

Northern Illinois Gas Company d/b/a Nicor Gas Company
Summary of Changes to Transportation Programs
Approved by ICC under Docket No. 20-0606

Objective: To place all storage users under similar, fair and equitable rules that provide for Nicor Gas' storage fields to be operated safely and in the manner required of an aquifer reservoir to maintain peak and subsequent peak day deliverability

Description	Current	Approved*
Rider 25	Rider 25 is currently available to commercial and industrial customers.	<ul style="list-style-type: none"> • Closed Rider 25 to new entrants as of June 1, 2021. • Eliminate Rider 25 as of May 1, 2022. • Existing Rider 25 customers will need to make an election by February 1, 2022 to switch to another transportation program or sales service. If no election is made by this date, customer will default to sales service as of May 1, 2022. Customers may not switch suppliers or groups between February 1, 2022 and May 1, 2022. The Group Change Fee will be waived for these customers.
Storage Banking Service (SBS) Days of Capacity Allocated	<p><u>Daily Read:</u> Customers/Suppliers can request more or elect less than the standard 30 days of SBS capacity.</p> <p>SBS Capacity is updated annually and becomes effective June 1.</p> <p><u>Customer Select:</u> Suppliers have 30 days plus an additional 6 days of operational balancing capacity.</p>	<ul style="list-style-type: none"> • SBS Capacity will be updated annually and become effective May 1 for Daily Read accounts. • Rate 75 Option 2 – new option that allows Rate 75 seasonal use customers to elect 0 days of SBS capacity; election must be made by March 1 each year, beginning in 2022; if customers electing this option are served as a member of a group, all customers in the group must take service under Option 2; any variances between nominated supply and actual usage will be cashed out. Refer to Appendix.

<p>Daily Storage Parameters and Daily Nominations (non-Critical Day)</p>	<p><u>Daily Read:</u> Customers/suppliers can nominate, or deliver, as little as zero or as much as their maximum daily nomination limit (prior year's usage plus 25% of SBS capacity in the summer; 2 times the MDCQ in the winter).</p> <p><u>Customer Select:</u> Suppliers are provided a Daily Delivery Range.</p>	<ul style="list-style-type: none"> • ALL customers/suppliers will be required to deliver a level of gas necessary to stay within the applicable minimum and maximum daily storage activity range. If daily storage activity falls outside of the range, the variance will be cashed out. Refer to Appendix. Daily nomination limits and Daily Delivery Ranges will be eliminated.
<p>Monthly Storage Parameters</p>	<p><u>Daily Read:</u> Storage needs to be 90% full by November 1 for customers to receive a Storage Withdrawal Factor of 1 in order to receive maximum withdrawal rights on a Critical Day.</p> <p><u>Customer Select:</u> Suppliers are given month-end storage inventory ranges to meet. If month-end inventory falls outside of the range, the excess or shortage is either purchased by Nicor or sold to the supplier.</p>	<ul style="list-style-type: none"> • ALL customers/suppliers will be required to deliver a level of gas necessary to stay within the applicable minimum and maximum inventory range at calendar month end. If calendar month-end inventory level falls outside of the range, the variance will be cashed out. Refer to Appendix.
<p>Daily and Monthly Cash-Outs</p>	<p><u>Daily Read:</u> N/A</p> <p><u>Customer Select:</u> Suppliers are cashed-out if their nominations fall outside of the daily delivery range or if the month-end storage inventory falls outside of the month-end inventory range.</p>	<ul style="list-style-type: none"> • ALL customers/suppliers that do not adhere to the daily and monthly storage parameters will be cashed out to bring their storage activity and/or balances to the applicable minimum or maximum storage parameter. Nicor will either purchase gas from or sell gas to the customer/supplier. Refer to Appendix.

<p>Critical Day Withdrawal Rights</p>	<p><u>Daily Read:</u> Customer's Storage Withdrawal Factor (SWF) times 0.017 times SBS capacity</p> <p><u>Customer Select:</u> Up to an estimated 66% of group MDCQ which equates to about 0.018 times the supplier's SBS capacity</p>	<ul style="list-style-type: none"> • ALL customers/suppliers will have the same Critical Day withdrawal rights (currently 0.017 times SBS capacity). • SWF will no longer be applicable.
<p>Maximum Daily Contract Quantity (MDCQ)</p>	<p><u>Daily Read:</u> An MDCQ for each customer is determined by the greater of the highest daily use from the previous calendar year or the result of a regression analysis where their use is applied to a 79 degree day.</p> <p>MDCQs are updated annually and become effective June 1.</p> <p><u>Customer Select:</u> The MDCQ is calculated at the supplier level with base use and heat use factors applied to a 79 degree day in January.</p>	<ul style="list-style-type: none"> • An MDCQ will be calculated for each individual transportation customer, including Customer Select customers. It will be determined by the greater of the highest daily use from the previous calendar year or the result of a regression analysis where their use is applied to a 79 degree day. For Customer Select groups, the MDCQ will be the sum of the supplier's individual customers' MDCQs. • MDCQs will be updated annually and become effective May 1 for all customers.
<p>Valuing of Stored Gas When Customers Change Suppliers/Programs</p>	<p><u>Daily Read:</u> Gas in storage may transfer with the customer at the supplier's or customer's election but it is not valued by Nicor. Nicor values the gas in storage when an account finals.</p> <p><u>Customer Select:</u> Gas in storage does not transfer with the customer.</p>	<ul style="list-style-type: none"> • A predetermined quantity of gas, based on the minimum Monthly Storage Parameters, will transfer with the customer when switching to and from sales service or transportation programs and groups. • Nicor will charge the new supplier and credit the previous supplier (this may be Nicor Gas) for the predetermined value of gas that moves with the customer.

Nomination Change Charge	<u>Daily Read:</u> N/A <u>Customer Select:</u> N/A	<ul style="list-style-type: none"> • ALL suppliers – any reduction made to the volume of gas nominated after the Timely nomination deadline will be subject to the new Nomination Change Charge. Refer to Appendix.
Group Size Limit	<u>Daily Read:</u> 150 customers per Rider 13 group	<ul style="list-style-type: none"> • <u>Daily Read:</u> 200 customers per Rider 13 group
* To be effective May 1, 2022 unless otherwise noted		

Other items to be eliminated effective May 1, 2022:

- Rider 34 (allows pooling of Rider 25 customers)
- Firm Backup Service Election Option for the Daily Read Customers
- Requested Authorized Use for the Daily Read Customers
- Excess Storage Charge for Daily Read Customers
- Maximum Daily Nominations for Daily Read Customers
- Daily Delivery Range for the Customer Select Program
- OFO Shortage Days and OFO Surplus Days (Cap Days and Critical Days remain)

New tools to help manage within new storage parameters:

- All customers will have automated metering devices and daily usage information will be provided as available. Nominations, daily storage activity, and storage inventory balances will also be provided. Daily storage parameters will also be calculated and provided on a daily basis, including updates resulting from customers changing groups.
- Timely and Evening nomination cycles will be available on all calendar days (365 days a year).
- Reallocation of Nominations: After the gas day ends, suppliers will have the option to adjust their nominated pipeline supply across its enduser accounts. The final pipeline nomination volume cannot be changed, and adjustments will not be allowed between suppliers.

Northern Illinois Gas Company d/b/a Nicor Gas Company
Summary of Changes to Transportation Programs
Approved by ICC under Docket No. 20-0606

Daily Storage Parameters (non-Critical Day):

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%

Monthly Storage Parameters:

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		

Cash-Out Provisions:

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.

* 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.

Daily Cash-Out Provisions for Rate 75 Option 2 customers/suppliers:

Option 2 – Customer assigned 0 (zero) days of Storage Banking Service capacity.

Under Option 2, the Customer is not subject to the Daily and Monthly Storage Parameters since the customer is assigned 0 (zero) days of Storage Banking Service capacity. The Customer is required to nominate gas supply to cover their daily usage. The variance between the gas supply nomination and usage will be cashed out on a daily basis. The variance, up to +/- 5% of usage, will be cashed out at the daily index price for deliveries to the Chicago city-gate as published by Gas Daily for the applicable day, and a rate equal to the SBS Charge will also be charged per therm for the variance. The remaining variance will be cashed out as follows:

		Cash-Out Prices (per therm)	
	Variance from Usage	Company Buys from Customer/Supplier at	Company Sells to Customer/Supplier at
Tier 1	-7.5% to <-5%, and >5% to 7.5%	(85% of the lower of: monthly GC or index price) less SBS	(115% of the higher of: monthly GC or daily index price) plus SBS
Tier 2 _a	-10% to <-7.5%, and >+7.5% to +10%	(60% of the lower of: monthly GC or index price) less SBS	(140% of the higher of: monthly GC or daily index price) plus SBS
Tier 3 _a	<-10% and >+10%	(the lower of: monthly GC minus \$6, or index price minus \$6) less SBS	(the higher of: monthly GC plus \$6, or index price plus \$6) plus SBS
<p>a - If the Company is buying the gas from the Customer/Supplier and the Tier 2 price is lower than the Tier 3 price, Tier 3 volumes will be cashed out at the Tier 2 price. And if the Company is selling gas to the Customer/Supplier and the Tier 2 price is higher than the Tier 3 price, Tier 3 volumes will be cashed out at the Tier 2 price.</p>			

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.

If Customers choosing this option are served as a member of a group, all Customers in the group must take service under Option 2.

Customers choosing Option 2 must elect this service by March 1 each year, beginning in 2022.

Nomination Change Charges:

*** 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).