

**Northern Illinois Gas Company d/b/a Nicor Gas Company
Amended 2026-2029 Energy Efficiency Plan Settlement Stipulation**

I. Introduction

This Stipulation Agreement (“Stipulation Agreement” or “Stipulation”) is the result of negotiation at arms’ length between and among Northern Illinois Gas Company d/b/a Nicor Gas Company, an Illinois corporation (“Nicor Gas” or the “Company”), and stakeholders including: the Natural Resources Defense Council (“NRDC”), Community Organizing and Family Issues (“COFI”), by its attorney, National Consumer Law Center (“NCLC”), and People for Community Recovery (collectively, the “Parties”).

This Stipulation Agreement when fully executed and accepted, will constitute a valid settlement agreement enforceable between Nicor Gas, and the undersigned stakeholder participants (“Stakeholder”) in the Illinois Energy Efficiency Stakeholder Advisory Group (“SAG”).

While Staff of the Illinois Commerce Commission (“Staff”) participated in the negotiation meetings and contributed to discussions concerning various pertinent issues, Staff is not a signatory Party to this Stipulation Agreement between Nicor Gas and the Stipulation Parties. Neither this Stipulation Agreement nor the fact that Staff is not a signatory Party to it shall be construed to be, or be indicative of, Staff’s position on any or all of the matters addressed herein.

The Nicor Gas Energy Efficiency amended Plan (“EEP” or “Plan”) for 2027 through 2029 is required to be filed with the Illinois Commerce Commission (the “Commission”) on or before June 1, 2026 pursuant to Section 8-104 of the Public Utilities Act (the “Act”), 220 ILCS 5/8-104. The Company’s proposed EEP has been the subject of lengthy discussions among the Parties with the goal of reaching consensus on the amended portfolio of energy efficiency programs to be implemented by Nicor Gas for the period from January 1, 2027 through December 31, 2029.

This Stipulation is intended to memorialize that each and all of the signatory Parties are in agreement that the Company’s EEP satisfies, subject to the Parties’ final review of the Company’s filed Plan and accompanying exhibits, the requirements of Sections 8-104(e-5) and (f) of the Act and, therefore, should be approved by the Commission. In addition, this Stipulation memorializes the compromise between and among the Parties regarding certain disputed issues raised during the course of settlement discussions, as further detailed below. Compromise by any Party on any particular issue set forth in this Stipulation or in the EEP shall not constitute, and shall not be construed or interpreted to constitute, an endorsement of the resolution achieved by that compromise for any purpose other than as set forth in this Stipulation. To the extent that any provision in this Stipulation is not specifically memorialized in the filed Plan, Nicor Gas agrees that it will implement the Plan consistent with the terms of this Stipulation.

This Stipulation is the result of negotiation at arms’ length between and among the Parties, all of whom have been represented by counsel or had the opportunity to consult with counsel, and memorializes the Parties’ agreements. Thus, the Parties, intending to be legally bound and acknowledging the benefit to be derived from the mutual promises and commitments contained herein, agree as follows:

II. Portfolio Stipulations

A. Overview

The Parties agree that the compromise positions memorialized in this Stipulation allow for Nicor Gas to achieve modified energy efficiency savings goals set out in Section 8-104(c) of the Act, while ensuring that expenditures remain within the spending limit established by Section 8-104(d). The Parties agree that the Company's proposed EEP, inclusive of the compromise positions memorialized in this Stipulation, is consistent with and satisfies the statutory obligations listed in Sections 8-104(e-5), (e-7), (e-8), (e-20) and (f) because it:

1. Will achieve the requirements that are identified in subsection (c) of Section 8-104, as modified by the spending limit identified in subsection (d);
2. Presents specific proposals to implement new building and appliance standards that have been placed into effect;
3. Presents estimates of the total amount paid for gas service expressed on a per therm basis associated with the proposed portfolio of measures designed to meet the requirements that are identified in subsection (c) of Section 8-104, as modified by subsection (d);
4. Presents a portfolio of energy efficiency measures for low-income customers greater than 25% of total annual EE budgets targeting households at or below 80% of the area median income, and procures a minimum of 30% of the energy efficiency measures in the non-residential spending from public customers¹;
5. Demonstrates that Nicor Gas' overall portfolio of energy efficiency measures, not including low-income programs described in Section 8-104(e-7-e8), are cost effective using the total resource cost test and represent a diverse cross section of opportunities for customers of all rate classes to participate in the programs;
6. Includes a proposed cost recovery tariff mechanism to fund the proposed energy efficiency measures and to ensure the recovery of the prudently and reasonably incurred costs of Commission-approved programs; and
7. Provides for quarterly status reports tracking implementation of and expenditures for Nicor Gas' portfolio of measures, an annual independent review, and a full independent evaluation of the multi-year results of the performance and the cost effectiveness of Nicor Gas' portfolio of measures and broader net program impacts and, to the extent practical, for adjustment of the measures on a going forward basis as a result of the evaluations, and consistent

¹ Stipulating parties agree that spending for public housing authority customers, which serve low income populations through local government and municipal corporation entities, will be counted towards both public sector and low income spending requirements.

with the terms of this Stipulation. The resources dedicated to evaluation shall not exceed 3% of portfolio resources in any given multi-year period.²

B. Savings Goal

1. The Parties agree that it is highly unlikely that Nicor Gas could achieve the statutory savings requirements defined in Section 8-104(c) of the Act and even with a 4-year expanded budget of \$338 million as permitted by Section 8-104(e-20).
2. To that end, the Commission should approve modified goals that reduce energy savings requirements for Nicor Gas from the statutory requirements of Section 8-104(c) to the following amounts:
 - a) Savings of 14,647,905 annual net therms in 2026 and 17,925,763 annual average in 2027 to 2029 of the Plan; and
 - b) Savings of 68,425,193 annual net therms for the four-year Plan period.

Specifically, Nicor Gas provides the following table that lists its Statutory Saving Goals, along with its annual goals which it commits to in this Stipulation.

(Therm) Savings Requirement of Section 8-104	2026	2027	2028	2029	4-Year Total
Statutory Savings Requirement	58,329,830	58,329,830	58,329,830	58,329,830	233,319,320
2026-2029 (Therm) Savings Goal					
Savings Goal under ICC approved spending limit	14,647,905	18,065,378	17,926,018	17,785,892	68,425,193

3. Nicor Gas may comply with Section II.B.2.a of this Stipulation by meeting the total savings goal across the four years. The official approved savings goals will be those set forth in the completed Adjustable Savings Goal Spreadsheets, as those may be updated annually based on the Adjustable Savings Goals policy approved in Section 6.3 of the Illinois Energy Efficiency Policy Manual Version 3.1 ("Policy Manual").
4. Nicor Gas shall operate and implement its energy efficiency programs in a manner that seeks to maintain fluidity in the delivery of measures and programs throughout the duration of the Plan and will not dismantle any program or measure due to simply reaching the approved savings goal.
5. The first-year annual net therm savings goals for 2026, 2027, 2028, and 2029, reflected in the completed Adjustable Savings Goal Spreadsheet filed with the EEP are each subject to change based upon the following adjustments,

² 220 ILCS 5/8-104(e-5), (f)(1-3), (5),(7-8).

consistent with the Adjustable Savings Goals policy approved in Section 6.3 of the Policy Manual:

- a) Changes to savings algorithms defined in annual updates to the Illinois Energy Efficiency Technical Reference Manual (“IL-TRM”)
 - b) Changes to net-to-gross (“NTG”) factors defined in annual updates to the Illinois NTG Policy. Adjustments for NTG changes will be limited by a NTG “collar”, as defined in Section 6.3 of the Policy Manual, for the following programs and offerings:
 - i. For the following programs and offerings, which account for 10 percent or more of Portfolio Plan annual savings, adjustments will only be made for NTG changes outside of a collar of ten percentage points:
 - (a) Business Rebates offering within the Business Energy Efficiency Rebates (“BEER”) program; and
 - (b) Business Optimization Program (“BOP”) offering within the BEER program.
 - (c) Business Custom (“Custom”) Program; and
 - (d) Home Energy Efficiency Rebates (“HEER”) Program.
 - ii. For the following offerings, which represent Income Eligible (“IE”) offerings, adjustments will be made for NTG changes outside of a collar of zero percentage points:
 - (a) IE Weatherization, including all offerings;
 - (b) Public Housing Authority (“PHA”);
 - (c) Affordable Housing New Construction (“AHNC”);
 - (d) IE Energy Saving Kits (“ESK”); and
 - (e) IE Home Assessment (“IE HA”)
6. While Nicor Gas retains the flexibility, as documented in the Policy Manual, to shift resources between programs and measures, Nicor Gas agrees that it will not exercise this flexibility in a way that significantly lowers the portfolio weighted average measure life (“WAML”), consistent with the following provisions:
- a) Nicor Gas will maintain a portfolio WAML that does not decline by more than 1.0 year from the portfolio WAML calculated in the filed Plan (“Target WAML”).

- b) WAML will be calculated as the sum of the net lifecycle savings for all measures delivered in the portfolio divided by the sum of net first year savings for all measures delivered in the portfolio.
 - c) The Target WAML is 12.23 years in the filed Plan.
 - d) The Target WAML is subject to change for 2027, 2028, and 2029 based upon changes to effective useful lives defined in annual updates to the IL-TRM.
 - e) The Target WAML will be adjusted on an annual basis to align with changes to measure lifetimes defined in the annual update to the IL-TRM and as approved by the Commission. This adjustment will rely on applying the new measure lives to the original Plan quantities of measures to produce the new WAML target that would have been set if all measure life changes had been known at the time of the amended 2026-2029 Plan development. This new adjusted WAML value will then set the baseline from which any deviations are measured. The Company will file an updated WAML target within the updated adjustable savings goal spreadsheet that is filed with the Commission.
- 7. Nicor Gas will file the completed gas adjustable savings goal spreadsheet with its amended 2026-2029 Plan filing, and any changes to that goal spreadsheet in the amended 2026-2029 Plan docket.
 - 8. To enable efficient annual review by the evaluators of the adjustable savings goal spreadsheet in accordance with Section 6.3 of the Policy Manual and to ensure accuracy in the IL-TRM calculations, Nicor Gas will have its Independent Evaluator verify the accuracy in the IL-TRM calculations used to derive the measure savings that form the initial savings goals in the initial adjustable savings goal spreadsheet in advance of filing the completed adjustable savings goal spreadsheet in its amended 2026-2029 Plan docket. Nicor Gas agrees to file its completed adjustable savings goal spreadsheet.. In advance of filing its completed adjustable savings goal spreadsheet, Nicor Gas will consult with Ameren Illinois Company d/b/a Ameren Illinois ("Ameren Illinois"), The Peoples Gas Light & Coke Company ("Peoples Gas"), and North Shore Gas Company ("North Shore") on a consistent statewide adjustable savings goal template to use, and will leverage to the greatest extent possible the transparent structure of the statewide adjustable savings goal template used for the last Plan.
 - 9. Nicor Gas will not use any efficiency dollars to pay for the cost of or marketing that references customer conversion from a fuel other than natural gas to natural gas. However, any conversion customer shall still be eligible for rebates for efficiency upgrades, just like existing gas customers.

C. Cost Effectiveness

- 1. The Company agrees to present joint Total Resource Cost ("TRC") and Program Administrator Cost ("PAC") test results for each program and its portfolio as part

of its amended 2026-2029 Plan filing. Results will be combined gas/electric results for programs saving both fuels. Results will include benefit-cost ratios as well as the net present value (“NPV”) of benefits, costs and net benefits. To the extent there are delays in receiving the joint program cost-effectiveness details from other utilities, Nicor Gas may file the joint TRC and PAC test results after the initial Plan filing, but no later than October 23, 2026.

2. As part of the Company’s amended 2026-2029 Plan filing and any ex post cost-effectiveness results reported for amended 2026-2029, the Company agrees to present TRC and PAC results both with and without non-energy impacts (“NEIs”). Measure-specific NEIs defined in the IL-TRM will be included in both sets of calculations.
3. The Company agrees to present portfolio TRC and PAC test results both with and without income qualified programs as part of its amended 2027-2029 Plan filing.
4. The Companies will include avoided cost and other key input assumptions for cost-effectiveness analysis, as well as the source of such assumptions, in its plan. The Company will also provide annual updates to such assumptions and their sources in its annual assessments of the actual cost-effectiveness of its programs.

D. Work Papers

1. Before filing the Amended 2026-2029 Plan with the Commission, the Company agrees to provide the Parties with all work papers (in their native file format) that support the Company’s Amended 2026-2029 Plan, testimony, and exhibits.

	2026	2027	2028	2029	4-Year Total
EEP Budget under ICC approved Spending Limit	\$57,800,000	\$93,400,000	\$93,400,000	\$93,400,000	\$338,000,000

III. Program Stipulations

A. Residential Programs

1. Residential programs include:
 - a) Outreach, which includes the Home Energy Reports (“HER”), Energy Savings Kits (“ESK”), and Elementary Energy Education (“EEE”) offerings;
 - b) Home Energy Savings, which includes the Self-Assessment Portal (“SAP”) and Air Sealing and Insulation (“ASI”) offerings;
 - c) Multifamily, which includes the Assessment/Direct Installation (“Assessment/DI”), Central Plant Optimization (“CPOP”), Prescriptive
 - d) Rebates (“MF Prescriptive”), Custom Rebates (“MF Custom”), and Weatherization offerings;

- e) Home Energy Efficiency Rebates (“HEER”), which includes the Home Rebates and Advanced Thermostats (“Tstats”) offerings; and
 - f) Smart Neighborhood Builder Program.
2. The Parties agree that they have reviewed or have been presented the opportunity to review the Residential programs and initiatives to be included in the Plan, including proposed budgets, therm savings, assumptions and underlying data. The Parties agree the proposed programs should be approved with the following conditions:
- a) Nicor Gas will design residential programs to achieve the goal of investing an average of at least \$9.6 million per year in air sealing and insulation levels on non-income qualified homes. Nicor commits to regularly assessing progress towards this goal and to adjusting its program incentives, marketing and other elements of its program design throughout the three-year plan period, as necessary, to meet this goal.
 - b) Nicor Gas will provide information about the full range of IE services available to customers who engage with programs that enroll customers through direct engagement with Nicor Gas, implementation contractors, and the Nicor Gas website. This includes encouraging IE customer participation in IE Programs to the extent IE Programs can provide comprehensive service and eliminate or reduce any copays or financing.
 - c) Nicor Gas will not require any utility customer seeking to participate, or to continue to participate, in a utility-offered energy efficiency program to demonstrate, or otherwise provide evidence or documentation of, United States citizenship.

B. Income Eligible and Moderate-Income Programs

1. IE Programs include:
- a) IE Weatherization, which includes the Single Family (“SF”) Illinois Home Weatherization Assistance Program (“IHWAP”) offering, the Multifamily (“MF”) IHWAP offering, the Single Family Retrofits offering, the Multifamily Retrofits offering, Single Family Healthy Homes offering, and the Multifamily Healthy Homes offering;
 - b) Public Housing Authority (“PHA”);
 - c) Affordable Housing New Construction (“AHNC”); and
 - d) IE Energy Savings Kits (“IE ESK”).
 - e) IE Home Assessment (“IE HA”)

2. The Parties agree that they have reviewed or have been presented the opportunity to review the Income Eligible programs and initiatives to be included in the Plan, including proposed budgets, therm savings, assumptions, and underlying data. The Parties agree the proposed IE Programs should be approved, including the conditions and commitments outlined in Sections B.3 through B.8, below.
3. Conditions for All IE Programs
 - a) Nicor Gas will spend an annual average of at least \$28.02 million per year in dedicated IE Program spending (excluding IE customer participation/rebates in non-IE dedicated programs, IE Research & Development (“R&D”) or any other portfolio level costs). The Market Development Initiative (“MDI”) will not be counted as a subset of IE dedicated programs and will be a stand-alone energy efficiency offering.
 - b) Nicor Gas will continue to provide all measures in the IE Weatherization and IE ESK programs free of charge, without co-pays.
 - i. Nicor Gas will continue to offer incentives in PHA and AHNC programs consistent with current program designs and consistent with Illinois Department of Commerce and Economic Opportunity (“DCEO”) programs operated through 2017.
 - ii. If Nicor Gas partners with an electric utility program that requires co-pays, Nicor Gas will offer incentives consistent with the electric program design.
 - c) Nicor Gas will work with Community Action Agencies (“CAAs”) and other implementers to ensure that contractors do not assess charges for weatherization quotes.

Income Eligible Plan Budgets (Amended 2026-2029 Portfolio)³

Program	Offering	2027-2029 Average Annual Budget
IE Weatherization SF	IE IHWAP SF	\$2,614,662
IE Weatherization SF	IE Retrofits SF	\$8,507,333
IE Weatherization SF	IE HH SF	\$1,035,924
IE Weatherization SF	IE EEO SF	\$610,849

³ These figures represent planned program budgets only and under no circumstances are they to be interpreted as either fixed minimum thresholds or not-to-exceed amounts, unless otherwise noted throughout this stipulation. The Company shall maintain the flexibility to shift funds as prescribed in this Agreement and Illinois Policy Manual. In the event of any conflict between the budget shifting terms of this Agreement and the Illinois Policy Manual, the terms of this Agreement shall take precedence.

IE Weatherization SF	IE Community SF	\$1,000,005
IE Weatherization MF	IE IHWAP MF	\$878,495
IE Weatherization MF	IE Retrofits MF	\$7,605,914
IE Weatherization MF	IE HH MF	\$641,618
IE PHA	IE PHA	\$873,633
IE HA	IE HA	\$1,562,068
IE AHNC	IE AHNC	\$964,499
Comprehensive whole-building		\$26,295,000
IE ESK	IE ESK	\$1,725,000
IE Total Average Annual Plan Budget		\$28,020,000

- d) Nicor Gas shall spend at least 90% of its dedicated IE program budget on the comprehensive IE Single and multifamily programs, while not exceeding spending for IE ESK at an annual average of \$1.725 million. These comprehensive programs are:
- a. Income Eligible Home Energy Savings Program includes:
 - i. Illinois Home Energy Savings Program (“IHWAP”)
 - ii. Retrofits and IE Community; and
 - iii. Home Assessment (IE-HA)
 - b. Income Eligible Multi-Family Energy Savings Program includes:
 - i. Retrofits
 - ii. Public Housing
 - iii. IHWAP; and
 - iv. Affordable Housing New Construction

- e) Nicor Gas shall spend at least 90% of IE whole building program measure incentive spending on “major measures”. Major measures are defined as:
- Weatherization/building envelop measures
 - HVAC distribution system and/or ventilation measures
 - HVAC equipment measures
 - Water heating equipment measures
 - Appliance replacement measures
 - Windows (Storm and/or window replacements)
 - Health and safety improvements
- f) Nicor Gas will ensure IE Programs and investments are in support of pursuing comprehensive, whole-building weatherization projects, including:
- i. Ensuring there are mechanisms in place to lead customers starting with direct install (“DI”) measures to more comprehensive treatment of building envelope and other major measures (if customer agrees).
 - ii. Ensuring the customer is notified of an offer for more comprehensive measures, with a specific mechanism for ensuring delivery of major measures, including follow-up with DI customers to encourage participation with major measures.
 - iii. Including reporting on customers that receive only DI measures and why.
 - iv. To the extent allowable by law, Nicor Gas commits to not actively market on-bill financing of any kind, including Equitable Energy Upgrade Program financing that may be developed in the future, to IE customers.
 - v. Nicor Gas commits to engage in conversations with stakeholders, implementers, subcontractors, ComEd and Peoples Gas/North Shore in the Equity Subcommittee regarding the existing minimum SF Retrofits Prioritization Criteria, including whether HVAC efficiency or lack of duct sealing opportunity (E&F within 2025 Retrofits prioritization Criteria Proposed changes) should impact the prioritization of customers for or ability to receive weatherization services.

- g) Nicor Gas will deliver energy efficiency education and projects for communities with the greatest need to reduce energy consumption and costs, particularly to underserved communities, using data driven approaches to target investment to such communities. Nicor Gas will collaborate with interested Stakeholders and other utilities on what data should be used.
- h) Nicor Gas commits to inform signatory parties to possible major changes in program design, program delivery, and/or program contracting/subcontracting prior to making such changes within the Income-Eligible initiative. The Company will provide reasonable notice to stakeholders, discuss and consider feedback from stakeholders on proposed major changes.
- i) Major changes shall constitute any of the following events:
 - i. Nicor Gas intending to cancel and/or add a delivery channel/component within its IE Initiative
 - ii. Nicor Gas intending to make a budget shift of twenty percent (20%) or more for its IE initiative as a whole and/or any of the major channels/components of the Single Family Weatherization or Multi-Family Weatherization initiative.
 - iii. Nicor intending to make a budget shift of fifty percent (50%) or more for the Affordable New Construction, Kits, Public Housing, or Home Assessments initiatives.
 - iv. Nicor Gas intending to make significant changes to customer incentive eligibility for insulation or air sealing incentive structures/protocols for its Single Family or Multi Family channels.
 - v. Nicor Gas intending to stop offering incentives for any of the major measures (defined below) included in the IE Initiative within the plan approved by the ICC.
 - (a) All envelope insulation measures (attic/ceiling, wall, basement wall, rim/band joist, floor above crawl space)
 - (b) Comprehensive air sealing (blower-door guided)
 - (c) Duct sealing and/or insulation
 - (d) Furnace, boiler, and/or water heater replacements
 - (e) Storm windows (and/or window replacements)
 - (f) Health and safety measures

4. Conditions for Multifamily IE Programs

- a) Nicor Gas will ensure that its IE multifamily spend (excluding AHNC or non-MF IE Kits) is at least 30 percent of the total IE budget, accounting for historic underinvestment in the IE multifamily sector.
- b) Nicor Gas will support the full cost of air sealing and insulation upgrades in non-IHWAP IE multi-family buildings that have an estimated payback of 20 years or less, unless there are technical limitations or customer objections that impede measure installations.
- c) Nicor Gas will continue to deliver IE multifamily services within a “one-stop shop” framework in a manner that makes it easy and streamlined for customers to navigate electric and natural gas offerings, IE and non-IE offerings, and EE and non-EE utility offerings. The approach for IE multifamily (including mixed-use IE MF buildings) services shall include:
 - i. Creating a single-point of contact (“SPOC”⁴), including, but not limited to, use of a common intake process in collaboration with ComEd, for multifamily building owners to access the multifamily weatherization program, working with other utilities, community action agencies or community-based organizations, to the extent those agencies engage in multifamily work. Once the appropriate program is identified for the customer, the SPOC will coordinate access to other programs on behalf of the customer.
 - ii. The SPOC will assign a pre-vetted and pre-negotiated qualified contractor to schedule and perform the work, thereby easing the administrative burden on the owner. The SPOC will be involved in communications with contractors and project managers, and will monitor progress. If quality issues arise, the SPOC will return to the site to resolve issues.
 - iii. Streamlined applications for one building. The SPOC will assist the customer with enrolling and applying.
 - iv. A comprehensive audit that addresses the entire building (both electric and gas), including all residential and common areas.

5. Health and Safety (“H&S”)

- a) Nicor Gas will support H&S improvements as follows:

⁴ SPOC is defined here as a utility or implementer staffer or team, concierge, or an implementing organization / contractor team that will generally help an IQ MF building owner to navigate Nicor Gas’ program offerings and provide guidance on project development, offers technical assistance, and provides other needed support. The SPOC will help to ease the burden on building owners as they work to participate in Nicor Gas’ IQ MF program.

- i. Budgeting H&S improvements of up to \$4.2M per year, on average, over the 2027-29 period, with the understanding that Nicor Gas has no obligation to spend at minimum the budgeted amount each year on H&S.
 - (a) IE Single Family Upgrades: H&S funding for non-IHWAP projects will be split between the utilities at an agreed upon allocation, and at amounts consistent with the terms of this stipulation, and always with the goal of enabling weatherization of the home.
 - (b) IE Multifamily Upgrades: H&S funding for non-IHWAP IE MF projects will include up to \$2,000 per eligible measure or 50% of the total project, whichever is the greater. This cost will be split between the utilities at an agreed upon allocation.
 - (c) Subject to reaching agreement with DCEO, splitting H&S funds with IHWAP using a 50%/50% split for customers served by CAAs through the IHWAP braided offerings.
 - ii. Committing to analyze and leverage external sources of funding for H&S improvements.
 - iii. Committing to better understand the air sealing and insulation materials currently being used in IE retrofits and committing to limit or eliminate the worst, unhealthiest materials.
6. Affordability:
- a) Nicor Gas will build upon the existing connections between its customer service call center, credit and collections department, and the energy efficiency department to provide customers experiencing financial hardship with information about energy efficiency and financial assistance programs. This will include the following features:
 - i. Nicor Gas EEP and Implementation Contractors (excluding trade allies or upstream allies) will provide customers accessing energy efficiency programs with information, including written literature, about available energy payment assistance, including information on the Low Income Home Energy Assistance Program, Percentage of Income Payment Plans, the waiver on deposits and late fees required pursuant to Section 8-201.7 and 8-201.8 of the Public Utilities Act, and all other utility-specific assistance programs, including low-income discount rates. Information will be provided in English, and Spanish.
 - ii. Nicor Gas Credit and Collections/Contact Center will utilize the current online website/pages, interactive voice response ("IVR")

phone tree, and live telephonic transfers for IE customers (with information about customer financial assistance and energy efficiency programs for which they may be eligible – provided in both English and Spanish) -- to connect customers experiencing energy unaffordability to energy efficiency programs.

- iii. Nicor Gas will continue to recruit customers who are payment troubled (customers at risk of being disconnected, with high arrears, on payment arrangements, or on energy assistance programs) into its IE energy efficiency programs.

7. Conditions for SF IHWAP and MF IHWAP Offerings

- a) Nicor Gas will take advantage of the efficiencies available through existing IHWAP infrastructure and services, such as enrollment and marketing, to the extent that this can reduce the need for similar services at a lower cost than utility-only programs, subject to CAA or other capacity constraints for single-family and multifamily services.
- b) Nicor Gas will seek input from and coordinate with CAAs on agency capacity and annual growth in utility funding budgeted to IHWAP braided efforts.
- c) Nicor Gas commits to braid IHWAP funds for multifamily housing with any CAAs that develop the capacity, with DCEO approval, to deliver multifamily weatherization services. Nicor Gas will inform CAAs that braiding in multifamily buildings is allowed, work with CAAs to better understand specific barriers to serving multifamily buildings, and support or co-fund appropriate training and equipment.
- d) Consistent with current practice, and subject to agreement by DCEO, Nicor Gas will split funding 50%/50% for each building served, including funding for all efficiency measures, health and safety measures, and administrative costs, consistent with IHWAP health and safety and administrative cost guidelines. Nicor Gas will claim 100% of the savings achieved through all efficiency measure installations for which it contributes 50% funding through the braided IHWAP channel. Nicor Gas will negotiate with DCEO with the goal of reaching consensus on a designated level of IHWAP training contribution.

8. Conditions for SF/MF Retrofits and SF/MF Healthy Home Offerings

- a) Nicor Gas will consider the following criteria before installing advanced thermostats:
 - i. The appropriate brand and type of thermostat based on the availability of broadband wi-fi in the home;

- ii. Client interest after advanced thermostat functionality has been explained;
 - iii. Whether the client is housebound, which may impact smart thermostat performance; and
 - iv. Technical issue that would significantly increase labor costs associated with thermostat installation.
 - b) Nicor Gas will provide the following information to clients receiving advanced thermostats, in both English and Spanish:
 - i. Verbal and written operating instructions; and
 - ii. A phone number to call for assistance on the use of the product.
 - c) Nicor Gas will install furnaces, boilers, or water heaters only in cases of an emergency replacement (e.g., existing system no longer functioning), age- and maintenance-based replacement (as outlined below in paragraph (d)), or to address a health/safety risk (e.g., cracked heat exchanger on gas furnace).
 - d) Nicor Gas will offer to replace natural gas furnaces, boilers and water heaters with high efficiency models in cases where:
 - i. The unit is no longer functioning;
 - ii. The unit is functioning, but is in poor condition which would be expensive to remediate;
 - iii. A health and safety emergency exists (e.g. carbon monoxide leak from a cracked heat exchanger); or
 - iv. The unit is greater than 18 years old.
9. Nicor Gas agrees to undertake and assess a pilot neighborhood approach to marketing and delivery of income eligible (IE) programs, which takes into consideration lessons learned regarding marketing effectiveness, any economies of scale and/or other lessons later applied system-wide. As part of this commitment, Nicor commits to testing and assessing the costs and benefits of intensive targeting of one or more specific neighborhoods/zip codes. Such an approach would include engaging one or more CBOs that work extensively in targeted neighborhoods to support outreach to eligible customers and uptake of program participants. It may also include innovative education and outreach , not limited to open house-style events, and/or events in regularly used public spaces as a potential way to achieve economies of scale in delivery of weatherization. The Company further commits to working with the Parties on the program improvement opportunities, as well as coordinating and sharing lessons learned with the EE SAG and other utilities in the state that undertake similar efforts.

10. Moderate-Income Program
 - a) Nicor Gas will implement a new Moderate-Income at an annual average of \$2.2 million, funded partially by a reallocation of \$600,000 across the three-year plan from the proposed market rate furnace incentive budget within the HEER program. All Moderate-Income Program funding shall be directed toward comprehensive whole-building single family and/or multifamily programs.
 - b) Eligibility for the Moderate-Income Program shall include households with incomes above 80% of area median income but at or below 100% of area media program, or as otherwise defined in the filed Plan.
 - c) The Moderate-Income Program shall apply the same equipment replacement criteria applicable to Income Eligible programs as set forth in Section III.B.8(c) and (d) of this Stipulation.
 - d) Nicor Gas shall coordinate delivery of the Moderate-Income Program with ComEd to the extent practicable.
 - e) The budget adjustments described in this section are reflected in the Company's batch files accompanying the Amended 2026-2029 Plan filing.

C. Market Development Initiative

1. MDI Objective: Nicor Gas shall continue to implement a Market Development Initiative that combines research, development of a market development action plan, and contractor and workforce support, to achieve the following goals:
 - a) Increase the number of participants in all contractual levels of the energy efficiency workforce throughout the Nicor Gas service territory, including opportunities for diverse-owned enterprises to compete for work;
 - b) Strengthen the partnership and support for business enterprises including, but not limited to community-based organizations, not-for-profits, diverse-owned enterprises and enterprises serving low-income communities; and
 - c) Increase the transparency of and participation in the Energy Efficiency Procurement process.
2. MDI Implementation
 - a) Implementation of the MDI will be contracted to a third-party implementation contractor ("Implementation Contractor") with demonstrated experience in market development efforts designed to increase participation in the bidding process. This opportunity will be an independent contract to an entity that can implement MDI and who

reports directly, via a direct contractual relationship, with Nicor Gas, not another implementer.

- b) The MDI also will be supported by internal Nicor Gas staff, to the extent practicable.
- c) The Implementation Contractor will provide a MDI informed by previous MDI research referenced in Nicor Gas Plan 2022-2025. The MDAP will include, but not be limited to, the following components that support the creation and development of opportunities to compete for work with Nicor Gas as implementation contractors, sub-contractors, or other support roles. The MDI will be designed so that community-based organizations, not-for-profits, diverse-owned enterprises, and enterprises serving low-income communities have opportunities to compete where possible:
 - i. Conducting outreach to educate all potential bidders on implementation contracts about opportunities in the energy efficiency space, which may involve but is not limited to offering workshops, webinars, seminars, and other educational opportunities.
 - ii. Providing financial and technical support, and expanded educational opportunities, to assist enterprises in developing the capabilities necessary to compete. This may include the provision of training, training grants, grants for wrap-around services such as transportation, childcare, and lodging, software and equipment grants, and other tools as needed to develop the necessary skills and capabilities to compete effectively. The MDI will take reasonable steps to make sure that eligible minority-owned, women-owned, and veteran-business owned enterprises, as well as community-based organizations and not-for profits, are aware of these opportunities. Training programs shall be designed to lead to tangible jobs in the energy efficiency industry.
 - iii. Working with Nicor Gas to periodically review and analyze utility requirements for goods and services with a view toward increasing opportunities to compete for work which falls within the performance capabilities of a broad range of enterprises, including but not limited to minority-owned, women-owned, and veteran-owned business enterprises.
 - iv. Providing input to Nicor Gas in structuring procurements that provide sufficient information on technical and performance requirements and time to enable new bidders to compete effectively for Tier 1 prime contracts and to form effective teams with other firms who sub-contract.

- v. Ensuring that the terms and conditions of procurement processes such as Requests for Proposals and Invitation for Bid are stringent enough to protect the utility's interests, but not so stringent as to disqualify new and/or marginally capitalized businesses, not-for-profits and CBOs from bidding on contracts within their capabilities, thus unnecessarily limiting competition.
 - d) Nicor Gas further commits to discussing the details of the MDI work through the appropriate SAG groups or subcommittees.
 - e) Nicor Gas commits to use innovative, data-driven approaches to assess the effectiveness of both Nicor Gas' MDI in achieving the MDI goals described in Section III.C.1 of this Stipulation (above), as well as opportunities for improving such effectiveness.
 - f) Nicor Gas commits to work with other Illinois utilities and the existing SAG groups and subcommittees to identify areas in which efficiencies and cooperation can be achieved to minimize costs to ratepayers and ensure best practices are followed in achieving the goals identified in Section III.C.1 of this Stipulation.
 - g) Nicor Gas agrees to have the MDI evaluated by an entity that has specific relevant experience in assessing market development initiatives, including but not limited to initiatives designed to increase opportunities for minority-owned, women-owned, and veteran-owned business enterprises to compete for work.
 - i. The evaluation will be including but not limited to the following topics:
 - (a) Long-Term Outcomes
 - (b) Alumni career advancement;
 - (c) transitions from employee to small business owner
 - (d) Alumni surveys and to the extent practicable, income data that can be gathered
 - ii. The MDI metrics referenced below.
3. Additional MDI Trade Ally, Workforce, and Program Support Commitments:
- a) MDI will include, but not be limited to, components that:
 - i. Support the creation and development of enterprises working with Nicor Gas as trade allies;
 - ii. Support the development of the energy efficiency workforce;

- iii. Will include program strategies that assist businesses with weatherization and eliminate barriers for residential customers; and
 - iv. Will leverage resources available from the United States Small Business Administration, the Illinois Office of Equity and Empowerment, DCEO, community colleges, and other resources in order to minimize the cost of MDI to utility ratepayers.
- b) Nicor Gas and its MDI Implementation Contractor will seek innovative and efficient ways of engaging with participants in all contractual levels of the energy efficiency workforce throughout the Nicor Gas service territory, including but not limited to participating in local and regional purchasing and networking fairs and working with other utilities to identify opportunities for efficiencies, co-sponsorship and cooperation in an effort to minimize costs to ratepayers and ensure best practices are followed.
- c) Nicor Gas agrees to report on the following metrics in its Q2 and Q4 quarterly reports filed with the Commission:
- i. Participant Engagement
 - (a) Number of MDI participants; job fairs/networking events held
 - (1) Maintain attendance records, registration logs, and training hours through a centralized database.
 - ii. Training and Outcomes
 - (a) Hours of EE job training offered per year;
 - (b) Number of job training graduates;
 - (c) track graduation rates through program completion reports.
 - (d) certifications earned; and
 - (1) Verify certifications via training providers
 - (e) continuing education hours awarded
 - iii. Workforce Placement
 - (a) Number of participants placed in jobs, apprenticeships, or internships; and

- (b) Professional growth
 - (1) Cross-check placement records with employer data to check for job title changes and promotions post-graduation.
- iv. Economic Impact
 - (a) Estimated training costs per participant;
 - (b) Compensation under apprenticeships;
 - (1) including wrap-around services
- v. Participant Satisfaction
 - (a) Feedback results on training quality and career preparedness
 - (b) Surveys results to assess satisfaction and effectiveness of training.
- vi. Employer Feedback
 - (a) Employer assessments of participant readiness and workplace performance
 - (b) Interview results with hiring organizations.
- vii. Partnership Impact
 - (a) Success stories from partnerships with community organizations and businesses
 - (b) Completed case studies and testimonials through interviews and event summaries.
- viii. Retention and Career Progression
 - (c) Retention rates (3 months, 6 months, 1 year, 2 years);
 - (a) promotion to leadership roles
- ix. Innovation and Technology Adoption
 - (a) Number of participants trained in emerging clean energy technologies
 - (b) Participant completion records for clean energy technologies.

- x. Digital Accessibility
 - (a) Number of participants completing online or hybrid training programs
 - (b) Virtual attendance and completion rates.
 - xi. Wraparound Support Services
 - (a) Types and dollar amounts of services (e.g., childcare, transportation)
 - (b) Participant usage records.
4. MDI Budget
- a) Nicor Gas will spend \$3.0 million per year on MDI on average over the three-year Plan period.
 - b) The cost associated with MDI will be included as a stand-alone energy efficiency offering.
5. Business Engagement
- a) Nicor Gas will engage in efforts to identify ready, willing, and local firms offering services in the Nicor Gas service territory as well as identify ongoing opportunities for these firms to compete. Nicor will take reasonable steps to make sure that minority-owned, women-owned, and veteran-business owned enterprises, as well as community-based organizations and not-for profits, are aware of these bidding opportunities. Nicor Gas will report about progress in its quarterly reports, and continue to identify qualified potential bidders, both from within and outside the energy efficiency industry. This will involve determining the types of businesses with the appropriate capabilities to deliver goods and services and matching them with contracting opportunities.
 - b) Nicor Gas will conduct outreach to educate identified potential bidders about opportunities in the energy efficiency space, which may involve, but is not limited to, offering workshops, webinars, seminars, and/or other educational opportunities.

D. Business Programs

1. Business programs include:
- a) Business Energy Efficiency Rebates ("BEER"), which includes the Business Rebates, Business Central Plan Optimization ("BOP"), and Commercial Food Service ("CFS") offerings;

- b) Custom Efficiency (“Custom”), which includes the Custom Rebates (“Custom Rebates”) and Retrocommissioning (“RCx”) offerings;
 - c) Small Business (“SB”);
 - d) Strategic Energy Management (“SEM”); and
 - e) Commercial and Industrial New Construction (“CINC”).
2. The Parties agree that they have reviewed or have been presented the opportunity to review the Business programs and initiatives to be included in the Plan, including proposed budgets, therm savings, assumptions and underlying data. The Parties agree the proposed programs should be approved.

E. Innovation Programs

1. Innovation programs include:
- a) Emerging Technology (“ET”); and
 - b) Market Transformation (“MT”).
2. With respect to the ET and MT initiative, the Parties agree to the following:
- a) The Company will continue its ongoing collaborative market transformation initiative to promote advanced windows. Nicor Gas will track spending for developing and delivering the program to the MT program, but will also track a portion of incentive spending and all savings for measures installed through this program within appropriate programs. Nicor Gas agrees to collaborate with the Natural Resources Defense Council (“NRDC”) and other interested stakeholders on this initiative through the Stakeholders Advisory Group MT Savings Working Group.

F. Joint Offerings with Electric Utilities

1. In areas where the Company’s service territory overlaps with ComEd, the Company has designed the following programs and offerings to be delivered in a joint or coordinated manner:
- a) Income Eligible Programs
 - i. IE Weatherization program: entire program;
 - ii. PHA program: entire program;
 - iii. AHNC program: entire program; and
 - b) Business Programs

- i. Custom program: RCx offering;
 - ii. SEM program: Studies only; and
 - iii. Small Business Program
- 2. Nicor Gas will work with ComEd to ensure that these programs operate in a joint or coordinated manner through the amended 2026-2029 Plan period. Nicor Gas will comprehensively serve (i.e., address electric and gas measures) customers through its IE whole building retrofit programs. To the extent that ComEd also has a Stipulation for the Plan period with language comparable to what is in this Section, Nicor Gas commits to have in place by January 1, 2027 agreement(s) to jointly deliver or fund these programs with ComEd, with the date contingent on the absence of significant procurement delays. Nicor Gas will retain the flexibility it needs to meet its overarching IE spend commitments, as outlined in this Stipulation.
 - a) Nicor Gas commits to work with ComEd to streamline customer experience and reduce possible customer confusion. Such efforts shall include:
 - i. Where the customer agrees to proceed, ensuring eligible gas and electric efficiency measures are identified and installed in all homes/buildings treated regardless of the contractor delivering the program;
 - ii. Reaching alignment on joint processes, including the provision of joint enrollment forms; and
 - iii. Reaching agreement on a common set of electric and gas measures offered and reporting to SAG, but also consistent with the commitments made in this Stipulation.
 - b) As part of the joint commitment Nicor Gas agrees to the following:
 - i. For non-IHWAP-braided Utility Only and Utility-Only CAA IE single family offerings, if Nicor Gas and ComEd are unable to otherwise reach an agreement for joint or coordinated delivery, at a minimum Nicor Gas will agree to:
 - (a) pursue an agreement to sell net lifecycle kWh produced by the gas utility portfolio or to exchange net lifecycle therm savings produced.; and
 - ii. The terms of the exchange, including the amounts of energy savings exchanged will be determined within a separate agreement between ComEd and the applicable Nicor Gas. For non-IHWAP-braided Utility Only and Utility-Only CAA IE multi-family programs, if there are not better options for joint or

coordinated delivery that both utilities can support, at a minimum Nicor Gas will agree to:

- (a) pursue an agreement to sell net lifecycle kWh produced by the gas utility portfolio or to exchange net lifecycle therm savings produced; and
 - iii. The terms of the exchange, including the amounts of energy savings exchanged will be determined within a separate agreement between ComEd and Nicor Gas. For non-IE single-family and multifamily weatherization programs, Nicor Gas will make best efforts to reach agreement with ComEd to create, promote and support investment in building envelope improvements in non-IE homes. If Nicor Gas and ComEd are unable to otherwise reach an agreement for joint or coordinated delivery, at a minimum Nicor Gas will agree to:
 - (a) pursue an agreement to sell net lifecycle kWh produced by the gas utility portfolio or to exchange net therm savings produced.
 - (b) The terms of the exchange, including the amounts of energy savings exchanged will be determined within a separate agreement between ComEd and Nicor Gas.
 - iv. The above commitments are contingent on ComEd making a similar commitment in its own Plan or in a settlement agreement on its own Plan.
- 3. Nicor Gas will adjust its savings goals to reflect any reduced contribution to program costs provided by ComEd. The savings adjustment will be calculated as follows:
 - a) The planning assumptions originally used to construct the offering will be recalculated to remove assumptions for ComEd budget and savings contributions. This adjustment will be reflected in the adjustable savings goal spreadsheet and Independent Evaluator review process outlined in Section II.B.8 of this Stipulation, and filed in the 2027-2029 Plan docket, and will apply from the date ComEd exited the joint program.
- 4. Nicor Gas will continue to coordinate delivery of its IE SF retrofit Program with Ameren Illinois where they have overlapping service territories.

IV. Additional Agreements

- A. In addition to matters addressed elsewhere in this Stipulation, the Parties agree that the following matters will be addressed in future discussion and resolution with**

additional stakeholders:

1. Low-Income Advisory Committees: Nicor Gas will continue to attend in the low-income energy efficiency accountability committees (“Committees”) convened pursuant to Section 8103B(c) of the Act. Nicor Gas and the other Parties agree to support and advocate with utilities and stakeholders to improve the Committees, including, but not limited to incorporating some successful learnings from the south Committee into the north Committee, as well as a discussion of best practices of IE Program implementation strategies.
2. The Parties agree that they will engage in good faith efforts to identify policy mechanisms that could support enhanced investment in both (1) targeting of efficiency programs and services to economically challenged, and historically under-served communities; and (2) the integration of small local contractors and trade allies delivering efficiency programs and services. Such efforts shall include other utilities and interested stakeholders through the Equity Subcommittee focused on equity and the commitments made in this Stipulation, and will be included in updates to the Policy Manual.
3. Nicor Gas shall incorporate and leverage IRA rebates as program design is determined and funds become available in all efficiency programs, particularly IE programs, which those rebates could potentially support, provided that leveraging such funds doesn’t disadvantage the Company’s ability to meet energy savings goals. The parties agree to meet to negotiate recognition of the energy savings impacts that leveraging of IRA rebates could have in the amended 2026-2029 plan cycle once the Illinois Environmental Protection Agency (“IEPA”) program guidelines are established. Such negotiations shall include potential revisions to savings goals, with a compliance filing to follow. Nicor shall not reduce or shift IQ budget dollars to other programs as a result of incorporation of IRA rebates in IQ programs.
4. Nicor shall provide quarterly updates to the Parties and the ICC regarding updates on agreements with IL EPA and the impact of braided IRA funding on its energy efficiency programs, including any proposed adjustments to energy savings goals or attribution methodologies.
5. Nicor will adjust its savings goals to reflect any increased contributions to program costs provided by Inflation Reduction Act (“IRA”) funding. The savings adjustment will be calculated as follows:
 - a) The planning assumptions originally used to construct any offering will be recalculated to include the increased funding from IRA contributions as well as any program delivery requirements on that funding. This adjustment will be reflected in the adjustable savings goal spreadsheet and Independent Evaluator review process outlined in Section II.B.8 of this Stipulation, and will apply from the date the funds are transferred to the Utility for usage.

6. Nicor commits to discuss in the next comprehensive Policy Manual update process the establishment of a statewide reporting metric and methodology in its annual evaluation process that captures the number of customers participating in its energy efficiency programs yearly. Nicor will engage in good faith to establish a reasonable metric and methodology that captures both the number of participating customers with duplicates removed and an estimate of the same for programs with unknown participating customers.

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IN WITNESS WHEREOF, the Parties hereto have executed this Settlement Stipulation as of the date last set forth below.

People for Community Recovery

Natural Resources Defense Council

By: Mia Berrios

By: _____

Name: Mia Berrios

Name: _____

Title: Policy and Outreach Associate

Title: _____

Date: 9/26/26

Date: _____

Community Organizing and Family Issues

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

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

IN WITNESS WHEREOF, the Parties hereto have executed this Settlement Stipulation as of the date last set forth below.

People for Community Recovery

Natural Resources Defense Council

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Community Organizing and Family Issues

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

By: Karen L. Lussan

By: _____

Name: Karen L. Lussan

Name: _____

Title: Senior Attorney
National Consumer Law Center

Title: _____

Date: September 23, 2026

Date: _____

IN WITNESS WHEREOF, the Parties hereto have executed this Settlement Stipulation as of the date last set forth below.

People for Community Recovery

Natural Resources Defense Council

By: _____

By: Kari Ross

Name: _____

Name: Kari Ross

Title: _____

Title: Midwest Energy Affordability Advocate, NRDC

Date: _____

Date: September 23, 2026

Community Organizing and Family Issues

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

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

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IN WITNESS WHEREOF, the Parties hereto have executed this Settlement Stipulation as of the date last set forth below.

People for Community Recovery

Natural Resources Defense Council

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

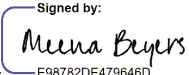
Date: _____

Community Organizing and Family Issues

Northern Illinois Gas Company d/b/a Nicor Gas

CORP. Signed by:

By: _____

By:  _____
E98782DE479646D...

Name: _____

Name: Meena Beyers

Title: _____

Title: VP Business & Community Development

Date: _____

Date: 9/23/2026