
Rate 21
Intrastate Transportation and Storage Services

* Availability and Eligibility.

This rate is available to any Shipper that meets the applicable eligibility requirements. Any Shipper is eligible for the services offered hereunder upon meeting all the terms and conditions specified herein and upon the execution of a valid and approved contract.

* Definition of Service.

Under this rate, any Shipper (as defined below) who enters into a contract with the Company hereunder may transport gas on an interruptible basis from an interconnection between an interstate natural gas pipeline or local gas distribution company and the Company for redelivery to (a) another local gas distribution company with an interconnection with the Company, (b) storage or (c) a Transfer Point. A Shipper may also delay redelivery of supply with the storage option, for up to one hundred twenty (120) calendar days. With this service, a Shipper may also schedule deliveries from storage to a transportation Customer's Storage Banking Service.

All gas transported or stored under this rate must be consumed within the State of Illinois. As such, Nicor Gas will not schedule deliveries from storage under Rate 21 to an interstate pipeline.

* Nature of Service.

Service under this rate will be provided on an **interruptible** basis, subordinate to the Company's firm service obligations. Subject to the Company's determination that it has available capacity, Company will offer intrastate services, in limited volumes, consisting of (a) priority interruptible transportation service, (b) interruptible transportation service, (c) priority interruptible storage service, and (d) **interruptible** storage service to eligible Shippers on a non-discriminatory basis. All storage service hereunder shall require **corresponding** transportation service to effectuate the movement of storage volumes. Gas shall be deemed to have been stored when the Company's recorded transportation receipts from any Shipper exceed the recorded deliveries to that Shipper, if any, on the same day. Gas shall be deemed to have been withdrawn from storage when Company's recorded transportation deliveries to any Shipper exceed the recorded receipts from that Shipper on any day.

* Interruptions of Service.

The Company shall not provide service under this rate schedule to the extent that interruptions may occur on any day which the Company has declared a Critical Day or has imposed an Operational Flow Order, as defined in the Company's Terms and Conditions. Interruptions may also occur if such service would prevent the Company from meeting all of its firm service obligations as a local gas distribution utility, including the Company's system management needs, such as the use of storage. Within the Company's best operating judgment and discretion, in the event that service has already commenced and the Company learns that continued **furnishing** of service may prevent the Company from meeting all of its firm service obligations as a local gas distribution utility, then the Company may, at its sole discretion and upon giving appropriate notice to Shipper(s), **interrupt** the continuation of any or all of the interruptible services hereunder. For the purposes hereof, any interruption of service shall mean the full or partial cancellation or cessation of any scheduled daily gas transportation receipt or delivery, or the Company's ordered withdrawal of Shipper's gas from storage, until further notice; provided, however, if any such interruption by the Company results in an unscheduled storage of gas on any day for Shipper(s), then the Company shall retain such gas until service can be resumed as originally scheduled, and the Company shall waive any transportation, additional storage or imbalance charges otherwise incurred solely because of such interruption. The Company reserves the right to refuse any nominations after notification of interruption.

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Post Office Box 190
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*** Definitions.**

“Shipper” shall refer to any eligible party electing and subsequently having the necessary authorization of the Company to use any of the services offered hereunder.

“Transporter” shall refer to the local gas distribution company or interstate natural gas pipeline delivering gas on behalf of the Shipper to the Company.

“Storage Service” shall refer to Company's retention of Customer's gas for a defined period. Storage Service may be provided where gas is delivered to Company by the Shipper for subsequent redelivery to the Shipper. Storage Service shall not exceed one hundred twenty (120) calendar days.

“Transfer Point” shall refer to the point of delivery within the Company's service territory at which title transfers to another Party.

“Receipt Point” shall refer to: (1) the point of interconnection between the Company and Transporter, where the Company receives gas supplies; or (2) storage.

“Delivery Point” shall refer to (1) storage; (2) the point of redelivery by the Company to another local gas distribution company; or (3) the Transfer Point.

“MDCQ” shall refer to the Maximum Daily Contract Quantity, in therms, the Shipper may transport each day under this rate, subject to the prior approval of the Company.

“Unaccounted-For Gas” shall refer to the quantity of Shipper's gas retained by the Company at the time of delivery to the Delivery Point, if the Delivery Point is the storage account of a transportation Customer of the Company. Unaccounted-For Gas shall equal the therms scheduled at the Receipt Point less the Unaccounted-For Gas Adjustment, as defined in the Company's Terms and Conditions.

“Storage Loss Gas Adjustment” shall refer to the quantity of Shipper's gas retained by the Company at the time of storage injection. Beginning on September 1, 2010, deliveries for storage injections shall be reduced by the storage loss gas percentage determined annually for the most recent 12 months ended June 30 to be effective the following September 1.

Valid Requests.

A request for service under this rate shall be valid if it specifies: (1) the Shipper's name; (2) whether the Shipper is eligible to be a transportation Customer of the Company or a local gas distribution company with a physical interconnection to the Company's system, or of a broker/marketer serving transportation Customers; (3) the proposed MDCQ; and (4) that after delivery to the Company the gas will only be transported by the Company or another local gas distribution company and ultimately be consumed within the State of Illinois without returning to interstate commerce.

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A request for service shall not be valid and the Company shall not be obligated to accept such request for service if: (1) the Company determines, based on its credit analysis, that the Shipper does not possess sufficient financial stability to make it reasonably likely that the service provided under this Rate 21 will be paid for in a timely manner; (2) the service requested would not comply with this rate; or (3) the service is requested at less than the applicable maximum rate, unless agreed to by the Company.

When the Company accepts a Shipper's request for service under this rate, it shall tender a Hub Transaction Request and Agreement Form, which shall be deemed accepted by the Shipper (i) upon the Shipper's execution of such Hub Transaction Request and Agreement Form, or (ii) if Shipper does not object, in writing, to the tendered Hub Transaction Request and Agreement Form within two (2) business days of the date of receipt.

*** Charges.**

The transportation charge shall be a daily amount per therm negotiated by the Shipper and the Company. For the avoidance of doubt, transportation charges shall be applicable on gas scheduled to any Delivery Point and for gas scheduled for injection into storage and gas scheduled for withdrawal from storage. The Company may discount its maximum rates stated below to a minimum rate of zero on a non-discriminatory basis.

The maximum Priority Interruptible Transportation Service Charge shall not exceed the lesser of (i) 26.307¢ per therm of MDCQ for the monthly prepayment charge and 0.865¢ per therm transported for the commodity charge or (ii) the amount per therm the Company is charging an affiliated interest (as defined in Section 7-101(2) of the Public Utilities Act) for comparable service. The Company shall not be obligated to provide service under this rate at less than the maximum charge.

The maximum Interruptible Transportation Service Charge shall not exceed the lesser of (i) 1.730¢ per therm transported or (ii) the amount per therm the Company is charging an affiliated interest (as defined in Section 7-101(2) of the Public Utilities Act) for comparable service. The Company shall not be obligated to provide service under this rate at less than the maximum charge.

The storage charge shall be a daily amount per therm negotiated by the Shipper and the Company, and applied to the daily storage balance. The Company may discount its maximum rates stated below to a lower amount on a non-discriminatory basis.

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- * The maximum Priority Interruptible Storage Service Charge shall not exceed the lesser of (i) 25.758¢ per therm of MDCQ for the monthly prepayment charge and 0.847¢ per therm stored per day for the commodity charge or (ii) the amount per therm the Company is charging an affiliated interest (as defined in Section 7-101(2) of the Public Utilities Act) for comparable service. The Company shall not be obligated to provide service under this rate at less than the maximum charge.
- * The maximum Interruptible Storage Charge shall not exceed the lesser of (i) 1.694¢ per therm stored per day or (ii) the amount per therm the Company is charging an affiliated interest (as defined in Section 7-101(2) of the Public Utilities Act) for comparable service.

To reflect the priority of the priority interruptible services, Shipper shall be subject to the prepayment and commodity charges set forth herein; provided, if Company is unable to provide service on a given gas day, Shipper shall not be required to pay such prepayments with respect to any service Company is not able to provide; provided further, if Shipper's prepayment charges are based on a specific number of days of service in any month, Shipper's obligation to make the prepayments shall be reduced to the extent that the Company was unable to provide service on the specified number of days, whether or not Shipper scheduled service on any such gas day.

Monthly Billing.

The Company shall determine, as soon as practicable after the end of each month, a bill based on the charges as provided herein. Customer shall pay such bill within 14 days after the postmark date. A late payment charge, as provided in the Company's Terms and Conditions, shall be charged on any past due balance of the Customer's account.

Contract.

The initial term of the Hub Transaction Request and Agreement Form shall be a minimum of one (1) day and a maximum of one (1) year. The initial term shall commence when the Company begins to supply service hereunder. Hub Transaction Request and Agreement Forms may be renewed for a period mutually agreed to by the Shipper and the Company, for a period of up to one year. The Hub Transaction Request and Agreement Form will specify the MDCQ in therms, the transportation charges per therm, the storage charges per therm, and an affidavit from the Shipper that all gas transported under this rate will be consumed within the State of Illinois without returning to interstate commerce.

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*** Scheduling.**

The Company shall decline to schedule service if the Shipper's nomination is not confirmed by both the Transporter and the Receipt Point operator, if other than the Company.

All nominations for service under this rate shall be made in accordance with the procedures set forth in the Company's Terms and Conditions.

All nominations for service under this rate shall specify both a Receipt Point and a Delivery Point. If a nomination designates the Transfer Point as the Delivery Point, the nomination must specify the transportation identification number of the Company's transportation Customer or other Shipper that gas is to be assigned to by the Company.

Priority Interruptible Transportation Service and/or Priority Interruptible Storage Service will be scheduled before, and curtailed after Interruptible Transportation Service and/or Interruptible Storage Service. If timely nominations for service under this rate exceed available capacity, then the Company shall allocate the capacity available to provide service as set forth in the Nature of Service to Shippers as follows: First, to the extent that the Company is able to schedule some but not all of the nominated volumes under the Priority Interruptible Transportation Service and/or Priority Interruptible Storage Service, service will be scheduled pro rata based on MDCQ. Second, to the extent that the Company is able to schedule some but not all of the nominated volumes under Interruptible Transportation Service and/or Interruptible Storage Service, service will be scheduled on the basis of the total charges for such service in the order of the highest to the lowest. Third, if there is insufficient capacity to schedule all services for which the same total charges are being paid, then the Company shall allocate the remaining available capacity pro rata among such Shippers based on the ratio of each such Shipper's nomination to the sum total nominations of such Shippers.

On each gas day on which the Shipper takes service under this rate, the quantity of gas nominated to and confirmed by the Company for receipt at the Receipt Point shall equal the quantity of gas, less Unaccounted-For Gas, delivered by the Company to the Delivery Point, unless the Delivery Point is the Transfer Point or storage. If the Delivery Point is the Transfer Point, and is nominated to a Company transportation Customer, an adjustment for Unaccounted-For Gas shall be made and reflected on the bill of the Company's transportation Customer receiving the gas.

Beginning on September 1, 2010, the storage loss gas adjustment shall be applied to all deliveries for storage injections and storage imbalances; however, it shall not be applied to negative storage imbalances on OFO Cap Days.

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* If availability is confirmed by the Company, Shipper may designate storage for each gas day, up to one hundred twenty (120) calendar days, by nominating deliveries to a Company storage account. Storage shall be designated as the Delivery Point in the initial nomination, and the Receipt Point on the gas day withdrawals are to be made. The Company has no obligation to make storage available on any gas day.

* **Imbalances.**

The Company and any local gas distribution company with a physical interconnect shall resolve operational imbalances in a mutually agreeable manner. The maximum transportation charges or storage charges, as applicable, shall be applied to resolve Shipper imbalances, unless the Company and Shipper mutually agree to another manner of resolution.

Conditions of Service.

The Shipper shall arrange with the Transporter, the Receipt Point operator if other than the Company, and the Shipper's broker/marketer, if applicable, to provide the Company with the daily data for all Shipper-owned gas delivered to the Delivery Point.

Any measurement required to determine deliveries to the Company of Shipper-owned gas at each Receipt Point shall be done by the Transporter in accordance with the terms of the Transporter's currently effective tariff, on file with either the Federal Energy Regulatory Commission or the Illinois Commerce Commission, as applicable, and metering practices applicable to deliveries to the Company.

The Shipper shall hold title to the gas delivered under this rate at all times. The Company shall be deemed to be in control and possession of the gas deliverable to the Shipper after its receipt by the Company at the Receipt Point until its delivery to the Shipper at the final Delivery Point. The Shipper shall be deemed to be in control and possession of such gas at all times at and prior to receipt at the Receipt Point, and at and after delivery to the final Delivery Point.

In no event shall the Company be required to take any action, engage in any activity or provide any service that would cause the Company to become subject to the jurisdiction of the Federal Energy Regulatory Commission or to lose its exemption from Federal Energy Regulatory Commission jurisdiction pursuant to Section 1(b) or 1(c) of the Natural Gas Act (15 U.S.C. 717 (b), 717 (c)).

General.

The Schedule of which this rate is a part includes certain Terms and Conditions and Rates and Riders. Service hereunder is subject to these Terms and Conditions and the Rates and Riders which may be applicable.