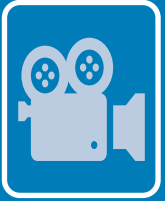


Long-Term Gas Infrastructure Plan: Review of Near Final Plan

05/27/2025

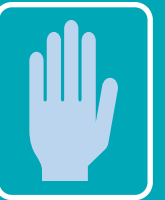
Administrative Items



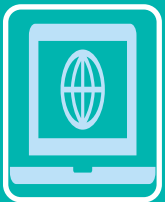
Disclaimer: This meeting is being recorded



Put in your name and organization in the chat (especially if you are dialing in)



Participation is encouraged: Raise your hand or use the Chat Function



Meeting materials will be available on the Nicor Gas Website

Our Values

At Southern Company, Our Values establish the foundational behaviors that guide how we work.



Safety First

We actively care about the safety and well-being of our employees, customers and communities. Safely approaching every job, every day, always comes first.



Intentional Inclusion

We are One Team, working to foster a culture of belonging and ensuring our diverse team feels valued. Investing in an equitable culture benefits employees, customers, communities and shareholders.



Act with Integrity

We act with honesty, respect and fairness, demonstrating trustworthiness in all we do. We are true to our word and follow through on our commitments.



Superior Performance

We keep customers at the center of everything we do, with a focus on continuous improvement. We provide exceptional service, delivering innovative solutions that benefit our customers, communities, investors and the environment.

Safety: Heat Exposure

Protect Your Self From Heat Exposure

Dress Appropriately



Wear light colored, loose fitting, light weight clothes

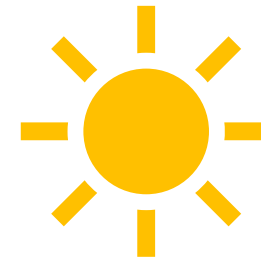
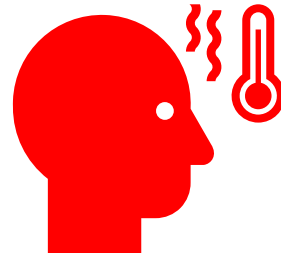
Stay Hydrated and Take Breaks

Take frequent breaks out of the sun. Consistently drink water – 1 cup every 15-20 minutes is recommended



Know the Warning Signs

- Weakness
- Headache, dizziness
- Confusion or fainting
- Nausea
- Excessive sweating



Get Help If Needed!

Agenda

LTGIP

- Recap of the LTGIP Process
- Milestones and Accomplishments

Investment Plan

- Investment Plan Recap
- Recap of Major Projects and Programs in the LTGIP
- LTGIP Capital Spend Recap

Customer Impacts and Analysis

- Maps
- Customer Bill Impact Analysis and preliminary results
- Scenario Analysis and preliminary results

Stakeholder Engagement

- Public Meetings
- Targeted Meetings
- Feedback

Near Final Plan

- Plan Development

Questions, Discussion, and Reminders

LTGIP Recap

LTGIP Process

Investment
Plan

Customer
Impacts

Stakeholder
Engagement

LTGIP Guiding Principals



**Safety, Reliability
and Resilience**



Affordability



Sustainable Future

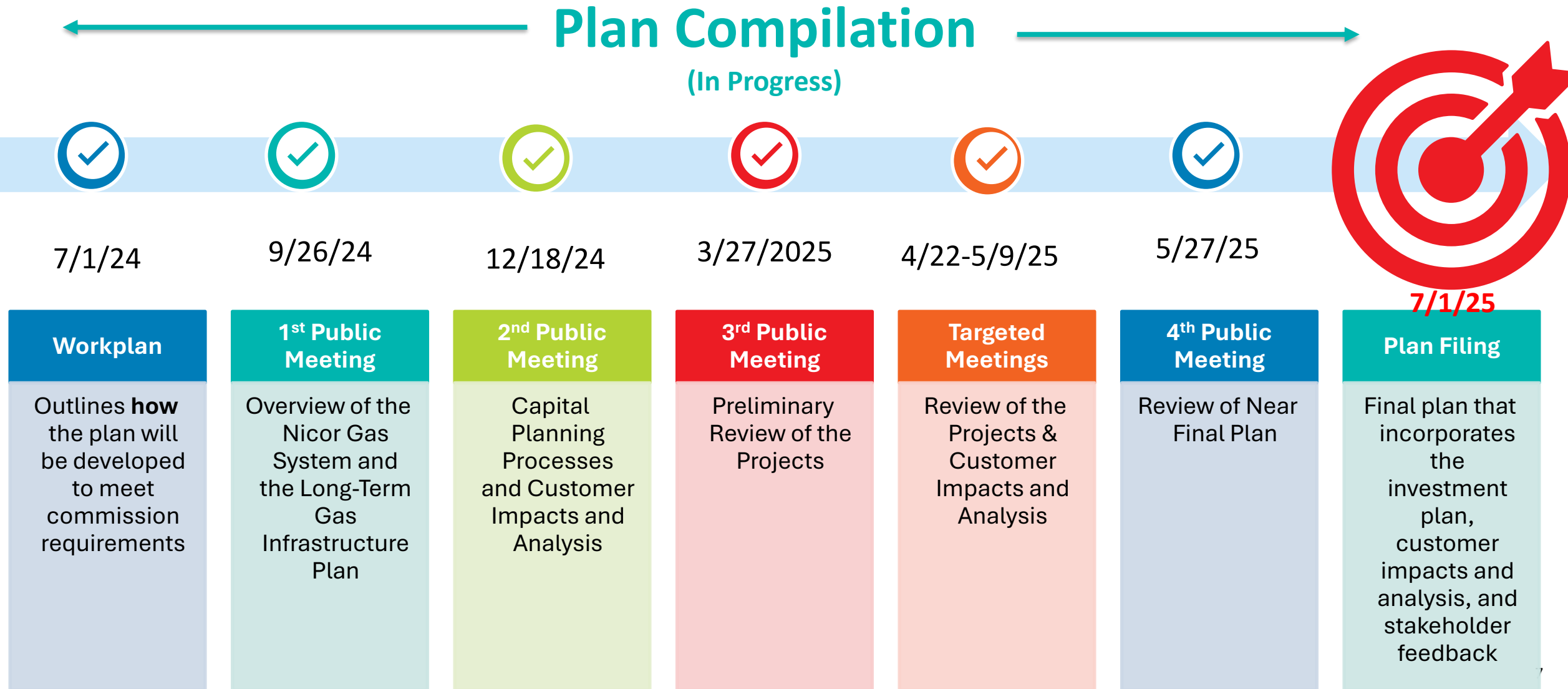


**Customer Choice and
Energy Equity**



**Community Growth
and Impact**

LTGIP Plan Milestones and Accomplishments



Investment Plan



Investment Plan

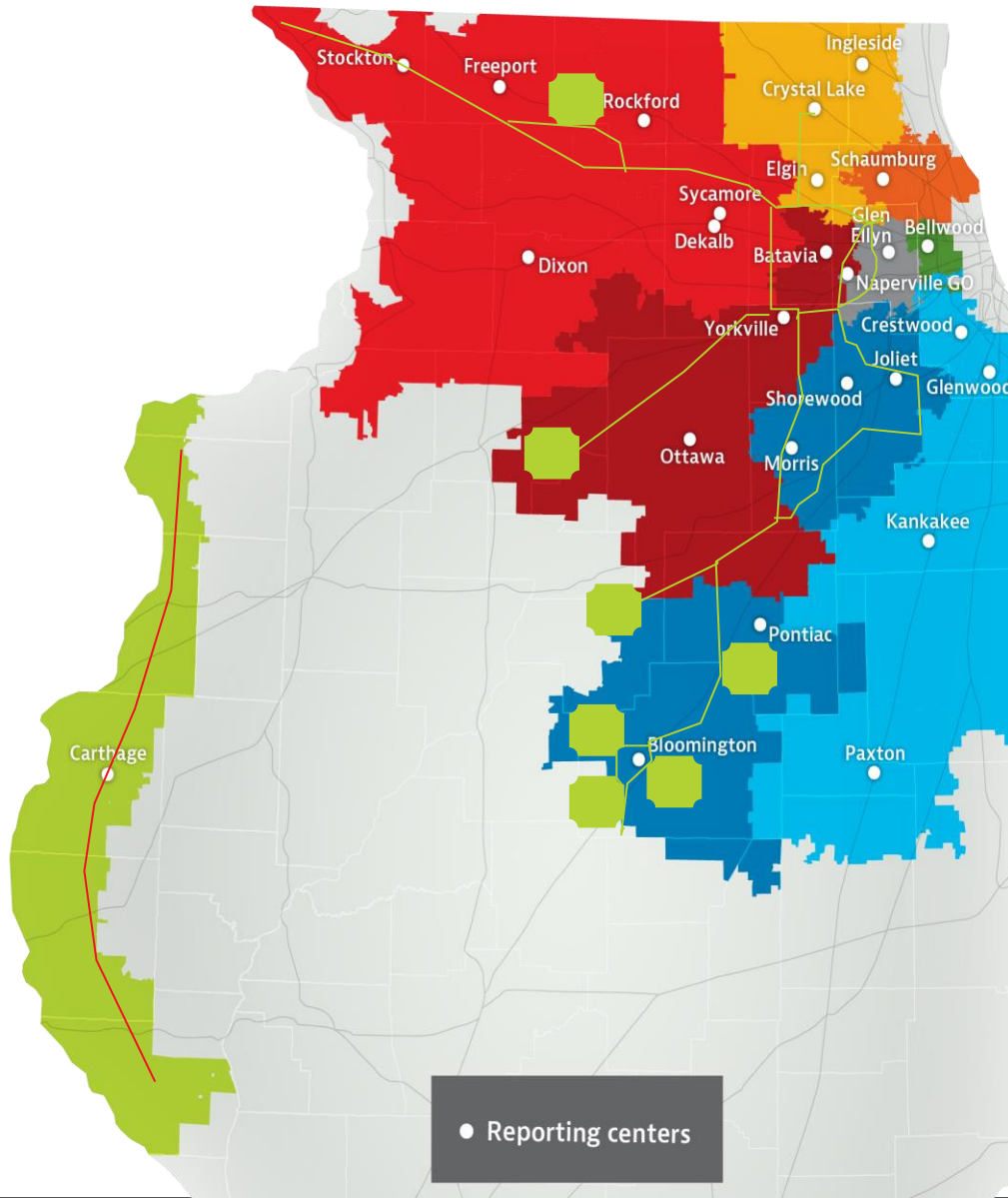
- Nicor's capital planning process:
 - Prioritizes safety, reliability, and our regulatory obligations
 - Involves risk-based evaluation to select capital projects
 - Evaluates customer needs and demand on our system
 - Assesses energy needs throughout our service territory
- In the plan, the following information is provided:
 - List of the planned projects and programs for the next 5 years (2026-2030) and their associated costs
 - Demonstration on how these projects comply with current regulatory and legal obligations
 - Explains the investments and the pace
 - Demonstrates our cost containment strategy
 - Provides maps associated with certain investments

Details on the capital planning process, is available:



December 18, 2024 Public Meeting

Recap of Major Projects and Programs in the LTGIP



Major Projects (>5Million) in the Long-Term Gas Infrastructure Plan (2026-2030) include:

- Storage and Generation Projects
- Transmission Pipeline Replacement Projects
- Distribution Pipeline Replacement Projects
- Regulator Station Projects

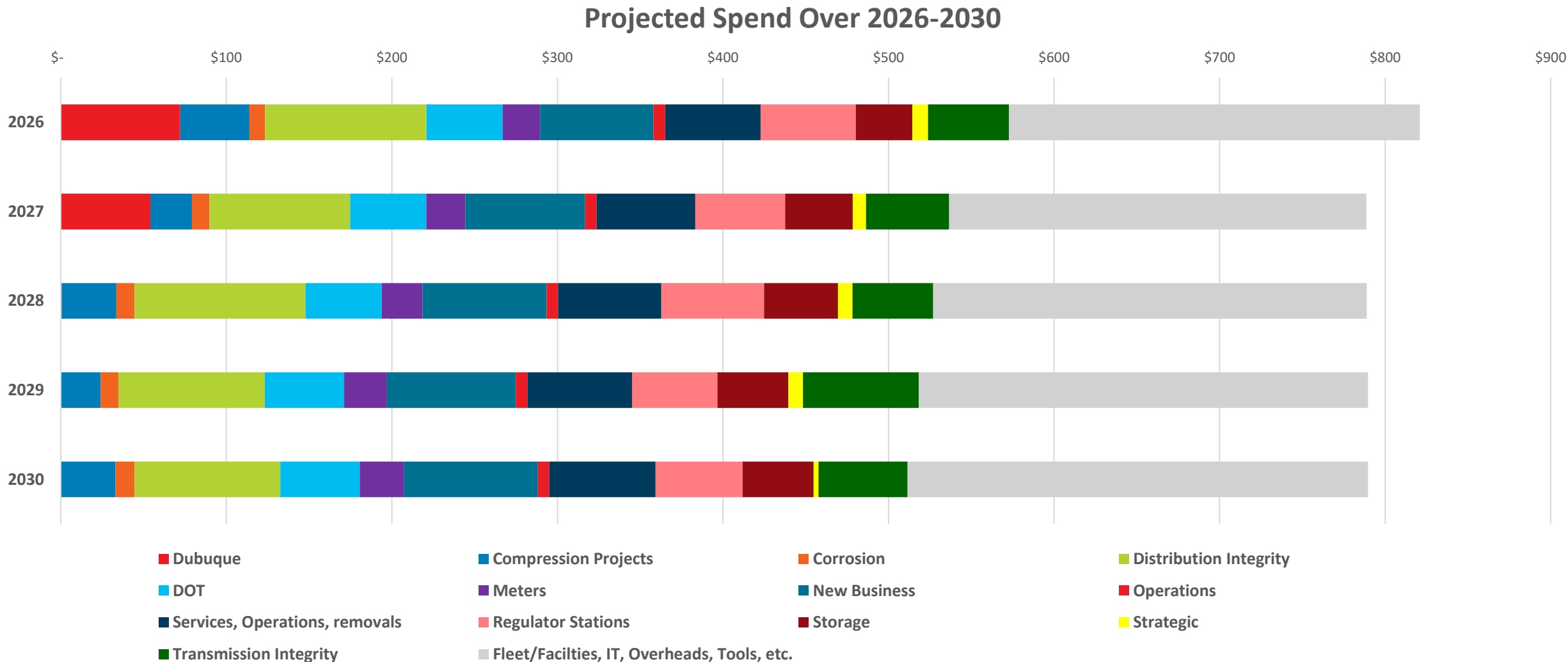
Major Programs (>5Million) and their description are summarized the Appendix

These current investments align with existing system needs, results of mandated inspections, known risks and threats, and the current regulatory requirements. Plan (and Investment) updates biennially as new risks, threats and regulations emerge.

Details on projects and programs in the plan are available in the March 27, 2025 Public Meeting



Long Term Gas Infrastructure Plan Capital Spend

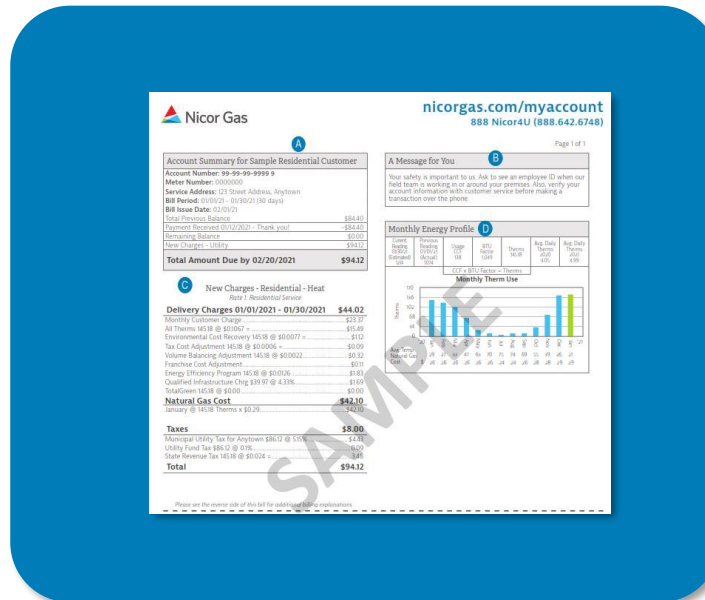


Customer Impacts and Analysis



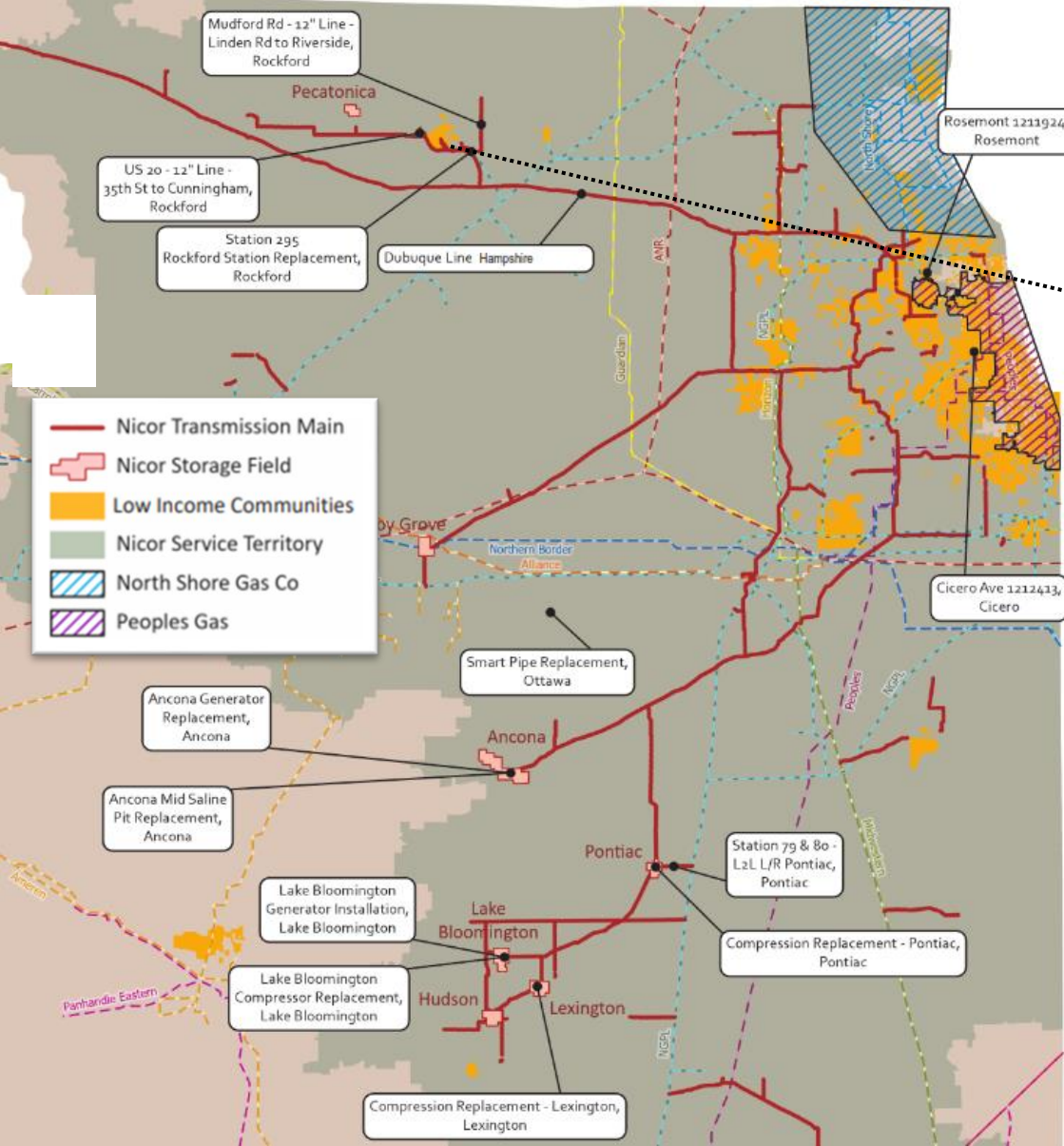
Customer Impacts

Nicor Gas's capital planning goals are to minimize impacts on customers, while ensuring that it delivers safe, affordable and resilient natural gas to meet customer demand. To help ensure this goal is met, Nicor Gas evaluates the impact our 5-year capital plan may have on customers.

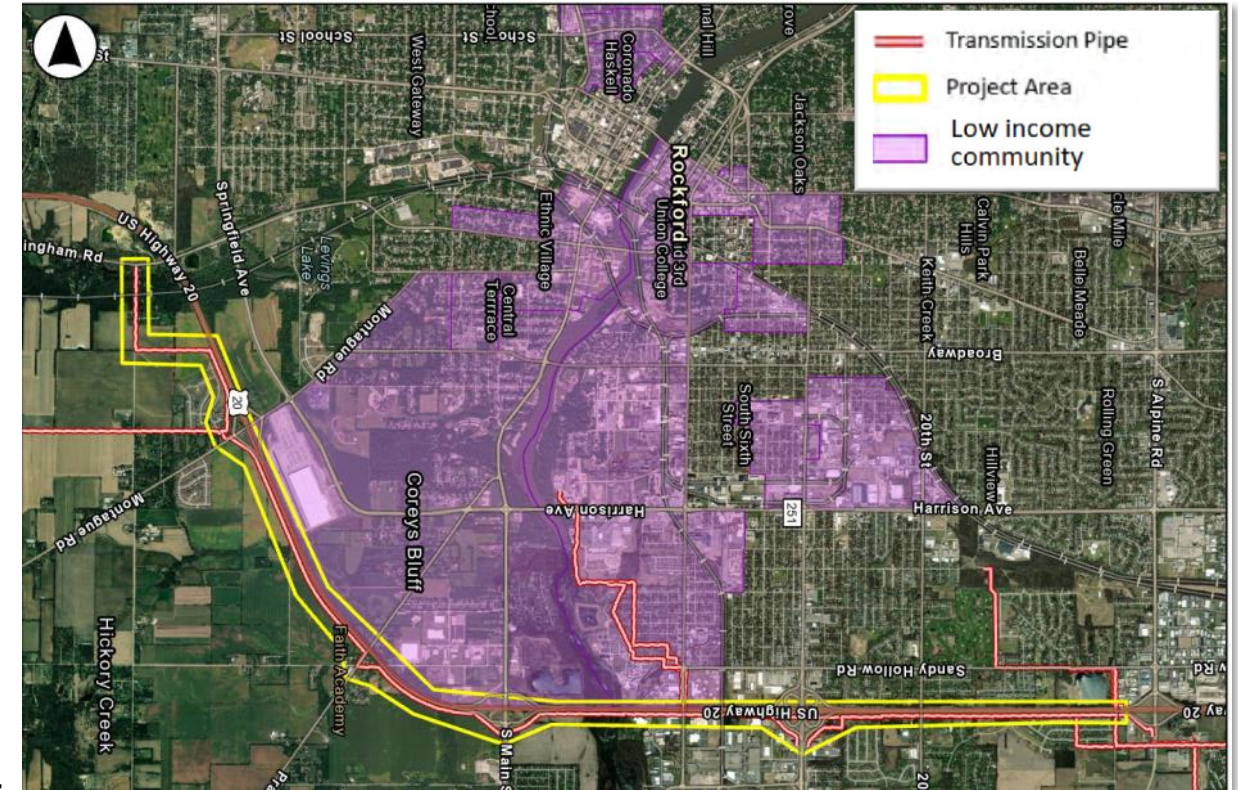


Mapping - Local Customer Construction Impact

Preliminary – Subject to Change

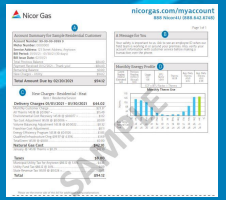


MAOP Validation of 12" Transmission Line along Rte. 20

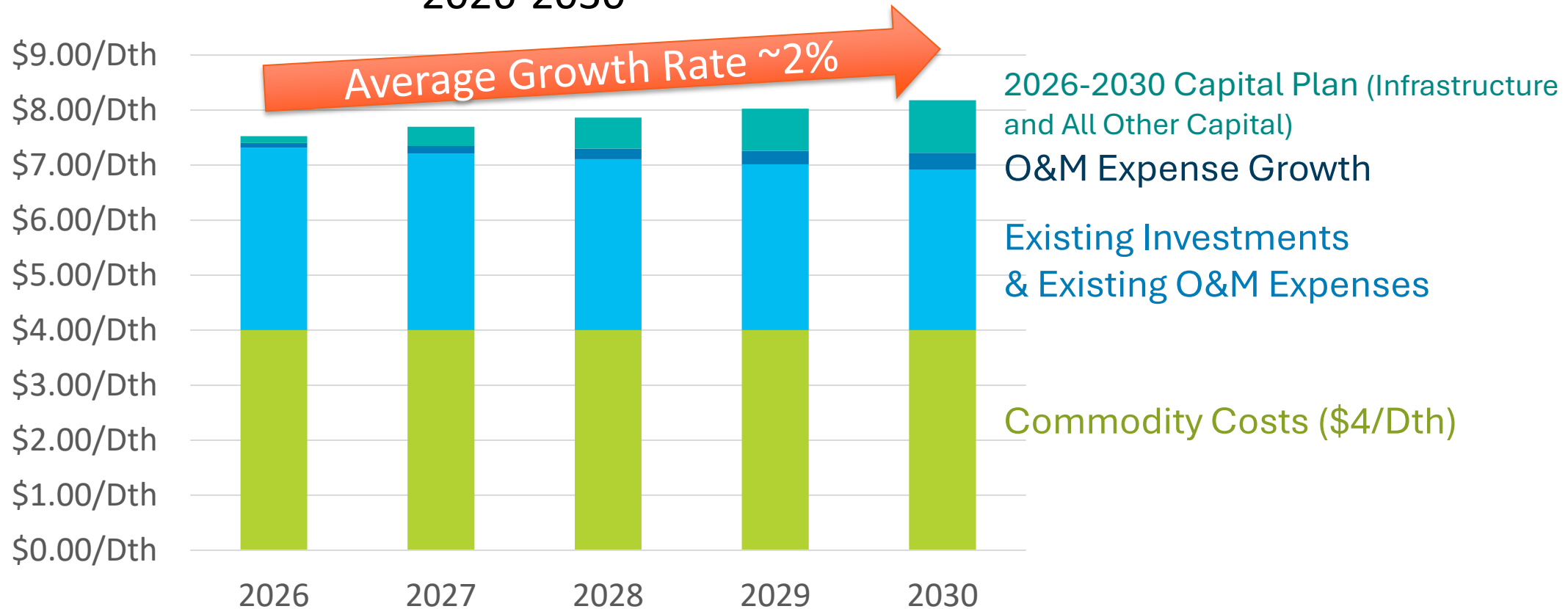


Customer Gas Rate Impact – Baseline Results

Preliminary – Subject to Change



Pro Forma System Average Total Gas Rates
2026-2030



* The revenue requirements and rates analyses in the LTGIP will be pro forma and intended to indicate general cost trends. They will not represent actual future revenue requirements or rate impacts. 15

Scenario Analysis

Preliminary – Subject to Change



Baseline Scenario

- Nicor Gas's 5-year capital infrastructure plan

Non-Pipeline Alternatives (NPA) Scenario

- Nicor Gas is exploring the impact of potential NPAs as alternatives to certain capital projects
 - e.g., provide incentives for customers to fully electrify homes instead of replacing a segment of pipe

Decarbonization Scenario

- Nicor Gas is assessing the impact of implementing certain decarbonization actions
 - e.g., blend RNG into the gas supply

NPA Scenario Analysis

Preliminary – Subject to Change



The NPA Scenario is based on an actual neighborhood in Nicor Gas's territory that has dead-end sections of pipe that could conceivably be retired without impacting downstream operations.

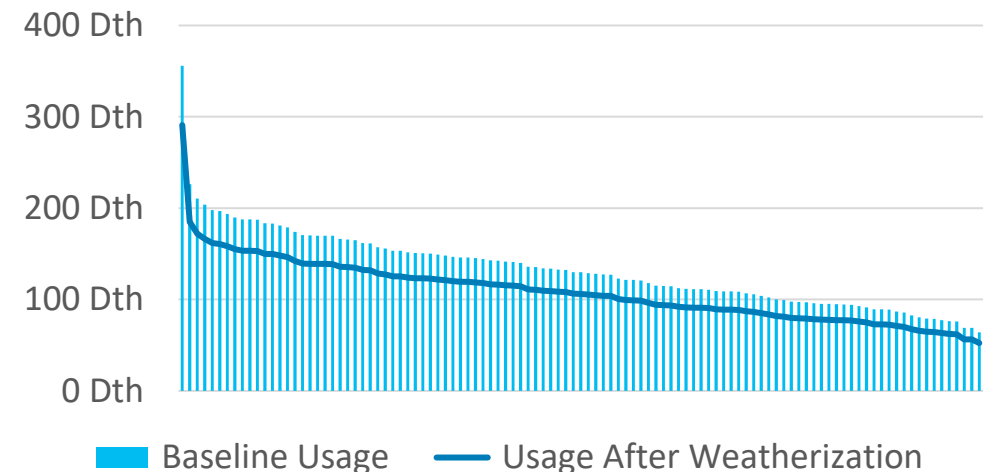
The pipe replacement project involves installing 4,100 ft of 2" plastic main and 107 services. Engineering estimates the total cost of replacement to be ~\$620,000.



*Project costs are based on high level median estimates including materials, labor, contract work, and overheads.

Neighborhood has 106 single-family 1,600 sq ft homes built in the 1950s and one commercial business. Analysis assumes Nicor provides each building in the neighborhood weatherization and electrification of all gas end-uses at no cost to those customers and recovers the costs through base rates in 2028.

Distribution of Annual Customer Usage - Weather Normalized

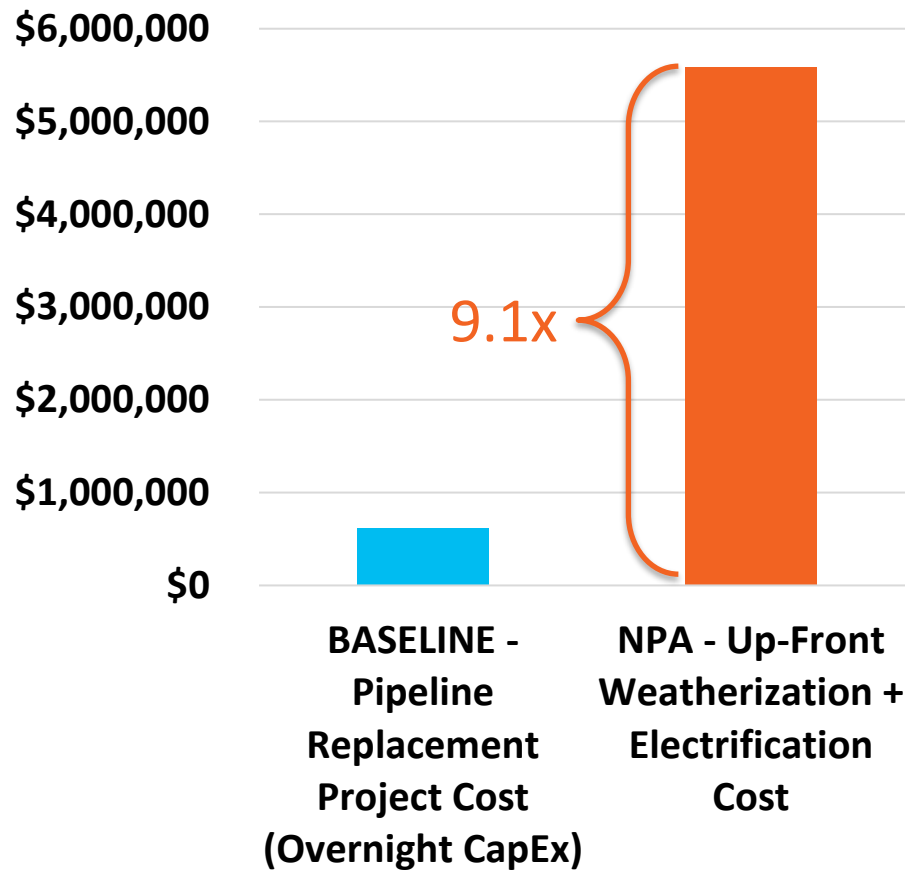


NPA Scenario Results

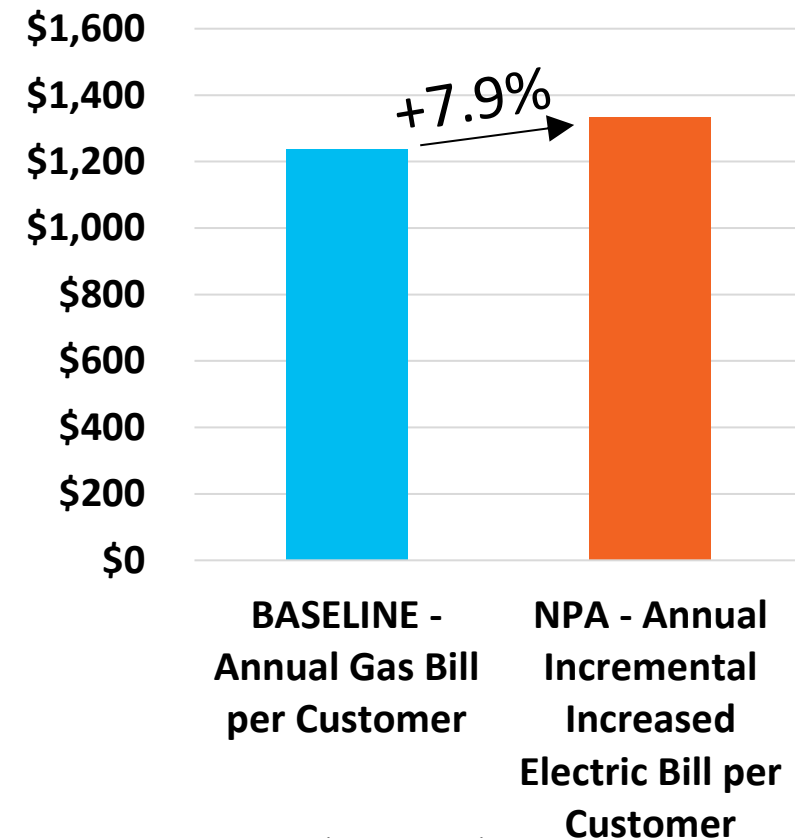
Preliminary – Subject to Change



Up-Front Cost Comparison



Average Customer Annual Energy Bill Comparison for Electrified End-Uses



** Important note: the incremental electric bill does **NOT** include increases in electric rates to recover the cost to build out electric generation, transmission, or distribution to accommodate electrified loads.

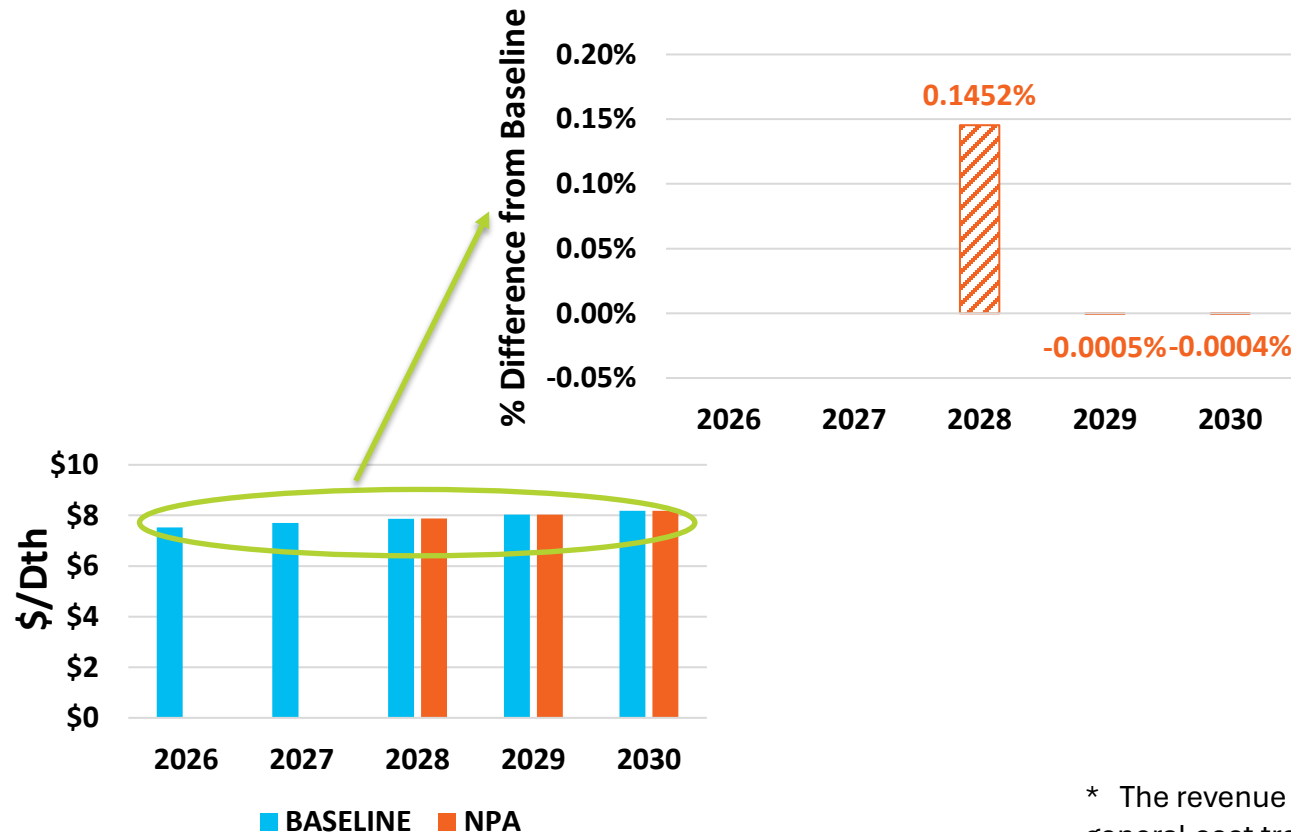
* The up-front costs and bill comparisons are based on historical gas usage and assumptions regarding heat pump sizing, other electric appliances, and installation costs. Actual results may vary.

NPA Scenario Results

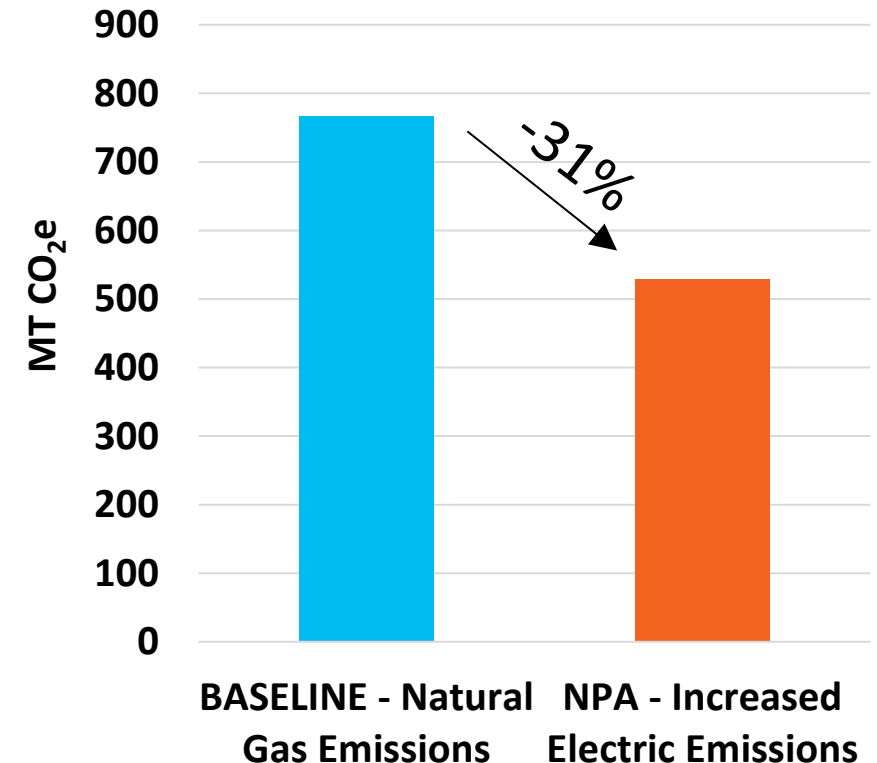
Preliminary – Subject to Change



Pro Forma System Average Total Gas Rate Comparison



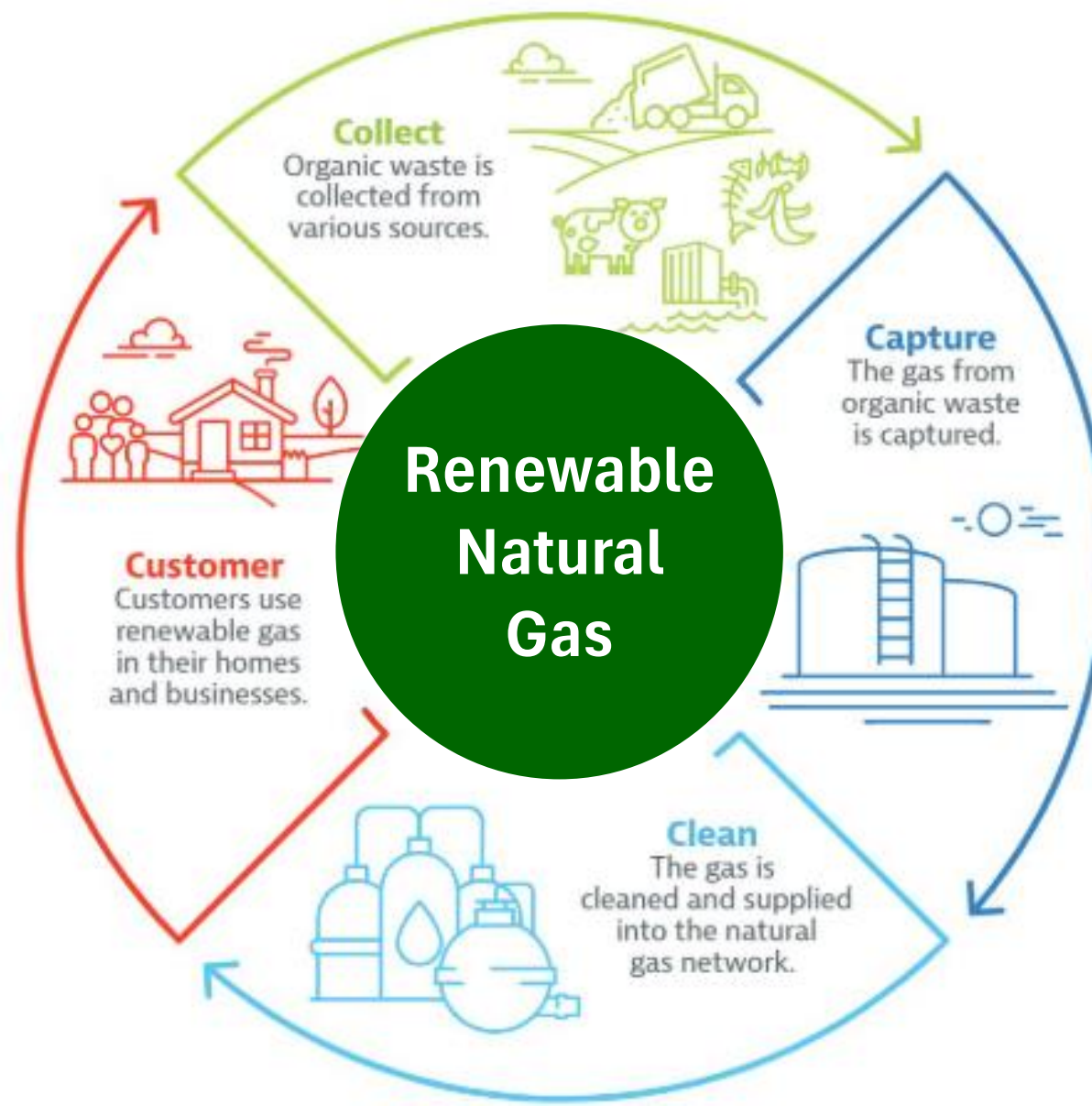
GHG Emissions Comparison for the NPA Neighborhood



* The revenue requirements and rates analyses in the LTGIP will be pro forma and intended to indicate general cost trends. They will not represent actual future revenue requirements or rate impacts.

** Results have been updated and are current as of 5/27/2025.

RNG Scenario Overview



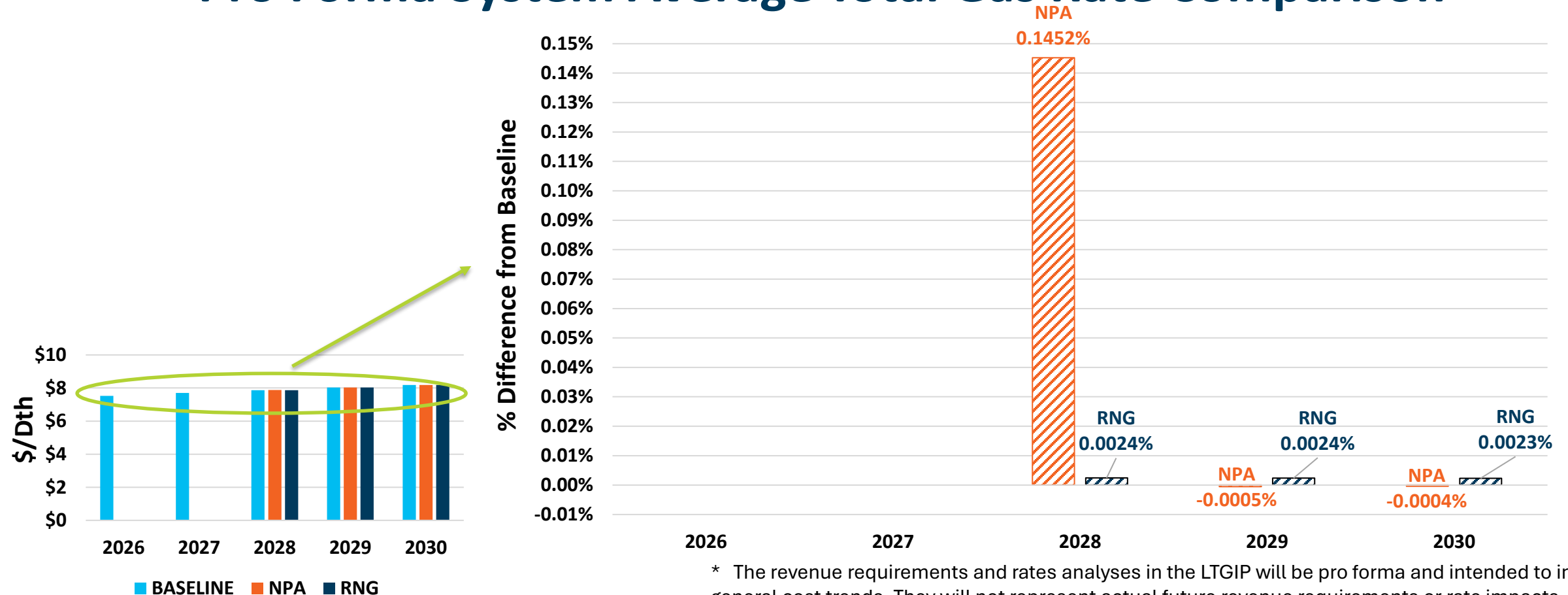
RNG Scenario Results

Preliminary – Subject to Change



The RNG Scenario estimates the quantity (and incremental cost) of RNG that would be necessary to blend into the system to produce the same GHG emissions reductions as the NPA Scenario.

Pro Forma System Average Total Gas Rate Comparison



* The revenue requirements and rates analyses in the LTGIP will be pro forma and intended to indicate general cost trends. They will not represent actual future revenue requirements or rate impacts.

** Results have been updated and are current as of 5/27/2025.

Stakeholder Engagement



Stakeholder Engagement: Public Meetings

Nicor Gas hosted 4 public meetings to solicit feedback from stakeholders. As shown below:

Meeting	Topic	Timeline
1	Overview of the Nicor System and Long-Term Gas Infrastructure Plan	September 26, 2024
2	Overview of Nicor's Infrastructure Planning Process and Customer Impacts and Analysis Framework	December 18, 2024
3	Preliminary Review of Projects and Customer Impacts and Analysis	March 27, 2025
4	Review of Near Final Plan	May 27, 2025

Stakeholder Engagement: Targeted Meetings

Additional targeted stakeholder meetings were conducted for additional feedback:

Meeting	Topic	Group	Date
1	Preliminary Review of the Projects	Labor	4/14-5/28*
2	Preliminary Review of the Projects and Customer Impacts and Analysis	PIO	4/22/2025
3	Preliminary Review of the Projects and Customer Impacts and Analysis	Consumer Advocates	5/2/2025
4	Preliminary Review of the Projects and Customer Impacts and Analysis	Regional**	5/5/2025
5	Preliminary Review of the Projects and Customer Impacts and Analysis	Regional**	5/6/2025
6	Preliminary Review of the Projects and Customer Impacts and Analysis	Regional**	5/9/2025

**LTGIP updates and request for feedback were incorporated into existing meetings with the labor groups instead of a dedicated meeting for this group

*Regional Meetings included community organizations, municipal leaders, economic development agencies, large customers and homebuilders 15 miles of major projects in the to help them understand local infrastructure impacts

Stakeholder Engagement: Feedback

- Nicor Gas engaged more than 400 stakeholders through four public meetings and six targeted sessions, held both virtually and in person.
- To encourage participation Stakeholders were provided with the opportunity to attend in-person or virtually.
- Attendees and participants were encouraged to submit comments via the LTGIP Portal or during Q&A sessions.
- All written feedback, Q&A logs, and submitted materials were documented and reviewed to inform plan development.
- Based on this feedback, we identified inputs to incorporate into the current plan and documented insights for consideration in future filings.



Get Involved

Name*

First Name

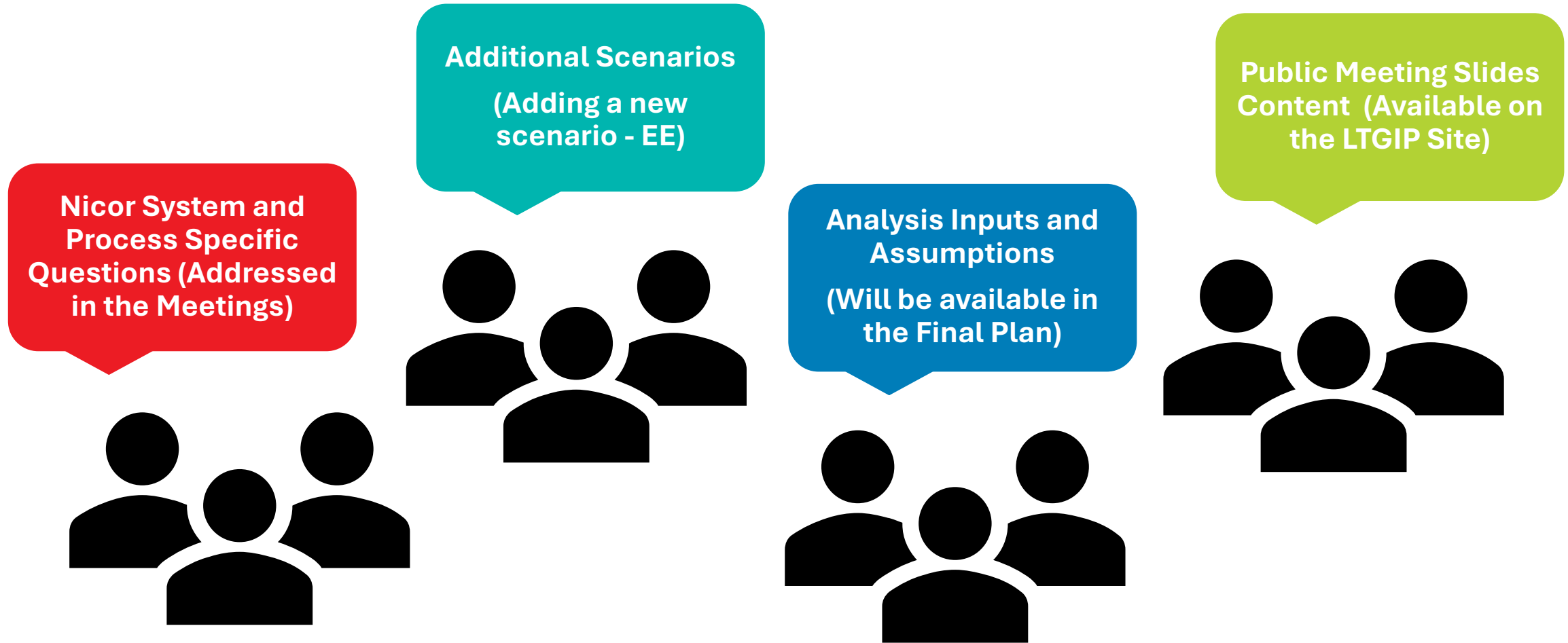
Last Name

Email*

Company

Please provide any additional feedback you may have:

Stakeholder Engagement: Feedback



Feedback Themes

Near Final Plan



Plan Development

Major Topics Covered

Background and Introduction

Requirements of the order

Nicor System Overview

Investment Plan

Major Projects

Major Programs

Customer Impacts and Analysis

Maps

Gas Rate Impacts – methodology, assumptions, results

Scenario Analysis -methodology, assumptions, results

Stakeholder Engagement

Engagement Process

Public Meetings

Targeted Meetings

Feedback

Appendices

Gas Infrastructure Project Forms, Impact Analysis inputs, assumptions and model, Stakeholder Engagement Feedback

Long-Term Gas Infrastructure Plan (LTGIP) 2026-2030

July 1, 2025



Questions & Discussion



Get Involved!

Our Infrastructure



ome | Nicor Gas / Company / About Us

Natural Gas Infrastructure Planning – Vital to Supporting a Clean Energy Future with Reliable and Affordable Energy

Deadline for feedback is May 30, 2025



Nicor Gas

Appendix



Programs, Description, and Projected Costs

Category	Description
Compression Projects	These investments are primarily related to required replacements of compressors and related facilities at Nicor's large gas storage facilities. The compressors are used to inject gas into these storage facilities during low demand so that the gas is available to meet customer needs during peak demand times. Compressors at some of the current facilities also aide in the retrieval of the gas from storage.
Meters	Includes multiple programs related to customer meters from moving meters from inside of customer facilities to the outside to enhance safety and accessibility to replacement of aging large industrial meter sets and the periodic replacement of customer meters across the Nicor system to help ensure metering accuracy.
Regulator Stations	This includes all levels of pressure regulating facility remediations and replacements from large scale transmission tap stations down to small stations designed to support a neighborhood or other small development. Regulator Stations also includes targeted programs such as electronic pressure recording unit installations and replacements, a Tin Whistle replacement/venting program in compliance with an ICC finding, and a Regulator Station Review Program focused on identifying risks around these critical facilities.
Corrosion	Natural gas pipelines and other metallic structures require cathodic protection to prevent the metal from breaking down due to exposure to the elements (e.g., soil, water). Corrosion can ultimately lead to premature failure, costly repairs, replacements, service interruptions, and leaks. Nicor's corrosion control program is necessary to protect its metallic facilities and to comply with federal code 49 CFR Part 192, Subpart I.
New Business	Core New Business includes the necessary construction to add most new customers to Nicor's system. Construction work is done at the request of new customers, and includes providing main extensions, installing regulating facilities, installing service lines, and installing meter sets to connect the Company's existing distribution system to the new gas customer's building. New Business also includes larger diameter main extensions and other strategic projects to provide gas to large commercial customers, developments, or underserved communities.
Storage	Nicor has eight storage facilities including over 500 wells and over 100 miles of gathering lines which provide a combined annual inventory capacity of approximately 135 billion cubic feet of gas during high system demand. This category includes various facility replacements from gas conditioning units to primary pipeline and related facility replacements. These projects also include well replacements and remediation as required to maintain the operability and safety of these key facilities.

Programs, Description, and Projected Costs

Category	Description
Distribution Integrity	Includes strategic pipeline and related facility replacements prioritized by the Company's federally mandated Distribution Integrity Management and Corrosion Control programs. This category also includes emergency and unplanned replacements and other required facility remediations as well as Nicor's Emergency Districts program driven from an ICC finding and Company commitment to review and upgrade the Company's ability to isolate its systems during an emergency.
Operations	Consists of multiple smaller programs integral to maintaining system operations including service replacements, meter set rebuilds, building meter set assemblies for multi-family and commercial applications, deploying new leak detection technologies, and connecting existing services to newly replaced mains.
Strategic	Includes multiple programs related to system integrity and emergency response including advanced metering networks, residential methand detection programs, and emergency back-up voice communications. Strategic also includes projects designed to address areas of lower system pressures due to growth.
Dubuque	Systematic replacement of a 116 mile, 22" diameter pipeline originally installed in 1959. The replacement of this pipeline was driven by defects and anomalies identified by federally required integrity assessments in 2011 and 2017 and the pipeline consisting of Low Frequency Electric Resistance Welded pipe that has since been identified by PHMSA as high risk for longitudinal seam failure. Replacements began in 2017 and are expected to be completed by 2027.
Other - Services, Operations, Removals	Represents multiple smaller programs related to system operations including targeted programs to replace existing copper services and to install bollards for the protection of key facilities. Also includes general service replacements, meter set rebuilds, building large multi-meter headers for commercial and multi-family facilities, Cross-ties related to DOT and Distribution Integrity projects, and removal costs for necessary facility retirements.
Transmission Integrity	Transmission pipeline replacements and remediations identified by Nicor's federally mandated Transmission Integrity Management and Maximum Allowable Operating Pressure Reconfirmation programs.
DOT	Required relocations of Company facilities located within State, County, and Municipal right-of-ways when the existing gas facilities conflict with proposed road widenings, realignments, or other related projects.