

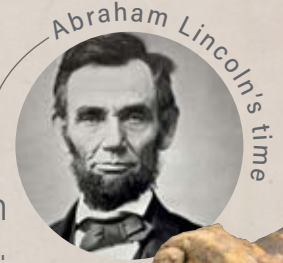
Peoples Gas System Modernization Program

The System Modernization Program (SMP) is a safety initiative to upgrade more than 2,000 miles of aging pipeline infrastructure in Chicago.

The program:

- Removes/replaces deteriorating cast- and ductile iron pipe with safer polyethylene pipe
- Upgrades system from low to medium pressure
- Moves inside meters outside

Some pipes are more than **150 years old**.



Oldest active pipe: **1859**

Miles of pre-1940 main still in use: **838**

Number of meters to move outside for enhanced safety technology: **Over 500,000**



SMP Facts

Safety and reliability

- Upgrade to medium pressure and new outside meters allow for added safety technology:
 - Automatic shut-off valves
 - Over-pressurization protection device and safety vent manage the level of natural gas entering the home or business
 - 24/7 access for emergency responders
 - No need for appointment to inspect meter inside, fewer service interruptions, and faster repair times
- Enables customers to install more energy-efficient appliances
- New piping material is more resistant to corrosion and better withstands freezing Chicago temperatures, reducing natural gas leaks

Oversight

- State regulators closely monitor the program
- Illinois law minimizes cost impact to customers
- Company reports quarterly on 43 detailed metrics to track program's progress, efficiency and affordability

Economic impact

- Creates 2,000 highly skilled, well-paying Illinois jobs
- More than \$300M spent with minority, women and veteran-owned businesses since 2013
- By addressing long-term safety concerns, attracts more business to Chicago



PEOPLES GAS®

We Keep Life Moving