

Traditional Transportation Customers

All traditional transportation service customers are eligible to switch into the Customer Select[®] program. Daily read traditional transportation service customers converting into Customer Select will be switched to one of the eligible rates (4 and 5).

Potential Advantage of Customer Select:

An advantage of switching traditional transportation accounts to Customer Select is the elimination of monthly administrative charges of \$23.00 for an individual account and \$10.00 for a group account.

Potential Disadvantages of Customer Select:

Under the Customer Select program, Nicor Gas gives the supplier a daily delivery range for each pool along with their pool's estimated usage. Deliveries above or below the estimated usage will either be injected or withdrawn from storage. In addition, the supplier must manage their pool's storage balance to be within certain monthly inventory target levels. This should be considered when determining whether to switch a traditional transportation customer to Customer Select.

For more information on daily delivery ranges and storage allocation, please refer to the Supply and Storage section (section 5).

Enrollment:

Existing traditional transportation customers can sign up for Customer Select at any time during the year; however, suppliers should attempt to reduce the customer's storage balance to zero before entering the program. If there is gas remaining in storage as of the Customer Select start date, there are two options available. One option is that any gas remaining in storage will be purchased from the customer at 90 percent of the current market value as defined in the tariff. The other option is the supplier can request a transfer of stored gas to any other eligible rate account or group subject to the terms and conditions specified in the "Trading of Stored Gas" section of the tariff. Storage transfers must be requested by the customer or current agent within 15 days of the issue date of the last traditional transportation bill or the gas in storage will be purchased from the customer as specified in the first option above. If there are accounts remaining in the traditional transportation group, they will keep all remaining gas in storage.

To switch a traditional transportation customer to Customer Select, the supplier is required to be a participating Customer Select supplier and needs to submit the customer's account

number and other pertinent information in the daily “SIGNUP” file of new customers to Nicor Gas. Nicor Gas will verify these accounts and terminate them from traditional transportation service. Service under Customer Select begins with the first bill with a beginning read date at least 14 calendar days from the date Nicor Gas receives notification of the customer’s enrollment into the program.

Customers taken from an existing group will be charged a processing fee of \$25.00, as specified in the tariffs. This charge is assessed to any customer entering or leaving an established group. However, this charge will be waived if the whole group is switched from traditional transportation service to Customer Select. To ensure that the charge is waived, it’s recommended that a supplier transferring an entire group submit every account in the group in the same “SIGNUP” file. Keep in mind that if a customer terminates traditional transportation service prior to one year of service, there may be other charges (device and storage capacity charges).

It is possible that some of your traditional transportation customers may sign up for Customer Select with a different supplier. If this happens, it is the customer’s responsibility to notify their current supplier of any changes in service. Nicor Gas is not responsible for notifying suppliers. However, Nicor Gas will attempt to notify suppliers, where possible, in case the customer fails to do so.

While Nicor Gas believes that the inclusion of traditional transportation customers in Customer Select could benefit many of the eligible customers, the Company also realizes that each customer’s gas needs are unique and, therefore, the customer should carefully analyze the economic and operating impact such a change may have.