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.	)	

SUPPLEMENTAL STIPULATION BETWEEN NICOR GAS COMPANY AND THE PEOPLE OF THE STATE OF ILLINOIS

Northern Illinois Gas Company d/b/a Nicor Gas Company ("Nicor Gas" or the "Company") and the People of the State of Illinois, by and through Kwame Raoul, Attorney General of the State of Illinois ("AG") (collectively the "Parties") enter this Supplemental Stipulation ("Supplemental Stipulation") in connection with the Stipulation and Settlement that Nicor Gas and the AG, and other parties, have also agreed upon and moved the Commission to enter and approve in Docket No. 26-0099[1] (the "Stipulation and Settlement"). In support of this Supplemental Stipulation, the Parties state as follows:

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 the 2026 Rate Case.

2. Nicor Gas and the AG, including other signatory parties, have also agreed upon a Stipulation and Settlement and additionally moved the Commission to enter and approve that Stipulation and Settlement in the above captioned proceeding on September 8, 2026. The Parties separately stipulate to the terms contained in this Supplemental Stipulation in connection with the Stipulation and Settlement.

[1] *N. Ill. Gas Co. d/b/a Nicor Gas Co.*, Docket No. 26-0099 ("2026 Rate Case").

3. The Parties seek to resolve the matters addressed herein as part of 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.

4. The Parties enter into this Supplemental Stipulation 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, and in consideration of the promises and mutual agreements contained herein and in the Stipulation and Settlement, and other good and valuable consideration, the sufficiency of which the Parties acknowledge, the Parties hereby stipulate, agree, and recommend that the Commission issue an Order in this proceeding accepting and adopting this Supplemental Stipulation without modification.

I. JOINTLY STIPULATED FINDINGS AND CONCLUSIONS

6. The Parties jointly stipulate and agree to the commitments hereby made by Nicor Gas in further support of the Stipulation and Settlement submitted in the record in the 2026 Rate Case, which the Parties agree are reasonable under all circumstances. "Final Order" means for purposes of Section III only in this Supplemental Stipulation a final Order in the 2026 Rate Case, after exhaustion or expiration of any rehearing period. The Parties incorporate by reference, and agree to be bound by, the Stipulation and Settlement, including but not limited to Sections II and III of the Stipulation and Settlement.

7. Based on that evidence in the record, the Parties agree to the following additional terms:

II. WORKFORCE AND CAPITAL INVESTMENT COMMITMENTS

8. "2027 Test Year" means the twelve-month period ending December 31, 2027.

9. "Bargaining Unit Employees" means employees of Nicor Gas who are represented by the International Brotherhood of Electrical Workers Local Union 19, a labor organization for purposes of collective bargaining under the National Labor Relations Act, 29 U.S.C. §§ 151-169.

10. "Bargaining Unit Contractors" means contractors, subcontractors, or other third-party service providers engaged by Nicor Gas to perform capital project work related to the installation of infrastructure needed for the transmission, storage, and/or distribution of natural gas, including but not limited to construction, maintenance, repair, and operations work, and Bargaining Unit Contractors' workers represented by a labor organization for purposes of collective bargaining under the National Labor Relations Act, 29 U.S.C. §§ 151-169.

11. "Forecasted Capital Investment" means the capital expenditure levels for infrastructure, system improvements, and related projects that Nicor Gas has projected for the 2027 Test Year.

12. The objective of this Section is to address bargaining unit workforce levels to the extent such matters are within the reasonable control of Nicor Gas. In furtherance of this objective, Nicor Gas makes the following commitments in further support of the Stipulation and Settlement:

a. **Bargaining Unit Employee Commitment.** Nicor Gas for the 2027 Test Year, presented in the 2026 Rate Case record through testimony and exhibits, shall maintain, as part of its agreed base rate revenue requirement increase of $81.6 million contained in the Stipulation and Settlement, Bargaining Unit Employee levels at or above 2026 levels, subject to

routine fluctuations due to voluntary attrition, including resignations retirements, and terminations for cause.

b. **Headcount Maintenance Commitment.** With respect to workforce levels specifically, through the end of the 2027 Test Year, Nicor Gas shall maintain Bargaining Unit Employee staffing at levels at or above levels as of the date on which the Commission enters the Final Order in the 2026 Rate Case.[2] Nicor Gas shall not implement any layoff or reduction-in-force specifically targeting Bargaining Unit Employees during this period, except as provided in Section II.12.e below. Nicor Gas will communicate this commitment in writing to its Bargaining Unit Leadership.

c. **Capital Investment Commitment and Third-Party Contractor Retention.** While it is understood by the Parties that Nicor Gas is neither involved in nor controls the employment relationship between its Bargaining Unit Contractors and their bargaining unit personnel, Nicor Gas commits that it shall use commercially reasonable efforts to execute the Forecasted Capital Investment (and maintain capital investment levels), through the end of the 2027 Test Year. Nicor Gas will do so in a manner consistent with the nature and scope of contracted work such that Bargaining Unit Contractor levels are at or above those levels as of December 31, 2026 or as of the date on which the Commission enters the Final Order in the 2026 Rate Case, whichever is earlier, subject to routine

[2] For fluctuations due to voluntary attrition, including resignations, retirements, and terminations for cause (as discussed in Section II.12(a) above), Nicor Gas commits to fill those positions as soon as practical while in accordance with its standard hiring practices.

fluctuations in work levels due to circumstances not entirely within Nicor Gas' control or changes in the contractors that Nicor utilizes to effectuate the capital work in the test year.[3] With respect to employees of third-party contractors, Nicor Gas commits to capital investment levels for 2027 consistent with those reflected in its 2027 Test Year projections subject to routine fluctuations in work levels due to circumstances not entirely within Nicor Gas' control. Nicor Gas also will communicate this commitment in writing to its third-party contractors. Nothing in this Section requires Nicor Gas to dictate or control the employment decisions of any third-party contractor.

d. **Status Reports**. Nicor Gas shall provide three status reports to the AG regarding its compliance with this Supplemental Stipulation. The status reports shall be provided in writing and contain the following information up to and through the reporting date. Nicor Gas shall provide status reports with the following reporting dates: (1) the date on which the Commission enters the Final Order in the 2026 Rate Case; (2) June 30, 2027; and (3) December 31, 2027. The status reports shall be provided to the AG within 30 days of the corresponding reporting dates and are subject to 5 ILCS 70/1.11. Each status report shall provide the following information:

i. For Bargaining Unit Employees:

[3] The Parties acknowledge that Bargaining Unit Contractors could change during 2027, whether in the normal course of business or for cause. However, it is understood that Nicor Gas commits to maintain the same level of work and attendant Bargaining Unit Contractor workforce requirements to meet the Forecasted Capital Investment plan

1. Number of Bargaining Unit Employees as of the reporting date;
2. Any material changes in Bargaining Unit Employee levels since the immediately preceding reporting date, if applicable; and
3. Affirmation of compliance with this Supplemental Stipulation.

ii. For Bargaining Unit Contractors:

1. Number of Bargaining Unit Contractors as of the reporting date;
2. Any material changes in Bargaining Unit Contractor levels since the immediately preceding reporting date, if applicable;
3. Changes in contractors, if applicable;
4. The number of employees of third-party contractors, to the extent reasonably available; and
5. Affirmation of compliance with this Supplemental Stipulation.

e. **Limited Exceptions.** Any reduction in Bargaining Unit Employee or Contractor levels can result from, and only from: (a) voluntary attrition, including resignations and retirements; (b) terminations for cause consistent with applicable collective bargaining agreements; (c) termination or replacement of a Bargaining Unit Contractor for poor

performance, safety-related concerns, or cause; (d) force majeure events beyond Nicor Gas' reasonable control; (e) changes in applicable law, regulation, or Commission order materially affecting the Company's operations or workforce requirements; or (f) the expiration or non-renewal of an applicable collective bargaining agreement, provided Nicor Gas has bargained in good faith.

III. PROCEDURAL MATTERS

13. The Parties agree that this Supplemental Stipulation is conditioned upon the Commission's adoption of it in its entirety and without material modification in this matter. The Parties further agree that this Supplemental Stipulation is conditioned upon the Commission's adoption of the Stipulation and Settlement in its entirety and without material modification that has also been filed for the Commission's approval. If the Commission does not accept each of the terms of both this Supplemental Stipulation and the Stipulation and Settlement, or the Final Order in the 2026 Rate Case is not consistent with the terms of this Supplemental Stipulation and the Stipulation and Settlement, no Party is bound to honor the terms contained herein.

14. The Parties shall seek admission into evidence of this Supplemental Stipulation.

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

16. The Parties each acknowledge that they are accepting this Supplemental Stipulation 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 Parties agree that neither of them will treat the resolution of the issues in this Supplemental Stipulation as precedential for future cases, including but not limited to the prudence and propriety of any workforce and capital investment commitments, and that neither of them will argue that the same or similar issue should be decided by the Commission in the same manner set forth in this Supplemental Stipulation because of this Supplemental Stipulation. Likewise, the Parties agree and stipulate that adoption by the Commission of this Supplemental Stipulation 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 prudence and propriety of any workforce and capital investment commitments, unless the Commission shall otherwise so provide in its Final Order in this proceeding. Parties agree the commitments in this Supplemental Stipulation do not mean any cost in connection with those commitments is reasonable, necessary, prudent, or used and useful, and the commitments in this Supplemental Stipulation do not preclude the Parties from challenging the reasonableness and prudence of those costs in subsequent cases.

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

18. The Parties agree that this Supplemental Stipulation 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 Parties for whom they are signing to the terms of this Supplemental Stipulation.

19. The negotiations leading to this Supplemental Stipulation, including any drafts of and communications with respect to this Supplemental Stipulation, 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 Parties in a manner that is inconsistent with 220 ILCS 5/10-101.1(b) or Ill. R. Evid. 408.

20. This Supplemental Stipulation, together with the Stipulation and Settlement incorporated herein by reference, constitutes the entire agreement of the Parties relating to the subject matter addressed in this Supplemental Stipulation. This Supplemental Stipulation supersedes all prior communications, contracts, stipulations or agreements between the Parties with respect to the subject matter addressed in this Supplemental Stipulation, whether oral or written.

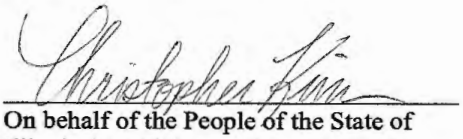
21. This entire Supplemental Stipulation and the signatories' performance of their obligations hereunder are the result of arm's length negotiations and compromise on the subjects contained herein. Neither this Supplemental Stipulation nor any signatory's performance hereunder shall be deemed to be an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

22. **Survival.** The survival of any provision of this Supplemental Stipulation following any termination, expiration, rescission, or other discontinuance hereof is expressly conditioned upon the Commission's approval of the Supplemental Stipulation and Stipulation

and Settlement in their entirety and without modification. If, and only if, the Commission approves the Supplemental Stipulation and Stipulation and Settlement in their entirety and without modification, then the rights, obligations, agreements, covenants, and commitments of the Parties set forth herein shall survive in full force and effect until all obligations of the Parties thereunder have been fully and finally performed and discharged, and shall be enforceable by and against the 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 the Stipulation and Settlement and Supplemental Stipulation in their entirety and without modification, then, notwithstanding any other provision of this Supplemental Stipulation, this Supplemental Stipulation shall be of no force or effect, no provision hereof shall survive, and the Parties shall be released from all rights and obligations hereunder. The survival of the foregoing Section II, subject to the condition set forth herein, is a material inducement for each Party's execution of this Supplemental Stipulation.

IN WITNESS WHEREOF, the Parties hereto have executed this Supplemental Stipulation as of the date below.

Dated: September 8, 2026



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 Northern Illinois Gas Company d/b/a Nicor Gas Company