
**Rider 16
Supplier Aggregation Service**

Applicable to Rider 15

Availability.

Service under this rider is available to any approved Supplier representing a group of Customer accounts being served under Rider 15, Customer Select. Suppliers shall enter into a Supplier Aggregation Agreement with the Company to transport gas from an interconnection between the Company and a pipeline to a Customer and the following requirements shall also apply:

- (a) the Supplier shall contract for transportation of direct purchases from the delivery point of the seller to an existing pipeline interconnection with the Company's facilities as approved by the Company, which interconnection, in the sole judgment of the Company, is capable of receiving the Supplier's gas without impairment of anticipated deliveries of any gas supplies to be purchased by the Company for general use; and
- (b) the final pipeline transporter of such gas shall agree to provide daily delivery data for such gas to the Company; and
- (c) satisfactory evidence of Supplier's applicable purchase arrangements with seller(s) and intrastate or interstate transporters shall consist of an affidavit submitted to the Company; and
- (d) all such arrangements shall have been approved by each regulatory agency having jurisdiction over such matters, to the satisfaction of the Company.

*** Charges.**

There will be a one-time application charge of \$2,000 per Supplier at the time of submitting a completed Supplier Aggregation Agreement.

Monthly charges for each Group shall be the sum of (a) through (h).

- (a) Group Charge
\$200.00 per month. A Supplier may form a Group with any number of Customers included.

- (b) Group Additions

For Transportation Customers that are removed from a previously non-Customer Select Group, the fee for Group Changes as specified in Terms and Conditions of this Tariff, Sheet No. 52, shall also apply. Any gas remaining in storage as of the Customer's beginning date for Customer Select, shall be valued at the price reported in Natural Gas Week, or a similar publication if Natural Gas Week is not available, for Chicago area spot gas times 0.90. The price used will be the most current published price prior to the Customer's beginning date for Customer Select.

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- (c) Storage Purchase In Place/Cash-Out
In the event that Supplier's On-system Storage Capacity level increases significantly in any given injection month due to changes in the Supplier's customers annual volumes, Supplier may purchase from Nicor storage inventory gas at then current first of the month price index published in Inside F.E.R.C.'s Gas Market Report for Chicago City Gate to enable the Supplier to meet its minimum On-system Storage inventory levels as set forth below. Corresponding, in the event that Supplier's On-system Storage Capacity level decreases significantly in any given injection month due to changes in the Supplier's customers annual volumes, Supplier may sell to Nicor storage inventory gas at then current first of the month price index published in Inside F.E.R.C.'s Gas Market Report for Chicago City Gate to enable the Supplier not to exceed its maximum On-system Storage Capacity level. In any case, upon reasonable notification, Nicor, at its sole discretion, may require a Supplier to purchase or sell storage inventory gas under the same price guidelines as outlined in this paragraph to meet prescribed On-system Storage inventory levels as set forth below.
- (d) Critical Day Non-Performance Charge
For each term of delivery on a Critical Day less than the greater of the two amounts specified under Daily Delivery Range, the Company will sell gas to the Group and the charge shall be the sum of \$6.00 per therm plus the higher of: (a) the Rider 6 Gas Supply Cost; or (b) the Market Price as defined in the Terms and Conditions applicable to this rider.
- (e) Operational Flow Order Non-Performance Charge
On any day where the Company has imposed an Operational Flow Order, each therm of underdelivery of the Daily Delivery Range will be sold to the Group and the charge will be 200% of the high price of gas as reported for Chicago citygate deliveries by Gas Daily for each day of Non-Performance. In the event that Gas Daily is unavailable, then a reported Chicago citygate price of another similar publication, as determined in the Company's sole discretion, shall be used.
- On any day where the Company has imposed an Operational Flow Order, each therm of overdelivery of the Daily Delivery Range will be purchased from the Group and the payment will be 50% of the low price of gas as reported for Chicago citygate deliveries by Gas Daily for each day of Non-Performance.
- (f) Daily Delivery Non-Performance Charge
For each therm of underdelivery below the Daily Delivery Range, as defined below, on any day other than a Critical Day or when an Operational Flow Order has been issued, the Company will sell gas to the Group and the charge shall be 110% of the high price of gas as reported for Chicago citygate deliveries by Gas Daily for each day of Non-Performance. In the event that Gas Daily is unavailable, then a reported Chicago citygate price of another similar publication, as determined in the Company's sole discretion, shall be used.

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For each term of overdelivery above the Daily Delivery Range on any day other than a Critical Day or when an Operational Flow Order has been issued, the Company will purchase gas from the Group and the payment shall be 90% of the low price of gas as reported for Chicago citygate deliveries by Gas Daily for each day of Non-Performance.

(g) Month End Delivery Non-Performance Charge

For the winter period, for each calendar month where total deliveries by the Supplier for a Group varies by more than plus five percent from the Group's total estimated daily use for the month, the Company will charge the Supplier, based on the variance, a Non-Performance charge of \$1.00 for each term exceeding the plus five percent. For the summer period, for each calendar month where total deliveries by the Supplier for a Group varies by more than minus five percent from the Group's total estimated daily use for the month, the Company will charge the Supplier, based on the variance, a Non-Performance charge of \$1.00 for each term less than the minus five percent.

(h) Gas Supply Charge

Prior to November 1, 2005, the Gas Supply Charge shall be the sum of the following: (1) Storage Service Cost Recovery (SSCR); and (2) the Aggregator Balancing Service Charge (ABSC) multiplied by the Group's total use in the calendar month, each such component as determined in Rider 6, Gas Supply Cost.

* Revenues and costs arising from items (c) through (h) shall be included in Rider 6, Gas Supply Cost.

* **Storage Capacity.**

Each Group shall be assigned storage capacity at the rate of 28 times the Group's MDCQ, which will be the basis for measuring inventory on November 1 and storage injections during the summer through the end of the first April following the Effective Date of this tariff. Additionally, operational balancing storage capacity of six (6) times the Group's MDCQ will be filled to three (3) times the Group's MDCQ through the end of the first April following the Effective Date of this tariff. Effective as of the first May 1 following the Effective Date of this tariff, the assigned storage capacity of 31 times the Group's MDCQ and the additional six (6) times the Group's MDCQ of operational balancing storage capacity will be cycled annually. A combined total storage capacity of 37 times the Group's MDCQ will then be used as the basis for calculating monthly storage inventory target levels and the daily storage injection capacity.

Daily Storage Withdrawal Capacity.

During the winter period, defined as November 1 through April 30, a Supplier may withdraw up to 1.6 percent times the Group's storage inventory as of November 1 on any day that is not a Critical Day or an OFO Shortage Day. If, at the end of any calendar month, the Supplier's storage inventory is less than forty (40) percent of the Supplier's inventory as of the preceding November 1, then the Supplier's Daily Withdrawal Capacity will be reduced from 1.6 percent to 1.2 percent. If, at the end of any calendar month, the Supplier's inventory is less than 25 percent of the Supplier's inventory as of the preceding November 1, the Supplier's Daily Withdrawal Capacity will be further reduced to 0.9 percent.

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Daily Storage Injection Capacity.

During the summer period, defined as May 1 through October 31, a Supplier may nominate on any day that is not an OFO Surplus Day up to 0.8 percent of the storage capacity assigned to the Group to be injected into storage.

*** Storage Inventory Target Levels.**

Suppliers will meet the following storage inventory target levels at the end of each calendar month:

January	35% to 60% of the storage capacity
February	15% to 35% of the storage capacity
March	0% to 35% of the storage capacity
April ¹	0% to 35% of the storage capacity
May	15% to 100% of the storage capacity
June	15% to 100% of the storage capacity
July	45% to 100% of the storage capacity
August	45% to 100% of the storage capacity
September	45% to 100% of the storage capacity
October	95% to 100% of the storage capacity
November	55% to 100% of the storage capacity
December	55% to 75% of the storage capacity

¹For the first April following the Effective Date of this tariff, the target level will be 0% to 35% of the preceding November 1 inventory.

Estimated Daily Use.

Before the first of each month, the Company shall provide to the Supplier, for each of the Supplier's Groups, the estimated daily use of gas as a function of heating degree days. During the calendar month, on the business day before each gas day, the Company shall notify each Supplier by 8:30 A.M. of the estimated daily use for the next five gas days, based on the most recent forecast of heating degree days available to the Company.

Daily Delivery Range.

For the winter period, the Supplier's daily delivery range will be a maximum of the estimated daily use of the Group plus 10 percent and a minimum of the estimated daily use of the Group less 10 percent less the Group's daily storage withdrawal capacity. At the end of the month, a Supplier's total deliveries, adjusted for unaccounted for gas, must be within the range of the total estimated daily use of the Group for the month plus 5 percent and the total of the daily minimum level for the month.

For the summer period, the Supplier's daily delivery range will be a maximum of 110 percent of the estimated daily use of the Group plus the Group's daily storage injection capacity and a minimum of the estimated daily use of the Group less 10 percent. At the end of the month, a Supplier's total deliveries, adjusted for unaccounted for gas, must be within the range of the total of the daily maximum level for the month and the total estimated daily use of the Group for the month less 5 percent.

On a day when the Company has issued an Operational Flow Order, the Daily Delivery Range may be adjusted to address the Company's operational concerns. On a Critical Day, the Supplier shall deliver the greater of 1) the Supplier's firm supply requirements as estimated on October 1, or 2) 34 percent of the Group's current MDCQ.

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Bill Issue Date.

A calendar month-end bill shall be issued to the Supplier showing the amount of gas received, including an adjustment for unaccounted for gas, storage activity and amount delivered to Group members. The amount of gas delivered to Group members shall be determined by the metered use of Group members adjusted by estimated use, based on base use and heat use factors, for the unmetered periods of the month.

Company and Supplier Contract.

Upon payment of the Application Charge, the Company and Supplier shall enter into a Supplier Aggregation Agreement, in a form specified by the Company, which shall specify the obligations of the Supplier under Riders 15 and 16. The Company shall evaluate the capabilities of the Supplier. Supplier shall provide adequate assurances of payment to the Company in the form of a cash deposit, letter of credit or parental guarantee, at the Company's discretion, in an amount equal to the estimated maximum daily contract quantity, in therms, of Customers served by the Supplier, multiplied by \$2.00 per therm. Such amount shall be determined based on the Customers served by the Supplier.

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Post Office Box 190
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- * The Supplier shall annually provide proof, by affidavit, of firm supply to the Company's interconnection with a pipeline sufficient to provide a minimum of 34 percent of the Group's maximum daily contract quantity as of October 1, for the period November 1 through March 31, and for each corresponding period thereafter. Each Supplier must warrant that neither it, nor its firm supplier, if applicable, has any firm obligations that are in conflict with the capacity to be used to serve Rider 15 Customers. In the event the Supplier does not provide the required affidavit by November 1 of each year, the Company shall charge the Supplier's Customers the Company's Non-Commodity Gas Cost (NCGC), in place of the CSBC, as filed from time to time as part of Rider 6, Gas Supply Cost, times the Customer's usage from November 1 through March 31.

System Operational Controls.

The Company shall maintain actual physical and operational control of all storage, transmission, distribution and other facilities on its system. Each shipper shall provide the Company with the names of at least two persons, along with their telephone and telefax numbers, for the Company to contact on operating matters (including Operational Flow Orders and Critical Day notices) at any time, on a 24-hour a day and 365-day a year basis. Such contact persons must have the proper authority and adequate expertise to handle such operating matters.

If the Company, in its sole discretion, determines that a situation is or may be developing that would impede the efficient operation of the system in which adequate pressures may not be maintained or overall operational integrity could be threatened, or if such an event actually occurs, the Company is empowered to take such action it deems necessary to alleviate the situation so that it can provide safe and reliable service.

To alleviate the situation, the Company shall first request Suppliers to voluntarily increase or decrease nominations to the system, shift nominated volumes from certain pipeline citygate stations to other pipeline citygate stations, or take other actions that would alleviate the situation.

- * In the event such voluntary actions do not alleviate the situation, the Company will implement an Operation Flow Order ("OFO"). Suppliers will be notified of any OFO at least two hours before the Gas Industry Standards Board nomination deadline on the interstate pipelines that interconnect with the Company's facilities. Such OFO could change the Daily Delivery Range for Suppliers. In addition, the Company may limit the quantity of gas accepted at certain citygate stations in a manner consistent with the Priority of Supply provision as described in Terms and Conditions. It is the Supplier's responsibility to arrange for delivery to any non-constrained citygate station. If such actions are insufficient to alleviate the situation, or if there is not sufficient time to implement the actions, the Company reserves the right to unilaterally take such actions as may be necessary to maintain system pressure and preserve the overall integrity of the Company's system (or any portion thereof) in the most cost effective manner available. The Company is authorized to use all the resources of its system to such ends, through the integrated operation of storage and supply received into the system, even though gas affected by such actions is not owned by the Company. Any such costs incurred to maintain the system under an OFO will be recovered from sales customers and participating Suppliers, though the Company's Rider 6, Gas Supply Cost, with a credit applied for any Operational Flow Order Non-Performance charges.

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The Company shall not impose an OFO on Customer Select Suppliers unless it imposes similar conditions on all other classes of Customers.

- * In the event that the Company implements an Operational Flow Order, the Company shall provide the Commission with a report detailing: the situation that required the Company to issue an OFO, changes in the Daily Delivery Range of each Supplier, limitations placed on the quantity of gas delivered by each Supplier to city-gate stations, any actions that Suppliers were required to take as a result of the OFO, the quantity of under-deliveries or over-deliveries of each Supplier, OFO non-performance charges assessed to each Supplier, the name of each Supplier affected by the OFO, any actions that the Company undertook to resolve the situation (such as spot market purchases, exchange agreements, use of no-notice service, storage management, etc.) and documentation supporting the costs associated with such actions.

Standards of Conduct.

As a condition of eligibility for service under this rider, the Supplier shall adhere to the following Standards of Conduct:

- (a) render all bills to Customers in clear and understandable language;
- (b) include the telephone number of the Supplier's Customer information center and Nicor Gas' emergency number and statements that Nicor Gas should be notified in the event of an emergency or suspected gas leak on all bills rendered to Customers;
- (c) shall, for all bills issued that include the Company's charges, separately identify the Supplier's charges and the Company's charges;
- (d) provide a toll-free telephone exchange or a local telephone exchange number for Customers to contact the Supplier;
- (e) include a statement on all bills rendered to Customers indicating that service was rendered pursuant to the Company's Customer Select Program;
- (f) promptly notify any current or past customers of any billing adjustment for cancels and rebills;
- (g) establish Customer complaint procedures and respond to complaints promptly;
- (h) ensure that Customers are given adequate prior notice (15 days) of termination of commodity service from the Supplier prior to any applicable contract termination or at least 15 days notice in the event of non-payment of Supplier services for more than 45 days;

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- (i) refrain from any direct marketing or soliciting under the Customer Select program until one week after the Company has distributed educational materials to the Customer. The Company expects to mail educational materials to Customers over a seven week period. Suppliers will be notified of which communities have had educational material distributed and can begin soliciting seven (7) days after distribution.
- (j) refrain from direct marketing to Customers on the Company's "Do Not Contact List";
- (k) adhere to any applicable truth in advertising laws;
- (l) refrain from telemarketing to the Company's Customers between the hours of 9:00 P.M. and 8:00 A.M.;
- (m) shall comply with the following requirements with respect to marketing, offering and provision of products or services to residential retail Customers:
 - (i) Any marketing materials which make statements concerning prices, terms and conditions of service shall contain information that adequately discloses the prices, terms and conditions of the products or services that the Supplier is offering or selling to the customer;
 - (ii) Before any Customer is switched from another Supplier, the new Supplier shall give the customer written information that adequately discloses, in plain language, the prices, terms and conditions of the products and services being offered and sold to the Customer;
- (n) provide to each Customer added to or deleted from a Group they manage, a letter of explanation sent through the United States mail;
- * (o) include as a minimum, the following information for voice recorded customer contract; name of Supplier, authorization of Supplier as agent, pricing of natural gas, other charges, contract termination charges (if any), Customer name, and account number; and
- * (p) file with the Illinois Commerce Commission and provide to the Company a copy of bill formats, standard Customer contract and Customer complaint and resolution procedures, and provide a Supplier contact and telephone number, and on an on-going basis as warranted by changes in any of the above;
- (q) shall provide each residential Customer the opportunity to rescind its agreement without penalty within three business days of initial acceptance of the contact.

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Failure to comply with the Standards of Conduct is a basis for removal as a qualified Supplier under Customer Select. Any party alleging improper enforcement of the Standards of Conduct may file a complaint with the Illinois Commerce Commission pursuant to Section 10-108 of the Illinois Public Utilities Act.

*** Company/Supplier/Customer Contracts.**

The Supplier shall provide to the Company, by electronic data transmission, a listing of each Customer to be included in a Group. Such listing shall include the Customer's account number, name, address, tax identification number (optional) and/or social security number (optional). The Supplier warrants that it has obtained authorization from each Customer specifying the Supplier as the sole agent for the Customer and agrees to provide to the Company access to the agency agreements for purposes of auditing compliance. The Company, in turn, will notify the Supplier as to the Customer's beginning date of enrollment into the program. Thereafter, the Supplier shall notify each Customer of enrollment in the program. Customers shall be served under this Rider until they or their Supplier notifies the Company to terminate their participation.

The Supplier warrants that it has obtained a Letter of Agency (LOA) from each Customer added to a Group via any authorization method, other than telephonically. Suppliers must include a LOA on their internet site if Customers are allowed to signup via internet. Such LOA must contain the following at a minimum: date of the agreement; name of the Customer of record; service address; mailing address; daytime and evening telephone numbers; utility account number; name of the supplying company; and the Customer's signature. The Supplier must retain all signed LOA's for as long as the Customer receives service from the Supplier.

For Suppliers using the Company's bill to present their bill to the Customer, payments received from the Customer shall first be applied to pay any Company past due amounts and then any past due amounts owed the Supplier. Any remaining funds will then be applied to current amounts owed the Company and then current amounts owed the Supplier. The Company shall hold any remaining amounts.

*** General**

The schedule of which this rider is a part includes certain Terms and Conditions. Service hereunder is subject to these Terms and Conditions including, but not limited to, Transportation Limitations and Amounts, the Critical Day definition, and definitions of an Operational Flow Order Day, including any changes authorized by the Commission subsequent to the initial effective date of this rider.