STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Northern Illinois Gas Company d/b/a Nicor Gas Company	))	
	)	Docket No. 26-0099
Proposed general increase in gas rates.	)	

STIPULATION AND SETTLEMENT

Northern Illinois Gas Company d/b/a Nicor Gas Company ("Nicor Gas" or the "Company"); the Staff of the Illinois Commerce Commission ("Staff"); the People of the State of Illinois, by and through Kwame Raoul, Attorney General of the State of Illinois ("AG"); the Environmental Law & Policy Center ("ELPC"), Environmental Defense Fund ("EDF"), and Illinois State Public Interest Research Group, Inc. ("PIRG") (collectively, "Public Interest Organizations" or "PIO"); Retail Energy Supply Association ("RESA") and Illinois Competitive Energy Association ("ICEA") (collectively, "ICEA/RESA"); Illinois Industrial Energy Consumers ("IIEC") and Citizens Utility Board ("CUB") (collectively, "IIEC/CUB"); and Legal Action Chicago ("LAC") (each a "Stipulating Party" and collectively, the "Stipulating Parties," being all Parties in this proceeding that have agreed to the terms of this Stipulation and Settlement[1]) enter this Stipulation and Settlement to fully and finally resolve all outstanding issues in the Company's pending 2026 Rate Case—Docket No. 26-0099 ("Stipulation and Settlement"). In support of this Stipulation and Settlement, the Stipulating Parties state as follows:

[1]Notwithstanding that the Stipulating Parties are referred to collectively throughout this Stipulation and Settlement, PIO stipulates only to the provisions set forth in Sections I.8(b) (Residential Fixed Customer Charge) and I.8.(g) (Non-Pipeline Alternatives). PIO does not oppose the provisions set forth in Sections I.8(a), (c)-(f), and (h). For the avoidance of doubt, PIO's limited stipulation to the specific substantive provisions identified above does not limit or modify PIO's agreement to all other terms and conditions of this Stipulation and Settlement, including without limitation the procedural, release, and miscellaneous provisions set forth in Sections II and III, all of which PIO agrees to in full.

1. On January 9, 2026, Nicor Gas filed with the Illinois Commerce Commission ("Commission") proposed tariffs seeking a general rate increase, which the Commission subsequently suspended, initiating Docket No. 26-0099 ("2026 Rate Case").

2. The Stipulating Parties seek to resolve all matters presented for determination in the 2026 Rate Case in a fair, reasonable, and just manner that protects the public interest, Illinois ratepayers' interests, and the integrity of the Commission's fact-finding process, and reduces the risk and uncertainty associated with litigation of unresolved issues.

3. This Stipulation and Settlement is the result of negotiations at arm's length between and among the Stipulating Parties, all of whom have been represented by counsel, and memorializes the Stipulating Parties' agreements. This Stipulation and Settlement is not a concession by Staff, the AG, PIO, ICEA/RESA, IIEC/CUB, LAC, or the Company that any of Staff's, the AG's, PIO's, ICEA/RESA's, IIEC/CUB's, LAC's, or the Company's allegations are not well founded.

4. The Stipulating Parties enter into this Stipulation and Settlement in recognition of the requirement that any resolution of issues by the Commission must be supported by the record evidence before the Commission and otherwise be in accordance with law.

5. In accordance with this intent, to resolve the contested issues amongst the Stipulating Parties raised in this proceeding, and in consideration of the promises and mutual agreements contained in this Stipulation and Settlement, and other good and valuable consideration, the sufficiency of which the Stipulating Parties acknowledge, the Stipulating Parties hereby stipulate, agree, and recommend that the Commission issue an Order in this proceeding accepting and adopting this Stipulation and Settlement without modification.

6. Consistent with this Stipulation and Settlement, the Stipulating Parties will not file briefs in this proceeding.

7. The Stipulating Parties, or a Stipulating Party on their behalf, have conferred with the following parties that are not signatories to this Stipulation and Settlement—Nucor Steel Kankakee, Inc. ("Nucor") and International Brotherhood of Electrical Workers, Local 19, AFL-CIO ("IBEW")—and shared the terms of this Stipulation and Settlement with these parties, and represent that these parties have no objection to this Stipulation and Settlement and that these parties will not file briefs in this proceeding.

I. JOINTLY STIPULATED FINDINGS AND CONCLUSIONS

8. The Stipulating Parties jointly stipulate and agree that the findings and conclusions set forth in this Stipulation and Settlement are supported by the evidence, including testimony, exhibits, work papers, and other filed materials, submitted in the record in Docket No. 26-0099, and are reasonable under all circumstances. "Final Order" means for purposes of the Stipulation and Settlement a final Order in Docket No. 26-0099, after exhaustion or expiration of any rehearing period. Based on that evidence in the record, the Stipulating Parties agree to the following terms with respect to resolving contested issues in the 2026 Rate Case:

a. **Test Year Revenue Requirement.** The Stipulating Parties agree to Staff's proposed revenue requirement increase as set forth in its rebuttal testimony schedule,[2] resulting in a base rate revenue requirement increase of $81.6 million. The Stipulating Parties agree that this amount is reasonable, and support and recommend the Commission make such a finding in the 2026 Rate Case. This revenue requirement is based, in part,

[2] Mugera Dir., Staff Ex. 9.0, Sched. 1.

on capital structure to be 50.00 percent equity and 49.26 percent long-term debt, 0.74 percent short-term debt, and a return on equity ("ROE") of 9.48 percent. The record contains evidence that the Company initially proposed a base rate revenue requirement increase of $220.8 million based on a 2027 Test Year forecast. Morley Dir., Nicor Gas Ex. 11.0, 2:38-40, 11:214-216. In agreeing to a base rate revenue requirement increase of $81.6 million, which is a $139.2 million reduction to the Company's initially proposed $220.8 million base rate revenue increase, the specific adjustments are set forth in Attachment 1 to this Stipulation and Settlement. This agreed upon revenue requirement is supported by the evidentiary record, and is based upon the substantial and material evidentiary contributions and recommendations of the Stipulating Parties, which includes testimony and exhibits from Staff, the AG, IIEC, IIEC/CUB, LAC/PIRG, and Nicor Gas.

b. **Residential Fixed Customer Charge.** Nicor Gas agrees to a monthly Residential Fixed Customer Charge of $15.00 and a Distribution Charge of $0.3459 per therm that will be included when new rates become effective.[3]

c. **Financial Incentive Compensation.** Nicor Gas agrees that it shall not seek to recover any financial incentive compensation expense based on

[3] Attachment 2 to this Stipulation and Settlement illustrates the percentage of residential customer revenues recovered through the agreed-upon monthly customer charge and the volumetric charge for a typical residential customer as well as for residential customers at high and low volumetric usage levels.

financial goals or metrics in its next filed general rate case proceeding before the Commission.

d. **Rate Design: Class Revenue Apportionment.** Maximum and minimum class increase, as a factor of the system average increase will be max 1.25x system average increase, and minimum no rate decrease. The Company also agrees that in its next rate case the Company will submit an Average & Excess ("A&E") class cost of service study ("A&E Study"). The A&E Study would include the following factors and description: The A&E Study will develop a class allocation of transmission main capacity cost (Federal Energy Regulatory Commission ("FERC") Accounts 365-369, 378, 871, 875, 877, and 889) based on a composite allocator consisting of the weighted average of two components: 1) class average daily throughput ("Dth") as a percentage of the system total average daily throughput (weighted by the system load factor), plus 2) an extra capacity component needed by each class and the system that is measured from the difference of each class non-coincident peak day demand less the class (system) average daily throughput as a percentage of the system total extra capacity (weighted by 1- the system load factor).[4]. The submission of the

[4]There will also be two alternatives for allocating distribution main capacity cost as follows: Alternative 1, Distribution mains (FERC Account 376) capacity will be classified as either demand or customer. Distribution capacity that is classified as demand will be allocated across rate classes based on the class peak day demand at distribution. Distribution capacity cost classified as customer-related will be allocated across rate classes based on the number of customers that take service from the distribution mains. Maintenance of Mains (FERC Account 887) will be allocated based on the class peak demand at distribution allocator. Alternative 2, Distribution mains (FERC Account 376) capacity cost will be allocated using the Company's Modified Distribution Main ("MDM") allocator, with demand-related cost allocated based on class peak day demand versus system peak day demand at distribution, and customer-classified cost allocated on class distribution customer numbers versus system total distribution customer numbers. Maintenance of Mains (FERC Account 887) will be allocated based on the MDM allocator.

A&E Study in the next general rate case does not preclude Nicor Gas from submitting and supporting a different allocation methodology in a separate cost of service study.

e. **2025 Rate Case Appeal**. Nicor Gas agrees to file a motion to dismiss the Company's pending appeal[5] of the Commission's November 19, 2025, Order entered in Docket No. 25-0055,[6] within 30 days after the Commission denies any/all Applications for Rehearing in Docket No. 26-0099, or after an Order on Rehearing (if any) is entered, whichever is later. In the interim, Nicor Gas, the AG, and the Commission will request that the Appellate Court, Second District, stay the current briefing schedule in that proceeding.

f. **Effective Date of Compliance Tariffs; No Opposition or Delay.** The Stipulating Parties agree that Nicor Gas' compliance tariff filing made pursuant to a Final Order in this proceeding, including all rates, riders, charges, terms, and conditions set forth therein, shall become effective for service rendered on and after November 16, 2026, with no exceptions, phase-ins, or deferred implementation of any rate element (the "Target Effective Date"). The Stipulating Parties further agree to support, and to refrain from taking any position or action (including in briefs, testimony, motions, or procedural filings) that would delay or otherwise prevent the issuance of a Final Order on a schedule sufficient to permit Nicor Gas' compliance tariff filing to take effect on the Target Effective Date. In

[5] *N. Ill. Gas Co. d/b/a Nicor Gas Co. v. Ill. Comm. Comm'n*, No. 2-26-0021 (Ill. App. C. 2d Dist. Jan. 14, 2026).
[6] *N. Ill. Gas Co. d/b/a Nicor Gas Co.*, Docket No. 25-0055, Order (Nov. 19, 2025) ("2025 Rate Case Order").

furtherance of the foregoing, the Stipulating Parties agree to (i) jointly request or not oppose, if necessary, an expedited procedural schedule that preserves the Target Effective Date, (ii) refrain from seeking any extension of the suspension period under Section 9-201 of the Public Utilities Act ("PUA" or the "Act") that would render the Target Effective Date unattainable, absent the unanimous written consent of the Stipulating Parties, and (iii) cooperate in good faith on the form and content of Nicor Gas' compliance tariff filing to enable filing and review on a schedule consistent with the Target Effective Date. The Stipulating Parties further agree that they shall not, directly or indirectly, oppose, contest, challenge, move to suspend or stay, or seek rehearing, reconsideration, or judicial review of Nicor Gas' compliance tariff filing, nor shall any Stipulating Party take any action or position (whether in this proceeding, in any other Commission docket, before any court, or otherwise) that would, or could reasonably be expected to, delay, defer, suspend, or otherwise prevent the compliance tariff filing from becoming effective on the Target Effective Date, including in the event of any rehearing, judicial appeal, stay, or other post-order proceeding affecting the Final Order. Without limiting the foregoing, no Stipulating Party shall (a) file or support any motion to extend the suspension period applicable to the compliance tariff filing, (b) file or support any petition for rehearing, application for stay, or appeal that seeks to delay or prevent implementation of the compliance tariffs on the Target Effective Date, (c) propose or support any procedural schedule

that is inconsistent with the Target Effective Date, or (d) raise objections to the form or content of the compliance tariff filing other than to identify ministerial errors or non-conformance with the Final Order, which objections shall be raised promptly and resolved in a manner that preserves the Target Effective Date; provided that nothing in this Section shall be construed to require any Stipulating Party to support a compliance tariff filing that is not consistent with the Final Order in this proceeding or with the terms of this Stipulation and Settlement. In the event of any rehearing, judicial appeal, stay, or other post-order proceeding affecting the Final Order, the Stipulating Parties agree that Nicor Gas' compliance tariffs shall remain in effect as of the Target Effective Date, as applicable, to the maximum extent permitted by law. The obligations of the Stipulating Parties under this Section shall survive the issuance of the Final Order in this proceeding.

g. **Non-Pipeline Alternatives.** Nicor Gas will conduct a cost-benefit analysis during a 10-year period, from 2027 to 2037, for all transmission capacity expansion projects that compares the traditional pipeline replacement project with a non-pipeline alternative ("NPA"). NPAs may include a single demand- or supply-side investment but may also be a portfolio of demand- or supply-side resources. Demand-side resources include energy efficiency, demand response, and electrification. Nicor Gas agrees to conduct a cost-benefit analysis that compares each potential transmission pipeline project that is evaluated during the 10-year period,

2027-2037, with: (i) a single demand- or supply-side investment in energy efficiency, demand response, or electrification; or (ii) a portfolio of demand-side and/or supply-side resources, including energy efficiency, demand response, and electrification. Nicor Gas will produce the results of these analyses in response to discovery in any base rate case filing seeking an increase in base rates effective in 2029 or thereafter, in which Nicor Gas seeks to recover the costs of a relevant transmission pipeline project.

Nicor Gas will conduct a cost-benefit analysis for distribution pipeline replacement projects with the exception of Grade 1 leaks or other emergency repairs, and for distribution capacity expansion projects that compares the replacement to a repair, relining (including rehabilitation and relining only for projects 2 inches in diameter or greater) and/or viable NPAs ("Distribution NPAs"). As part of the cost recovery proposal for each project, Nicor Gas will provide an analysis of the viability and cost comparisons of alternatives approaches.

Nicor Gas agrees to perform an analysis of the economics of replacement versus repair (including rehabilitation and relining) for its (i) Distribution Integrity Management Plan ("DIMP"); and (ii) Transmission Integrity Management Plan ("TIMP"), at a program level, and to produce the results of this analysis in any base rate case filing seeking an increase in base rates effective in 2029 or thereafter. Nicor Gas also agrees to engage with PIO and other stakeholders in informal workshops to discuss the use cases

and opportunities for relining of pipelines 2 inches or greater in diameter. Nicor Gas agrees to engage with PIO and other stakeholders to develop a methodology for comparing the costs and benefits of NPAs, including relining and other rehabilitation technologies, to the costs and benefits of pipeline projects. Nicor Gas further agrees to apply this methodology to its potential pipeline projects, using updated data, and present the results in future cases seeking to increase base rates in 2029 or thereafter as detailed above. Further, following the completion of this methodology, Nicor will apply the methodology to any capital forecasts approved in future cases seeking to increase base rates in 2029 or thereafter.

These NPA commitments are contingent on the Stipulating Parties agreement that the reasonable and prudent costs incurred by Nicor Gas in developing and performing the cost-benefit analysis and alternative assessments described, including DIMP, a TIMP analysis, workshops, and development and application of the NPA cost-benefit methodology, are costs incurred in providing utility service under Sections 9-101 and 201 of the Act and shall be recoverable in Nicor Gas' general rates, and are all subject to prudence review in subsequent rate case filings. No Stipulating Party shall challenge the recoverability of such costs on the basis that the analysis, workshops, or methodology development were not required by the Commission, provided that such costs are reasonable and prudent. For the avoidance of doubt, such commitments as described herein do not preclude a Stipulating Party from challenging the reasonableness and

prudence of any costs incurred by Nicor Gas with respect to the foregoing matters.

h. **Transportation Program.** Nicor Gas shall expand the scope of its ongoing Retroactive Trading Study[7] to develop and scope both a limited retroactive daily pilot ("Daily Pilot") and limited daily and monthly trading pilot ("Daily and Monthly Pilot") for transportation suppliers that would be supported through primarily through manual processes, transaction limits, and other operational constraints designed to mitigate system, billing, compliance, and customer impacts. The evaluations will assess operational, system, billing, accounting, compliance, resource (Full-time Employees ("FTEs") required), cost impacts associated with implementation, and feasibility of a limited Daily Pilot and, separately, a Daily and Monthly Pilot. Upon completion of the evaluations (Retroactive Trading Study), and agreement with and from ICEA and RESA to proceed with any proposed pilots, the Company agrees to exercise commercially reasonable efforts to implement a Daily Pilot in the second quarter of 2027 for a period of no less than one full heating season (2027-2028). Notwithstanding any other provision of this Stipulation and Settlement, and for the avoidance of doubt, the Stipulating Parties acknowledge and agree that Nicor Gas does not, by agreeing to conduct the Daily and Monthly Pilot assessment within the scope of the Retroactive Trading Study, commit to implement a Daily and Monthly

[7] 2025 Rate Case Order at 353.

Pilot. The Stipulating Parties agree that all development, implementation, and operation cost and expense impacts associated with a Daily Pilot, or a Daily and Monthly Pilot if any, as described herein and agreed to by ICEA and RESA, will be allocated to transportation suppliers. In no event shall any such costs be allocated by Nicor Gas to any class other than to transportation suppliers.

II. RELEASES

9. State of Illinois' Preservation of Law Enforcement Actions. The following claims of the State of Illinois are specifically reserved and are not released:

a. Any criminal liability;

b. Any administrative liability, except as explicitly stated in this Stipulation and Settlement;

c. Any civil, criminal, or administrative liability arising under tax laws or state revenue codes of Illinois;

d. Any civil, criminal, or administrative liability to the State of Illinois for conduct other than for the allegations about the reasonableness, accuracy, and prudence of Nicor Gas' cost recovery for rate base and expenses at issue in the 2026 Rate Case;

e. Any liability to the State of Illinois, including, but not limited to, liability for violation of any environmental law or regulation, other than for the allegations about the reasonableness, accuracy, and prudence of Nicor Gas' cost recovery for rate base and expenses at issue in the 2026 Rate Case;

f. Any liability based upon obligations created by this Stipulation and Settlement; and

g. Any liability for personal injury or property damage or for other consequential damages arising from the reasonableness, accuracy, and prudence of Nicor Gas' cost recovery for rate base and expenses at issue in the 2026 Rate Case.

III. MISCELLANEOUS PROCEDURAL MATTERS

10. The Stipulating Parties agree that this Stipulation and Settlement is conditioned upon the Commission's adoption of the Stipulation and Settlement in its entirety and without material modification in this matter. If the Commission does not accept each of the terms of this Stipulation and Settlement, or the Final Order in the 2026 Rate Case is not consistent with the terms of this Stipulation and Settlement, no Stipulating Party is bound to honor the terms contained herein.

11. The Stipulating Parties shall seek admission into evidence of this Stipulation and Settlement.

12. The Stipulating Parties agree to exercise commercially reasonable efforts to obtain Commission approval of this Stipulation and Settlement according to its terms, and to obtain a Final Order in this docket consistent with the terms of this Stipulation and Settlement. Without limiting the foregoing, the Stipulating Parties agree that each will exercise its commercially reasonable efforts to obtain in the Final Order, a resolution of the issues addressed in this Stipulation and Settlement, including, as necessary, the filing of any necessary or desirable pleadings, documentation, or testimony in support of the terms hereof.

13. The Stipulating Parties each acknowledge that it is accepting this Stipulation and Settlement for purposes of the 2026 Rate Case to reduce the uncertainty of litigation, to conserve resources, and to avoid or reduce the scope and complexity of the issues between them. Accordingly, the Stipulating Parties agree that none of them will treat the resolution of the issues in this Stipulation and Settlement as precedential for future cases, including but not limited to the propriety of any adjustments, and that none of them will argue that the same or similar issue should be decided by the Commission in the same manner set forth in this Stipulation and Settlement because of this Stipulation and Settlement. Likewise, the Stipulating Parties agree and stipulate that adoption by the Commission of this Stipulation and Settlement does not, and shall not be interpreted to, constitute Commission action approving or rejecting the propriety of any position, assertion, methodology, or matter at issue in this proceeding including but not limited to the propriety of any adjustments, unless the Commission shall otherwise so provide in its Final Order in this proceeding.

14. The Stipulating Parties agree that they are each released from the provisions of this Stipulation and Settlement only if the Commission chooses not to accept the totality of this Stipulation and Settlement or a court of competent jurisdiction determines that these provisions are for any reason invalid, in which case the Stipulating Parties are free to take any position and pursue any remedy that may otherwise be individually available to them.

15. The Stipulating Parties agree that this Stipulation and Settlement may be executed in one or more counterparts (by hard copy or e-mail delivery), each of which, when executed and delivered shall be deemed an original, all of which taken together, shall constitute one and the same instrument. The signatories below acknowledge that they have the lawful authority to bind the Stipulating Parties for whom they are signing to the terms of this Stipulation and Settlement.

16. The negotiations leading to this Stipulation and Settlement, including any drafts of and communications with respect to this Stipulation and Settlement, are and shall remain privileged material pursuant to 220 ILCS 5/10-101.1(b) and Ill. R. Evid. 408 and may not be utilized for any purpose in this or any other proceeding by the Stipulating Parties in a manner that is inconsistent with 220 ILCS 5/10-101.1(b) or Ill. R. Evid. 408.

17. This Stipulation and Settlement constitutes the entire agreement of the Stipulating Parties relating to the subject matter addressed in this Stipulation and Settlement. This Stipulation and Settlement supersedes all prior communications, contracts, stipulations or agreements between the Stipulating Parties with respect to the subject matter addressed in this Stipulation and Settlement, whether oral or written.

18. This entire Stipulation and Settlement and the signatories' performance of their obligations hereunder are the result of arm's length negotiations and compromise on the subjects contained herein. Neither this Stipulation and Settlement nor any signatory's performance hereunder shall be deemed to be an admission of any fact.

19. **Survival.** The survival of any provision of this Stipulation and Settlement following any termination, expiration, rescission, or other discontinuance hereof is expressly conditioned upon the Commission's approval of this Stipulation and Settlement in its entirety and without modification. If, and only if, the Commission approves this Stipulation and Settlement in its entirety and without modification, then the rights, obligations, agreements, covenants, and commitments of the Stipulating Parties set forth in Section III above, shall survive in full force and effect until all obligations of the Stipulating Parties thereunder have been fully and finally performed and discharged, and shall be enforceable by and against the Stipulating Parties in accordance with their terms following such termination or expiration,

regardless of the reason for such termination or expiration. If the Commission does not approve this Stipulation and Settlement in its entirety and without modification, then, notwithstanding any other provision of this Stipulation and Settlement, this Stipulation and Settlement shall be of no force or effect, no provision hereof shall survive, and the Stipulating Parties shall be released from all rights and obligations hereunder in accordance with Sections III.10 and III.14 above. The survival of the foregoing Sections, subject to the condition set forth herein, is a material inducement for each Stipulating Party's execution of this Stipulation and Settlement.

IN WITNESS WHEREOF, the parties hereto have executed this Stipulation and Settlement as of the date below.

Dated: September 8, 2026

On behalf of the Northern Illinois Gas Company d/b/a Nicor Gas Company

On behalf of the Illinois Competitive Energy Association

On behalf of Staff of the Illinois Commerce Commission

On behalf of the Illinois Industrial Energy Consumers

On behalf of the People of the State of Illinois, by and through Kwame Raoul, Attorney General of the State of Illinois

On behalf of the Citizens Utility Board

On behalf of the Environmental Law & Policy Center ("ELPC"), Environmental Defense Fund ("EDF"), and Illinois State Public Interest Research Group, Inc. ("PIRG") (collectively, "Public Interest Organizations" or "PIO")

/s/ Daniel J. Schneider, Of Counsel
On behalf of Legal Action Chicago

On behalf of the Retail Energy Supply Association

Docket No. 26-0099
Staff Ex. 9.0
Sched. 5

Nicor Gas Company
Revenue Effect of Adjustments
For the Test Year Ending December 31, 2027
(In Thousands)

Line No.	Description	Per Company	Staff Adjustments	Per Staff
	(a)	(b)	(c)	(d)
1	Present Revenues	$ 1,554,117 (1)	$ -	$ 1,554,117 (2)
2	Proposed Increase	213,605 (3)	(132,024) (4)	81,581 (5)
3	Proposed Revenues	$ 1,767,722	$ (132,024)	$ 1,635,698
4	% Increase	13.74%		5.25%
5	Ordered Adjustments:			
6				
7	Intrest Synchronization		(4,551)	
8	Incentive Compensation Adjustments		(19,497)	
9	Rate Case Expense Amortization Adjustment		(3,680)	
10	Docket No. 25-0055 Plant Disallowances		(5,880)	
11	DRM - Probabilistic Placeholder Adjustment		(930)	
12	DRM - Exposed Main Placeholder Adjustment		(215)	
13	Adjustment to ASC Building Lease		(327)	
14			-	
15	-		-	
16	Adjustment for Other Miscellaneous Costs		(188)	
17	Adjustment to ASC Building Lease		126	
18	Adjustment to ASC Costs - Other Service Providers		(1,810)	
19	Adjustment to Director Fees and Other Costs		(446)	
20	Adjustment to Social and Service Club Membership Dues		(226)	
21	Adjustment to ASC Building and Facility Costs		(7,773)	
22	Cash Working Capital		(11,774)	
23	-		-	
24	Rate of Return		(74,852)	
25	Gross Revenue Conversion Factor		-	
26	Rounding		(1)	
27	Total Revenue Effect of Staff Adjustments		$ (132,024)	

Sources:
(1) Sched. 1, column (b), line 3
(2) Sched.1, column (d), line 3
(3) Sched. 1, column (e), line 3
(4) Sched.1, columns (f) + (h), line 3
(5) Sched.1, column (i), line 24

Settlement at Proposed
$81.6M System-Wide Increase, 1.25x Max Class Increase, $15/month Residential Monthly Customer Charge
Rate 1: Sales and Transportation

		At Average Usage					
Scenario --->		Settlement			At Current Rates		
		Fixed	Variable		Fixed	Variable	
	Average Use per Customer (therms)	**$ 15.00**	$ 0.3459	Total Base Delivery	**$ 21.30**	$ 0.2444	Total Base Delivery
Jan	201.2	$ 15.00	$ 69.60	$ 84.60	$ 21.30	$ 49.17	$ 70.47
Feb	165.7	$ 15.00	$ 57.32	$ 72.32	$ 21.30	$ 40.50	$ 61.80
Mar	130.3	$ 15.00	$ 45.07	$ 60.07	$ 21.30	$ 31.85	$ 53.15
Apr	80.1	$ 15.00	$ 27.71	$ 42.71	$ 21.30	$ 19.58	$ 40.88
May	41.6	$ 15.00	$ 14.39	$ 29.39	$ 21.30	$ 10.17	$ 31.47
Jun	20.4	$ 15.00	$ 7.06	$ 22.06	$ 21.30	$ 4.99	$ 26.29
Jul	20.0	$ 15.00	$ 6.92	$ 21.92	$ 21.30	$ 4.89	$ 26.19
Aug	20.0	$ 15.00	$ 6.92	$ 21.92	$ 21.30	$ 4.89	$ 26.19
Sep	21.9	$ 15.00	$ 7.58	$ 22.58	$ 21.30	$ 5.35	$ 26.65
Oct	55.7	$ 15.00	$ 19.27	$ 34.27	$ 21.30	$ 13.61	$ 34.91
Nov	114.3	$ 15.00	$ 39.54	$ 54.54	$ 21.30	$ 27.93	$ 49.23
Dec	164.9	$ 15.00	$ 57.04	$ 72.04	$ 21.30	$ 40.30	$ 61.60
Total	1,036.1	$ 180.00	$ 358.42	$ 538.42	$ 255.60	$ 253.23	$ 508.83
Fixed/Variable %		*33.4%*	*66.6%*		*50.2%*	*49.8%*	
Winter Bill (Dec - March)		$ 60.00	$ 229.03	$ 289.03	$ 85.20	$ 161.82	$ 247.02

		Low Use Customer Example					
Scenario --->		Settlement			At Current Rates		
		Fixed	Variable		Fixed	Variable	
	Average Use per Customer (therms)	**$ 15.00**	$ 0.3459	Total Base Delivery	**$ 21.30**	$ 0.2444	Total Base Delivery
Jan	83.1	$ 15.00	$ 28.75	$ 43.75	$ 21.30	$ 20.31	$ 41.61
Feb	68.4	$ 15.00	$ 23.68	$ 38.68	$ 21.30	$ 16.73	$ 38.03
Mar	53.8	$ 15.00	$ 18.62	$ 33.62	$ 21.30	$ 13.15	$ 34.45
Apr	33.1	$ 15.00	$ 11.45	$ 26.45	$ 21.30	$ 8.09	$ 29.39
May	17.2	$ 15.00	$ 5.94	$ 20.94	$ 21.30	$ 4.20	$ 25.50
Jun	8.4	$ 15.00	$ 2.91	$ 17.91	$ 21.30	$ 2.06	$ 23.36
Jul	8.3	$ 15.00	$ 2.86	$ 17.86	$ 21.30	$ 2.02	$ 23.32
Aug	8.3	$ 15.00	$ 2.86	$ 17.86	$ 21.30	$ 2.02	$ 23.32
Sep	9.0	$ 15.00	$ 3.13	$ 18.13	$ 21.30	$ 2.21	$ 23.51
Oct	23.0	$ 15.00	$ 7.96	$ 22.96	$ 21.30	$ 5.62	$ 26.92
Nov	47.2	$ 15.00	$ 16.33	$ 31.33	$ 21.30	$ 11.54	$ 32.84
Dec	68.1	$ 15.00	$ 23.56	$ 38.56	$ 21.30	$ 16.65	$ 37.95
Total	428.0	$ 180.00	$ 148.05	$ 328.05	$ 255.60	$ 104.60	$ 360.20
Fixed/Variable %		*54.9%*	*45.1%*		*71.0%*	*29.0%*	
Winter Bill (Dec - March)		$ 60.00	$ 94.61	$ 154.61	$ 85.20	$ 66.84	$ 152.04

		High Use Customer Example					
Scenario --->		Settlement			At Current Rates		
		Fixed	Variable		Fixed	Variable	
	Average Use per Customer (therms)	**$ 15.00**	$ 0.3459	Total Base Delivery	**$ 21.30**	$ 0.2444	Total Base Delivery
Jan	277.7	$ 15.00	$ 96.05	$ 111.05	$ 21.30	$ 67.87	$ 89.17
Feb	228.7	$ 15.00	$ 79.11	$ 94.11	$ 21.30	$ 55.89	$ 77.19
Mar	179.8	$ 15.00	$ 62.21	$ 77.21	$ 21.30	$ 43.95	$ 65.25
Apr	110.6	$ 15.00	$ 38.24	$ 53.24	$ 21.30	$ 27.02	$ 48.32
May	57.4	$ 15.00	$ 19.86	$ 34.86	$ 21.30	$ 14.03	$ 35.33
Jun	28.2	$ 15.00	$ 9.74	$ 24.74	$ 21.30	$ 6.88	$ 28.18
Jul	27.6	$ 15.00	$ 9.55	$ 24.55	$ 21.30	$ 6.75	$ 28.05
Aug	27.6	$ 15.00	$ 9.55	$ 24.55	$ 21.30	$ 6.75	$ 28.05
Sep	30.2	$ 15.00	$ 10.46	$ 25.46	$ 21.30	$ 7.39	$ 28.69
Oct	76.9	$ 15.00	$ 26.59	$ 41.59	$ 21.30	$ 18.79	$ 40.09
Nov	157.8	$ 15.00	$ 54.57	$ 69.57	$ 21.30	$ 38.56	$ 59.86
Dec	227.6	$ 15.00	$ 78.72	$ 93.72	$ 21.30	$ 55.62	$ 76.92
Total	1,430.0	$ 180.00	$ 494.65	$ 674.65	$ 255.60	$ 349.50	$ 605.10
Fixed/Variable %		*26.7%*	*73.3%*		*42.2%*	*57.8%*	
Winter Bill (Dec - March)		$ 60.00	$ 316.09	$ 376.09	$ 85.20	$ 223.33	$ 308.53