

January 5, 2026

Advice No. 1705

BY eTARIFF

Ms. Stephanie Cook
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701

Re: North Shore Gas Company
Ill. C.C. No. 17; Proposed General Increase in Rates

Dear Ms. Cook:

Enclosed for filing with the Illinois Commerce Commission on January 5, 2026, to become effective February 19, 2026, are copies of the tariff sheets listed below of North Shore Gas Company's ("North Shore" or "NSG") Schedule of Rates for Gas Service (Ill.C.C. No. 17). The following tariff sheets effect a general increase in rates and include other revisions to the service classifications, riders and terms and conditions of service included in North Shore's Schedule of Rates for Gas Service.

Seventeenth Revised Sheet No. 6
(Canceling Sixteenth Revised Sheet No. 6)

Eighteenth Revised Sheet No. 8
(Canceling Seventeenth Revised Sheet No. 8)

Eighteenth Revised Sheet No. 10
(Canceling Seventeenth Revised Sheet No. 10)

Sixteenth Revised Sheet No. 18
(Canceling Fifteenth Revised Sheet No. 18)

Eleventh Revised Sheet No. 19
(Canceling Tenth Revised Sheet No. 19)

Twenty-fourth Revised Sheet No. 27
(Canceling Twenty-third Revised Sheet No. 27)

Fourteenth Revised Sheet No. 58
(Canceling Thirteenth Revised Sheet No. 58)

Twenty-third Revised Sheet No. 124
(Canceling Twenty-second Revised Sheet No. 124)

Tenth Revised Sheet No. 135.1
(Canceling Ninth Revised Sheet No. 135.1)

Pursuant to 83 Illinois Administrative (“Ill. Admin.”) Code Part 255, North Shore submits its Supplemental Statement, which provides an explanation of the nature, purposes, and reasons for the proposed changes in the Schedule of Rates.

Pursuant to 83 Ill. Admin. Code §285.111(a), North Shore submits the materials and information called for by the Commission’s Standard Information Filing Requirements (83 Ill. Admin. Code Part 285). North Shore is providing information to the Directors of the Financial Analysis Division and of the Safety & Reliability Division (formerly the Energy Division) in accordance with the Standard Information Filing Requirements.

In accordance with 83 Ill. Admin. Code §285.111(b), certain portions of the information called for by the Standard Information Filing Requirements are confidential and/or proprietary and North Shore has so designated this material and is submitting it separately from the remainder of the materials. In accordance with 83 Ill. Admin. Code §285.112(b), with respect to such designated confidential and/or proprietary information, North Shore intends to seek a protective order under 83 Ill. Admin. Code §200.430 no later than the first status hearing in the proceedings in this matter, and asks that such designated information not be released except as authorized by law.

In accordance with 83 Ill. Admin. Code §286.20(a), North Shore submits for filing its direct testimony and attachments in support of the proposed general increase in rates. North Shore’s submission consists of fourteen direct testimonies numbered sequentially and designated NSG-PGL Ex. 1.0 through NSG-PGL Ex. 14.0, with attached exhibits for each witness numbered as subparts to the witness’ testimony (e.g., NSG-PGL Ex. 2.1N). North Shore provided the required copies to the Director of the Financial Analysis Division.

Ms. Stephanie Cook
January 5, 2026
Page 3

In accordance with the provisions of 83 Ill. Admin. Code Part 255, concurrent with this filing, North Shore has posted public notice in a public and conspicuous place in its offices. North Shore will also cause notice of the instant filing to be published in a secular newspaper in accordance with the provisions of that Part.

North Shore is also sending copies of this letter to the Director of the Financial Analysis Division. North Shore will provide additional copies at the request of Staff and the Chief Administrative Law Judge.

Please acknowledge the Commission's receipt of these materials by providing a file-stamped copy of this transmittal letter and supplemental statement.

Sincerely,

A handwritten signature in black ink, appearing to read "Debra E. Egelhoff", with a stylized flourish at the end.

Debra Egelhoff
Manager, State Regulatory
Compliance & Advocacy

Enclosures

North Shore Gas Company

SCHEDULE OF RATES FOR GAS SERVICE

Page 1 of 2

**Service Classification No. 1
Small Residential Service**

The following rates are available to any customer who takes service through a single meter for one or two dwelling units only. Gas service is not available hereunder for use in alternation with or as standby or supplement to other sources of energy.

"Sales Customers" are customers who take service solely under this Service Classification. "Transportation Customers" are customers who take service under this Service Classification and under Rider CFY.

"Heating Customers" are customers who use gas as their principal source of space heating requirements. "Non-Heating Customers" are customers who do not use gas as their principal source of space heating requirements.

Rates

The rates for service hereunder shall consist of a Customer Charge, a Distribution Charge, a Storage Charge and a Gas Charge. The Customer Charge, the Distribution Charge and the Storage Charge represent the charges for delivery service from the Company.

*

Customer Charge

The monthly Customer Charge shall be as follows:

Non-Heating Customers	\$15.40
Heating Customers	\$23.98

*

Distribution Charge

The Distribution Charge shall be a per therm charge for all gas delivered in any month as follows:

Non-Heating Customers	28.328 cents
Heating Customers	21.488 cents

Storage Charge

For Sales Customers, the Storage Charge shall be the Storage Service Charge, an amount, as determined under Rider SSC of this rate schedule, per therm of all gas delivered. For Transportation Customers, the Storage Charge shall be the Storage Banking Charge, an amount, as determined under Rider SSC of this rate schedule, per therm of storage capacity.

Gas Charge

The Gas Charge shall be, for all gas delivered, an amount per therm determined under Rider 2 of this rate schedule.

Subject to adjustments under riders applicable to this service classification.

Date Issued: JANUARY 5, 2026
Asterisk (*) indicates change.

Date Effective: FEBRUARY 19, 2026

North Shore Gas Company

SCHEDULE OF RATES FOR GAS SERVICE

Page 1 of 2

**Service Classification No. 2
General Service**

The following rates are available to any customer who consumed an average of 41,000 therms per month or less except those eligible for service under Service Classification No. 5 of this rate schedule. The Company shall assess eligibility at two-year intervals, or more frequently based on evidence of changed usage, and shall consider usage data from the most recent preceding twenty-four month or two calendar years in making this assessment. If the customer does not have usage data for the most recent twenty-four month or two calendar year period, the Company's assessment of the customer's eligibility shall be based on usage at the same or a similar premises and for a similar type of customer.

"Sales Customers" are customers who take service solely under this Service Classification. "Transportation Customers" are customers who take service under this Service Classification and under Rider CFY, FST or SST.

Rates

The rates for service hereunder shall consist of a Customer Charge, a Distribution Charge, a Storage Charge and a Gas Charge. The Customer Charge, the Distribution Charge and the Storage Charge represent the charges for delivery service from the Company.

*

Customer Charge

The Customer Charge shall be a monthly charge based on meter class as follows:

<u>Meter Class</u>	
1 (Up to 700 cubic feet per hour)	\$30.83
2 (Over 700 and no more than 2300 cubic feet per hour)	\$69.01
3 (Over 2300 cubic feet per hour)	\$116.31

*

Distribution Charge

The Distribution Charge shall be a per therm charge for all gas delivered in any month as follows:

<u>Therms Taken in any Month</u>	
For the first 3000 therms	17.149 cents
For all over 3000 therms	14.659 cents

Date Issued: JANUARY 5, 2026
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**Issued by Theodore Eidukas, Vice President – Regulatory Affairs
200 East Randolph Street, Chicago, Illinois 60601**

North Shore Gas Company

SCHEDULE OF RATES FOR GAS SERVICE

Page 1 of 3

**Service Classification No. 4
Large Volume Demand Service**

The following rates are available to any customer who uses an average of over 41,000 therms per month. The Company shall assess eligibility at two-year intervals, or more frequently based on evidence of changed usage, and shall consider usage data from the most recent preceding twenty-four month or two calendar years in making this assessment. If the customer does not have usage data for the most recent twenty-four month or two calendar year period, the Company's assessment of the customer's eligibility shall be based on usage at the same or a similar premise and for a similar type of customer.

"Sales Customers" are customers who take service solely under this Service Classification. "Transportation Customers" are customers who take service under this Service Classification and under Rider FST or SST.

Rates

The rates for service hereunder shall consist of a Customer Charge, a Demand Charge, a Distribution Charge, a Storage Charge and a Gas Charge. The Customer Charge, the Demand Charge, the Distribution Charge and the Storage Charge represent the charges for delivery service from the Company.

*

Customer Charge

The monthly Customer Charge shall be \$303.05.

*

Demand Charge

The monthly Demand Charge shall be 89.164 cents per therm of Billing Demand.

*

Distribution Charge

The Distribution Charge shall be 2.614 cents per therm for all gas delivered in any month.

Storage Charge

For Sales Customers, the Storage Charge shall be the Storage Service Charge, an amount, as determined under Rider SSC of this rate schedule, per therm of all gas delivered. For Transportation Customers, the Storage Charge shall be the Storage Banking Charge, an amount, as determined under Rider SSC of this rate schedule, per therm of storage capacity.

Gas Charge

The Gas Charge shall be, for all gas delivered, an amount per therm determined under Rider 2 of this rate schedule.

Subject to adjustments under riders applicable to this service classification.

Late Payment Charge

A charge for late payment shall be determined under the Late Payment Charge provision in the Terms and Conditions of Service of this rate schedule.

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200 East Randolph Street, Chicago, Illinois 60601**

North Shore Gas Company

TERMS AND CONDITIONS OF SERVICE

Page 2 of 16

Application for Service – continued

Unless required by material changes in the customer's gas requirements or premises characteristics, as established or determined by the Company, not more than one change of service classification or rider shall be allowed within any twelve-month period. For purposes of this Application for Service section, "service classification" includes the heating customer and non-heating customer designations in Service Classification No. 1 of this rate schedule.

Right to Refuse or Discontinue Service

The Company shall have the right to refuse to initiate gas service to an applicant or to discontinue service to a customer and remove Company property from the premises in accordance with the terms of 83 Illinois Administrative Code Part 280. This right includes, but is not limited to, the circumstance when the applicant or customer does not allow the Company to install its meter out-of-doors, including removing an indoor meter and installing a meter out-of-doors, provided that the proposed installation meets the requirements of 83 Illinois Administrative Code Part 501 for an out-of-doors meter.

Deposits

The Company shall bill applicants for gas service and customers under any service classification or rider for deposits in accordance with 83 Illinois Administrative Code Part 280. Beginning September 15, 2021, except in the case of tampering, deposits shall be waived for those customers meeting the low income eligibility criteria under 220 ILCS 5/8-201.7(b). Except in the case of a customer qualifying as low income, as indicated in this section, the Company shall also use a credit scoring system as one of the methods to determine whether it shall bill a deposit to a residential service applicant. A deposit shall be billed if the applicant's credit score is below the predetermined minimum.

A deposit may be assessed to a non-residential service applicant if the: (1) applicant was previously disconnected for non-payment of bill amounts to the Company for the same class of service, (2) applicant failed to pay final bill owing to the Company for the same class of service, (3) applicant has history of late payments or no credit history with the Company, or (4) Company has proof that applicant has previously benefited from tampering with the Company's services and facilities.

*** Service Reconnection Charges**

When the Company has discontinued service to any customer as provided in this rate schedule or pursuant to any applicable regulations as to natural gas service, before restoration, the Company shall collect a reconnection charge. The reconnection charge shall be \$113.00 except that (1) where service has been discontinued by removing the meter, the reconnection charge shall be \$270.00, and (2) where service has been discontinued by excavating either to cut the service pipe or shut off the service at the main, the reconnection charge shall be \$750.00. Each customer shall receive an automatic waiver for the first reconnection charge of \$113.00 in any calendar year where service has been reconnected at the meter.

Date Issued: JANUARY 5, 2026
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North Shore Gas Company

TERMS AND CONDITIONS OF SERVICE

Page 3 of 16

* **Service Reconnection Charges** – continued

For any customer whose service is discontinued at the customer's request, reinstatement of service within twelve months shall be provided at a charge of \$113.00, plus the Customer Charges applicable during the period of service discontinuance.

For any customer whose service has been discontinued because of the customer's failure to allow the Company or its authorized agents to have access to the customer's premises for the purpose of inspection of metering equipment, service pipe and all other equipment relating to the Company's service, the reconnection charge shall be \$113.00, except where service has been discontinued by excavating either to cut the service pipe or shut off the service at the main, in which case the reconnection charge shall be \$750.00.

Included in any reconnection charge is the relighting of a maximum of four gas appliances per account. Any additional gas appliances to be relit shall be done at a charge of \$12.00 per appliance. This provision and charges shall apply regardless of any automatic reconnection charge waiver.

Second Pulse Data Capability

A customer that has an installed and operational meter, meter corrector, or daily demand measurement device capable of providing a second pulse for further data collection capability may choose to have the Company enable this capability on such meter or device for a monthly charge of \$9.45; provided that, any customer who, prior to February 14, 2008, had such capability installed and paid for the device shall not be subject to such monthly charge. Installation of such capability shall be pursuant to a written contract specifying the customer name, account(s) and term.

The initial term of the contract shall end on the first April 30 following the effective date thereof, and the contract shall automatically renew for one-year periods upon expiration of the initial term and each one-year extension. The Company or the customer shall have the right to terminate service under the contract at the end of the initial term or any subsequent contract year on 30 days written notice; provided, however, that in the event of early termination, all amounts due the Company for the unexpired portion of the remaining contract term shall forthwith be paid.

Controlled Attachment on the Rendering of Gas Service

All requests for firm gas service for inputs over 500 cubic feet per hour for central space heating, any type of commercial or industrial space heating or industrial processing or power generation must be made in writing. Rider 10 of this rate schedule governs the Company's obligation to render gas service for such requests.

Company Installations

Whenever the Company is required by municipal authorities to pay for permits for work necessary to serve any customer, the Company may require the customer to pay the amount of the permit fees at the time of application for gas service.

Date Issued: JANUARY 5, 2026
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Date Effective: FEBRUARY 19, 2026

North Shore Gas Company

TERMS AND CONDITIONS OF SERVICE

Page 13 of 16

8-1/2"

11"

NORTH SHORE GAS*		Customer Service 866-556-6004		
northshoregasdelivery.com		24-Hour Gas Emergencies 866-556-6005		
		En Espanol 866-556-6003		
		TDD Line 866-556-6007		
Bill Date	Account Number	Next Meter Read Date	Amount Due	Payment Due Date
1/04/2026	0123456789-0001	1/30/2026	\$252.54	1/26/2026
Customer Name		SAM M CUSTOMER		
Service Address		123 MAIN ST WAUKEGAN IL 60085-0001		
Activity Since Last Bill				
12/02/2025 Previous Balance		\$125.07		
12/22/2025 Payment		-\$125.07		
Balance		\$0.00		
Total Current Charges		\$252.54		
Total Current Balance		\$252.54		
Gas Service				
Rate 1 - Small Residential Heating				
Meter N99999999 Actual Reading 12/30/2025 8874				
Actual Reading 11/30/2025 -8831				
Total Gas Use 243 CCF				
243 CCF X 1.043 BTU = 253.9 Therms				
Delivery Charges				
Fixed Charge \$24.44				
Distribution Charge 253.9 Therms at \$0.21488 \$54.58				
Storage Service Charge 253.9 Therms at \$0.00712 \$1.81				
Gas Charge 253.9 Therms at \$0.51530 \$130.83				
Energy Efficiency Program 253.9 Therms at \$0.00790 \$2.01				
Environmental Charge 253.9 Therms at \$0.00880 \$2.18				
Franchise Cost Adjustment 30 Days at \$0.33 \$0.33				
UEA - Gas Cost Adjustment 0.79% of \$130.83 \$1.03				
Volume Balancing Adjustment 253.9 Therms at \$0.06540 \$16.61				
Tax Cost Adjustment -\$0.27				
Low Income Discount Adjustment 30 days at \$0.63 \$0.63				
Taxes				
Municipal Utility Tax 5.15% of \$234.18 \$12.08				
State Tax 0.1% of \$234.18 \$0.23				
State Gas Revenue Tax 253.9 Therms at \$0.024000 \$6.09				
Subtotal: \$252.54				
Gas Service Total: \$252.54				
Messages				
View your bill online anytime in My Account. Visit our website to sign up.				
Account Summary Bill Period: 12/01/2025 to 12/30/2025				
Dec 2025 Nov 2025 Dec 2024				
Billing Days 30 31 30				
Avg Temp 30°F 49°F 34°F				
Heating Deg Days 1084 484 920				
Cooling Deg Days 0 2 0				
Therms Used 253.9 129.4 125.0				
Avg Therms / Day 8.5 4.2 4.2				
Utility Gas Cost \$0.52 \$0.44 \$0.45				
Graphs				
Usage by Month Therms				
Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec				
Charges by Month				
Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec				
ACCOUNT NUMBER: 0123456789-00001 INVOICE: 0123456789 Page 1 of 1 WEC_PDF_Out 28151 (14)				
NORTH SHORE GAS* Please return this stub with your payment.				
ACCOUNT NUMBER: 0123456789-00001				
Amount Due By 1/26/2026 \$252.54				
A 1.5% late fee may be charged on any unpaid balance				
Please write your account number on your check				
Amount Enclosed				
SAM M CUSTOMER 123 MAIN ST WAUKEGAN IL 60085-0001				
North Shore Gas PO Box 6050 Carol Stream IL 60197-6050				
I want to pledge \$1 per month to the Share the Warmth program, which helps pay energy expenses for those in need. I've added \$1 to my payment.				
0123456789003001 2000012342				

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Issued by Theodore Eidukas, Vice President – Regulatory Affairs
200 East Randolph Street, Chicago, Illinois 60601

North Shore Gas Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 2 of 3

**Rider SSC
Storage Service Charge
Applicable to Service Classification Nos. 1, 2 and 4**

* **Section A – Determination of Charges – continued**

SC = Total on and off-system storage capacity that is estimated to be available for service to sales and transportation customers for the 12-month period beginning the May 1 prior to the Annual Recovery Period.

The initial Storage Banking Charge shall be 0.059 cents per therm. The Storage Banking Charge to be effective each June 1 thereafter, shall be determined as described under this Section A(2).

- (3) **The Storage Service Charge** shall consist of a Storage Service Charge and a Reconciliation Adjustment which shall be summed together for billing purposes. The Storage Service Charge shall recover the cost of the Company's investment in production and storage and shall be determined as follows:

$$\text{Storage Service Charge} = ((\text{SRR} - \text{SBCR}) / T) \times 100 + \text{RA}$$

Where:

SRR = The storage classified revenue requirement in the Company's embedded cost of service study for rates approved in the Company's most recent rate proceeding.

SBCR = The estimated revenues arising from the Storage Banking Charge for the Annual Recovery Period based upon the amount of storage allocated and subscribed by transportation customers as of the most recent May 1 prior to the Annual Recovery Period.

T = The therms estimated to be delivered to sales customers during the Annual Recovery Period.

RA = The amount due the Company (+RA) or due the customers (-RA) as a result of any under or over-collection of amounts under this rider during the previous Annual Recovery Period. The RA shall be determined in accordance with the provisions of Section (A)4 of this rider.

The initial Storage Service Charge shall be 0.712 cents per therm. The Storage Service Charge to be effective each June 1 thereafter, shall be determined as described under this Section A(3).

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North Shore Gas Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 2 of 8

**Rider UEA
Uncollectible Expense Adjustment
Applicable to Service Classification Nos. 1, 2 and 4**

Section B – Description of Incremental Uncollectible Adjustments – continued

Customers shall be the sum of the IDUA and the IPUA. If there is an insufficient number of Sales or Transportation Customers or POR Transportation Customers in any service classification, the Company may group these customers and adjustment amounts together under a service type for the purposes of determining an adjustment.

The adjustment amounts shall charge or credit customers for the difference between the Actual Net Write-Off amount, as reported in the Company's Form 21 report to the Commission (Form 21) for the reporting year, and the Uncollectible Accounts Expense amount included in the Company's base rates, amounts billed under Rider UEA-GC of this rate schedule, and the POR Amount, that were in effect for such reporting year. The adjustments shall be included in the fixed charge component during the following twelve-month effective period, beginning June 1 and extending through May 31.

The "Uncollectible Accounts Expense amount for delivery service included in the Company's base rates" shall be:

1. For the period February 26, 2015, through September 14, 2021: \$497,000;
2. For the period September 15, 2021, through January 31, 2024: \$1,049,000;
3. For the period February 1, 2024, through February 18, 2026: \$1,104,000;
4. For the period February 19, 2026, until the date rates filed in a subsequent rate case become effective: \$847,305.

The baseline Uncollectible Accounts Expense amount for gas supply service shall be recovered under Rider UEA-GC of this rate schedule. The baseline Uncollectible Accounts Expense amount for POR Supplier Charges for POR Transportation Customers shall be recovered through the POR Amount.

Section C – Determination of Rate Allocation Factor

Unless determined otherwise in the Company's base rates, a Rate Allocation Factor (RAF) shall apply if different base rates were in effect during the reporting year and shall be determined as follows:

$$\text{RAF}_{YA} = \frac{\text{BRR}_{YA}}{\text{BRR}_{Y(A+B)}}$$
$$\text{RAF}_{YB} = \frac{\text{BRR}_{YB}}{\text{BRR}_{Y(A+B)}}$$

Where:

Y = Reporting Year

A = The portion of the Reporting Year when base rates at the beginning of the Reporting Year were in effect.

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200 East Randolph Street, Chicago, Illinois 60601**

North Shore Gas Company

RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

Page 1 of 1

Rider UEA-GC
Uncollectible Expense Adjustment – Gas Costs
Applicable to Service Classification Nos. 1, 2 and 4

Section A – Applicability and Purpose

This rider is applicable to sales customers taking service from the Company under Service Classification Nos. 1, 2 and 4. The Uncollectible Expense Adjustment – Gas Costs allows the Company to recover uncollectible gas cost expenses it incurs.

Sales customer shall mean a customer who takes service solely under a service classification and does not also take transportation service under Rider CFY, FST or SST.

*** Section B – Charge**

Uncollectible Expense Adjustment – Gas Costs

The Uncollectible Expense Adjustment – Gas Costs billed to sales customers shall be determined by multiplying the applicable Uncollectible Factor times the revenues billed under Rider 2, Gas Charge of this rate schedule. The Uncollectible Factors are based on the Commission-approved Uncollectible Accounts Expense amounts and allocations for each applicable Service Classification in the Company's most recent rate case proceeding.

	<u>Uncollectible Factor</u>
S. C. No. 1, Small Residential Service – Non-Heating	0.0627
S. C. No. 1, Small Residential Service – Heating	0.0079
S. C. No. 2, General Service	0.0040

Section C – Terms and Conditions

Subject to Terms and Conditions of Service and Riders to Schedule of Gas Rates which are applicable to this rider. Amounts billed under this rider shall represent the Gas Supply Related Uncollectible Costs (SUR) for the applicable reporting period under Rider UEA.

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Date Effective: FEBRUARY 19, 2026

Issued by Theodore Eidukas, Vice President – Regulatory Affairs
200 East Randolph Street, Chicago, Illinois 60601

**SUPPLEMENTAL STATEMENT
NATURAL GAS
ILL. C.C. NO. 17**

Filed with the Illinois Commerce Commission on January 5, 2026

North Shore Gas Company (“North Shore” or “NS”), for the reasons discussed briefly below and shown in its submissions, proposes an increase in its rates for gas distribution service. The total amount of the requested revenue increase (the revenue deficiency) is \$14.4 million. The relief requested will affect North Shore’s approximately 160,000 customers.

The Illinois Commerce Commission (“Commission”) last granted North Shore a rate increase that took effect in February 2024 in *North Shore Gas Co.*, ICC Docket No. 23-0068/23-0069 (cons.) (Order November 23, 2023; Amendatory Order January 3, 2024; Order on Rehearing May 30, 2024) (“2024 Rate Case”). That rate filing was based on a future test year of calendar year 2024. This rate filing is based on a future test year of calendar year 2027, for rates that are expected to be effective on or before January 1, 2027. The changes that have occurred are attributable to two principal factors.

The first factor, Infrastructure Investment, represents costs associated with the return of and on capital invested to better serve customers since the 2024 Rate Case. A primary driver for this category is North Shore’s ongoing significant investments in its distribution system.

The second category, Capital Structure, represents the increased overall costs of debt and common equity for North Shore over the levels approved in the 2024 Rate

Case. The company's overall cost of capital is the required return on its investment (net of accumulated depreciation) in its utility assets. In order to attract capital for new investments, existing investors must receive a fair and adequate return on their investment.

Without the requested distribution rate relief, North Shore would earn a return on common equity of 7.35% in the 2027 test year, compared to the 9.38% approved in its 2024 Rate Case and its recommended cost of equity of 10.1%.

SUMMARY OF PREPARED DIRECT TESTIMONY IN SUPPORT OF NORTH SHORE'S FILING

The testimonies of witnesses from within North Shore and its affiliates, including The Peoples Gas Light and Coke Company ("Peoples Gas" or "PGL"), as well as independent experts support North Shore's filed tariffs. The testimonies submitted with the filing are as follows:

- Theodore Eidukas, Vice President – Regulatory Affairs at WEC Energy Group (NSG-PGL Ex. 1.0), provides an overview of the reasons North Shore and Peoples Gas finds it necessary to request a rate increase at this time.
- Tony Reese, Vice President and Treasurer for WEC Business Services ("WBS") (NSG-PGL Ex. 2.0), presents testimony regarding: (i) the operating income statements for the Companies' 2027 test year; (ii) the Companies' respective revenue requirements; (iii) rate base and cash working capital; (iv) cost of capital; (v) incentive compensation; (vi) employee benefits costs, including pension and other post-employment benefits costs and pension contributions and assets; (vii) WBS/Integrus Business Services allocations; and (ix) compliance with requirements imposed in the 2024 Rate Case.

- Polly Eldringhoff, Vice President – Operational Performance and Compliance for Peoples Gas and North Shore Gas (NSG-PGL Ex. 3.0), support Peoples Gas's work under the PRP to retire all CI/DI pipe <36" in its distribution system by December 31, 2034, as ordered by the Commission in the 2024 SMP Investigation Order, and demonstrate that the PRP projects for which Peoples Gas seeks cost recovery are prudent and reasonable.

- Salvador Arana, Vice President – Operations for Peoples Gas and North Shore (NSG-PGL Ex. 4.0), describes the Companies' physical systems and operations and how each company ensures capital expenditures are prudent and reasonable, describes their projected capital investments, and addresses certain major additions to rate base, other than PRP work, for 2027 (including presenting Schedule F-4, which addresses new major capital projects under Part 285 of the ICC's rules).

- Jerome Meissner, Manager – Power Generation Plant Projects for WEC Energy Group (NSG-PGL Ex. 5.0), supports Peoples Gas's investment in the Manlove storage field complex, including the three major capital projects related to Manlove Field that are listed on PGL's Schedule F-4.

- Robert Juidici, Director – Facilities Management for WEC Energy Group (NSG-PGL Ex. 6.0), describes North Shore's investment to significantly upgrade and improve one of its operations facilities, as well as Peoples Gas's investments in the Shops, and demonstrates how the Companies' capital investments related to those facilities are prudent and reasonable.

- Frank C. Graves, Principal at The Brattle Group (NSG-PGL Ex. 7.0), addresses Peoples Gas's continuing role in the safe and reliable delivery of energy to

Chicago customers, and the relative costs and benefits of various non-pipeline alternatives as a means of decarbonizing Chicago's energy delivery network. This testimony complements Peoples Gas's announced plans to retain a consultant in 2026 to create a tool to analyze NPA alternatives to replacement of CI/DI <36" before decisions are made as to how that pipe will be retired. This testimony demonstrates that the PRP is a no-regrets approach to advancing decarbonization goals, as well as safety and reliability.

- Ann Bulkley, Principal at The Brattle Group (NSG-PGL Ex. 8.0), addresses the market cost of common equity, the Companies' proposed capital structures, embedded costs of long-term debt, embedded costs of short-term debt, and overall costs of capital expressed as a rate of return on their rate base.

- Jared Peccarelli, Manager – Sales Forecasting for WBS (NSG-PGL Ex. 9.0), addresses the Companies' customer demand forecasts and calculation of sales revenues based on that forecast.

- Aaron Nelson, Manager – State Regulatory Affairs for WBS (NSG-PGL Ex. 10.0), describes the Companies' embedded cost of service studies for the 2027 test year, which Ms. Egelhoff relies on to support proposed changes in the Companies' rate schedules.

- Debra Egelhoff, Manager – State Regulatory Compliance and Advocacy for WBS (NSG-PGL Ex. 11.0), addresses and supports the proposed rate designs for the Companies. She also addresses and supports changes to the Schedule of Rates for Gas Service of North Shore and the Schedule of Rates for Gas Service of Peoples Gas.

- Eric Nicolaus, Manager – Tax Regulatory (NSG-PGL Ex. 12.0), discusses

deferred income taxes and net operating losses.

- John Spanos, Senior Vice President – Valuation and Rate Division at Gannett Fleming (NSG-PGL Ex. 13.0), presents the Companies' depreciation studies.
- Sam Addison, Project Specialist 3 for WBS (NSG-PGL Ex. 14.0), presents the lead/lag studies that provide the basis for cash working capital reflected in North Shore's and Peoples Gas's 2027 test year revenue requirements.

SCHEDULE OF RATES FOR GAS SERVICE

North Shore filed proposed changes to its Schedule of Rates for Gas Service, ILL. C.C. No. 17, effecting a general increase in rates and revising other terms and conditions. A complete list of the tariff sheets that have been revised is included in the letter of transmittal submitted with the filing of the tariffs in accordance with 83 Illinois Administrative Code Part 255.

CHANGES TO SERVICE CLASSIFICATIONS, RIDERS, AND TERMS AND CONDITIONS OF SERVICE

The objectives of North Shore's rate design are to (i) recover North Shore's revenue requirement; (ii) align rates and revenues with underlying costs; (iii) send the proper price signals; (iv) provide equity between and within rate classifications; and (v) reflect gradualism considering test year revenue requirements. North Shore's principal proposed changes include the following:

First, S.C. No. 1 propose base rates that comply with the 2024 Rate Case Final Order, limiting recovery of the residential revenue requirement through the customer charge to 70% for residential non-heating customers and 50% for residential heating customers. The customer charge for non-heating customers and heating customers will increase. The distribution charge for non-heating and heating customers will increase as

a result of decreasing fixed cost recovery through fixed charges. This service classification will continue to be set at cost for both types of customers.

Second, for S.C. No. 2 Meter Class 1, 2 and 3 the customer charge will decrease. The distribution charges will increase and will continue to be charged at a declining two-block rate structure. This service classification will continue to be set at cost.

Third, for S.C. No. 4 the customer charge, distribution charge and demand charge will increase. This service classification will continue to be set at cost.

Fourth, the storage banking charge will increase while the storage service charge will decrease under Rider SSC, Storage Service Charge.

Ms. Egelhoff's prepared direct testimony and accompanying exhibits provide a detailed description of the proposed changes to North Shore's Service Classifications, Riders, and Terms and Conditions of Service. NSG-PGL Ex. 11.4N accompanying Ms. Egelhoff's testimony shows a comparison of North Shore's present and proposed rates.

North Shore Gas Company



Theodore Eidukas

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