

President and Board of Trustees
Village of Thornton
115 E. Margaret Street
Thornton, Illinois 60476

President and Trustees:

The undersigned, Northern Illinois Gas Company (d/b/a Nicor Gas Company) (the “Company”), for and in consideration of the adoption by the authorities of the Village of Thornton, Illinois (the “Municipality”), of an ordinance granting the Company the right to construct, operate and maintain a gas distribution system in the Municipality for a term of 50 years from April 15, 2024 (the “Franchise Ordinance”), hereby agrees for itself, its successors and assigns, that so long as said ordinance shall remain in full force and effect, Company will during each billing year (start and finish of each year shall begin and end with regular meter reading date nearest to January 1) throughout the remainder of the life of said ordinance, supply without charge to the Municipality, an amount of gas not to exceed 8,590 therms (“Therm Allocation”), to be used in buildings which may be occupied from time to time by the Municipality solely for municipal purposes, or such part thereof as may from time to time be so occupied, and not for purposes of revenue.

The Therm Allocation is calculated using the municipality’s population of 2,386 based on the most recent decennial census data. The Therm Allocation will be adjusted by the Company based on each decennial census count. Between decennial census counts, Therm Allocation may be increased on the basis of changes in population of the Municipality as shown by revised or special census. Upon the submission of a written request by the Municipality accompanied by the official State notification of census change, the Therm Allocation will be adjusted by the Company.

For so long as the Franchise Ordinance shall remain in full force and effect, the Municipality’s Therm Allocation will be based on the following revised formula:

First 10,000 of population	3.60 therms per capita;
Next 10,000 of population	2.40 therms per capita;
Next 80,000 of population	1.20 therms per capita;
Next 20,000 of population	1.45 therms per capita;
Over 120,000 of population	1.80 therms per capita.

None of said gas to be supplied without charge to the Municipality, shall be resold for any purpose whatsoever, and in the event the Municipality uses less than the above-mentioned number of therms of gas in any billing year, there shall be no payment due to the Municipality from the Company, or its successors and assigns, for gas not used during that billing year, nor shall any such unused therms be carried over for the following year's use.

In the event the Company's policy in regard to the practice of supplying gas without charge to municipalities in its present service area is changed at any time in the future, or in the event that the Company in the future provides any other gas utility service benefit as a matter of general policy to all municipalities in such service area, it will inform the Municipality of any such change and, upon acceptance by the Municipality, will grant the Municipality the benefits of such change or benefits under the same conditions applicable to other municipalities.

The Company, for itself, its successors and assigns, reserves the option, however, to reduce the total amount of gas supplied during any one billing year without charge as aforesaid by the amount of any fees which the Municipality may charge the Company for permits, street or parkway openings, or inspections of any kind. Such reduction will be arrived at by the use of the Company's applicable rate for such calculation.

This agreement shall supersede, replace and be in lieu of the provisions as to the supply of gas without charge to the Municipality contained in the previous letter of the Company addressed to the President and Board of Trustees.