ORIGINAL

Areawide Public Utility Contract

for

Regulated Natural Gas and Energy Management Services

Contract No. GS-00P-07-BSD-0500

between the

United States of America

and

North Shore Gas Company

franchised area of Northeast Illinois

Negotiated Areawide Contract
No. GS-00P-07-BSD-0500

between the
United States of America
and
North Shore Gas Company

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NEGOTIATED AREAWIDE CONTRACT
No. **GS-00P-07-BSD-0500**

BETWEEN THE
UNITED STATES OF AMERICA
AND
North Shore Gas Company

THIS AREAWIDE CONTRACT FOR natural gas service and energy management service is executed this 31st day of October, 2006, between the UNITED STATES OF AMERICA, acting through the Administrator of General Services (hereinafter referred to as the "Government"), pursuant to the authority contained in Section 201(a) of the Federal Property and Administrative Services Act of 1949, as amended, 40 U.S.C. 501(b)(1), and North Shore Gas Company, operating under the trade name of Peoples Energy, is a corporation organized and existing under the laws of the State of Illinois, and having its principal office and place of business at 130 E. Randolph Drive, Chicago, Illinois 60601 (hereinafter referred to as the "Contractor"):

WHEREAS, the Contractor is a natural gas distribution utility company that is regulated by the Illinois Commerce Commission;

WHEREAS, the Contractor now has on file with the Commission and/or with such other regulatory bodies as may have jurisdiction over the Contractor (hereinafter referred to collectively as the "Commission") all of its effective tariffs, rate schedules, riders, rules and regulatory terms and conditions of service, as applicable;

WHEREAS, with some exceptions, the Government is generally required by Chapter 1 of Title 48 of the Federal Acquisition Regulation (FAR), 48 CFR 41.204, to enter into a bilateral contract for natural gas and/or energy management service at each Federal facility where the value of the utility service provided is expected to exceed $100,000 per year;

WHEREAS, where the Government has an areawide contract in effect with a particular utility then such utility service is normally to be procured thereunder;

WHEREAS, the Government is now purchasing such Natural Gas and Energy Management services from the Contractor under the Areawide Public Utilities Contract for natural gas and energy management Service (Contract No. GS-00P-97-BSD-0075) that expires on September 23, 2007, or under some other service arrangement; and

WHEREAS, the Contractor and the Government mutually desire that this Areawide Contract be used by the agencies of the Government in obtaining natural gas service and energy management service from the Contractor and to facilitate partnering arrangements as encouraged and authorized by P.L. 102-486 (Energy Policy Act of 1992) 10 U.S.C. 2865 and 42 U.S.C. 8256);

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereby agree as follows:

ARTICLE 1. DEFINITIONS.

1.1. As used in this contract,

(**a**) the term "Areawide Contract" means this master contract entered into between the Government and Contractor to cover the utility service acquisitions of all Federal agencies in the franchised certificated service territory from Contractor for a period not to exceed ten (10) years;

(**b**) the term "Agency" means any Federal department, agency, or independent establishment in the executive branch of the Government, any establishment in the legislative or judicial branches of the Federal Government, or any wholly/mixed ownership Government corporation, as defined in the Government Corporation Control Act, a list of which Agencies may be found at ADM 4800.2E on the General Services Administration website;

(**c**) the term "Ordering Agency" means any Agency that enters into a bilaterally executed Authorization for procurement of natural gas and/or energy management services under this Areawide Contract;

(**d**) the term "Authorization" means an order form used to acquire services under this areawide contract (see **Exhibit "A"** AUTHORIZATION FOR NATURAL GAS SERVICE and **Exhibit "B"** AUTHORIZATION FOR ENERGY MANAGEMENT SERVICE) annexed hereto;

(e) the term "Termination Authorization" means an order form used to discontinue or disconnect services under this Areawide Contract (SEE EXHIBIT "A" AUTHORIZATION FOR NATURAL GAS SERVICE and EXHIBIT "B" AUTHORIZATION FOR ENERGY MANAGEMENT SERVICE);

(f) the term "Service" means any natural gas or energy management services generally available from the Contractor pursuant to Contractor's Tariffs or the Contractor's Terms and Conditions, whichever is applicable;

(g) the term "Natural Gas Service" means regulated gas commodity, where applicable, transmission, distribution, and/or related services,

(h) the term "Energy Conservation Measure" means any specific energy related or water service intended to provide energy savings and/or demand reduction in Federal facilities (Reference Article 18 herein); and

(i) the term "Energy Management Service (EMS)" measure means any project that reduces and/or manages energy demand in a facility as well as energy audits and any ancillary services necessary to ensure the proper operation of the energy conservation measure. Such measures include, but are not limited to, operating and maintenance and commissioning services (Energy Conservation Measure and Demand Side Management Measure are considered equivalent terms.) To be considered an EMS measure, the measure must satisfy all of the following requirements:

1. the EMS measure must produce measurable energy reductions or measurable amounts of controlled energy and/or water use;
2. The EMS measure must be directly related to the use of energy or directly control the use of energy or water;
3. The preponderance of work covered by the EMS measure (measured in dollars) must be for items 1 and 2 above; and
4. The EMS measure must be an improvement to real property or any action that is necessary to ensure the functionality of the EMS measure.

(k) the term "Contractor's Tariff(s)" means the Commission utility service Tariffs, and includes rate schedules, rules, regulations and regulated terms and conditions of service as may be modified, amended or supplemented by the Contractor from time to time and, approved by the Commission;

(l) the term "Contractor's Terms and Conditions" for this Agreement, means the terms, conditions, policies, payment terms and prices established by the Contractor for those services that are provided pursuant to this Contract but not specifically subject to Commission approval;

(m) the term "Connection Charge" means a Contractor's charge for facilities on the Contractor's side of the delivery point which facilities (1) are required to make connections with the nearest point of supply and (2) are in accordance with the Contractor's Tariffs and the Commission's rules and regulations, installed, owned, maintained and operated by the Contractor.

(n) the term "Class of Service" or "Service Classification" means those categories of service established in the Contractor's Tariff as filed with the Commission;

1.2. This Article is hereby expanded to include the additional definitions contained in FAR Clause 52.202-1, Definitions (JULY 2004), 48 C.F.R. 52.202-1, which are incorporated herein by reference.

ARTICLE 2. SCOPE AND DURATION OF CONTRACT.

2.1. This Areawide Contract shall be in effect on and after the 31st day of October, 2006, and shall continue for a period of ten (10) years, except that the Government, pursuant to the clause contained in FAR 52.249-2 (48 C.F.R. 52.249-2), incorporated into this areawide contract under Article 14.1-34, or the Contractor, upon 60 days written notice to the Government, and without liability to the Government or any ordering agency, may terminate this areawide contract, in whole or in part, when it is in their respective interest to do so, provided, however, that neither the stated duration of this areawide contract nor any other termination of it, in whole or in part, pursuant to such incorporated clause, this Article 2.1, or otherwise, shall be construed to affect any obligation for any payment, charge, rate, or other matter that may be imposed pursuant to the Contractor's tariff as may be modified, amended, or supplemented by the Contractor and approved from time to time by the Commission.

2.2. Authorizations may be executed under this Areawide Contract at any time during the term of the contract, up to and including the last effective date. Any Authorization negotiated and executed during the term of Contract No. GS-00P-96-BSD-0075 shall be valid during the term of this contract provided the total term of the individual Authorization does not exceed ten (10) years.

2.3 The provisions of this Areawide Contract shall not apply to the Contractor's service to any Agency until both the ordering Agency and the Contractor execute a written Authorization for natural gas or energy management services. Upon bilateral execution of an Authorization, the Contractor agrees to furnish to the ordering Agency, and the ordering Agency agrees to purchase from the Contractor, the above noted services for the installation(s) or facilities named in the Authorization pursuant to the terms of this Areawide Contract.

2.4. Nothing in this Areawide Contract shall be construed as precluding the ordering Agency and the Contractor from entering into an Authorization for negotiated rates or service of a special nature, provided such negotiated rates or service are in accordance with the rules and regulations of the Commission, if applicable.

ARTICLE 3. EXISTING CONTRACTS.

3.1. The parties agree that an Agency currently acquiring service from the Contractor under a separate written contract may continue to do so until that contract expires or until such time as the Agency and the Contractor mutually agree to terminate that separate written contract and have such service provided pursuant to this Areawide Contract by executing an appropriate Authorization or Authorizations.

3.2. Existing special rates and services of a special nature currently provided under a separate written contract may be continued under the Authorizations described in Article 3.1 if requested by the Ordering Agency and agreed upon by the Contractor.

ARTICLE 4. AUTHORIZATION PROCEDURE AND SERVICE DISCONNECTION.

4.1. To obtain or change service under this Areawide Contract, the ordering Agency shall complete the appropriate Authorization and forward it to the Contractor. Upon the request of the ordering Agency, the Contractor shall endeavor to provide reasonable assistance to the ordering Agency in selecting the service classification which may be most favorable to the ordering Agency. Upon execution of an Authorization by both the Contractor and the ordering Agency, the date of initiation or change in service shall be effective as of the date specified in the Authorization. An executed copy of the Authorization shall be transmitted by the ordering Agency to GSA at the address provided in Article 16.1.

4.2. During the term of this Areawide Contract, effective Authorizations need not be amended, modified, or changed by an Ordering Agency to reflect changes in: accounting and appropriation data, the Contractor's tariff, the Contractor's cost of purchased fuel, or the estimated annual cost of service. Such changes are considered internal to the party involved. Where changes are required in effective Authorizations because of a change in the service requirements of an Ordering Agency, an amended Authorization shall be mutually agreed upon and executed.

4.3. An ordering Agency or the Contractor may discontinue service provided pursuant to this Areawide Contract to a particular Federal facility or installation by delivering a written Termination Authorization to the other. Such discontinuance of service by an ordering Agency or the Contractor shall be in accordance with the terms of this Areawide Contract and the Contractor's Tariffs.

ARTICLE 5. RATES, CHARGES, AND PUBLIC REGULATION.

5.1 A complete listing of all Contractor's Tariffs is available to the Government and any ordering Agency electronically at the Contractor's website accessible via www.peoplesenergy.com/business/business.asp.

5.2. Subject to the provisions of Article 2.3, all natural gas and energy management service purchases under this Areawide Contract, as well as any other action under this Areawide Contract shall be in accordance with, and subject to, the Contractor's Tariffs, except to the extent that same are preempted by Federal law. Throughout the term of the Contract, the Government shall have full access to the Contractor's currently effective Tariffs. In the event the Contractor's Tariffs become inaccessible via the internet or the ordering Agency does not have access to the internet, the Contractor agrees to provide newly effective or amended Tariffs in accordance with the Contractor's Tariff distribution practices, policies and procedures applicable to all customers.

5.3. If, during the term of this Areawide Contract, the Commission approves a change in rates for services specified in Authorizations in effect hereunder, the Contractor agrees to continue to furnish, and the ordering Agency agrees to continue to pay for, those services at the newly approved rates from and after the date such rates are made effective. As provided in Article 4.2, modification of any Authorization hereunder is not necessary to implement higher or lower rates.

5.4. The Contractor hereby represents and warrants to the Government that the service rates available to any Ordering Agency hereunder shall at all times not exceed those available to any other customer served under the same service classification for the same or comparable service, under like conditions of use. Nothing herein shall require the Contractor to apply service rates that are inapplicable to the Ordering Agency.

5.5. Reasonable written notice via an Authorization shall be given by the ordering Agency to the Contractor, at the address provided in Article 16.2, of any material changes proposed in the volume or characteristic of utility services required by the Ordering Agency.

5.6. To the extent required by the Contractor's Tariffs, the Commission's rules and regulations, or the Contractor's policies and practices applicable to all customers, and in accordance therewith, any necessary extension, alteration, relocation, or reinforcement of the Contractor's transmission or distribution lines, related special facilities, service arrangements, demand side management services (including any rebates to which the ordering Agency may be entitled), energy audit services, or other services required or requested by an ordering Agency shall be provided and, as applicable, billed for, by the Contractor. To the extent available from the Contractor, the Contractor shall provide and, as applicable, bill for such technical assistance on or concerning an ordering Agency's equipment (such as the inspection or repair of such equipment) as may be requested by such ordering Agency. The charges for such technical assistance shall be calculated at the time the technical assistance is rendered, as mutually agreed upon by the Contractor and the Agency, and shall comply with Contractor's Tariffs, if applicable. The Authorization or any other agreement used to obtain and provide the matters, services, or technical assistance described in this Article 5.6 shall contain information descriptive of the matters, services, or technical assistance required or requested, including the amount of (or method to determine) any payment to be made by the ordering Agency to the Contractor for the provision of said matters, services, or technical assistance.

5.7. Any charges for matters or services referenced in Article 5.6 hereof which are not established by the Contractor's Tariffs shall be subject to audit by the ordering Agency prior to payment; provided, however, that notwithstanding such right to audit, payment for the matters and services referenced in Article 5.6 thereof shall not be unreasonably withheld or denied. The Contractor further warrants and represents to the Government that charges for the matters or services referenced in Article 5.6 hereof will not exceed the charges billed to other customers of the Contractor served under the same service classification for like matters or services provided under similar circumstances.

5.8. The requirements of the Disputes clause at FAR 52.233-1 are supplemented to provide that matters involving the interpretation of Contractor's Tariffs are subject to the jurisdiction and regulation of the utility rate commission having jurisdiction.

ARTICLE 6. BILLS AND BILLING DATA.

6.1 The natural gas or energy management services supplied hereunder shall be billed to the ordering Agency at the address specified in each Authorization. Bills shall be submitted in original only, unless otherwise specified in the Authorization. All bills shall contain such data as is required by the Commission to substantiate the billing, and such other reasonable and available data as may be requested by the ordering Agency, provided that such other data are contained in bills provided to other customers of the Contractor served under the same service classification as the ordering Agency.

ARTICLE 7. PAYMENTS FOR SERVICES.

7.1. Payments hereunder shall not be paid in advance of services rendered. The ordering Agency shall effect payment of all bills for regulated services rendered under this Contract in accordance with the terms of the Contractor's Tariff. Currently, a late payment charge of one-and-one-half percent (1-1/2%) per monthly billing period will be assessed upon the unpaid

balance of any utility bill twenty-five (25) calendar days after the date the bill is rendered by the Contractor. Changes in the Contractor's Tariff provisions for the payment of bills shall supersede the provisions of this paragraph.

7.2. The ordering Agency will make invoice payments for services not subject to the direct oversight of the Commission in accordance with the provisions of the FAR Subpart 52.232-25 (Article 14.1-18). The interest rate for late payments made pursuant to this clause shall be computed in accordance with the Office of Management and Budget prompt payment regulations at 5 C.F.R. 1315.

7.3. Payments hereunder shall not normally be made in advance of services rendered in accordance with 48 C.F.R. Subpart 32.4 unless required by the Contractor's Tariff. The applicability of this provision is limited to connection charge and line extension payments specifically cited in the Contractor's Tariff.

7.4. Each payment made by Treasury check to the Contractor shall include the Contractor's billing stub(s), or a Government or ordering Agency payment document, that clearly and correctly lists all of the Contractor's account numbers to which the payment applies and the dollar amount applicable to each account. If payment is by Electronic Funds Transfer either through the Automated Clearing House (ACH) or the Federal Reserve Wire Transfer System, the provisions of FAR Subpart 52.232-34 shall apply (See Article 14).

ARTICLE 8. CONTRACTOR-OWNED METERS.

8.1. Metering equipment of standard manufacture suitable to measure all utility services supplied by the Contractor hereunder shall be furnished, installed, calibrated and maintained by the Contractor at its expense. In the event any meter fails to register or registers incorrectly, as determined by the regulations of the Commission, billing adjustments shall be made in accordance with such regulations.

8.2. The Contractor, so far as possible, shall read all meters monthly in accordance with the Contractor's Tariff and the Commission's regulations.

8.3. Meters shall be inspected upon installation at no direct charge to the Ordering Agency. Subsequent inspection, periodic testing, repair, and replacement of meters shall be done in such place and manner as provided by the Commission's regulations. Upon notice that a meter is failing to register correctly, the Contractor shall take immediate steps to effect replacement or repair. Ordering Agencies shall have the right to request a meter test in accordance with the procedures prescribed in the Commission's regulations. The tests and applicable meter accuracy standards are those set forth in the Commission's regulations. The expense of meter tests shall be borne by the party designated as responsible therefor in the Commission's regulations.

8.4. For the purposes of this Article, references to meters shall apply only to Contractor-owned metering devices installed and maintained by the Contractor in accordance with Commission guidelines for utility service(s). References to meters under this Article shall not apply to meters that are to be installed by the Contractor at the request of an Ordering Agency, to be owned by the Government as a part of an Authorization for Energy Management Service or other service.

ARTICLE 9. EQUIPMENT AND FACILITIES.

9.1. Subject to the provisions of Article 5.6 hereof, the responsibility for owning, furnishing, installing, and maintaining all equipment and facilities (other than meters) required to supply service at the delivery point(s) specified in an Authorization shall be determined in accordance with the Contractor's regulated Tariffs. The ordering Agency shall provide, free of charge to the Contractor, mutually agreeable locations on its premises for the installation of meters and such other equipment furnished and owned by the Contractor and necessary to supply service hereunder. The Contractor shall, at all times during the life of this Areawide Contract, operate and maintain at its expense such equipment or facilities as for which it has responsibility in accordance with this Article 9.1, and shall assume all taxes and other charges in connection therewith. Notwithstanding anything to the contrary in FAR 52.241-5 (Contractor's Facilities (FEB 1995)), to the extent required by the Contractor's Tariffs and the Commission's rules and regulations, and in accordance thereof, such equipment and facilities as for which the Contractor has responsibility in accordance with this Article 9.1 shall be removed, or any underground equipment or facilities for which the Contractor has responsibility in accordance with this Article 9.1, such underground equipment or facilities may be abandoned, and in both cases, the Agency's premises restored, by the Contractor at its expense, within a reasonable time after discontinuance of service to the ordering Agency.

9.2. All necessary rights-of-way, easements and such other rights necessary to permit the Contractor to perform under this contract shall be obtained and the expense for same borne in accordance with the Contractor's Tariffs and the Commission's rules and regulations.

ARTICLE 10. LIABILITY.

10.1. If the Government and/or an Ordering Agency has limited or restricted the Contractor's right of access under Article 11 and thereby interfered with the Contractor's ability to supply service or to correct dangerous situations which are a threat to public safety, the Government shall be responsible for any liability resulting from such restricted or limited access to the extent permitted by law and authorized by appropriations. This Article (10.1) shall not be construed to limit the Government's liability under applicable law.

10.2. The Contractor's liability to the Government and to any Ordering Agency for any failure to supply service, for any interruptions in service, and for any irregular or defective service shall be determined in accordance with the Contractor's tariffs.

10.3. Except as provided above, and in accordance with the Contractor's Tariff and Terms and Conditions of Service, the Government shall not be liable for damage or injury to any person or property, including death, occasioned solely by the Contractor's employees', or agents' negligent installation, use, operation or intentional misuse of the Contractor's equipment or facilities.

10.4. In accordance with the Contractor's Tariff and/or Terms and Conditions of Service, neither the Contractor or its employees or agents shall be liable for damage or injury to any person or property, including death, occasioned solely by the negligent installation, use, operation or intentional misuse of Contractor's equipment or facilities by the Government, its employees or agents.

10.5. The Contractor shall not be liable for incidents arising out of or in any way connected with the violation or compliance with any local, state or federal environmental law or regulation resulting from pre-existing conditions at a Government job site, release or spill of any pre-existing hazardous materials or waste, or out of the management and disposal of any pre-existing contaminated soils or ground water, hazardous or non-hazardous, removed from the ground as a result of work performed by the Contractor.

10.6. The Government agrees to accept full responsibility for and bear all costs associated with pre-existing environmental liability. Responsibility for testing, abatement, remediation, and/or disposal of hazardous material, including, but not limited to, contaminated soil, lead paint, asbestos, fuel oil, or underground fuel oil tanks, shall remain with the Government. Where there is reason to suspect that hazardous material is present at the work site, or where hazardous material is encountered during the course of work being performed, the Contractor shall stop work; notify the Contracting Officer and Activity personnel, and request that the Government test the work site for such hazardous material and appropriately abate and dispose of such hazardous material. Once the work site has been cleared of all hazardous material, the Contractor shall resume work in that area.

ARTICLE 11. ACCESS TO PREMISES.

11.1. The Contractor shall have access to the premises served at all reasonable times during the term of this Areawide Contract and at its expiration or termination for the purpose of reading meters, making installations, repairs, or removals of the Contractor's equipment, or for any other proper purposes hereunder; provided, however, that proper military or other governmental authority may limit or restrict such right of access in any manner considered by such authority to be reasonably necessary or advisable.

ARTICLE 12. PARTIES OF INTEREST.

12.1. This Areawide Contract shall be binding upon and inure to the benefit of the successors, legal representatives, and assignees of the respective parties hereto.

12.2. When the Contractor becomes aware that a change in ownership or company name has occurred, or is certain to occur, the Contractor shall notify the Contracting Officer at the address provided in Article 16.1 not later than thirty (30) days after the effectiveness of any such ownership or name change. In the event the Contractor fails to make the notification required by this Article 12.2, the Government cannot guarantee the payment of outstanding invoices in accordance with the provisions of Article 7.1.

ARTICLE 13. REPRESENTATIONS AND CERTIFICATIONS.

13.1. This Areawide Contract incorporates by reference the representations and certifications made by the Contractor on Form PBS 3503 which is on file with the Government.

ARTICLE 14. SUPPLEMENTAL CLAUSES.

14.1. 52.252-2 Clauses Incorporated by Reference. (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address (es): http//:www.arnet.gov.

FAR REF Federal Acquisition Regulation

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address (es): http//:www.arnet.gov.

	FAR REF	Federal Acquisition Regulation
(1)	52.202-1	Definitions (JUL 2004)
(2)	52.203-3	Gratuities (APR 1984)
(3)	52.203-5	Covenant Against Contingent Fees (APR 1984)
(4)	52.203-6	Restrictions on Subcontractor Sales to the Government (JUL 1995)
(5)	52.203-7	Anti-Kickback Procedures (JUL 1995)
(6)	52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (JAN 1997)
(7)	52.204-4	Printed/Copied Double-Sided on Recycled Paper (AUG 2000)
(8)	52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment (JUL 1995)
(9)	52.211-10	Commencement, Prosecution and Completion of Work (APR 1984)*
(10)	52.215-19	Notification of Ownership Changes (OCT 1997)
(11)	52.219-8	Utilization of Small Business Concerns (MAY 2004)
(12)	52.219-9	Small Business Subcontracting Plan (JAN 2002)
(13)	52.222-21	Prohibition of Segregated Facilities (FEB 1999)
(14)	52.222-26	Equal Opportunity (APR 2002)
(15)	52.223-14	Toxic Chemical Release Reporting (AUG 2003)
(16)	52.229-1	State and Local Taxes (APR 1984)
(17)	52.232-5	Payments under Fixed-Price Construction Contracts (SEP 2002)*
(18)	52.232.25	Prompt Payment (OCT 2003)
(19)	52.232-23	Assignment of Claims (JAN 1986)
(20)	52.232-34	Electronic Funds Transfer Payment (MAY 1999)
(21)	52.233-1	Disputes (JULY 2002)
(22)	52.236.5	Material and Workmanship (APR 1984)*
(23)	52.237-2	Protection of Government Buildings, Equipment, and Vegetation (APR 1984)
(24)	52.241-2	Order of Precedence – Utilities (FEB 1995)
(25)	52.241-3	Scope and Duration of Contract (FEB 1995)*
(26)	52.241-4	Change in Class of Service (FEB 1995)*
(27)	52.241-5	Contractor's Facilities (FEB 1995)*
(28)	52.241-7	Changes in Rates or Terms and Conditions of Service for Unregulated Services (FEB 1995)*
(29)	52.241-11	Multiple Service Locations (FEB 1995)*
(30)	52.242-13	Bankruptcy (JUL 1995)
(31)	52.243-1	Changes-Fixed Price(AUG 1987)
(32)	52.244-5	Competition in Subcontracting (Dec 1996)
(33)	52.249-	Default (Particular version to be specified in Exhibit)*
(34)	52.249-2	Termination for Convenience of the Government (Fixed Price)(MAY 2004)
(35)	52.253-1	Computer Generated Forms (JAN 1991)
(36)	52.2332-27	Prompt Payment for Construction Contracts (FEB 2002)*

Clauses marked with an asterisk (*) are only applicable if checked on a Exhibit, and only to the work ordered on that Exhibit

14.2 Repeal of Clauses During Term of Contract.

If, during the term of this Areawide Contract, any of the clauses contained in this Article are repealed, revoked, or dissolved by the Government, then such clauses shall no longer be part of this contract as of the date of such repeal, revocation, or dissolution. The elimination of these clauses by reason of such repeal, revocation, or dissolution shall not affect the continuing validity and effectiveness of the remainder of the contract or other clauses referenced in this Article.

ARTICLE 15. SMALL BUSINESS SUBCONTRACTING PLAN

15.1. Attached hereto and made a part hereof by reference is a SUBCONTRACTING PLAN FOR SMALL BUSINESS CONCERNS, SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY SOCIALLY & ECONOMICALLY DISADVANTAGED INDIVIDUALS, HUB ZONE BUSINESS CONCERNS, WOMAN OWNED SMALL BUSINESS CONCERNS, VETERAN-OWNED SMALL BUSINESSES CONCERNS AND DISABLED VETERAN-OWNED BUSINESSES negotiated between the Contractor and the Government, which is applicable on a company wide basis pursuant to the requirements of Section 211 of P.L. 95-507, as amended (15 U.S.C. 637(d)). The Contractor expressly understands that this subcontracting plan is an annual plan and hereby agrees to submit a new subcontracting plan by November 30th of each year during the life of this Contract.

15.2. Information and announcements concerning current developments in the GSA Small Business Subcontracting Program are available on the GSA Energy Center web site accessible via http://www.gsa.gov/energy.

ARTICLE 16. NOTICES

16.1. Unless specifically provided otherwise, all notices required to be provided to the Government under this Areawide Contract shall be mailed to: U. S. General Services Administration, Energy Center of Expertise (PLA), 301 7th Street, SW, Room 4004, Washington, DC 20407.

16.2. All inquiries and notices to the Contractor regarding this Areawide Contract shall be mailed to: Leon Dorsey, Manager Sales, Peoples Energy Corporation, 130 East Randolph Drive, Chicago, IL 60601

or to such other person as the Contractor may hereafter designate in writing.

16.3. The Contractor shall provide GSA with a copy of all fully executed Exhibit "B" Authorizations for Energy Management Service including any applicable attachments at the address provided in Article 16.1.

ARTICLE 17. REPORTING

17.1 The Contractor shall provide, as prescribed and directed by the Contracting Officer, an annual report on Subcontracting Plan Achievements, in accordance with the approved subcontracting plan for small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals by April 1 of each year during the life of this Areawide Contract. The report shall be submitted electronically utilizing the Small Business Administration's Electronic Subcontracting Reporting System. The website address of the reporting system can be found at http://www.esrs.gov.

ARTICLE 18. UTILITY ENERGY SERVICE CONTRACTS.

18.1. Measurement and verification: Energy Conservation Measures (ECM) will not be normally considered unless a net overall energy usage or cost reduction can be demonstrated and verified. Verification standards for energy projects are established in the North-American Energy Measurement and Verification Protocol (NEMVP), published by the Department of Energy's Federal Energy Management Program (FEMP).

18.2. Unless otherwise provided by law, the following provisions shall apply:

(**a**) Payment for energy conservation measures, when authorized as Energy Management Service (EMS), shall be equal to the direct cost of capital or financing amortized over a negotiated payment term commencing on the date of acceptance of the completed installation;

(**b**) The payment term for Authorizations involving energy conservation measures should be calculated to enable the Ordering Agency's payment(s) to be lower than the estimated cost savings to be realized from its implementation. In no event, however, shall this term exceed 80% of the useful life of the equipment/material to be installed.

18.3. Subcontracting: The Contractor may perform any or all of its requested services through subcontractors, including its unregulated affiliates. ECM subcontractors shall be competitively selected in accordance with FAR 52.244-5 (Article 14.1-32 herein). Subcontractor selection shall be based on cost, experience, past performance and other such factors as the Contractor and the Ordering Agency may mutually deem appropriate and reasonably related to the Government's minimum requirements. Upon request by the Government, the Contractor shall make available to the contracting officer all documents related to the selection of a subcontractor. In no event shall the service be provided by subcontractors listed as excluded from Federal Procurement Programs maintained by GSA pursuant to 48 C.F.R. 9.404 (Article 14.1-8 herein).

18.4. For all Authorizations involving Energy Conservation Measures, it is desirable to have a Warranty Clause that addresses the specific needs and requirements of the work being performed and equipment that is to be provided by the Contractor, however, in the absence of a Warranty Clause in the Authorization the following language will serve as the default Clause:

The Company shall pass through to the Agency all warranties on equipment installed or provided by it or its subcontractors on Government property with the following representation:

North Shore Gas Company ACNOWLEDGES THAT THE UNITED STATES OF AMERICA WILL OWN OR LEASE THE EQUIPMENT AND/OR MATERIALS BEING INSTALLED OR SUPPLIED HEREUNDER, AND, ACCORDINGLY, AGREES THAT ALL

WARRANTIES SET FORTH HEREIN, OR OTHERWISE PROVIDED BY LAW IN FAVOR OF COMPANY SHALL INURE ALSO TO THE BENEFIT OF THE UNITED STATES AND THAT ALL CLAIMS ARISING FROM ANY BREACH OF SUCH WARRANTIES OR AS A RESULT OF DEFECTS IN OR REPAIRS TO SUCH EQUIPMENT OR SUPPLIES MAY BE ASSERTED AGAINST **North Shore Gas Company** OR MANUFACTURER DIRECTLY BY THE UNITED STATES.

18.5. The Contractor shall submit to GSA a copy of all preliminary energy audit results or energy conservation measure analysis (results or analysis) for review and approval. Upon approval of the preliminary audit or analysis and a receipt of a notice to proceed, the Contractor may negotiate Task Orders with the Ordering Agency for the implementation of the energy conservation measures described in the preliminary documents. In the event that Contractor submits any results or analysis in accordance wit this Section 18.5 and Contractor shall have not received a written reply from GSA within seven (7) days of the date of receipt by GSA of such result or analysis, GSA will be deemed to have granted approval of the results or analysis for purposes of this Section 18.5. The Contractor shall provide GSA with copies of any fully executed Exhibit "B" Authorizations for Energy Management Service resulting from approved energy audits including any applicable attachments at the address provided in Article 16.1.

18.6. Contractor's Responsibilities under Contract:

(a) The Contractor shall not provide Energy Management Service to Federal facilities unless the facility is a current customer or prospective customer of the regulated utility within the franchised service territory of the utility company providing such services.

(b) The work that is to be performed under the Authorization shall be limited to work resulting in a direct reduction in energy usage (see Article 1.1(j)) and any modification or repair that is necessary as a direct result of the installation of the Energy Conservation Measure.

ARTICLE 19. MISCELLANEOUS.

19.1. Contract administration: The Ordering Agency shall assist in the day-to-day administration of the utility service being provided to it under an Authorization.

19.2. Anti-Deficiency: Unless otherwise authorized by Public Law or Federal Regulation, nothing contained herein shall be construed as binding the Government to expend, in any one fiscal year, any sum in excess of the appropriation made by Congress for that fiscal year in furtherance of the matter of the contract or to involve the Government in an obligation for the future expenditure of monies before an appropriation is made (Anti-Deficiency Act, 31 U.S.C. 1341.A.1).

19.3. Obligation to Serve: Nothing contained in this contract shall obligate the Contractor to take any action which it may consider to be detrimental to its obligations as a public utility.

19.4 Term of Authorizations: It is recognized that during the life of this contract, situations and/or requirements may arise where it may be desirable that the term of service to an ordering Agency's facility extend beyond the term of this contract. In such event, the particular Authorization involved may specify a term extending beyond the term of this contract, provided that is within the contracting authority of the ordering agency and appropriate termination liability provisions have been negotiated between the Contractor and Ordering Agency to address unamortized balances for connection charge or energy management service projects.

IN WITNESS WHEREOF, the parties have executed this contract as of the day and the year first above written.

UNITED STATES OF AMERICA
Acting through the Administrator
of General Services

By:_____
GSA Energy Center of Expertise
Contracting Officer

ATTEST:

By:_____
GSA Energy Center of Expertise

NORTH SHORE GAS COMPANY

By:_____

Title: President

ATTEST:

By:_____

Title: Assistant Secretary

CERTIFICATE

I, Tim Walsh, certify that I am Assistant Secretary of North Shore Gas Company, named as Contractor in the negotiated Areawide Public Utility Contract No. GS-OOP-07-BSD-0500; that DESIREE ROGERS who signed said contract on behalf of the Contractor, was then PRESIDENT of said Corporation; and that said contract was duly signed for and on behalf of said Corporation and is within the scope of its corporate powers.

/s/ Timothy P. Walsh

(Corporate Seal)

EXHIBIT "A"

Contractor's ID NO._____(Optional)
Ordering Agency's ID _____(Optional)

North Shore Gas Company
AUTHORIZATION FORNATURAL GAS SERVICE, CHANGE IN NATURAL GAS SERVICE,
OR DISCONNECTION OF NATURAL GAS SERVICE UNDER
CONTRACT NO. GS-OOP-06-BSD-0500

Ordering Agency:_____
Address: _____

Pursuant to Contract No. GS-OOP-07-BSD-0500 between the Contractor and the United States Government and subject to all the provisions thereof, service to the United States Government under such contract shall be rendered or modified as hereinafter stated. Contract Article 2 and 4 shall be followed for the initiation of service under this contract.

PREMISES TO BE SERVED:_____
SERVICE ADDRESS:_____

NATURE OF SERVICE: ☐ Connect, ☐ Change, ☐ Disconnect, ☐ Continue Service, ☐ DSM Work,
☐ Line Extension, Alteration, Relocation, or Reinforcement, ☐ Special Facilities

OTHER TERMS AND CONDITIONS:_____
Attach any other relevant terms and conditions under which service will be provided.
POINT OF DELIVERY:_____
_____

TERM OF SERVICE: From_____ through _____.

SERVICE HEREUNDER SHALL BE UNDER RATE SCHEDULE NO._____*, Hereafter amended or modified by the regulatory body having jurisdiction. (see article 5 of this contract.)
ESTIMATED ANNUAL ENERGY USAGE:_____KWH, ESTIMATED DEMAND:_____KW
ESTIMATED ANNUAL SERVICE COST: $_____
ESTIMATED CONNECTION/SPECIAL FACILITIES CHARGE: $_____ (if applicable)**
ACCOUNTING AND APPROPRIATION DATA FOR SERVICE:_____
FOR CONNECTION/SPECIAL FACILITIES CHARGE:_____

CLAUSES INCORPORATED BY REFERENCE (Check applicable clauses):

(1)_____ 52.211-10 Commencement, Prosecution and Completion of Work (APR 1984)
(2)_____ 52.236-5 Material and Workmanship (APR 1984)
(3)_____ 52.241-4 Change in Class of Service (FEB 1995)
(4)_____ 52.241-3 Scope and Duration of Contract (FEB 1995)
(5)_____ 52.241-5 Contractor's Facilities (FEB 1995)
(6)_____ 52.241-7 Change in Rates or Terms and Conditions of Service for Regulated Services (FEB 1995) (Use Full Text of Clause)
(7)_____ 52.241-11 Multiple Service Locations (FEB 1995)
(8)_____ 52.243-1 Changes-Fixed Price (AUG 1987)
(9)_____ 52.249-_ Default (_____) (Specify appropriate Clause)

BILLS WILL BE RENDERED TO THE ORDERING AGENCY FOR PAYMENT AT THE FOLLOWING ADDRESS:
_____in _____copies.
The foregoing shall be effective as of _____ ___ , 20__, upon the execution and return of the enclosed original copy.

ACCEPTED:

_____
(Ordering Agency)

By:_____
Authorized Signature
Title:_____
Date:_____

North Shore Gas Company
(Contractor)

By:_____
Authorized Signature
Title:_____
Date:_____

* Include a reference to the applicable rate schedule, and attach a copy of such schedule.

** If necessary, attach and make part hereof supplemental agreements or sheets that cover required connection or extension charges and special facilities or service arrangements. (See Article 5 of this Contract for instructions.)

NOTE:
A fully executed copy of this Authorization shall be transmitted by the ordering Agency to the Energy Center of Expertise (PLA), General Services Administration, Washington, DC 20407.

EXHIBIT "B"

Contractor's ID NO._____(Optional)
Ordering Agency's ID NO._____(Optional)

North Shore Gas Company
AUTHORIZATION FOR ENERGY MANAGEMENT SERVICES
CONTRACT NO. **GS-OOP-06-BSD-0500**

Ordering Agency:_____
Address: _____

Pursuant to Contract No. GS-OOP-07-BSD-0500 between the Contractor and the United States Government and subject to all the provisions thereof, service to the United States Government under such contract shall be rendered or modified as hereinafter stated. Contract Articles 2 and 4 shall be followed for the initiation of service under this contract.

PREMISES TO BE SERVED:_____
SERVICE ADDRESS: _____
NATURE OF SERVICE: ☐ Preliminary Energy Audit ☐ ECP Feasibility Study ☐ ECP Engineering & Design Study
☐ Energy Conservation Project (ECP) Installation ☐ Demand Side Management (DSM) Project
☐ Other (See Remarks Below)

SERVICE HEREUNDER shall be provided consistent with the Contractor's applicable tariffs, rates, rules, regulations, riders, practices, and/or terms and conditions of service, as modified, amended or supplemented by the Contractor and approved, to the extent required, by the Commission. (See Article 5 of this contract.)

POINT OF DELIVERY:_____
_____

ESTIMATED PROJECT COST: $ _____
ACCOUNTING AND APPROPRIATION DATA:_____

LIST OF ATTACHMENTS:

☐ General Conditions	☐ Payment Provisions	☐ Special Requirements	☐ Economic Analysis
☐ Facility/Site Plans	☐ Historical Data	☐ Utility Usage History	☐ ECP Feasibility Study
☐ Design Drawings	☐ Design Specifications	☐ Certifications	☐ Commission Schedules

CLAUSES INCORPORATED BY REFERENCE (Check applicable clauses):

(1 ____52.211-10 Commencement, Prosecution and Completion of Work (APR 1984)
(2)____52.232-5 Payments under Fixed-Price Construction Contracts (SEP 2002) --Supersedes provisions of payment clauses in Article 14.
(3)____52.2332-27 Prompt Payment for Construction Contracts (FEB 2002)
(4)____52.236-5 Material and Workmanship (APR 1984)
(5)____52.241-8 Change in Rates or Terms and Conditions of Service for Unregulated Services (FEB 1995) (Use full Text of Clause)
(6)____52.243-1 Changes-Fixed Price (AUG 1987)
(7)____52.249-__ Default (_____) (Specify appropriate Clause)

In addition, the Contracting Officer negotiating the terms and conditions under this authorization shall supplement the above-referenced clauses with clauses for the appropriate type of contract.

REMARKS:

ACCEPTED:

_____
(Ordering Agency)

By:_____
Authorized Signature
Title:_____
Date:_____
Telephone No._____

North Shore Gas Company
(Contractor)

By:_____
Authorized Signature
Title:_____
Date:_____
Telephone No._____

NOTE:
A fully executed copy of this Authorization shall be transmitted by the ordering Agency to the Office of Public Utilities (PNEU), General Services Administration, Washington, DC 20405.