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## INDEPENDENT ACCOUNTANTS' REPORT

To Northern Illinois Gas Company:

We have examined management of Northern Illinois Gas Company's ("Nicor Gas") assertion, included in the accompanying Nicor Gas Eligible Projects Disbursement Report and Management's Assertion (collectively, "Management's Assertion Report"), that an amount equal to or in excess of the \$200 million net proceeds from the issuance of the \$50 million aggregate principal amount of First Mortgage Bonds 1.42% Series due August 31, 2026, \$50 million aggregate principal amount of First Mortgage Bonds 2.19% Series due August 31, 2033 and \$100 million aggregate principal amount of First Mortgage Bonds 1.77% Series due October 28, 2028 (collectively, the "2021 First Mortgage Social Bonds") was disbursed by Nicor Gas during the period from January 1, 2020 through December 31, 2020 to finance or refinance, in whole or in part, one or more Eligible Projects in accordance with the Eligibility Criteria set forth in Management's Assertion Report ("management's assertion"). Nicor Gas's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination was not conducted for the purpose of evaluating the social benefits of the amounts disbursed to Eligible Projects or conformance of the amounts disbursed to Eligible Projects with any third-party published principles, standards or frameworks, such as the Social Bond Principles published by the International Capital Market Association. Accordingly, we do not express an opinion or any other form of assurance other than on management's assertion included in the accompanying Management's Assertion Report.

In our opinion, management's assertion that an amount equal to or in excess of the \$200 million net proceeds from the issuances of the 2021 First Mortgage Social Bonds were disbursed by Nicor Gas during the period from January 1, 2020 through December 31, 2020 to finance or refinance, in whole or in part, one or more Eligible Projects in accordance with the Eligibility Criteria set forth in management's assertion is fairly stated, in all material respects.

*Deloitte & Touche LLP*

August 24, 2022



## Management's Assertion Regarding Disbursements for Eligible Projects

Northern Illinois Gas Company ("Nicor Gas") is responsible for the completeness, accuracy, and validity of the Nicor Gas Eligible Projects Disbursement Report whereby management asserts that an amount equal to or in excess of the \$200 million net proceeds from the issuance of the \$50 million aggregate principal amount of First Mortgage Bonds 1.42% Series due August 31, 2026, \$50 million aggregate principal amount of First Mortgage Bonds 2.19% Series due August 31, 2033 and \$100 million aggregate principal amount of First Mortgage Bonds 1.77% Series due October 28, 2028 (collectively, the "2021 First Mortgage Social Bonds") was disbursed by Nicor Gas during the period from January 1, 2020 through December 31, 2020 (the "Eligible Period") to finance or refinance, in whole or in part, one or more Eligible Projects in accordance with the Eligibility Criteria set forth below.

## Eligible Projects / Eligibility Criteria

"Eligible Projects" are investments and expenditures that meet the Eligibility Criteria (as defined below) and which are made by Nicor Gas during the Eligible Period.

The "Eligibility Criteria" means projects within the following categories:

- Diverse and Small Business Suppliers
  - Expenditures and programs related to enabling opportunities for diverse and small businesses/suppliers. For purposes of "expenditures and programs related to enabling opportunities for diverse and small businesses/suppliers," management has included only expenditures meeting the following objectively verifiable criteria:
    - Expenditures made to procure goods or services used by Nicor Gas in the operation of its business directly to business suppliers that held an active certification during the Eligible Period as a minority-owned or women-owned business, a veteran-owned enterprise or a small business enterprise, with one or more of the following organizations:
      - AL UCP - Alabama Unified Certification Program
      - Alabama Department of Transportation
      - Alabama State Port Authority
      - AZ UCP - Arizona Unified Certification Program
      - Birmingham Airport Authority
      - CA UCP - California Unified Certification Program
      - California Department of Transportation
      - Carolinas-Virginia Minority Supplier Diversity Council
      - Central & North Florida Minority Supplier Diversity Council
      - Central Certification (CERT) Program
      - Chicago Minority Supplier Diversity Council
      - Chicago Transit Authority
      - City of Atlanta
      - City of Austin, TX
      - City of Charlotte
      - City of Charleston, SC

- City of Chicago
- City of Columbus
- City of Denver, CO
- City of Evansville, IN
- City of Houston, TX
- City of Jackson, MS
- City of Memphis, TN
- City of New York, NY
- City of Pensacola
- City of Philadelphia
- City of San Antonio, TX
- City of Tampa, FL
- Cook County
- Colorado Regional Transportation District
- Commonwealth of Kentucky
- Corpus Christi Regional Transportation Authority (CCRTA)
- CPUC - California Public Utilities Commission
- Dallas/Fort Worth Minority Supplier Diversity Council
- Dekalb County
- Disability:IN
- Eastern Minority Supplier Diversity Council
- FL UCP - Florida Unified Certification Program
- Florida Department of Transportation
- Fulton County, GA
- GA UCP - Georgia Unified Certification Program
- Georgia Department of Transportation
- Georgia Minority Supplier Diversity Council
- Hillsborough County
- Historically Black Colleges and Universities (HBCU)
- Houston Metro
- Houston Minority Supplier Diversity Council
- HOWARD COUNTY, MD
- Huntsville International Airport
- IL UCP - Illinois Unified Certification Program
- Illinois Department of Transportation
- Indiana Department of Transportation
- Jacksonville Transportation Authority
- Louis Armstrong New Orleans International Airport
- Louisiana Unified Certification Program
- Maryland Department of Transportation
- Maryland Unified Certification Program
- Memphis-Shelby County Airport Authority
- Metra
- Metro St Louis

- Metropolitan Atlanta Rapid Transit Authority
- Metropolitan Washington Airports Authority (MWAA)
- Michigan Minority Supplier Diversity Council
- Michigan Unified Certification Program
- Milwaukee Metropolitan Sewerage District
- MRCC - Missouri Regional Certification Committee
- NATIONAL GAY AND LESBIAN CHAMBER OF COMMERCE
- National Minority Business Council (NMBC)
- National Veteran Owned Business Association (NaVOBA)
- NC UCP - North Carolina Unified Certification Program
- New Jersey Unified Certification Program
- New Orleans Aviation Board (NOAB)
- New Orleans Regional Transit Authority
- New York and New Jersey Minority Supplier Diversity Council
- Niagara Frontier Transportation Authority
- National Minority Supplier Development Council (NMSDC)
- North Central Minority Supplier Diversity Council
- North Central Texas Regional Certification Agency (NCTRCA)
- Northwest Mountain Minority Supplier Diversity Council
- NATIONAL WOMEN BUSINESS OWNERS CORPORATION (NWBOC)
- New Mexico Department of Transportation
- OH UCP - Ohio Unified Certification Program
- Pace Suburban Bus Disadvantaged Business Development Program
- Port Authority of Allegheny County
- PORT OF HOUSTON AUTHORITY
- Prince George County, MD
- SAM - System for Award Management
- SC UCP - South Carolina Unified Certification Program
- Shelby County
- South Central Texas Regional Certification Agency
- Southern California Minority Supplier Diversity Council
- Southern Region Minority Supplier Diversity Council
- Southwest Minority Supplier Diversity Council
- State of Alabama
- State of California
- State of Connecticut
- State of Delaware
- State of Florida
- State of Illinois
- State of Indiana
- State of Kansas
- State of Massachusetts (SOWMBA)
- State of Minnesota
- State of Missouri

- State of New Jersey
- State of New York
- State of North Carolina
- State of Oregon
- State of Pennsylvania
- State of South Carolina
- State of Tennessee
- State of Texas (HUB)
- State of Virginia
- State of Washington
- State of West Virginia
- State of Wisconsin
- Tennessee Unified Certification Program
- Texas Certification Directory
- Texas Department of Transportation
- The Port Authority of New York & New Jersey
- Veterans Affairs / Vetbiz
- Virginia Department of Small Business and Supplier Diversity
- Virginia Unified Certification Program
- Washington Department of Transportation
- Washington Unified Certification Program
- Women's Business Enterprise National Council (WBENC)
- Western Regional Minority Supplier Diversity Council
- WI UCP - Wisconsin Unified Certification Program
- Wisconsin Department of Transportation

#### Nicor Gas Eligible Projects Disbursement Report

For the period from January 1, 2020 through December 31, 2020 for the 2021 First Mortgage Social Bonds

Amounts in \$ Millions

#### Net Proceeds from the 2021 Social First Mortgage Bonds

<u>Issuance Date</u>	<u>Security</u>	
August 31, 2021	First Mortgage Bonds 1.42% Series due August 31, 2026	\$50.0
August 31, 2021	First Mortgage Bonds 2.19% Series due August 31, 2033	\$50.0
October 28, 2021	First Mortgage Bonds 1.77% Series due October 28, 2028	\$100.0

<b>Total Net Proceeds</b>	<b>\$200.0</b>
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#### Disbursements for Eligible Projects for the period from January 1, 2020 through December 31, 2020

Category	Project Type	Amount Disbursed <sup>1</sup>
Diverse and Small Business Suppliers	Diverse Suppliers	\$181.5
Diverse and Small Business Suppliers	Small Business Suppliers	\$18.5
<b>Total Disbursements</b>		<b>\$200.0</b>

<sup>1</sup> Amount disbursed may not represent the full cost of the respective Eligible Projects