

Nicor Gas may be extending service to your area!

In February 2017, the Illinois Commerce Commission approved Rider 33 – Designated Extension Service Area (DESA), which provides a tariff mechanism whereby prospective Nicor Gas customers can utilize flexible payment options for costs associated with natural gas main extensions to areas that currently do not receive natural gas. The new tariff – known as the Neighborhood Expansion Program or NEP – offers an affordable option for customers to convert from their current energy source and enjoy the comfort and benefits of clean, safe, reliable and affordable natural gas.

FAQs



What is the Neighborhood Expansion Program (NEP)?

NEP is a Nicor Gas program that provides an avenue for eligible Illinois residents not currently served by natural gas to enjoy the comfort of this clean, safe, reliable and affordable fuel source.

NEP, also known as Rider 33 – DESA, provides an alternative payment option for residents who wish to convert to natural gas. NEP spreads the financial contribution required to bring natural gas to an area – normally a one-time, upfront payment – among residents in the area expected to convert. NEP charges each customer their portion of the required contribution when they are ready to convert to natural gas. Additionally, eligible customers may elect to pay their portion in monthly installments.

How does NEP work?

Any customer in a Neighborhood Expansion Program area that converts to natural gas during the first 10 years will be responsible for a connection charge based on the required contribution to bring natural gas to the area. The connection charge can be paid in advance, or eligible residential customers may choose to elect the Customer Payment Option (CPO) and pay this charge in monthly installments.

How is the connection charge determined?

The payment required to make the natural gas main extension feasible (known as the required contribution) is divided by the number of estimated customers to determine the connection charge per property. For example, if the required contribution was calculated at \$10,000, and 10 customers in the area were expected to connect, the connection charge would be \$1,000 per customer. The connection charge is capped at \$5,000 per customer.

What are the benefits of NEP?

NEP provides affordable access to natural gas by spreading the required contribution across customers in given area and allowing eligible customers to pay their connection charge over time on their monthly gas bill. NEP reduces the burden of a large contribution on a single customer (or small group of customers) by equitably allocating costs to customers as they connect to the system, and provides payment options to eligible customers, decreasing the upfront natural gas infrastructure costs often associated with converting to natural gas.

How can I pay for the connection charge?

The connection charge can be paid in advance, or eligible residential customers can elect the Customer Payment Option (CPO) to pay the connection charge over time on their monthly natural gas bill. Commercial customers are required to pay the full connection charge before receiving natural gas service.

Who is eligible for the CPO?

Residential customers with a connection charge between \$225 and \$5,000 may elect the CPO. Depending on the connection charge amount, monthly payments may range from \$20 to \$60 for up to 10 years or 120 installments.

Is there a carrying cost for the CPO?

Yes. The monthly payment amount includes a carrying cost set at the company's authorized rate of return as approved by the Illinois Commerce Commission in the company's last general rate proceeding at the time the NEP is established. The current carrying cost is 7.26%.

What if I move or sell my house?

The balance of the connection charge stays with the property. Should you move, you are responsible for all billed installments while you owned/occupied the property.

If the new owner/tenant wishes to continue service with Nicor Gas, they may continue payments under the existing CPO; agree to a new CPO; or pay the remaining balance in full. If they do not wish to continue this agreement, they can request that Nicor Gas disconnect their gas service.

Can I pay off the remaining balance at any time?

Yes, you can pay off your remaining balance at any time. You may obtain your balance amount by calling Nicor Gas at **888.Nicor4U (642.6748)**.

Are commercial customers eligible for the CPO?

No. A full upfront payment of the connection charge is required up front for commercial customers before receiving natural gas service.

How do I get started?

The first step is to contact a Nicor Gas new business coordinator at **nicorgasnep@southernco.com**, or call us at **888.642.6748** for more information.

Do I need to utilize NEP to convert to natural gas?

No. NEP simply provides another option for areas that currently do not receive natural gas to convert to this clean, safe, reliable and affordable fuel source.

Nicor Gas' current conversion process, as outlined on our website at **nicorgas.com/residential/choosing-natural-gas** is still available for customers and does not change as a result of NEP.

