
Terms and Conditions

(Continued From Sheet No. 45)

TRANSPORTATION AND STORAGE PROVISIONS:

*** Applicability.**

Transportation and Storage Provisions applicable to Customers and Suppliers served under Rates 74, 75, 76, and 77 and Riders 13, 15, and 16.

*** Initial Selection of Transportation Services.**

Customers selecting a transportation service rate (Rates 74, 75, 76 and 77) or switching from a sales service rate to a transportation service rate must first have either 1) an appropriate telephone line installed as specified in the Rate, or 2) an existing metering location capable of receiving daily uninterrupted wireless communications, as a condition of service. Such contract shall be for service at a single premises. As of May 1, 2026, the contract shall specify an initial Storage Banking Service of 29 times the Customer's Maximum Daily Contract Quantity.

Upon the acceptance of a properly executed contract, the Company may install a daily usage recording device. For requests between May 1 and September 30, the Customer shall be placed on the requested Rate effective with the billing period beginning after acceptance of the contract. For requests accepted between October 1 and April 30, the Customer shall be placed on the requested Rate effective with the second billing period after acceptance of the contract.

Individual Customers may request to be added to a Group after the daily usage recording device is working properly. In the event the Customer's telephone line is not present or working properly or if other uninterrupted wireless communication is not available at the Customer's existing metering location at the time the recording device is to be installed, the Customer shall be placed on Rate 4 - General Service for a period of not less than 12 months.

*** Termination of Transportation Service.**

Customers served under a transportation service rate (Rates 74, 75, 76 and 77) may revert to sales service by submitting a completed Transportation Cancellation Letter of Agreement provided by the Company.

Additional Facilities.

If additional facilities are required by the Company to deliver Customer-owned gas to the Customer's premises, the Customer shall reimburse the Company for all costs thereof prior to initiation of service hereunder.

Quality of Gas.

The quality of Customer-owned gas shall meet or exceed the specifications contained in 83 Illinois Administrative Code, Section 530.10 and Section 530.15. Customer-owned gas which does not meet such specifications shall be subject to the Company's approval and may be refused by the Company.

(Continued On Sheet No. 47)

Terms and Conditions

(Continued From Sheet No. 46)

Unaccounted-For Gas Adjustment.

All Customer-owned gas delivered to the Company shall be reduced by the unaccounted-for gas percentage determined annually for the most recent 12 months ended June 30 to be effective the following September 1.

*** Maximum Daily Contract Quantity Determination.**

The initial Maximum Daily Contract Quantity of a Customer without 12 months daily metering history, or for whom daily metering information is not available, shall be determined from the Customer's maximum billing period usage from the previous calendar year's billing history, adjusted to a 30-day basis, according to the following formula:

$$\frac{\text{Peak Billing Period Therms} \times 30}{\text{Billing Period Days} \times 21}$$

The initial Maximum Daily Contract Quantity of Customers with at least 12 months of daily metering history will be determined by the greater of:

- a. the highest daily usage from the previous 12 months as recorded by the metering device; or
- b. The results of a regression analysis on the usage of the most recent calendar year for January, February, and December as recorded by the metering device and applied to a 79-degree day.

Thereafter, annually, the Company shall predetermine the Maximum Daily Contract Quantity of Customers based on the previous calendar year. Customers shall be informed of the applicable Maximum Daily Contract Quantity by April 1 of each year. If the predetermined Maximum Daily Contract Quantity is within five (5%) percent of the previous year's Maximum Daily Contract Quantity, no change will be made. Prior to 2023, the Maximum Daily Contract Quantity so determined shall be effective for the next 12 billing months beginning with the Customer's first bill with an ending meter reading after June 1. Beginning in 2023, the Maximum Daily Contract Quantity so determined shall be effective for the next 12 billing months beginning with the Customer's first bill with an ending meter reading after May 1. The Company may accept a change to a Customer's MDCQ provided it can be substantiated. The Company reserves the right to refuse to enter into any contract which specifies an unreasonably high Maximum Daily Contract Quantity.

Maximum Daily Contract Quantities for Customers served under Rider 15, Customer Select, will be determined using the methodology described above for all other Customers. For a group served under Rider 16, Supplier Aggregation Service, the MDCQ will be the sum total of the individual MDCQs of the Customers in the group.

Critical Day Definition.

A Critical Day shall be a day which may be declared by the Company whenever any of the following five conditions occurs or is anticipated to occur: (a) when the Company experiences failure of transmission, distribution, gas storage or gas manufacturing facilities; (b) when transmission system pressures or other unusual conditions jeopardize the operation of the Company's system; (c) when the Company's transmission, storage, and supply resources are being used at or near their maximum rated deliverability; (d) when any of the Company's transporters or suppliers call the equivalent of a Critical Day; or (e) when the Company is unable to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of all or a portion of the Company's system.

(Continued on Sheet No. 48)

Terms and Conditions

(Continued From Sheet No. 47)

A Critical Day shall be declared by 8:00 A.M. the day prior to the Critical Day. The calling of a Critical Day shall be limited to the period from November 1 through April 30. Notice of a Critical Day will be posted on the Company's electronic bulletin board and via a recorded dial-in message. A courtesy e-mail notification will be made to customers requesting such notification and providing appropriate contact information. However, failure to receive e-mail notification shall not reduce the customer's obligations to comply with the Critical Day.

Cap Day

The Company reserves the right to limit, on any day, the volumes of Customer-owned gas delivered into the Company's system when, in the Company's sole judgment, the total gas supply to be delivered into the Company's system may cause an adverse effect on system operations. Customers and Suppliers will be notified of any Cap Day at least two (2) hours before the North American Energy Standards Board Timely nomination deadline on the interstate pipelines that interconnect with the Company's facilities. All Cap Days will be posted on the Company's electronic bulletin board and via a recorded dial-in message. A courtesy e-mail notification will be made to customers requesting such notification and providing appropriate contact information. However, failure to receive e-mail notification shall not reduce the customer's obligations to comply with the Cap Day.

*** Priority of Supply**

On a Critical Day, or a Cap Day, when operating conditions at any receipt point(s) are such that deliveries of gas to the Company would interfere with deliveries of gas stored by the Company or exceed the Company's take-away capacity, the Company shall accept gas supplies at that receipt point(s) in the following order: 1) firm pipeline capacity with the Company designated as primary delivery point; 2) firm pipeline capacity with the Company designated as secondary delivery point; and 3) interruptible transportation and authorized excess transportation. If gas supplies are such that all gas supplies in a given priority category cannot be accepted, the gas supplies in that priority category will be prorated.

(Continued On Sheet No. 49)

Terms and Conditions

(Continued From Sheet No. 48)

*** Transportation Limitations and Amounts.**

Daily Nominations will be accepted if received electronically by the Company no later than the North American Energy Standards Board Timely nomination deadline (1:00 P.M. Central Time) on the calendar day prior to the gas day the Nomination is to be effective. The deadline for Nominations by any method other than the Company's electronic bulletin board is 9:30 A.M. on the calendar day prior to the gas day the Nomination is to be effective.

Nominations will also be accepted if received electronically by the Company no later than 4:00 P.M. (Evening Cycle Nomination) on the calendar day prior to the gas day the Evening Cycle Nomination is to be effective, provided however, that the aggregate volume of Evening Cycle Nominations received does not exceed the available Evening Cycle quantity posted on the Company's electronic bulletin board by 2:30 P.M. For all gas days other than a Cap Day, the Company shall make available a minimum of 200,000 therms of Evening Cycle Nominations in its 2:30 P.M. posting. Evening Cycle Nominations received in excess of the posted available volume will be adjusted downward on a prorated basis. Customers may request a correction to an inadvertent pipeline designation error, when available evening cycle nomination rights are insufficient, by contacting the nominations desk no later than 4:00 P.M. on the calendar day prior to the gas day when Evening Cycle Nominations become effective. Corrections shall be made as long as the total volumes scheduled by the Customer do not increase and the correction does not have any adverse operational impact on the Company.

(Continued On Sheet No. 49.1)

Terms and Conditions

(Continued From Sheet No. 49)

Transportation Limitations and Amounts (Continued).

Changes to daily Nominations necessitated by the pipeline interruptions of Customer-owned gas supplies will be accepted if received by the Company and verified by the pipeline no later than 8:00 A.M. of the day the Nomination change is to be effective. On a Critical Day, Nominations will be accepted if received by the Company no later than 8:00 A.M. of the day the nomination change is to be effective.

Nomination Decreases.

As of May 1, 2022, any reduction made to the volume of gas nominated after the Timely nomination deadline (1:00 P.M. Central Time) has passed will be subject to the following Nomination Change Charges:

| | Nomination Decrease (therms) | Fee (per therm) |
|---------|------------------------------|---|
| Level 1 | 30,000 – 50,000 | 10% of the higher of: monthly GC or index price |
| Level 2 | 50,001 – 150,000 | 20% of the higher of: monthly GC or index price |
| Level 3 | >150,000 | 40% of the higher of: monthly GC or index price |

Fees assessed to the Supplier will be based on either the monthly Nicor Gas Rider 6 Gas Cost (GC) or the daily index price for deliveries to the Chicago city-gates as published by Gas Daily for the applicable day. In the event Gas Daily is unavailable, then a reported Chicago city-gate price of another similar publication, as determined in the Company's sole discretion, shall be used.

A nomination decrease will be determined by comparing a Supplier's Final confirmed nomination volume to the higher of their confirmed nomination for the Timely Cycle, or if applicable the Evening Cycle.

A Nomination Change Charge will not be applied on a Critical Day.

A Nomination Change Charge will be applied on a Cap Day, provided however, this charge will not be applied to nomination decreases that are made to comply with a Cap Day's allocated cut(s).

*** Reallocation of Nominations.**

Suppliers will have the right to reallocate nominations for the previous gas day subject to the following terms.

On the calendar day that the gas day ends, the Supplier will have the opportunity to electronically reallocate delivery volumes for the gas day that ended that morning at 9:00AM. The reallocation window is from 1:30PM – 3:30PM Central Time. Suppliers are allowed to adjust nominated pipeline supply across its end user accounts to correct variances and/or realign supply between accounts. The reallocation must result in a net zero change in nominations on each individual pipeline. Reallocation to other Suppliers is not allowed.

(Continued On Sheet No. 49.2)

Terms and Conditions

(Continued From Sheet No. 49.1)

*** Daily Storage Parameters.**

The following daily storage parameters apply. Variations from the daily storage parameters are subject to daily cash-outs.

| Daily Storage Activity Parameters (as % of Storage Capacity) | | | | |
|--|-------------------|-------------------|--------------------|--------------------|
| | Minimum Injection | Maximum Injection | Minimum Withdrawal | Maximum Withdrawal |
| January | 0.00% | 0.30% | 0.00% | 1.00% |
| February | 0.00% | 0.30% | 0.00% | 0.85% |
| March | 0.00% | 0.30% | 0.00% | 0.60% |
| April | 0.00% | 0.30% | 0.00% | 0.30% |
| May | 0.00% | 0.45% | 0.00% | 0.30% |
| June | 0.00% | 0.50% | 0.00% | 0.30% |
| July | 0.00% | 0.45% | 0.00% | 0.30% |
| August | 0.00% | 0.70% | 0.00% | 0.30% |
| September | 0.00% | 0.70% | 0.00% | 0.30% |
| October | 0.00% | 0.70% | 0.00% | 0.30% |
| November | 0.00% | 0.30% | 0.00% | 0.40% |
| December | 0.00% | 0.30% | 0.00% | 0.85% |

On the calendar day before each gas day, the Company will provide each Supplier the Daily Storage Activity Parameters for the Customer or Group for the next gas day. This information will be made available for Suppliers to access electronically.

(Continued On Sheet No. 49.3)

Terms and Conditions

(Continued From Sheet No. 49.2)

The Company reserves the right to adjust the daily storage parameters as necessary to maintain operational integrity of the system. Customers and Suppliers will be notified of any adjustment to daily storage parameters at least two (2) hours before the North American Energy Standards Board Timely nomination deadline on the interstate pipelines that interconnect with the Company's facilities. All adjustments will be posted on the Company's electronic bulletin board. A courtesy e-mail notification will be made to customers requesting such notification and providing appropriate contact information. However, failure to receive e-mail notification shall not reduce the customer's obligations to comply with the adjusted parameters.

*** Monthly Storage Parameters.**

As of May 1, 2023, the following monthly storage parameters apply. Variations from the monthly storage parameters are subject to monthly cash-outs.

| Month-End Storage Inventory Balance Parameters | | |
|--|----------|----------|
| | Minimum* | Maximum* |
| January | 35% | 45% |
| February | 10% | 25% |
| March | 0% | 10% |
| April | 0% | 10% |
| May | 10% | 20% |
| June | 20% | 30% |
| July | 30% | 40% |
| August | 50% | 60% |
| September | 70% | 80% |
| October | 85% | 100% |
| November | 75% | 90% |
| December | 55% | 70% |
| * Inventory Balance as a % of Storage Capacity | | |

The Company reserves the right to adjust the monthly storage parameters as necessary to maintain operational integrity of the system. Customers and Suppliers will be notified of any adjustment to monthly storage parameters at least twenty-four (24) hours before the North American Energy Standards Board Timely nomination deadline on the interstate pipelines that interconnect with the Company's facilities. All adjustments will be posted on the Company's electronic bulletin board. A courtesy e-mail notification will be made to customers requesting such notification and providing appropriate contact information. However, failure to receive e-mail notification shall not reduce the customer's obligations to comply with the adjusted parameters.

(Continued On Sheet No. 49.4)

Terms and Conditions

(Continued From Sheet No. 49.3)

*** Daily and Monthly Cash-Out Charges.**

As of May 1, 2023, the following cash-out parameters will apply for variations from the Daily and Monthly Storage Parameters. The daily cash-out parameters will apply on any day other than a Critical Day. The variations from storage parameters will first be billed at Tier 1, with any additional variances billed at Tier 2 and Tier 3 if applicable.

Daily Cash-Out Charges:

| | | <u>Cash-Out Prices (per therm)</u> | |
|--------|---|---|---|
| | Variance from Maximum Storage Parameter | Company Buys from Customer/Supplier at | Company Sells to Customer/Supplier at |
| Tier 1 | 0 to +10% | 100% of the lower of: monthly GC or index price | 100% of the higher of: monthly GC or index price |
| Tier 2 | >+10% to +20% | 85% of the lower of: monthly GC or index price | 115% of the higher of: monthly GC or index price |
| Tier 3 | >+20% | 60% of the lower of: monthly GC or index price | 140% of the higher of: monthly GC or index price |

Daily cash-out prices will be based on either the monthly Nicor Gas Rider 6 Gas Cost (GC) or the daily index price for deliveries to the Chicago city-gates as published by Gas Daily for the applicable day. In the event that Gas Daily is unavailable, then a reported Chicago city-gate price of another similar publication, as determined in the Company's sole discretion, shall be used.

(Continued On Sheet No. 49.5)

Terms and Conditions

(Continued From Sheet No. 49.4)

Monthly Cash-Out Charges:

| | | | <u>Cash-Out Prices (per therm)</u> | |
|--------|---|---|---|--|
| | Variance from Minimum Storage Parameter | Variance from Maximum Storage Parameter | Company Buys from Customer/Supplier at | Company Sells to Customer/Supplier at |
| Tier 1 | -5% to 0% | 0% to +5% | 100% of the lower of: monthly GC or index price | 100% of the higher of: monthly GC or index price |
| Tier 2 | -10% to <-5% | >+5% to +10% | 85% of the lower of: monthly GC or index price | 115% of the higher of: monthly GC or index price |
| Tier 3 | <-10% | >+10% | 60% of the lower of: monthly GC or index price | 140% of the higher of: monthly GC or index price |

Monthly cash-out prices will be based on either the monthly Nicor Gas Rider 6 Gas Cost (GC) or the average of the daily index prices for deliveries to the Chicago city-gates as published by Gas Daily for the applicable month. In the event that Gas Daily is unavailable, then a reported Chicago city-gate price of another similar publication, as determined in the Company's sole discretion, shall be used.

*** Order of Deliveries.**

On any day, gas shall be delivered to the Customer as follows:

- Deliveries of Customer-owned gas to the Company from an interstate pipeline;
- Customer-owned gas withdrawn from storage under provisions of Storage Banking Service;
- Company-supplied gas purchased through the Daily Cash-Out provision of the Terms and Conditions;
- Authorized Use; and
- Unauthorized Use.

(Continued On Sheet No. 50)

Terms and Conditions

(Continued From Sheet No. 49.5)

*** Storage Banking Service.**

Supplies for Critical Day use may be contracted for under Storage Banking Service (SBS). The Storage Banking Service capacity selected must be a minimum of 1 times the Customer's MDCQ. As of May 1, 2026, SBS capacity up to 29 times the Customer's MDCQ will be available. Additional SBS capacity greater than 29 times the Customer's MDCQ may be requested. Unsubscribed SBS capacity (as determined by the Company) will be allocated by the Company to all Customers requesting capacity exceeding 29 times their MDCQ.

Customers will need to comply with the Company's Daily and Monthly Storage Parameters. On a Critical Day, withdrawal rights are limited to 0.017 times the Customer's Storage Banking Service capacity.

The Customer shall specify the SBS levels when initially contracting for service under any transportation rate. A request for a transfer to a firm sales service rate, or a rate or rider which provides for a higher level of SBS will be treated as a request for a change in the SBS.

(Continued On Sheet No. 50.1)

Terms and Conditions

(Continued From Sheet No. 50)

*** Storage Banking Service (continued).**

An entity taking service at more than one location may contract for service as a Group. Nominations and SBS will be monitored at the group level in aggregate. However, on a Critical Day, Customers will be monitored on an individual basis for compliance with SBS.

*** SBS Selections.**

If a Customer is served on Rate 75 and selects Storage Option 2, no SBS capacity will be assigned.

Annually, by March 1, the Company shall notify Customers of their Storage Banking Service (SBS) capacity. SBS capacity will be shown at the higher of 29 times the Customer's Maximum Daily Contract Quantity (MDCQ) or the Customer's requested amount. Any change to the SBS capacity, as shown on the Company's notice, must be requested by April 1 and be based on the MDCQ effective May 1. A Customer's previous request for SBS will be considered each April 1 regardless of whether or not the Customer's request was accepted for the current period. The Company will notify Customers of additional SBS capacity awarded by May 1.

(Continued On Sheet No. 51)

Terms and Conditions

(Continued From Sheet No. 50.1)

Requests for higher SBS levels will be treated in the same manner as requests by a new Customer of similar size requesting service. Requests for reduced SBS, as provided for in the Tariff, will be permitted. If any change can be accommodated without impairing the Company's operations or adversely affecting costs, in the Company's discretion, such change will be permitted on a mutually agreeable date. The Company reserves the right to lower a Customer's service selections if current selections are in violation of these rates and riders based on the Customer's predetermined MDCQ.

*** Authorized Use.**

Authorized Use in a billing period shall be the sum of Daily Authorized Use.

Daily Authorized Use shall be usage on any Critical Day of any Company-owned gas in excess of volumes of Customer owned gas, within the limitations of Critical Day withdrawal rights.

*** Unauthorized Use.**

Unauthorized Use in a billing period shall be the sum of Daily Unauthorized Use.

Daily Unauthorized Use shall be usage on any Critical Day in excess of the sum of: (a) the volume of Customer-owned gas delivered to the Company less unaccounted for gas; (b) storage withdrawals as limited by SBS; and (c) Authorized Use within the limitations of the SBS.

(Continued On Sheet No. 52)

Terms and Conditions

(Continued From Sheet No. 51)

Payment of the additional charge for Unauthorized Use shall not, under any circumstances, give the Customer the right to Unauthorized Use, nor shall such payment exclude or limit the Company's right to discontinue service to the Customer for Unauthorized Use.

Unauthorized Use which causes interference with the Company's operations or service to any other Customer of the Company shall make the Customer subject to termination of gas service hereunder upon one (1) hour notice from the Company.

Customer-owned Gas.

Customer warrants that it owns and has clear title to all Customer-owned gas delivered to the Company for transportation and/or storage under any rate or rider. Customer grants Company a first lien upon and security interest in all Customer-owned gas delivered to the Company, as security for payment of all current and future charges of the Company under any rate or rider.

If bankruptcy or other insolvency proceedings are commenced by or against a transportation/storage Customer, all gas transported and gas used by Customer after commencement of the bankruptcy/insolvency proceedings shall be separately billed and accounted for. A Customer who desires to continue receiving gas service during the pendency of such proceedings shall immediately notify the Company of the proceedings, provide adequate assurance of payment for post-petition sales or transportation service and comply with the provisions of the applicable rate/riders, including but not limited to maintaining any required minimum storage balance.

*** Finaled Accounts of Transportation/Storage Customers.**

An account is considered finaled when the customer is no longer receiving any service from the Company at the existing premises.

For finaled accounts of Transportation/Storage customers the gas will be valued as described in the Valuing of Gas in Storage section of the Terms and Conditions. In the event the account is finaled due to bankruptcy, gas in storage shall be valued as in the Valuing of Gas in Storage section of the Terms and Conditions, with the value applied first to payment of any unpaid charges under any rate or rider. Any amounts remaining after payment of unpaid charges will be forwarded to the Customer or as directed by a court of competent jurisdiction.

(Continued On Sheet No. 52.1)

Terms and Conditions

(Continued From Sheet No. 52)

Valuing of Gas in Storage.

If a transportation Customer leaves an existing group to join a different group or move to sales service, gas in storage will transfer with the Customer. The volume of gas that will transfer with the Customer will be based on the minimum Monthly Storage Parameters as described in the Terms and Conditions as of the day the Customer moves. Should the Customer move within a month, the volume of gas that will transfer with the Customer will be prorated based on the number of days in the month.

If a Customer is served as an individual transportation account and joins a group or moves to sales service, the Customer's entire gas in storage volume will transfer with the Customer.

If a Customer moves from sales service to transportation, gas in storage will transfer with the Customer. The volume of gas that will transfer with the Customer is based on the minimum Monthly Storage Parameters as described in the Terms and Conditions as of the day the Customer moves. Should the Customer move within a month, the volume of gas that will transfer with the Customer will be prorated based on the number of days in the month.

A value will be assigned to the volume of gas transferred and calculated by multiplying 1) the volume of gas transferred, and 2) the applicable weighted average price of gas. The average price of gas for each May through April period will be weighted using the monthly averages of daily index prices for deliveries to the Chicago city-gates as published by Gas Daily for the months May through October and the minimum Monthly Storage Parameters as described in the Terms and Conditions effective for the months May through October. In the event that Gas Daily is unavailable, then a reported Chicago city-gate price of another similar publication, as determined in the Company's sole discretion, shall be used.

*** Fee for Group Changes.**

A \$35.00 service fee shall be assessed to any Customer entering or leaving a previously established group.

Telephone and Wireless Communication Service Outages.

Company reserves the right to bill Customers for each service call to investigate or repair the recording device if such service call is the sole result of a Customer's telephone line service outage or other wireless communication service interruptions not caused by the Company. Frequent or prolonged telephone service outages or repeated interruptions in other wireless communication equipment due to the Customer's negligence or failure to properly protect the Company's communications equipment may result, at the sole discretion of the Company, in the Customer being removed from their current rate and placed on either Rate 4 or Rate 5 Sales Service, for a period of 12 months.

(Continued On Sheet No. 52.5)

Terms and Conditions

(Continued From Sheet No. 52.1)

Use of Company Supplies.

Transportation Customers relying on Authorized Use to meet substantially all of their usage requirements for an extended period will be transferred to utility sales service.

Third Party Billing Service.

Any third party desiring to have the Company to include its charges to the customer on the Company's bill shall enter into the Company's standard contract that stipulates the procedures to be followed. The Company will provide up to six (6) standard lines of text that may be used by the third party. The Company will process customer payments in a timely manner and will electronically forward payments to the third party's bank account and notify the third party of the customer's payment on a daily basis. The fee for billing and payment processing will be \$0.37 per bill. If the third party would like additional services with respect to billing, the Company and third party will negotiate in good faith the fees for such additional services. The Company will report these additional services and fees to the Illinois Commerce Commission as assurance that any such additional services and fees are being offered on a non-discriminatory basis.

(Continued On Sheet No. 53)
