
Rate 20
Contract Service for Certain Transportation Customers

*** Availability.**

This rate is available to any Customer whose load requirements and/or location are such that service under any other transportation rate could impair the Company's ability to serve its existing firm Customers. The Company shall not tie, as defined in state and federal antitrust laws, the provisions of service under this rate to the taking or selling of any goods or services from or to an affiliated interest of the Company.

*** Contract.**

The Customer shall enter into a contract with the Company specifying the nature of the gas service to be supplied, the price to be paid, and such other terms and conditions as are mutually agreeable. The term of the contract shall be provided in the contract but shall not be longer than ten years. The contract shall contain provisions for termination payments, should the customer terminate a contract early.

All contracts entered into hereunder shall be submitted to the Illinois Commerce Commission for informational purposes. Not less than 10 days before submitting a contract to the Commission, the Company will provide a copy of the contract to the Commission Staff for review. In addition to the contract, the Company will provide to Staff documentation that shows verifiable projections of revenues from service to the Customer under such contract will be greater than verifiable projections of the Company's incremental costs to serve such Customer, ensuring a positive contribution to the fixed delivery cost incurred to serve all customers.

All submissions to the Staff and the Commission of such contracts and supporting documentation under this rate shall be treated on a proprietary basis as provided under 83 Illinois Administrative Code Part 335-Confidential Contracts. The Commission may open an investigation into the contract if an issue arises regarding the benefits and/or costs of the contract. In such an event, the parties in Docket 25-0055 shall be given notice of such investigation by the Commission with the right to participate.

The sample Rate 20 contract terms are made part of this tariff. It may be modified by the Company at its discretion from time to time for good cause. No tariff revision is required should the Company modify the sample contract terms.

*** Charges and Terms.**

The charges hereunder, including any applicable gas charges, shall be the charges contained in the contract between the Customer and the Company. The charges shall be based on the charges of the most appropriate transportation rate, Rate 74, Rate 76, or Rate 77, subject to adjustment due to the unique facts and circumstances applicable to each Customer, including any necessary interstate pipeline improvements or commitments that are directly charged to the Company to serve the Customer.

These charges could include but are not limited to the Customer Charge, Distribution Charge, Demand Charge, Storage Banking Service Charge, Balancing Service Charges, Authorized Use Charge, Unauthorized Use Charge, Transportation Service Adjustment, and any Minimum Monthly Bill provisions. The Company may impose additional charges to ensure the Rate 20 Customer and the service provided thereunder is not subsidized by non-Rate 20 Customers.

The Company may require any operational parameters necessary to ensure the Company maintains its ability to provide reliable service to its existing firm sales and transportation customers. Such operational prerequisites, parameters, or requirements could include but are not limited to, interruptible service under certain conditions, a requirement to nominate supply to a specific pipeline interconnect, and storage withdrawal/injection and storage capacity limits, or other balancing limitations. Such provisions will be specified in each Rate 20 contract.

(Continued on Sheet No. 17.3.5)

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(Continued from Sheet No. 17.3)

*** Rate 20 Contract Terms – Sample.**

1. Service Provision:

- Nicor Gas (“Company”) will transport Customer-owned gas delivered at an interstate pipeline interconnection to the respective facilities of Customer at Customer specific location.
- A Maximum Daily Contract Quantity (“MDCQ”) and Maximum Hourly Quantity (“MHQ”) of volumes of gas will be specified.

2. Storage:

- Company may store limited quantities of Customer-owned gas.
- A Maximum Storage Volume (“MSV”) may be specified and quantities in excess of certain volumes may be forfeited by Customer to Company and/or subject to certain excess storage fees.
- Daily nominated balancing request injection and withdrawal limits may apply.

3. Firm or Interruptible Service:

- The transportation services (which may include balancing services) for Customer may be interruptible as specified in the particular Rate 20 Contract.
- Example language:

INTERRUPTED DAYS – On any day, Company’s obligation to provide service under this agreement (i.e. transportation to Customer’s Facilities of Customer owned gas delivered to Company’s city-gate stations and Customer’s injections of gas into its storage account and withdrawals of gas from its storage account shall be interruptible by the Company in its sole discretion. Each such Gas Day for which the Company has interrupted service under this agreement is referred to herein as an “Interrupted Day”.
- The Rate 20 Contract may require Customer to utilize specific facilities of Company for gas delivery depending on system constraints and impact on Company’s ability to serve firm customers.

4. Charges for Services:

Charges for services may include:

- (a) A monthly Transportation and Balancing Reservation Charge – which may include an annual escalator.
- (b) A Volumetric Charge (per therm) for all therms delivered by Company to Customer’s Facilities during the billing period.

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- (c) A Cold Weather Volumetric Surcharge (per therm) in addition to the Volumetric Charge for all therms delivered by Company to Customer's Facilities during the billing period when the Company has notified Customer of forecasted EDD equal to or greater than a designated threshold.
- (d) Critical Day Surcharge (per therm) in addition to the Volumetric Charge for all therms delivered by the Company to Customer's Facilities during the billing period
- (e) Excess Storage Charge (per therm) assessed on the highest quantity of Customer-owned gas in Company's storage facilities at the end of any Gas Day during the billing period to the extent such quantity exceeds the then-applicable MSV.
- (f) Unauthorized Use Charge, for the purchase of all Unauthorized Use gas, shall be \$X.XX per therm plus the higher of (i) the Company's applicable Rider 6 Gas Cost (GC) as filed for the corresponding month or (ii) the Market Price for the corresponding day(s).
- (g) Unauthorized Nomination Charge of \$X.XX per therm may be invoked on the quantity of Customer-owned gas delivered to Company for an Interrupted Day.
- (h) Transportation Service Adjustment (TSA) per therm, as determined in Rider 6, Gas Supply Cost, applied to total Customer usage less Company-supplied gas as specified in Rate 77 and Rider 6 - Gas Supply Cost, as specified in company's Schedule of Rates.
- (i) Rider 1, Customer Charge Adjustment, shall be as specified in Company's Schedule of Rates.
- (j) Operational Flow Order (OFO) Charge of \$X.XX per therm when applicable pursuant to the terms of the Rate 20 Contract.
- (k) Daily and Monthly Cash Out charges.
- A minimum monthly charge which shall be the sum of Rider 1 plus the applicable monthly Transportation and Balancing Reservation Charge adjusted for applicable taxes.

5. Term and Termination:

The Rate 20 Contract will include a specified termination date with provisions for good faith negotiations for continued services before termination, such term not to exceed 10 years. The Rate 20 Contract may also include rights for the Company to terminate the Rate 20 Contract for non-payment or failure to provide credit support if requested. The Rate 20 Contract may contain provisions for termination payments, should the Customer terminate a contract early.

6. Assignment:

No assignment of the Rate 20 Contract by the Customer without prior written consent from the Company.

7. Billing and Payment:

- The Company will submit monthly invoices, which must be paid within 14 days.
- A late payment charge of 1.5% per month, or as permitted by law, will apply to past-due balances.

8. Force Majeure:

Obligations under the Rate 20 Contract may be suspended (with proper notice and other qualifications) due to events beyond the control of either party due to certain Force Majeure events, such as acts of God, strikes, or governmental actions.

(Continued on Sheet No. 17.3.7)

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(Continued from Sheet No. 17.3.6)

9. Confidentiality:

A confidentiality provision will be included – with express permission to submit the Rate 20 Contract to Illinois Commerce Commission and Commission Staff as required pursuant to Rate 20.

10. Quality of Gas:

Customer-owned gas must meet Illinois Administrative Code specifications. Non-compliant gas may be refused by the Company.

11. Adequate Assurance:

The Company may demand adequate assurance of payment from the Customer – or require the providing of credit support in a form and amount reasonable and acceptable to the Company if there is a reasonable ground(s) for insecurity regarding the Customers' payment obligations.

12. Notices:

Notices and communications for operational and administrative matters will be set forth.

13. Limitation of Liability:

The Rate 20 contract will include provisions addressing the limitation of liability for incidental, indirect, consequential, exemplary, punitive, or other special damages.

14. Amendments:

Any changes to the Rate 20 Contract must be in writing and signed by both parties.

15. Choice of Law:

The Rate 20 Contract shall be governed by the laws of the State of Illinois with venue in Illinois.

16. Compliance with Law:

The Rate 20 Contract may include provisions specifying that the Company is subject to laws, regulations and orders (including those of the Commission) regarding its facilities and that the Company has the right and discretion to determine how and when to fulfill its obligations under such laws, regulations and orders and shall not have liability for interruption of service as a result of such exercise by the Company.

17. Other Customary Provisions:

The Rate 20 Contract shall include other provisions customary and appropriate to a commercial agreement and/or as appropriate for a particular transaction such as setting forth a process for nomination, the ability to interrupt service to conduct planned maintenance and the application of an Unaccounted for Gas percentage.