
Rider 8

***Adjustments for Municipal, Local Governmental Unit and State Utility Taxes**

Applicable to All Rates

The charges authorized under the Schedule of which this Rider is a part, as effective from time to time, shall be subject to the following additional charges:

*** Municipal Utility Tax Charge.**

Where the Company pays a municipal tax on gross receipts, including any amounts resulting from audit adjustments, imposed by a municipality under the provisions of Section 8-11-2 of the "Illinois Municipal Code," as heretofore and hereafter amended, the additional charge shall offset the effect of the tax in accordance with the provisions of Section 9-221 of "The Public Utilities Act," as heretofore and hereafter amended. The additional charge shall cover: (1) the municipal tax itself; (2) an allowance of three percent of the tax for costs of accounting; and (3) the increase in taxes and other payments to governmental bodies resulting from the additional charge. The amount of such additional charge shall be determined by multiplying the applicable additional charge rate (as shown on the Information Sheet supplemental to this Rider) by billing, including, where applicable, state tax additions referred to below, for gas furnished by the Company for use or consumption and not for resale within the corporate limits of the municipality, including any taxable service billed in connection therewith.

The additional charge currently applicable in each municipality which has levied a municipal tax on gross receipts is shown on the Information Sheet supplemental to this Rider.

*** Local Governmental Unit Utility Tax Charge.**

Where the Company pays a local governmental unit tax on gross receipts, including any amounts resulting from audit adjustments, imposed by a unit of local government, as heretofore and hereafter amended, the additional charge shall offset the effect of the tax. For the purposes of this rider, a local governmental unit means any county, township, special district or unit designated as a unit of local governmental by law, excluding a local municipality, and which exercises its limited governmental powers or powers in respect to limited government subjects. The additional charge shall cover: (1) the local governmental unit tax itself; (2) an allowance of three percent of the tax for costs of accounting, and (3) the increase or decrease in taxes and other payments to governmental bodies resulting from the additional charge. The amount of such additional charge shall be determined by multiplying the applicable additional charge rate (as shown on the Information Sheet supplemental to this Rider) by billing, including, where applicable, state tax additions referred to below, for gas furnished by the Company for use or consumption and not for resale within the boundaries of the each local governmental unit imposing such tax, including any taxable service billed in connection therewith.

The additional charge currently applicable in each local government which has levied a local governmental unit tax on gross receipts is shown on the Information Sheet supplemental to this Rider.

*** Municipal and Local Governmental Unit Gas Use Tax Charge.**

Where the Company agrees to collect a municipal or local governmental unit tax based on a charge per unit of energy, where such tax is imposed through an ordinance, rule, or other legal provision by a municipality or local governmental unit having appropriate jurisdiction to invoke such tax, the additional charge shall reflect the effect of the tax. The amount of such additional charge for a Customer, including any amount resulting from audit adjustments, shall be determined by multiplying the applicable per therm charge rate (as shown on the Information Sheet supplemental to this Rider) by the volume delivered to the Customer for use or consumption within the corporate limits of the municipality or local governmental unit. The Company will retain a mutually agreed upon fee to cover the costs of its accounting.

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(Continued From Sheet No. 64)

- * The additional charge currently applicable in each municipality or local governmental unit which has levied a municipal gas use tax based on a charge per unit of energy is shown on the Information Sheet supplemental to this Rider.

- * **State Utility Tax, Gas Use Tax and State Utility Fund Tax Charge.**
Where the Company pays a state tax based on a percentage of gross receipts or a charge per unit of energy, including any amounts resulting from audit adjustments, imposed by the State under the provisions of "The Gas Revenue Tax Act," as heretofore and hereafter amended, the additional charge applicable shall equal the amount pursuant to the provisions of Section 9-222 of "The Public Utilities Act," as heretofore and hereafter amended. The amount of such additional charge is the lower of 5.00 percent or 2.4 cents per therm.

As provided by the "Gas Use Tax Law", and imposed by the State, the Company shall collect the Gas Use Tax from Customers receiving service under the Company's transportation service rates and riders at the rate of 2.4 cents per therm. Upon receipt of proper notification, the Company shall not collect the Gas Use Tax for gas used by customers meeting one of the following criteria:

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(Continued From Sheet No. 64.1)

- (1) Gas used by a Self-Assessing Purchaser, as defined by the Gas Use Tax Law, who provides the Company with a copy of the certificate of registration as a Self-Assessing Purchaser from the Department of Revenue;
- (2) Gas used by business enterprises located in an enterprise zone certified by the Department of Commerce and Economic Opportunity pursuant to the Illinois Enterprise Zone Act;
- (3) Gas used by governmental bodies, or a corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious, or educational purposes. Such use shall not be exempt unless the government body, or corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes has first been issued as tax exemption identification number by the Department of Revenue pursuant to Section 1g of the Retailers' Occupation Tax Act. A limited liability company may qualify for the exemption under this Section only if the limited liability company is organized and operated exclusively for educational purposes. The term "educational purposes" shall have the same meaning as that set forth in Section 2h of the Retailers' Occupation Tax Act;
- (4) Gas used in the production of electric energy. This exemption does not include gas used in the general maintenance or heating of an electric energy production facility or other structure;
- (5) Gas used in a petroleum refinery operation;
- (6) Gas purchased by persons for use in liquefaction and fractionation process that produce value added natural gas byproducts for resale;
- (7) Gas use in the production of anhydrous ammonia and downstream nitrogen fertilizer products for resale.

For gas uses meeting one of the criteria numbered (2) through (7), Customers must submit to the Company an exemption certificate obtained from the Illinois Department of Revenue.

Where the Company pays a state tax based on a percentage of gross receipts, imposed by the State under the provisions of Section 2-202 of "The Public Utilities Act," as heretofore and hereafter amended, the additional charge, applicable to all taxable receipts, shall equal the percentage pursuant to the provisions of Section 9-222 of "The Public Utilities Act," as heretofore and hereafter amended. The amount of such additional charge due to the Public Utility Fund Tax is 0.1 percent.

*** General.**

The effectiveness of any additional charge due to tax shall coincide with the date upon which gross receipts or gas use is subject to the tax or, in the case of a payment of tax by the Company resulting from an audit adjustment, then the date upon which the Company makes such payment.

Except as specified above, all other provisions of the rate shall apply.