✓	✓ (100% backup)	
75	250,000 therms maximum annually – Less than 5% used December through March		✓	✓	
6	more than 800,000 but less than 4.8 million	✓			\$3,500
6 w/Rider 25	more than 800,000 but less than 4.8 million		✓	✓ (100% backup)	
76	more than 800,000 but less than 4.8 million		✓	✓	\$2,550
7	4.8 million or more	✓			\$7,800
7 w/Rider 25	4.8 million or more		✓	✓ (100% backup)	
77	4.8 million or more		✓	✓	\$8,100

## Billing Examples

### Monthly Billing Example for XYZ Customer on Rate 4, Sales Service

Customer Information		Variable Costs	
Use supplied by Nicor Gas	2,000 therms	Gas Cost (GC)	\$1.0000
		Environmental Cost Recovery	\$0.0034

<b>Monthly Customer Charge</b>	\$15.87
<b>Rider 1 Charge</b>	\$4.50
<b>Distribution Charge</b>	
150 therms x \$0.1463	\$21.95
1,850 therms x \$0.0817	\$151.15
0 therms x \$0.0482	\$0.00
<b>Total Distribution Charge</b>	\$173.10
<b>Gas Supply Cost</b>	
Customer Use x Gas Cost (GC) 2,000 x \$1.0000	\$2,000.00
<b>Environmental Cost Recovery</b>	
Customer Use x Environmental Cost Recovery 2,000 x \$0.0034	\$6.80
<b>Amount Due to Nicor Gas (before taxes)</b>	\$2,200.27

## Monthly Billing Example for XYZ Customer on Rate 4, with Rider 25

Customer Information (Single Account)		Variable Costs	
Total Use	10,000 therms	Gas Cost (GC)	\$1.0000
Use supplied by Customer	7,500 therms	Demand Gas Cost	\$0.5000
Use supplied by Nicor Gas	2,500 therms	Commodity Gas Cost	\$0.9500
MDCQ	500 therms	Environmental Cost Recovery	\$0.0034
Storage Bank Capacity 28 days x 500 therms	14,000 therms	Transportation Service Credit	(\$0.0102)
		Transportation Service Adjustment	(\$0.0020)

<b>Administrative Charge</b>	\$7.00
<b>Monthly Customer Charge</b>	\$55.32
<b>Rider 1 Charge</b>	\$4.50
<b>Distribution Charge</b>	
150 therms x \$0.1463	\$21.95
4,850 therms x \$0.0817	\$396.25
5,000 therms x \$0.0482	\$241.00
<b>Total Distribution Charge</b>	\$659.20
<b>Gas Supply Cost</b>	
Demand Gas Cost -- (.53 x MDCQ) x Demand Gas Cost (DGC) (.53 x 500) x \$0.5000	\$132.50
Company-Supplied Gas Cost -- Company Supplied Gas x Commodity Gas Cost (CGC) 2,500 x \$0.9500	\$2,375.00
<b>Total Gas Supply Cost</b>	\$2,507.50
<b>Transportation Service Credit</b>	
Customer-Supplied Gas x Transportation Service Credit 7,500 x (\$0.0102)	\$(76.50)
<b>Transportation Service Adjustment</b>	
Customer-Supplied Gas x Transportation Service Adjustment 7,500 x (\$0.0020)	\$(15.00)
<b>Environmental Cost Recovery</b>	
Customer Use x Environmental Cost Recovery 10,000 x \$0.0034	\$34.00
<b>Amount Due to Nicor Gas (before taxes)</b>	\$3,176.02

## Billing Examples

### Monthly Billing Example for XYZ Customer on Rate 4, with Customer Select

Customer Information		Variable Costs	
Total Use	2,000 therms	Customer Select Charge	\$0.0225
Supplied by Customer	2,000 therms	Transportation Service Credit	(\$0.0102)
Supplied by Nicor Gas	0 therms	Environmental Cost Recovery	\$0.0034

<b>Monthly Customer Charge</b>	\$15.87
<b>Rider 1 Charge</b>	\$4.50
<b>Distribution Charge</b>	
150 therms x \$0.1463	\$21.95
1,850 therms x \$0.817	\$151.15
0 therms x \$0.0482	\$0.00
<b>Total Distribution Charge</b>	\$173.10
<b>Gas Supply Cost</b>	
Customer Use x Customer Select Charge 2,000 x \$0.0225	\$45.00
<b>Transportation Service Credit</b>	
Customer Use x Transportation Service Credit 2,000 x (\$0.0102)	\$(20.40)
<b>Environmental Cost Recovery</b>	
Customer Use x Environmental Cost Recovery 2,000 x \$0.0034	\$6.80
<b>Amount Due to Nicor Gas (before taxes)</b>	\$224.87

## Monthly Billing Example for XYZ Customer on Rate 74

Customer Information (Group Member)		Variable Costs	
Total Use	30,000 therms	Demand Gas Cost	\$0.5000
Use supplied by Customer	30,000 therms	Environmental Cost Recovery	\$0.0034
Use supplied by Nicor Gas	0 therms	Transportation Service Adjustment	(\$0.0020)
MDCQ	2,000 therms		

Selected Service Options	
Firm Backup Service (FBS)	200 therms
Storage Banking Service (SBS) Capacity 28 days x 2,000 therms	56,000 therms

<b>Administrative Charge</b>	\$7.00
<b>Monthly Customer Charge</b>	\$101.06
<b>Rider 1 Charge</b>	\$4.50
<b>Recording Device</b>	\$12.00
<b>Distribution Charge</b>	
150 therms x \$0.1159	\$17.39
4,850 therms x \$0.0513	\$248.81
25,000 therms x \$0.0349	\$872.50
<b>Total Distribution Charge</b>	\$1,138.70
<b>Storage Banking Service (SBS) Charge</b>	
Storage Banking Service (SBS) Capacity x SBS Charge 56,000 x \$0.0029	\$162.40
<b>Firm Backup Service (FBS) Charge</b>	
Firm Backup Service (FBS) level x Demand Gas Cost (DGC) 200 x \$0.5000	\$100.00
<b>Environmental Cost Recovery</b>	
Customer Use x Environmental Cost Recovery 30,000 x \$0.0034	\$102.00
<b>Transportation Service Adjustment</b>	
Customer-Supplied Gas x Transportation Service Adjustment 30,000 x (\$0.0020)	\$(60.00)
<b>Amount Due to Nicor Gas (before taxes)</b>	\$1,567.66

## Glossary of Terms

The following list provides a summary of various terms. Please refer to specific rates, Rider 6 and Terms and Conditions tariff sheets for comprehensive descriptions.

### **Administrative Charge**

A fixed charge covering our administrative costs including billing, accounting and programming. This charge is applied to all Rider 25, Rate 74 and Rate 75 customers. The charge is \$25 for a single account and \$7 for each member of a group.

### **Company-Supplied Gas**

Gas the customer purchases from Nicor Gas. This includes Requested Authorized Use, Authorized Use and company-supplied gas under FBS.

### **Critical Day**

(See "About Unbundled Services" – page 5)

### **Customer Select<sup>®</sup> Charge**

The CSC recovers the costs from pipelines to assist in the daily balancing of gas supplies on Nicor Gas' system. The CSC is not an additional cost for Customer Select participants. Customers buying their gas from Nicor Gas pay this charge as part of their overall Gas Supply Cost (GSC). The CSC is billed to customers based on usage. The rate may change each month and it is filed with the Illinois Commerce Commission.

### **Customer-Owned Gas**

Any gas the customer purchases from a source other than Nicor Gas. Gas is transported through the Nicor Gas distribution system under transportation rates.

### **Distribution Charge**

A charge covering our operating and financial costs - including payroll, taxes and other fixed costs not covered by the Monthly Customer Charge.

### **Environmental Cost Recovery**

Recovery of the costs we incur for the environmental investigation and clean up of former manufactured gas plant sites.

### **Firm Backup Service (FBS)**

(See "About Unbundled Services," – page 5)

### **Maximum Daily Contract Quantity (MDCQ)**

The MDCQ is the greater of the highest daily therm use from the previous year or the result of a regression analysis to a peak day on the previous year's winter use.

### **Monthly Customer Charge**

A fixed charge covering a portion of our costs to provide gas service.

### **Operational Flow Order (OFO)**

(See "About Unbundled Services" – page 5)

### **Requested Authorized Use**

Nicor Gas supplies may be requested and, if available, will be accounted for as the first gas through your meter.

### **Storage Banking Service (SBS)**

(See "About Unbundled Services" – page 5)

### **Storage Withdrawals**

Customer use exceeding Requested Authorized Use and customer-owned gas delivered. On a Critical Day, withdrawals will be limited to 2.3 percent (1.7 percent effective June 1, 2006) of the customer's SBS capacity times any applicable SWF.

### **Storage Withdrawal Factor**

(See "About Unbundled Services" – page 5)

### **Transportation Service Adjustment**

A variable per therm credit or charge to transportation customers and Customer Select customers for Hub revenues.

### **Transportation Service Credit**

A credit to Customer Select and Rider 25 customers based on applicable usage.

### Rates and Service Options - FAQs

**Q. How will I be notified of a Critical Day?**

**A.** Nicor Gas will post a notice on the company's electronic bulletin board (located at [www.nicorgas.com/commercial](http://www.nicorgas.com/commercial) > Transportation Customer Services > Critical Day and OFO Information) and on a recorded dial-in message (630 983-4040 – Option 3) at least 25 hours before the start of the Critical Day. When a Critical Day occurs, you can change your nominations until 8 a.m., one hour before the start of the Critical Day.

**Q. How will I be notified of an Operational Flow Order (OFO)?**

**A.** Nicor Gas will post a notice on the company's electronic bulletin board (located at [www.nicorgas.com/commercial](http://www.nicorgas.com/commercial) > Transportation Customer Services > Critical Day/OFO Information) and on a recorded dial-in message (630 983-4040 – Option 3). Customers and Suppliers will be notified of any OFO at least two hours before the Gas Industry Standards Board nomination deadline on the interstate pipelines with the company's facilities.

**Q. Is there a limit to the Firm Backup Service selection?**

**A.** No, but most customers don't need to select more than 40 percent of their MDCQ as FBS if they have elected 26 days of SBS prior to June 1, 2006. After June 1, 2006, 47 percent of peak use can be satisfied through SBS withdrawal rights, assuming an SWF of one. As such, most customers won't need to select more than 53 percent of their MDCQ as FBS, assuming an election of 28 days of SBS.

**Q. How much company-supplied gas is available to me on a Critical Day?**

**A.** In addition to FBS, company supplies are available under SBS. If you have less gas in storage than your withdrawal rights stipulate, the company will supply the difference as Authorized Use. Any gas used in excess of these quantities will be Unauthorized Use and are subject to the \$6.00 per therm charge.

**Q. How will my Maximum Daily Contract Quantity (MDCQ) be determined?**

**A.** The MDCQ will be the greater of the highest daily therm use from the previous year or the result of a regression analysis to a peak day on the previous year's winter use. The MDCQ is subject to Nicor Gas' approval. If daily information is not available, the following formula applies:

$$\frac{\text{Peak Billing Period Therms} \times 30}{\text{Billing Period Days} \times 21}$$

**Q. When will the MDCQ be determined?**

**A.** Nicor Gas determines a customer's MDCQ each year based on the previous calendar year. The customer is notified by April 1 of their new MDCQ that becomes

## Contact Us

effective June 1. If the “new” MDCQ is within five percent of the current MDCQ, no change will be made.

**Q. What if my gas in storage exceeds my storage bank capacity?**

- A.** A fee of 10 cents per therm will be charged monthly for every therm in storage in excess of your storage bank capacity. For customers who are monitored daily under an unbundled transportation rate, the excess storage fee is based on the maximum number of therms over their bank capacity in that billing period. If the excess amount is less than 5 percent of the SBS capacity, no charges will be assessed.

## Contact Us

**Phone: 630 983-4040**

- Option 1 > Customer Service
- Option 2 > Nominations Desk
- Option 3 > Critical Day and OFO Information

**Email:**

[GTQA@nicor.com](mailto:GTQA@nicor.com)

**Web:**

[www.nicorgas.com/commercial](http://www.nicorgas.com/commercial)