

CONFIDENTIAL
Approved Minutes

Minutes of 1st Meeting of Efficiency Programs, Inc. (Advisory Board)
held pursuant to notice at Nicor Gas' General Office
1844 Ferry Road, Naperville, Illinois
on Wednesday, July 21, 2009 at 9:00 a.m.

Board Members: James Jerozal – Nicor Gas
Val Jensen – ComEd
Bryan McDaniel – CUB
Kate Offringa – NAIMA
Rebecca Stanfield – NRDC

Guests: Rocco D'Alessandro
Neil Maloney
Cathy Mejia (meeting facilitator)
Robert Mudra
Nancy Brucher (note taker)

This was the initial meeting of Energy Programs, Inc., also referred to as the Advisory Board ("the Board").

Rocco D'Alessandro, Executive Vice President Operations Nicor Gas, offered welcome and opening remarks to the Board Members, after which Mr. D'Alessandro left the meeting.

Board Members initiated an introductory roundtable, providing their respective backgrounds and experience in the energy efficiency field.

Rider 29 Overview

Robert Mudra, Nicor Gas Director of Rates and Financial Analysis, provided an overview of the Rider 29, Energy Efficiency Plan, for information purposes. It was noted that pursuant to the final order in the most recent Nicor Gas rate case, the Advisory Board will be responsible for decisions on energy efficiency programs to implement through December 31, 2009. Beginning January 1, the Advisory Board will segue into an advisory capacity only, and Nicor Gas will assume responsibility for decisions on which energy efficiency programs to implement. It was further noted that the budget for the 2010 period must be finalized and filed with the Illinois Commerce Commission no later than December 1, 2009. Following this discussion, Mr. Mudra left the meeting.

Legal / Fiduciary Responsibilities

Neil Maloney, Assistant General Counsel and Assistant Secretary, provided an overview of the duties, responsibilities and liability issues for Board members. Mr. Maloney described the articles of incorporation to establish Efficiency Programs, Inc. as a 501(c) not-for-profit corporation. The articles of incorporation are to be filed with the Illinois Secretary of State following approval. Mr. Maloney also discussed the proposed bylaws.

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Due to the transfer of decision-making responsibility from the Board to Nicor Gas on January 1, 2010 as noted above, it was agreed that members would initially serve a term of one year as means of providing continuity during this phase of program implementation. It was further noted that following the transfer of responsibility expansion of the Board and amendments to bylaws may be revisited at that time.

Articles of Incorporation

Upon motion and second, the Board approved opening the articles of incorporation for discussion.

Article 6 Names and Addresses of Incorporators was amended to list only James J. Jerozal, Jr.

The Board voted to carry motion to accept the Articles of Incorporation as amended.

Bylaws of Efficiency Programs, Inc.

Approval of the Bylaws was deferred until the next meeting on August 12. It was agreed to extend an invitation to the Staff of the Illinois Commerce Commission to attend future meetings as a guest in a non-voting capacity, under the provisions of Article IV Section 8. Further discussion was held regarding the Board's roles and responsibilities, as well as those of Plan Administrator and Program Implementer. With the assistance of the Board Facilitator, the Board will develop the roles and responsibilities for the Plan Administrator as well as an RFP for the position. A modification to the bylaws to allow proxy voting rights to be granted may be considered. Following discussion of the bylaws, Mr. Maloney left the meeting.

Comments on the bylaws are due to Mr. Jerozal by July 31. Amendments to the bylaws will be provided to Board members no later than August 7. The bylaws are scheduled to be approved at the next meeting on August 12.

Officer Elections

Upon motion and second, James Jerozal was elected Chairman.

Upon motion and second, Bryan McDaniel was elected Secretary.

Energy Efficiency Plan Budget

Mr. Jerozal discussed the current \$2,825,000 budget for 2009, as filed with the Illinois Commerce Commission in June. Prior to the next meeting on August 12, a list of expenses incurred to date will be compiled for the Board's approval. In addition, at that meeting a discussion will be held regarding allocation of the budgeted amounts.

Board Facilitator

Following discussion, upon motion and second the Board approved the Board Facilitator Roles and Responsibilities, as amended.

Mr. Jerozal invited recommendations from the Board for a Board Facilitator. Mr. Jerozal provided the Board with a proposal from Mary F. O'Toole of KO Solutions, LLC to be

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retained as the Board Facilitator. First motion: upon motion and second the Board approved retaining Ms. O'Toole as Board Facilitator. Second motion: upon motion and second, the Board approved a motion for Mr. Jerozal to negotiate the rate proposed by Ms. O'Toole.

Agenda for August 12

The following items will be discussed at the next scheduled Board meeting:

- 1) Bylaws to be approved
- 2) Rider 29 EEP Funding, both budget and allocation
- 3) Discussion of the timeline for targeted implementation of October 2009, including feasibility of various program options.
- 4) Mr. McDaniel will provide members with the RFP for the rebate program currently being considered by the Peoples Gas counterpart to this Board. The Board shall consider this as a potential opportunity for program implementation.

The meeting adjourned at 11:30 a.m.