285.4010 Schedule D-1:
Cost of Capital Summary (Page 3 of 3) and WP(D-1) 2

Section 285.4010
Schedule D-1
Projected Cost of Capital Summary

Utility: Northern Illinois Gas Company
d/b/a Nicor Gas Company

Test Year: 12 Months Ended 12/31/05

Line No.	Class of Capital (A)		December 31, 2003 Amount [1] ($000) (B)	Percent of Total (C)	Percent Cost (D)	Cost Reference (E)	Weighted Cost Percent (F) = (C X D)
1	Long-term Debt [3]	$	500,685	44.42 %	6.79 %	D-3	3.02 %
2	Non-redeemable Preferred Stock		1,401	0.12	4.77	D-4	0.01
3	Common Equity		625,092	55.46	11.37 [2]	D-6	6.31
4	Total Capital	$	1,127,178	100.00 %			9.33 %

5 [1] 2003 year-end capital structure.
6 [2] Cost of common equity requested in this filing.
7 [3] Including redeemable preferred stock and long-term debt due within one year.

Section 285.4010 Schedule D-1: Cost of Capital Summary

WP (D-1) 2
Revised 1/6/05

Note: All forecasted monthly balances are at present rates.
($ in 000's)

	Actual Jan-03	Actual Feb-03	Actual Mar-03	Actual Apr-03	Actual May-03	Actual Jun-03	Actual Jul-03	Actual Aug-03	Actual Sep-03	Actual Oct-03	Actual Nov-03	Actual Dec-03
COMMON EQUITY:												
COMMON STOCK	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162
OTHER CAPITAL	107,185	107,600	106,967	106,966	106,972	106,972	106,972	106,972	107,001	107,001	107,001	106,651
RETAINED EARNINGS & ACCUM OTHER COMP INC.	441,644	454,261	450,872	458,603	461,824	469,345	450,770	451,237	431,464	435,692	430,199	442,279
TOTAL COMMON EQUITY	$ 624,991	$ 638,023	$ 634,001	$ 641,731	$ 644,958	$ 652,480	$ 633,904	$ 634,371	$ 614,627	$ 618,855	$ 613,363	$ 625,092

	Actual Jan-04	Actual Feb-04	Actual Mar-04	Forecast Apr-04	Forecast May-04	Forecast Jun-04	Forecast Jul-04	Forecast Aug-04	Forecast Sep-04	Forecast Oct-04	Forecast Nov-04	Forecast Dec-04
COMMON EQUITY:												
COMMON STOCK	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162
OTHER CAPITAL	108,113	108,113	108,113	108,113	108,110	108,110	108,110	108,110	108,110	108,110	108,110	108,110
RETAINED EARNINGS & ACCUM OTHER COMP INC.	455,887	468,000	464,270	471,990	474,043	477,176	461,900	460,186	443,951	446,680	441,332	454,623
TOTAL COMMON EQUITY	$ 640,162	$ 652,275	$ 648,545	$ 656,265	$ 658,315	$ 661,448	$ 646,172	$ 644,458	$ 628,223	$ 630,952	$ 625,604	$ 638,895

	Forecast Jan-05	Forecast Feb-05	Forecast Mar-05	Forecast Apr-05	Forecast May-05	Forecast Jun-05	Forecast Jul-05	Forecast Aug-05	Forecast Sep-05	Forecast Oct-05	Forecast Nov-05	Forecast Dec-05
COMMON EQUITY:												
COMMON STOCK	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162	$ 76,162
OTHER CAPITAL	108,110	108,110	108,110	108,110	108,107	108,107	108,107	108,107	108,107	108,107	108,107	108,107
RETAINED EARNINGS & ACCUM OTHER COMP INC.	466,877	476,197	475,635	480,894	482,111	479,576	467,639	464,642	452,237	453,324	452,368	463,887
TOTAL COMMON EQUITY	$ 651,149	$ 660,469	$ 659,907	$ 665,166	$ 666,380	$ 663,845	$ 651,908	$ 648,911	$ 636,506	$ 637,593	$ 636,637	$ 648,156

285.4030 Schedule D-3: Embedded Cost of Long-term Debt, including Notes

Section 285.4030
Schedule D-3
Embedded Cost of Long-Term Debt

Utility: Northern Illinois Gas Company
d/b/a Nicor Gas Company

Test Year: 12 Months Ended 12/31/05

December 31, 2005

Line No.	Debt Issue Type, Coupon Rate (A)	Date Issued (B)	Maturity Date (C)	Date Reacquired (D)	Principal Amount (E)	Face Amount Outstanding (F)	Unamortized Discount or Premium (1) (G)	Unamortized Debt Expense (Gain) (H)	Carrying Value (I)=(F-G-H)	Annual Interest Cost (J) = (A*E)	Annualized Amort. Of Discount or Premium (K)	Annualized Amort. of Debt Expense (Gain) (L)	Annualized Interest Expense (M)=(J+K+L)
	First Mortgage Bonds												
1	**Outstanding Debt at 12/31/04**												
2	5.550%	12/17/2001	12/15/2006	-	$50,000,000	$50,000,000	$57,500	$26,622	$49,915,878	$2,775,000	60,000	36,191	$2,871,191
3	5.875%	8/17/2001	8/15/2008	-	75,000,000	75,000,000	252,562	50,690	74,696,748	4,406,250	96,214	21,384	4,523,848
4	5.370%	2/1/1999	2/1/2009	-	50,000,000	50,000,000	81,708	50,580	49,867,711	2,685,000	26,500	16,261	2,727,761
5	6.625%	1/25/2001	2/1/2011	-	75,000,000	75,000,000	418,231	63,761	74,518,008	4,968,750	82,275	14,587	5,065,612
6	7.200%	5/18/2001	5/15/2016	-	50,000,000	50,000,000	344,104	63,360	49,592,536	3,600,000	33,167	6,736	3,639,903
7	6.580%	02/15/98	2/15/2028	-	50,000,000	50,000,000	334,456	154,798	49,510,746	3,290,000	15,117	6,996	3,312,113
8	5.800%	12/1/2003	12/1/2023	-	50,000,000	50,000,000	607,823	318,980	49,073,197	2,900,000	33,925	17,804	2,951,729
9	5.900%	12/1/2003	12/1/2032	-	50,000,000	50,000,000	413,496	330,491	49,256,013	2,950,000	15,362	12,278	2,977,640
10	5.900%	12/1/2003	12/1/2033	-	50,000,000	50,000,000	414,563	219,677	49,365,761	2,950,000	14,850	7,869	2,972,719
					500,000,000	500,000,000	2,924,444	1,278,958	495,796,598	30,525,000	377,410	140,106	31,042,516
11	**Redeemable Preferred Stock**												
12	5.000%	2/19/1958	-	-	-	1,000,000	(10,000)	24,309	985,691	50,000	(2,000)	4,862	52,862
13	4.480%	3/17/1965	-	-	-	3,600,000	(2,515)	10,166	3,592,349	161,280	(210)	847	161,917
						4,600,000	(12,515)	34,475	4,578,040	211,280	(2,210)	5,709	214,779
14	**Subtotal of Outstanding Issues**					504,600,000	2,911,929	1,313,433	500,374,638	30,736,280	375,200	145,815	31,257,295
15	**2005 Issuances**				0	0	0	0	0	0	0	0	0
16	**2005 Calls / Retirements**				0	0	0	0	0	0	0	0	0
17	**Debt Reacquired in Previous Years**												
18	8.750%	2/1/1986	12/1/2016	5/15/1993 (2)	0	0	1,386,998	(24,662)	(1,362,335)	0	127,053	(2,259)	124,794
19	9.000%	7/1/1989	7/1/2019	11/19/1997	0	0	1,820,583	82,319	(1,902,902)	0	134,858	6,098	140,956
20	8.875%	8/22/1991	8/15/2021	8/15/2001	0	0	1,919,271	108,143	(2,027,414)	0	122,833	6,921	129,754
21	8.250%	7/21/1992	7/15/2022	3/23/1998	0	0	3,372,273	147,279	(3,519,552)	0	203,865	8,904	212,769
22	7.375%	6/22/1993	7/1/2023	2/26/1999	0	0	2,122,235	83,351	(2,205,586)	0	121,271	4,763	126,033
23	8.250%	7/21/1992	8/15/2024	8/15/1999	0	0	2,441,973	94,833	(2,536,806)	0	131,113	5,092	136,204
24	7.260%	10/13/1995	10/15/2025	12/17/2001	0	0	2,278,615	163,554	(2,442,170)	0	115,130	8,264	123,394
25	7.375%	10/15/1997	10/15/2027	12/26/2003	0	0	2,569,572	99,651	(2,669,222)	0	117,915	4,573	122,488
					0	0	17,911,520	754,468	(18,665,987)	0	1,074,039	42,355	1,116,393
26	**Total**					**$504,600,000**	**$20,823,448**	**$2,067,901**	**$481,708,651**	**$30,736,280**	**$1,449,238**	**$188,170**	**$32,373,688**
27	**Embedded Cost of Long-Term Debt (M / I)**												**6.72%**

28 (1) Unamortized discount or premium for the long-term debt acquired in previous years includes amortization of the call premium balance.
29 (2) $3,010,000 (principal) was reacquired at a gain on various dates prior to 1992 per sinking fund requirements. The remaining $46,990,000 was reacquired on 5/15/1993.

Section 284.4030
Schedule D-3
Embedded Cost of Long-Term Debt

Utility: Northern Illinois Gas Company
d/b/a Nicor Gas Company

Test Year: 12 Months Ended 12/31/05

December 31, 2004

Line No.	Debt Issue Type, Coupon Rate (A)	Date Issued (B)	Maturity Date (C)	Date Reacquired (D)	Principal Amount (E)	Face Amount Outstanding (F)	Unamortized Discount or Premium (G)	(1) Unamortized Debt Expense (Gain) (H)	Carrying Value (I)=(F-G-H)	Annual Interest Cost (J) = (A*E)	Annualized Amort. Of Discount or Premium (K)	Annualized Amort. of Debt Expense (Gain) (L)	Annualized Interest Expense (M)=(J+K+L)
	First Mortgage Bonds												
1	**Outstanding Debt at 12/31/04**												
2	5.550%	12/17/2001	12/15/2006	-	$50,000,000	$50,000,000	$117,500	$62,813	$49,819,687	$2,775,000	$60,000	$36,191	$2,871,191
3	5.875%	8/17/2001	8/15/2008	-	75,000,000	75,000,000	348,777	72,074	74,579,150	4,406,250	96,214	21,384	4,523,848
4	5.370%	2/1/1999	2/1/2009	-	50,000,000	50,000,000	108,208	66,841	49,824,951	2,685,000	26,500	16,261	2,727,761
5	6.625%	1/25/2001	2/1/2011	-	75,000,000	75,000,000	500,506	78,348	74,421,146	4,968,750	82,275	14,587	5,065,612
6	7.200%	5/18/2001	5/15/2016	-	50,000,000	50,000,000	377,271	70,096	49,552,633	3,600,000	33,167	6,736	3,639,903
7	6.580%	2/15/1998	2/15/2028	-	50,000,000	50,000,000	349,573	161,795	49,488,632	3,290,000	15,117	6,996	3,312,113
8	5.800%	12/1/2003	12/1/2023	-	50,000,000	50,000,000	641,748	336,783	49,021,469	2,900,000	33,925	18,294	2,952,219
9	5.900%	12/1/2003	12/1/2032	-	50,000,000	50,000,000	428,858	342,769	49,228,373	2,950,000	15,362	12,617	2,977,979
10	5.900%	12/1/2003	12/1/2033	-	50,000,000	50,000,000	429,413	227,546	49,343,042	2,950,000	14,850	8,196	2,973,046
					500,000,000	500,000,000	3,301,853	1,419,065	495,279,082	30,525,000	377,410	141,263	31,043,673
11	**Redeemable Preferred Stock**												
12	5.000%	2/19/1958	-	-	-	1,200,000	(12,000)	29,171	1,182,829	60,000	(2,000)	4,862	62,862
13	4.480%	3/17/1965	-	-	-	3,900,000	(2,725)	11,013	3,891,712	174,720	(210)	847	175,357
						5,100,000	(14,725)	40,184	5,074,541	234,720	(2,210)	5,709	238,219
14	**Subtotal of Outstanding Issues**					505,100,000	3,287,128	1,459,249	500,353,623	30,759,720	375,200	146,972	31,281,892
15	**2004 Issuances**				0	0	0	0	0	0	0	0	0
16	**2004 Calls / Retirements**				0	0	0	0	0	0	0	0	0
17	**Debt Reacquired in Previous Years**												
18	8.750%	2/1/1986	12/1/2016	5/15/1993 (2)	0	0	1,514,051	(26,922)	(1,487,129)	0	127,053	(2,259)	124,794
19	9.000%	7/1/1989	7/1/2019	11/19/1997	0	0	1,955,441	88,417	(2,043,858)	0	134,858	6,098	140,956
20	8.875%	8/22/1991	8/15/2021	8/15/2001	0	0	2,042,104	115,064	(2,157,168)	0	122,833	6,921	129,754
21	8.250%	7/21/1992	7/15/2022	3/23/1998	0	0	3,576,138	156,183	(3,732,321)	0	203,865	8,904	212,769
22	7.375%	6/22/1993	7/1/2023	2/26/1999	0	0	2,243,505	88,114	(2,331,619)	0	121,271	4,763	126,033
23	8.250%	7/21/1992	8/15/2024	8/15/1999	0	0	2,573,086	99,925	(2,673,011)	0	131,113	5,092	136,204
24	7.260%	10/13/1995	10/15/2025	12/17/2001	0	0	2,393,745	171,818	(2,565,563)	0	115,130	8,264	123,394
25	7.375%	10/15/1997	10/15/2027	12/26/2003	0	0	2,687,487	104,224	(2,791,711)	0	117,915	4,573	122,488
					0	0	18,985,558	796,822	(19,782,381)	0	1,074,039	42,355	1,116,393
26	**Total**					**$505,100,000**	**$22,272,687**	**$2,256,071**	**$480,571,242**	**$30,759,720**	**$1,449,238**	**$189,327**	**$32,398,285**
27	**Embedded Cost of Long-Term Debt (M / I)**												**6.74%**

28 (1) Unamortized discount or premium for the long-term debt acquired in previous years includes amortization of the call premium balance.
29 (2) $3,010,000 (principal) was reacquired at a gain on various dates prior to 1992 per sinking fund requirements. The remaining $46,990,000 was reacquired on 5/15/1993.

Section 285.4030
Schedule D-3
Embedded Cost of Long-Term Debt

Utility: Northern Illinois Gas Company
d/b/a Nicor Gas Company

Test Year: 12 Months Ended 12/31/05

December 31, 2003

Line No.	Debt Issue Type, Coupon Rate (A)	Date Issued (B)	Maturity Date (C)	Date Reacquired (D)	Principal Amount (E)	Face Amount Outstanding (F)	Unamortized Discount or Premium (G)	(1) Unamortized Debt Expense (Gain) (H)	Carrying Value (I)=(F-G-H)	Annual Interest Cost (J) = (A*E)	Annualized Amort. Of Discount or Premium (K)	Annualized Amort. of Debt Expense (Gain) (L)	Annualized Interest Expense (M)=(J+K+L)
	First Mortgage Bonds												
1	**Outstanding Debt at 12/31/04**												
2	3.000%	4/16/2002	4/17/2003	-	$50,000,000	$50,000,000							
3	5.750%	6/1/1998	6/1/2003	-	50,000,000	50,000,000							
4	7.375%	10/15/1997	10/15/2027	-	50,000,000	50,000,000							
5	5.550%	12/15/2001	12/15/2006	-	50,000,000	50,000,000	$177,500	$99,004	$49,723,496	$2,775,000	$60,000	$41,912	$2,876,912
6	5.875%	8/15/2001	8/15/2008	-	75,000,000	75,000,000	444,991	93,458	74,461,551	4,406,250	96,214	25,590	4,528,055
7	5.370%	2/1/1999	2/1/2009	-	50,000,000	50,000,000	134,708	83,101	49,782,190	2,685,000	26,500	16,261	2,727,761
8	6.625%	2/1/2001	2/1/2011	-	75,000,000	75,000,000	582,781	92,935	74,324,283	4,968,750	82,275	19,638	5,070,663
9	7.200%	5/15/2001	5/15/2016	-	50,000,000	50,000,000	410,437	76,832	49,512,731	3,600,000	33,167	9,975	3,643,141
10	6.580%	2/15/1998	2/15/2028	-	50,000,000	50,000,000	364,690	168,791	49,466,519	3,290,000	15,117	6,996	3,312,113
					500,000,000	500,000,000	2,115,108	614,122	347,270,770	21,725,000	313,273	120,373	22,158,645
11	**Redeemable Preferred Stock**												
12	5.000%	2/19/1958	-	-	-	1,400,000	(14,000)	34,033	1,379,967	70,000	(2,000)	4,862	72,862
13	4.480%	3/17/1965	-	-	-	4,200,000	(2,935)	11,860	4,191,075	188,160	(210)	847	188,797
						5,600,000	(16,935)	45,893	5,571,042	258,160	(2,210)	5,709	261,659
14	**2003 Issuances**												
15	5.800%	12/1/2003	12/1/2023	-	50,000,000	50,000,000	675,673	237,254	49,087,073	2,900,000	33,925	11,912	2,945,837
16	5.900%	12/1/2003	12/1/2032	-	50,000,000	50,000,000	444,220	237,562	49,318,218	2,950,000	15,362	8,215	2,973,578
17	5.900%	12/1/2003	12/1/2033	-	50,000,000	50,000,000	444,263	117,919	49,437,819	2,950,000	14,850	3,942	2,968,792
					150,000,000	150,000,000	1,564,155	592,735	147,843,110	8,800,000	64,137	24,069	8,888,206
18	**Subtotal of Outstanding Issues**					505,600,000	3,662,328	1,252,750	500,684,922	30,783,160	375,200	150,151	31,308,511
19	**2003 Calls / Retirements**												
20	(2) 3.00%	4/16/2002	4/17/2003	4/17/2003	50,000,000	50,000,000	0	0	0	0	0	50,000	50,000
21	5.750%	6/1/1998	6/1/2003	6/1/2003	50,000,000	50,000,000	0	0	0	0	68,000	21,341	89,340
22	7.375%	10/15/1997	10/15/2027	12/26/2003	50,000,000	50,000,000	2,805,403	108,796	(2,914,199)	0	117,915	4,573	122,488
					150,000,000	150,000,000	2,805,403	108,796	(2,914,199)	0	185,915	75,914	261,829
23	**Debt Reacquired in Previous Years**												
24	8.750%	2/1/1986	12/1/2016	5/15/1993 (3)	0	0	1,641,104	(29,181)	(1,611,923)	0	127,053	(2,259)	124,794
25	9.000%	7/1/1989	7/1/2019	11/19/1997	0	0	2,090,299	94,515	(2,184,814)	0	134,858	6,098	140,956
26	8.875%	8/22/1991	8/15/2021	8/15/2001	0	0	2,164,938	121,985	(2,286,923)	0	122,833	6,921	129,754
27	8.250%	7/21/1992	7/15/2022	3/23/1998	0	0	3,780,004	165,086	(3,945,090)	0	203,865	8,904	212,769
28	7.375%	6/22/1993	7/1/2023	2/26/1999	0	0	2,364,776	92,877	(2,457,653)	0	121,271	4,763	126,033
29	8.250%	7/21/1992	8/15/2024	8/15/1999	0	0	2,704,199	105,016	(2,809,215)	0	131,113	5,092	136,204
30	7.260%	10/13/1995	10/15/2025	12/17/2001	0	0	2,508,875	180,082	(2,688,957)	0	115,130	8,264	123,394
					0	0	17,254,194	730,381	(17,984,575)	0	956,123	37,782	993,905
31	**Total**					**$505,600,000**	**$23,721,925**	**$2,091,927**	**$479,786,148**	**$30,783,160**	**$1,517,238**	**$263,846**	**$32,564,244**
32	**Embedded Cost of Long-Term Debt (M / I)**												**6.79%**

33 (1) Unamortized discount or premium for the long-term debt acquired in previous years includes amortization of the call premium balance.
34 (2) Private placement note
36 (3) $3,010,000 (principal) was reacquired at a gain on various dates prior to 1992 per sinking fund requirements. The remaining $46,990,000 was reacquired on 5/15/1993.

Amortization of Call Premium Expense on Bonds Reacquired
8 3/4%
Due 12/1/16

Discount=	$321,173.33
Expense=	80,897.78
Recall Premium=	2,650,612.00
	$3,052,683.11

Face Amount Retired=	$50,000,000.00
Recall Premium=	2,650,612.00
Call Price=	$52,650,612.00

Date	Remaining Months	Amortization Dr. 998-780200-42810 Cr. 999-193300	Balance 193300
5/15/93	282.5	$0.00	
			$3,052,683.11
5/31/93	282	5,402.98	
			3,047,280.13
6/30/93	281	10,805.96	
			3,036,474.17
7/31/93	280	10,805.96	
			3,025,668.21
8/31/93	279	10,805.96	
			3,014,862.25
9/30/93	278	10,805.96	
			3,004,056.29
10/31/93	277	10,805.96	
			2,993,250.33
11/30/93	276	10,805.96	
			2,982,444.37
12/31/93	275	10,805.96	
			2,971,638.41
1/31/94	274	10,805.96	
			2,960,832.45
2/28/94	273	10,805.96	
			2,950,026.49
3/31/94	272	10,805.96	
			2,939,220.53
4/30/94	271	10,805.96	
			2,928,414.57
JE 270		18,978.39	
			2,947,392.96

Date	Remaining Months	Amortization Dr. 998-780200-42810 Cr. 999-193300	Balance 193300
5/31/94	270	10,875.99	
			2,936,516.97
6/30/94	269	10,875.99	
			2,925,640.98
7/31/94	268	10,875.99	
			2,914,764.99
8/31/94	267	10,875.99	
			2,903,889.00
9/30/94	266	10,875.99	
			2,893,013.01
10/31/94	265	10,875.99	
			2,882,137.02
11/30/94	264	10,875.99	
			2,871,261.03
12/31/94	263	10,875.99	
			2,860,385.04
1/31/95	262	10,875.99	
			2,849,509.05
2/28/95	261	10,875.99	
			2,838,633.06
3/31/95	260	10,875.99	
			2,827,757.07
4/30/95	259	10,875.99	
			2,816,881.08
5/31/95	258	10,875.99	
			2,806,005.09
6/30/95	257	10,875.99	
			2,795,129.10
7/31/95	256	10,875.99	
			2,784,253.11
8/31/95	255	10,875.99	
			2,773,377.12
9/30/95	254	10,875.99	
			2,762,501.13
10/31/95	253	10,875.99	
			2,751,625.14
11/30/95	252	10,875.99	
			2,740,749.15
12/31/95	251	10,875.99	
			2,729,873.16
1/31/96	250	10,875.99	
			2,718,997.17
2/28/96	249	10,875.99	

Date	Remaining Months	Amortization Dr. 998-780200-42810 Cr. 999-193300	Balance 193300
			2,708,121.18
3/31/96	248	10,875.99	
			2,697,245.19
4/30/96	247	10,875.99	
			2,686,369.20
5/31/96	246	10,875.99	
			2,675,493.21
6/30/96	245	10,875.99	
			2,664,617.22
7/31/96	244	10,875.99	
			2,653,741.23
8/31/96	243	10,875.99	
			2,642,865.24
9/30/96	242	10,875.99	
			2,631,989.25
10/31/96	241	10,875.99	
			2,621,113.26
11/30/96	240	10,875.99	
			2,610,237.27
12/31/96	239	10,875.99	
			2,599,361.28
01/31/97	238	10,875.99	
			2,588,485.29
02/28/97	237	10,875.99	
			2,577,609.30
03/31/97	236	10,875.99	
			2,566,733.31
04/30/97	235	10,875.99	
			2,555,857.32
05/31/97	234	10,875.99	
			2,544,981.33
06/30/97	233	10,875.99	
			2,534,105.34
07/31/97	232	10,875.99	
			2,523,229.35
08/31/97	231	10,875.99	
			2,512,353.36
09/30/97	230	10,875.99	
			2,501,477.37
10/31/97	229	10,875.99	
			2,490,601.38
11/30/97	228	10,875.99	
			2,479,725.39

Date	Remaining Months	Amortization Dr. 998-780200-42810 Cr. 999-193300	Balance 193300
12/31/97	227	10,875.99	
			2,468,849.40
01/31/98	226	10,875.99	
			2,457,973.41
02/28/98	225	10,875.99	
			2,447,097.42
03/31/98	224	10,875.99	
			2,436,221.43
04/30/98	223	10,875.99	
			2,425,345.44
05/31/98	222	10,875.99	
			2,414,469.45
06/30/98	221	10,875.99	
			2,403,593.46
07/31/98	220	10,875.99	
			2,392,717.47
08/31/98	219	10,875.99	
			2,381,841.48
09/30/98	218	10,875.99	
			2,370,965.49
10/31/98	217	10,875.99	
			2,360,089.50
11/30/98	216	10,875.99	
			2,349,213.51
12/31/98	215	10,875.99	
			2,338,337.52
01/31/99	214	10,875.99	
			2,327,461.53
02/28/99	213	10,875.99	
			2,316,585.54
03/31/99	212	10,875.99	
			2,305,709.55
04/30/99	211	10,875.99	
			2,294,833.56
05/31/99	210	10,875.99	
			2,283,957.57
06/30/99	209	10,875.99	
			2,273,081.58
07/31/99	208	10,875.99	
			2,262,205.59
08/31/99	207	10,875.99	
			2,251,329.60
09/30/99	206	10,875.99	

Date	Remaining Months	Amortization Dr. 998-780200-42810 Cr. 999-193300	Balance 193300
			2,240,453.61
10/31/99	205	10,875.99	
			2,229,577.62
11/30/99	204	10,875.99	
			2,218,701.63
12/31/99	203	10,875.99	
			2,207,825.64
01/31/00	202	10,875.99	
			2,196,949.65
02/28/00	201	10,875.99	
			2,186,073.66
03/31/00	200	10,875.99	
			2,175,197.67
04/30/00	199	10,875.99	
			2,164,321.68
05/31/00	198	10,875.99	
			2,153,445.69
06/30/00	197	10,875.99	
			2,142,569.70
07/31/00	196	10,875.99	
			2,131,693.71
08/31/00	195	10,875.99	
			2,120,817.72
09/30/00	194	10,875.99	
			2,109,941.73
10/31/00	193	10,875.99	
			2,099,065.74
11/30/00	192	10,875.99	
			2,088,189.75
12/31/00	191	10,875.99	
			2,077,313.76
01/31/01	190	10,875.99	
			2,066,437.77
02/28/01	189	10,875.99	
			2,055,561.78
03/31/01	188	10,875.99	
			2,044,685.79
04/30/01	187	10,875.99	
			2,033,809.80
05/31/01	186	10,875.99	
			2,022,933.81
06/30/01	185	10,875.99	
			2,012,057.82

Date	Remaining Months	Amortization Dr. 998-780200-42810 Cr. 999-193300	Balance 193300
07/31/01	184	10,875.99	
			2,001,181.83
08/31/01	183	10,875.99	
			1,990,305.84
09/30/01	182	10,875.99	
			1,979,429.85
10/31/01	181	10,875.99	
			1,968,553.86
11/30/01	180	10,875.99	
			1,957,677.87
12/31/01	179	10,875.99	
			1,946,801.88
01/31/02	178	10,875.99	
			1,935,925.89
02/28/02	177	10,875.99	
			1,925,049.90
03/31/02	176	10,875.99	
			1,914,173.91
04/30/02	175	10,875.99	
			1,903,297.92
05/31/02	174	10,875.99	
			1,892,421.93
06/30/02	173	10,875.99	
			1,881,545.94
07/31/02	172	10,875.99	
			1,870,669.95
08/31/02	171	10,875.99	
			1,859,793.96
09/30/02	170	10,875.99	
			1,848,917.97
10/31/02	169	10,875.99	
			1,838,041.98
11/30/02	168	10,875.99	
			1,827,165.99
12/31/02	167	10,875.99	
			1,816,290.00
01/31/03	166	10,875.99	
			1,805,414.01
02/28/03	165	10,875.99	
			1,794,538.02
03/31/03	164	10,875.99	
			1,783,662.03
04/30/03	163	10,875.99	

Date	Remaining Months	Amortization Dr. 998-780200-42810 Cr. 999-193300	Balance 193300
			1,772,786.04
05/31/03	162	10,875.99	
			1,761,910.05
06/30/03	161	10,875.99	
			1,751,034.06
07/31/03	160	10,875.99	
			1,740,158.07
08/31/03	159	10,875.99	
			1,729,282.08
09/30/03	158	10,875.99	
			1,718,406.09
10/31/03	157	10,875.99	
			1,707,530.10
11/30/03	156	10,875.99	
			1,696,654.11
12/31/03	155	10,875.99	
			1,685,778.12
01/31/04	154	10,875.99	
			1,674,902.13
02/29/04	153	10,875.99	
			1,664,026.14
03/31/04	152	10,875.99	
			1,653,150.15
04/30/04	151	10,875.99	
			1,642,274.16
05/31/04	150	10,875.99	
			1,631,398.17
06/30/04	149	10,875.99	
			1,620,522.18
07/31/04	148	10,875.99	
			1,609,646.19
08/31/04	147	10,875.99	
			1,598,770.20
09/30/04	146	10,875.99	
			1,587,894.21
10/31/04	145	10,875.99	
			1,577,018.22
11/30/04	144	10,875.99	
			1,566,142.23
12/31/04	143	10,875.99	
			1,555,266.24

NI-Gas
Amortization of Gain on Bonds Reacquired
8 3/4%
Due 12/1/16

Date	Remaining Months	Amortization Dr. 999-267120 Cr. 998-782300-42910	Balance 267120
10/31/92	289.00	$476.48	
			$137,703.36
11/30/92	288.00	476.48	
			137,226.88
12/31/92	287.00	476.48	
			136,750.40
1/31/93	286.00	476.48	
			136,273.92
2/28/93	285.00	476.48	
			135,797.44
3/31/93	284.00	476.48	
			135,320.96
4/30/93	283.00	476.48	
			134,844.48
5/31/93	282.00	476.48	
			134,368.00
6/30/93	281.00	476.48	
			133,891.52
7/31/93	280.00	476.48	
			133,415.04
8/31/93	279.00	476.48	
			132,938.56
9/30/93	278.00	476.48	
			132,462.08
10/31/93	277.00	476.48	
			131,985.60
11/30/93	276.00	476.48	
			131,509.12
12/31/93	275.00	476.48	
			131,032.64
1/31/94	274.00	476.48	
			130,556.16
2/28/94	273.00	476.48	
			130,079.68
3/31/94	272.00	476.48	
			129,603.20
4/30/94	271.00	476.48	

NI-Gas
Amortization of Gain on Bonds Reacquired
8 3/4%
Due 12/1/16

Date	Remaining Months	Amortization Dr. 999-267120 Cr. 998-782300-42910	Balance 267120
			129,126.72
5/31/94	270.00	476.48	
			128,650.24
6/30/94	269.00	476.48	
			128,173.76
7/31/94	268.00	476.48	
			127,697.28
8/31/94	267.00	476.48	
			127,220.80
9/30/94	266.00	476.48	
			126,744.32
10/31/94	265.00	476.48	
			126,267.84
11/30/94	264.00	476.48	
			125,791.36
12/31/94	263.00	476.48	
			125,314.88
1/31/95	262.00	476.48	
			124,838.40
2/28/95	261.00	476.48	
			124,361.92
3/31/95	260.00	476.48	
			123,885.44
4/30/95	259.00	476.48	
			123,408.96
5/31/95	258.00	476.48	
			122,932.48
6/30/95	257.00	476.48	
			122,456.00
7/31/95	256.00	476.48	
			121,979.52
8/31/95	255.00	476.48	
			121,503.04
9/30/95	254.00	476.48	
			121,026.56
10/31/95	253.00	476.48	
			120,550.08
11/30/95	252.00	476.48	

NI-Gas
Amortization of Gain on Bonds Reacquired
8 3/4%
Due 12/1/16

Date	Remaining Months	Amortization Dr. 999-267120 Cr. 998-782300-42910	Balance 267120
			120,073.60
12/31/95	251.00	476.48	
			119,597.12
1/31/96	250.00	476.48	
			119,120.64
2/29/96	249.00	476.48	
			118,644.16
3/31/96	248.00	476.48	
			118,167.68
4/30/96	247.00	476.48	
			117,691.20
5/31/96	246.00	476.48	
			117,214.72
6/30/96	245.00	476.48	
			116,738.24
7/31/96	244.00	476.48	
			116,261.76
8/31/96	243.00	476.48	
			115,785.28
9/30/96	242.00	476.48	
			115,308.80
10/31/96	241.00	476.48	
			114,832.32
11/30/96	240.00	476.48	
			114,355.84
12/31/96	239.00	476.48	
			113,879.36
01/31/97	238.00	476.48	
			113,402.88
02/28/97	237.00	476.48	
			112,926.40
03/31/97	236.00	476.48	
			112,449.92
04/30/97	235.00	476.48	
			111,973.43
05/31/97	234.00	476.48	
			111,496.96
06/30/97	233.00	476.48	

NI-Gas
Amortization of Gain on Bonds Reacquired
8 3/4%
Due 12/1/16

Date	Remaining Months	Amortization Dr. 999-267120 Cr. 998-782300-42910	Balance 267120
			111,020.48
07/31/97	232.00	476.48	
			110,544.00
08/31/97	231.00	476.48	
			110,067.52
09/30/97	230.00	476.48	
			109,591.04
10/31/97	229.00	476.48	
			109,114.56
11/30/97	228.00	476.48	
			108,638.08
12/31/97	227.00	476.48	
			108,161.60
01/31/98	226.00	476.48	
			107,685.12
02/28/98	225.00	476.48	
			107,208.64
03/31/98	224.00	476.48	
			106,732.15
04/30/98	223.00	476.48	
			106,255.67
05/31/98	222.00	476.48	
			105,779.19
06/30/98	221.00	476.48	
			105,302.70
07/31/98	220.00	476.48	
			104,826.22
08/31/98	219.00	476.48	
			104,349.74
09/30/98	218.00	476.48	
			103,873.26
10/31/98	217.00	476.48	
			103,396.77
11/30/98	216.00	476.48	
			102,920.29
12/31/98	215.00	476.48	
			102,443.81
01/31/99	214.00	476.48	

NI-Gas
Amortization of Gain on Bonds Reacquired
8 3/4%
Due 12/1/16

Date	Remaining Months	Amortization Dr. 999-267120 Cr. 998-782300-42910	Balance 267120
			101,967.32
02/28/99	213.00	476.48	
			101,490.84
03/31/99	212.00	476.48	
			101,014.36
04/30/99	211.00	476.48	
			100,537.88
05/31/99	210.00	476.48	
			100,061.39
06/30/99	209.00	476.48	
			99,584.91
07/31/99	208.00	476.48	
			99,108.43
08/31/99	207.00	476.48	
			98,631.95
09/30/99	206.00	476.48	
			98,155.46
10/31/99	205.00	476.48	
			97,678.98
11/30/99	204.00	476.48	
			97,202.50
12/31/99	203.00	476.48	
			96,726.01
01/31/00	202.00	476.48	
			96,249.53
02/28/00	201.00	476.48	
			95,773.05
03/31/00	200.00	476.48	
			95,296.57
04/30/00	199.00	476.48	
			94,820.08
05/31/00	198.00	476.48	
			94,343.60
06/30/00	197.00	476.48	
			93,867.12
07/31/00	196.00	476.48	
			93,390.63
08/31/00	195.00	476.48	

NI-Gas
Amortization of Gain on Bonds Reacquired
8 3/4%
Due 12/1/16

Date	Remaining Months	Amortization Dr. 999-267120 Cr. 998-782300-42910	Balance 267120
			92,914.15
09/30/00	194.00	476.48	
			92,437.67
10/31/00	193.00	476.48	
			91,961.19
11/30/00	192.00	476.48	
			91,484.70
12/31/00	191.00	476.48	
			91,008.22
01/31/01	190.00	476.48	
			90,531.74
02/28/01	189.00	476.48	
			90,055.25
03/31/01	188.00	476.48	
			89,578.77
04/30/01	187.00	476.48	
			89,102.29
05/31/01	186.00	476.48	
			88,625.81
06/30/01	185.00	476.48	
			88,149.32
07/31/01	184.00	476.48	
			87,672.84
08/31/01	183.00	476.48	
			87,196.36
09/30/01	182.00	476.48	
			86,719.87
10/31/01	181.00	476.48	
			86,243.39
11/30/01	180.00	476.48	
			85,766.91
12/31/01	179.00	476.48	
			85,290.43
01/31/02	178.00	476.48	
			84,813.94
02/28/02	177.00	476.48	
			84,337.46
03/31/02	176.00	476.48	

NI-Gas
Amortization of Gain on Bonds Reacquired
8 3/4%
Due 12/1/16

Date	Remaining Months	Amortization Dr. 999-267120 Cr. 998-782300-42910	Balance 267120
			83,860.98
04/30/02	175.00	476.48	
			83,384.49
05/31/02	174.00	476.48	
			82,908.01
06/30/02	173.00	476.48	
			82,431.53
07/31/02	172.00	476.48	
			81,955.05
08/31/02	171.00	476.48	
			81,478.56
09/30/02	170.00	476.48	
			81,002.08
10/31/02	169.00	476.48	
			80,525.60
11/30/02	168.00	476.48	
			80,049.11
12/31/02	167.00	476.48	
			79,572.63
01/31/03	166.00	476.48	
			79,096.15
02/28/03	165.00	476.48	
			78,619.67
03/31/03	164.00	476.48	
			78,143.18
04/30/03	163.00	476.48	
			77,666.70
05/31/03	162.00	476.48	
			77,190.22
06/30/03	161.00	476.48	
			76,713.74
07/31/03	160.00	476.48	
			76,237.25
08/31/03	159.00	476.48	
			75,760.77
09/30/03	158.00	476.48	
			75,284.29
10/31/03	157.00	476.48	

NI-Gas
Amortization of Gain on Bonds Reacquired
8 3/4%
Due 12/1/16

Date	Remaining Months	Amortization Dr. 999-267120 Cr. 998-782300-42910	Balance 267120
			74,807.80
11/30/03	156.00	476.48	
			74,331.32
12/31/03	155.00	476.48	
			73,854.84
01/31/04	154.00	476.48	
			73,378.36
02/29/04	153.00	476.48	
			72,901.87
03/31/04	152.00	476.48	
			72,425.39
04/30/04	151.00	476.48	
			71,948.91
05/31/04	150.00	476.48	
			71,472.42
06/30/04	149.00	476.48	
			70,995.94
07/31/04	148.00	476.48	
			70,519.46
08/31/04	147.00	476.48	
			70,042.98
09/30/04	146.00	476.48	
			69,566.49
10/31/04	145.00	476.48	
			69,090.01
11/30/04	144.00	476.48	
			68,613.53
12/31/04	143.00	476.48	
			68,137.04

Nicor Gas
Amortization of Call Premium Expense on Bonds Reacquired
9%
Due 7/01/19

Discount=	$274,805.70
Expense=	131,795.47
Recall Premium=	2,640,000.00
	$3,046,601.17
Face Amount Retired=	$50,000,000.00
Recall Prem=	2,640,000.00
Call Price=	$52,640,000.00

Date	Remaining Months	Amortization Dr. 998-780400-42810 Cr. 999-193400	Balance 193400
11/19/97	259.4	$0.00	
			$3,046,601.17
11/30/97	259	4,306.98	
			3,042,294.19
12/31/97	258	11,746.31	
			3,030,547.88
01/31/98	257	11,746.31	
			3,018,801.57
02/28/98	256	11,746.31	
			3,007,055.26
03/31/98	255	11,746.31	
			2,995,308.95
04/30/98	254	11,746.31	
			2,983,562.64
05/31/98	253	11,746.31	
			2,971,816.33
06/30/98	252	11,746.31	
			2,960,070.02
07/31/98	251	11,746.31	
			2,948,323.71
08/31/98	250	11,746.31	
			2,936,577.40
09/30/98	249	11,746.31	
			2,924,831.09
10/31/98	248	11,746.31	
			2,913,084.78
11/30/98	247	11,746.31	
			2,901,338.47

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Date	Remaining Months	Amortization Dr. 998-780400-42810 Cr. 999-193400	Balance 193400
12/31/98	246	11,746.31	
			2,889,592.16
01/31/99	245	11,746.31	
			2,877,845.85
02/28/99	244	11,746.31	
			2,866,099.54
03/31/99	243	11,746.31	
			2,854,353.23
04/30/99	242	11,746.31	
			2,842,606.92
05/31/99	241	11,746.31	
			2,830,860.61
06/30/99	240	11,746.31	
			2,819,114.30
07/31/99	239	11,746.31	
			2,807,367.99
08/31/99	238	11,746.31	
			2,795,621.68
09/30/99	237	11,746.31	
			2,783,875.37
10/31/99	236	11,746.31	
			2,772,129.06
11/30/99	235	11,746.31	
			2,760,382.75
12/31/99	234	11,746.31	
			2,748,636.44
01/31/00	233	11,746.31	
			2,736,890.13
02/28/00	232	11,746.31	
			2,725,143.82
03/31/00	231	11,746.31	
			2,713,397.51
04/30/00	230	11,746.31	
			2,701,651.20
05/31/00	229	11,746.31	
			2,689,904.89
06/30/00	228	11,746.31	
			2,678,158.58
07/31/00	227	11,746.31	
			2,666,412.27
08/31/00	226	11,746.31	
			2,654,665.96
09/30/00	225	11,746.31	

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Date	Remaining Months	Amortization Dr. 998-780400-42810 Cr. 999-193400	Balance 193400
			2,642,919.65
10/31/00	224	11,746.31	
			2,631,173.34
11/30/00	223	11,746.31	
			2,619,427.03
12/31/00	222	11,746.31	
			2,607,680.72
01/31/01	221	11,746.31	
			2,595,934.41
02/28/01	220	11,746.31	
			2,584,188.10
03/31/01	219	11,746.31	
			2,572,441.79
04/30/01	218	11,746.31	
			2,560,695.48
05/31/01	217	11,746.31	
			2,548,949.17
06/30/01	216	11,746.31	
			2,537,202.86
07/31/01	215	11,746.31	
			2,525,456.55
08/31/01	214	11,746.31	
			2,513,710.24
09/30/01	213	11,746.31	
			2,501,963.93
10/31/01	212	11,746.31	
			2,490,217.62
11/30/01	211	11,746.31	
			2,478,471.31
12/31/01	210	11,746.31	
			2,466,725.00
01/31/02	209	11,746.31	
			2,454,978.69
02/28/02	208	11,746.31	
			2,443,232.38
03/31/02	207	11,746.31	
			2,431,486.07
04/30/02	206	11,746.31	
			2,419,739.76
05/31/02	205	11,746.31	
			2,407,993.45
06/30/02	204	11,746.31	
			2,396,247.14

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Date	Remaining Months	Amortization Dr. 998-780400-42810 Cr. 999-193400	Balance 193400
07/31/02	203	11,746.31	
			2,384,500.83
08/31/02	202	11,746.31	
			2,372,754.52
09/30/02	201	11,746.31	
			2,361,008.21
10/31/02	200	11,746.31	
			2,349,261.90
11/30/02	199	11,746.31	
			2,337,515.59
12/31/02	198	11,746.31	
			2,325,769.28
01/31/03	197	11,746.31	
			2,314,022.97
02/28/03	196	11,746.31	
			2,302,276.66
03/31/03	195	11,746.31	
			2,290,530.35
04/30/03	194	11,746.31	
			2,278,784.04
05/31/03	193	11,746.31	
			2,267,037.73
06/30/03	192	11,746.31	
			2,255,291.42
07/31/03	191	11,746.31	
			2,243,545.11
08/31/03	190	11,746.31	
			2,231,798.80
09/30/03	189	11,746.31	
			2,220,052.49
10/31/03	188	11,746.31	
			2,208,306.18
11/30/03	187	11,746.31	
			2,196,559.87
12/31/03	186	11,746.31	
			2,184,813.56
01/31/04	185	11,746.31	
			2,173,067.25
02/29/04	184	11,746.31	
			2,161,320.94
03/31/04	183	11,746.31	
			2,149,574.63
04/30/04	182	11,746.31	

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Date	Remaining Months	Amortization Dr. 998-780400-42810 Cr. 999-193400	Balance 193400
			2,137,828.32
05/31/04	181	11,746.31	
			2,126,082.01
06/30/04	180	11,746.31	
			2,114,335.70
07/31/04	179	11,746.31	
			2,102,589.39
08/31/04	178	11,746.31	
			2,090,843.08
09/30/04	177	11,746.31	
			2,079,096.77
10/31/04	176	11,746.31	
			2,067,350.46
11/30/04	175	11,746.31	
			2,055,604.15
12/31/04	174	11,746.31	
			2,043,857.84

9% due 7/1/19

Nicor Gas
Amortization of Call Premium Expense on Bonds Reacquired
8.25%
Due 7/15/22

Discount=	$469,218.52
Expense=	217,023.21
Recall Premium=	4,500,000.00
	$5,186,241.73
Face Amount Retired=	$75,000,000.00
Recall Premium=	4,500,000.00
Call Price=	$79,500,000.00

Date	Remaining Months	Amortization Dr. 998-780500-42810 Cr. 999-193500	Balance 193500
3/23/98			
3/1/98	292.5	$0.00	
			$5,186,241.73
3/31/98	291.5	17,730.74	
			5,168,510.99
4/30/98	290.5	17,730.74	
			5,150,780.25
5/31/98	289.5	17,730.74	
			5,133,049.51
6/30/98	288.5	17,730.74	
			5,115,318.77
7/31/98	287.5	17,730.74	
			5,097,588.03
8/31/98	286.5	17,730.74	
			5,079,857.28
9/30/98	285.5	17,730.74	
			5,062,126.54
10/31/98	284.5	17,730.74	
			5,044,395.80
11/30/98	283.5	17,730.74	
			5,026,665.06
12/31/98	282.5	17,730.74	
			5,008,934.32
1/31/99	281.5	17,730.74	
			4,991,203.58
2/28/99	280.5	17,730.74	
			4,973,472.84

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Date	Remaining Months	Amortization Dr. 998-780500-42810 Cr. 999-193500	Balance 193500
3/31/99	279.5	17,730.74	
			4,955,742.10
4/30/99	278.5	17,730.74	
			4,938,011.36
5/31/99	277.5	17,730.74	
			4,920,280.62
6/30/99	276.5	17,730.74	
			4,902,549.87
7/31/99	275.5	17,730.74	
			4,884,819.13
8/31/99	274.5	17,730.74	
			4,867,088.39
9/30/99	273.5	17,730.74	
			4,849,357.65
10/31/99	272.5	17,730.74	
			4,831,626.91
11/30/99	271.5	17,730.74	
			4,813,896.17
12/31/99	270.5	17,730.74	
			4,796,165.43
01/31/00	269.5	17,730.74	
			4,778,434.69
02/28/00	268.5	17,730.74	
			4,760,703.95
03/31/00	267.5	17,730.74	
			4,742,973.21
04/30/00	266.5	17,730.74	
			4,725,242.47
05/31/00	265.5	17,730.74	
			4,707,511.72
06/30/00	264.5	17,730.74	
			4,689,780.98
07/31/00	263.5	17,730.74	
			4,672,050.24
08/31/00	262.5	17,730.74	
			4,654,319.50
09/30/00	261.5	17,730.74	
			4,636,588.76
10/31/00	260.5	17,730.74	
			4,618,858.02
11/30/00	259.5	17,730.74	
			4,601,127.28
12/31/00	258.5	17,730.74	

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Date	Remaining Months	Amortization Dr. 998-780500-42810 Cr. 999-193500	Balance 193500
			4,583,396.54
01/31/01	257.5	17,730.74	
			4,565,665.80
02/28/01	256.5	17,730.74	
			4,547,935.06
03/31/01	255.5	17,730.74	
			4,530,204.31
04/30/01	254.5	17,730.74	
			4,512,473.57
05/31/01	253.5	17,730.74	
			4,494,742.83
06/30/01	252.5	17,730.74	
			4,477,012.09
07/31/01	251.5	17,730.74	
			4,459,281.35
08/31/01	250.5	17,730.74	
			4,441,550.61
09/30/01	249.5	17,730.74	
			4,423,819.87
10/31/01	248.5	17,730.74	
			4,406,089.13
11/30/01	247.5	17,730.74	
			4,388,358.39
12/31/01	246.5	17,730.74	
			4,370,627.65
01/31/02	245.5	17,730.74	
			4,352,896.91
02/28/02	244.5	17,730.74	
			4,335,166.16
03/31/02	243.5	17,730.74	
			4,317,435.42
04/30/02	242.5	17,730.74	
			4,299,704.68
05/31/02	241.5	17,730.74	
			4,281,973.94
06/30/02	240.5	17,730.74	
			4,264,243.20
07/31/02	239.5	17,730.74	
			4,246,512.46
08/31/02	238.5	17,730.74	
			4,228,781.72
09/30/02	237.5	17,730.74	
			4,211,050.98

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Date	Remaining Months	Amortization Dr. 998-780500-42810 Cr. 999-193500	Balance 193500
10/31/02	236.5	17,730.74	
			4,193,320.24
11/30/02	235.5	17,730.74	
			4,175,589.50
12/31/02	234.5	17,730.74	
			4,157,858.75
01/31/03	233.5	17,730.74	
			4,140,128.01
02/28/03	232.5	17,730.74	
			4,122,397.27
03/31/03	231.5	17,730.74	
			4,104,666.53
04/30/03	230.5	17,730.74	
			4,086,935.79
05/31/03	229.5	17,730.74	
			4,069,205.05
06/30/03	228.5	17,730.74	
			4,051,474.31
07/31/03	227.5	17,730.74	
			4,033,743.57
08/31/03	226.5	17,730.74	
			4,016,012.83
09/30/03	225.5	17,730.74	
			3,998,282.09
10/31/03	224.5	17,730.74	
			3,980,551.34
11/30/03	223.5	17,730.74	
			3,962,820.60
12/31/03	222.5	17,730.74	
			3,945,089.86
01/31/04	221.5	17,730.74	
			3,927,359.12
02/29/04	220.5	17,730.74	
			3,909,628.38
03/31/04	219.5	17,730.74	
			3,891,897.64
04/30/04	218.5	17,730.74	
			3,874,166.90
05/31/04	217.5	17,730.74	
			3,856,436.16
06/30/04	216.5	17,730.74	
			3,838,705.42
07/31/04	215.5	17,730.74	

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Date	Remaining Months	Amortization Dr. 998-780500-42810 Cr. 999-193500	Balance 193500
			3,820,974.68
08/31/04	214.5	17,730.74	
			3,803,243.94
09/30/04	213.5	17,730.74	
			3,785,513.19
10/31/04	212.5	17,730.74	
			3,767,782.45
11/30/04	211.5	17,730.74	
			3,750,051.71
12/31/04	210.5	17,730.74	
			3,732,320.97

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Nicor Gas
Amortization of Call Premium Expense on Bonds Reacquired
7.375%
Due 07/01/23

Discount=	$306,022.52
Expense=	116,294.63
Recall Premium=	2,655,000.00
	$3,077,317.15
Face Amount Retired=	$50,000,000.00
Recall Premium=	2,655,000.00
Call Price=	$52,655,000.00

Date	Remaining Months	Amortization Dr. 998-780800-42810 Cr. 999-193800	Balance 999-193800
2/26/99			
2/01/99	293.0	$0.00	
			$3,077,317.15
2/28/99	292.0	10,502.79	
			3,066,814.36
3/31/99	291.0	10,502.79	
			3,056,311.57
4/30/99	290.0	10,502.79	
			3,045,808.78
5/31/99	289.0	10,502.79	
			3,035,305.99
6/30/99	288.0	10,502.79	
			3,024,803.21
7/31/99	287.0	10,502.79	
			3,014,300.42
8/31/99	286.0	10,502.79	
			3,003,797.63
9/30/99	285.0	10,502.79	
			2,993,294.84
10/31/99	284.0	10,502.79	
			2,982,792.05
11/30/99	283.0	10,502.79	
			2,972,289.26
12/31/99	282.0	10,502.79	
			2,961,786.47
01/31/00	281.0	10,502.79	

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Date	Remaining Months	Amortization Dr. 998-780800-42810 Cr. 999-193800	Balance 999-193800
			2,951,283.68
2/28/00	280.0	10,502.79	
			2,940,780.89
3/31/00	279.0	10,502.79	
			2,930,278.11
4/30/00	278.0	10,502.79	
			2,919,775.32
5/31/00	277.0	10,502.79	
			2,909,272.53
6/30/00	276.0	10,502.79	
			2,898,769.74
07/31/00	275.0	10,502.79	
			2,888,266.95
08/31/00	274.0	10,502.79	
			2,877,764.16
09/30/00	273.0	10,502.79	
			2,867,261.37
10/31/00	272.0	10,502.79	
			2,856,758.58
11/30/00	271.0	10,502.79	
			2,846,255.79
12/31/00	270.0	10,502.79	
			2,835,753.01
01/31/01	269.0	10,502.79	
			2,825,250.22
02/28/01	268.0	10,502.79	
			2,814,747.43
03/31/01	267.0	10,502.79	
			2,804,244.64
04/30/01	266.0	10,502.79	
			2,793,741.85
05/31/01	265.0	10,502.79	
			2,783,239.06
06/30/01	264.0	10,502.79	
			2,772,736.27
07/31/01	263.0	10,502.79	
			2,762,233.48
08/31/01	262.0	10,502.79	
			2,751,730.69
09/30/01	261.0	10,502.79	
			2,741,227.90
10/31/01	260.0	10,502.79	
			2,730,725.12

Date	Remaining Months	Amortization Dr. 998-780800-42810 Cr. 999-193800	Balance 999-193800
11/30/01	259.0	10,502.79	
			2,720,222.33
12/31/01	258.0	10,502.79	
			2,709,719.54
01/31/02	257.0	10,502.79	
			2,699,216.75
02/28/02	256.0	10,502.79	
			2,688,713.96
03/31/02	255.0	10,502.79	
			2,678,211.17
04/30/02	254.0	10,502.79	
			2,667,708.38
05/31/02	253.0	10,502.79	
			2,657,205.59
06/30/02	252.0	10,502.79	
			2,646,702.80
07/31/02	251.0	10,502.79	
			2,636,200.02
08/31/02	250.0	10,502.79	
			2,625,697.23
09/30/02	249.0	10,502.79	
			2,615,194.44
10/31/02	248.0	10,502.79	
			2,604,691.65
11/30/02	247.0	10,502.79	
			2,594,188.86
12/31/02	246.0	10,502.79	
			2,583,686.07
01/31/03	245.0	10,502.79	
			2,573,183.28
02/28/03	244.0	10,502.79	
			2,562,680.49
03/31/03	243.0	10,502.79	
			2,552,177.70
04/30/03	242.0	10,502.79	
			2,541,674.92
05/31/03	241.0	10,502.79	
			2,531,172.13
06/30/03	240.0	10,502.79	
			2,520,669.34
07/31/03	239.0	10,502.79	
			2,510,166.55
08/31/03	238.0	10,502.79	

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Date	Remaining Months	Amortization Dr. 998-780800-42810 Cr. 999-193800	Balance 999-193800
			2,499,663.76
09/30/03	237.0	10,502.79	
			2,489,160.97
10/31/03	236.0	10,502.79	
			2,478,658.18
11/30/03	235.0	10,502.79	
			2,468,155.39
12/31/03	234.0	10,502.79	
			2,457,652.60
01/31/04	233.0	10,502.79	
			2,447,149.82
02/29/04	232.0	10,502.79	
			2,436,647.03
03/31/04	231.0	10,502.79	
			2,426,144.24
04/30/04	230.0	10,502.79	
			2,415,641.45
05/31/04	229.0	10,502.79	
			2,405,138.66
06/30/04	228.0	10,502.79	
			2,394,635.87
07/31/04	227.0	10,502.79	
			2,384,133.08
08/31/04	226.0	10,502.79	
			2,373,630.29
09/30/04	225.0	10,502.79	
			2,363,127.50
10/31/04	224.0	10,502.79	
			2,352,624.72
11/30/04	223.0	10,502.79	
			2,342,121.93
12/31/04	222.0	10,502.79	
			2,331,619.14

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Nicor Gas
Amortization of Call Premium Expense on Bonds Reacquired
8.250%
Due 08/15/24

999-281160 Discount=	$218,279.80
999-276160 Expense=	127,504.64
Recall Premium=	3,065,000.00
	$3,410,784.44

Face Amount Retired=	$50,000,000.00
Recall Premium=	3,065,000.00
Call Price=	$53,065,000.00

Date	Remaining Months	Amortization Dr. 998-780900-42810 Cr. 999-193900	Balance 999-193900
8/01/99	300.5	$0.00	
			$3,410,784.44
8/31/99	299.5	11,350.36	
			3,399,434.08
9/30/99	298.5	11,350.36	
			3,388,083.71
10/31/99	297.5	11,350.36	
			3,376,733.35
11/30/99	296.5	11,350.36	
			3,365,382.98
12/31/99	295.5	11,350.36	
			3,354,032.62
1/31/00	294.5	11,350.36	
			3,342,682.25
2/28/00	293.5	11,350.36	
			3,331,331.89
3/31/00	292.5	11,350.36	
			3,319,981.53
4/30/00	291.5	11,350.36	
			3,308,631.16
5/31/00	290.5	11,350.36	
			3,297,280.80
6/30/00	289.5	11,350.36	
			3,285,930.43
07/31/00	288.5	11,350.36	
			3,274,580.07
08/31/00	287.5	11,350.36	
			3,263,229.71

Revised 01/06/05

Date	Remaining Months	Amortization Dr. 998-780900-42810 Cr. 999-193900	Balance 999-193900
09/30/00	286.5	11,350.36	
			3,251,879.34
10/31/00	285.5	11,350.36	
			3,240,528.98
11/30/00	284.5	11,350.36	
			3,229,178.61
12/31/00	283.5	11,350.36	
			3,217,828.25
01/31/01	282.5	11,350.36	
			3,206,477.88
02/28/01	281.5	11,350.36	
			3,195,127.52
03/31/01	280.5	11,350.36	
			3,183,777.16
04/30/01	279.5	11,350.36	
			3,172,426.79
05/31/01	278.5	11,350.36	
			3,161,076.43
06/30/01	277.5	11,350.36	
			3,149,726.06
07/31/01	276.5	11,350.36	
			3,138,375.70
08/31/01	275.5	11,350.36	
			3,127,025.34
09/30/01	274.5	11,350.36	
			3,115,674.97
10/31/01	273.5	11,350.36	
			3,104,324.61
11/30/01	272.5	11,350.36	
			3,092,974.24
12/31/01	271.5	11,350.36	
			3,081,623.88
01/31/02	270.5	11,350.36	
			3,070,273.51
02/28/02	269.5	11,350.36	
			3,058,923.15
03/31/02	268.5	11,350.36	
			3,047,572.79
04/30/02	267.5	11,350.36	
			3,036,222.42
05/31/02	266.5	11,350.36	
			3,024,872.06
06/30/02	265.5	11,350.36	

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Date	Remaining Months	Amortization Dr. 998-780900-42810 Cr. 999-193900	Balance 999-193900
			3,013,521.69
07/31/02	264.5	11,350.36	
			3,002,171.33
08/31/02	263.5	11,350.36	
			2,990,820.96
09/30/02	262.5	11,350.36	
			2,979,470.60
10/31/02	261.5	11,350.36	
			2,968,120.24
11/30/02	260.5	11,350.36	
			2,956,769.87
12/31/02	259.5	11,350.36	
			2,945,419.51
01/31/03	258.5	11,350.36	
			2,934,069.14
02/28/03	257.5	11,350.36	
			2,922,718.78
03/31/03	256.5	11,350.36	
			2,911,368.42
04/30/03	255.5	11,350.36	
			2,900,018.05
05/31/03	254.5	11,350.36	
			2,888,667.69
06/30/03	253.5	11,350.36	
			2,877,317.32
07/31/03	252.5	11,350.36	
			2,865,966.96
08/31/03	251.5	11,350.36	
			2,854,616.59
09/30/03	250.5	11,350.36	
			2,843,266.23
10/31/03	249.5	11,350.36	
			2,831,915.87
11/30/03	248.5	11,350.36	
			2,820,565.50
12/31/03	247.5	11,350.36	
			2,809,215.14
01/31/04	246.5	11,350.36	
			2,797,864.77
02/29/04	245.5	11,350.36	
			2,786,514.41
03/31/04	244.5	11,350.36	
			2,775,164.05

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Date	Remaining Months	Amortization Dr. 998-780900-42810 Cr. 999-193900	Balance 999-193900
04/30/04	243.5	11,350.36	
			2,763,813.68
05/31/04	242.5	11,350.36	
			2,752,463.32
06/30/04	241.5	11,350.36	
			2,741,112.95
07/31/04	240.5	11,350.36	
			2,729,762.59
08/31/04	239.5	11,350.36	
			2,718,412.22
09/30/04	238.5	11,350.36	
			2,707,061.86
10/31/04	237.5	11,350.36	
			2,695,711.50
11/30/04	236.5	11,350.36	
			2,684,361.13
12/31/04	235.5	11,350.36	
			2,673,010.77

Revised 01/06/05

Nicor Gas
Amortization of Call Premium Expense on Bonds Reacquired
8.875%
Due 08/15/21
Recalled 8/15/01

999-281140 Discount=	$326,666.74
999-276140 Expense=	138,423.14
Recall Premium=	2,130,000.00
	$2,595,089.88

Face Amount Retired=	$50,000,000.00
Recall Premium=	2,130,000.00
Call Price=	$52,130,000.00

Date	Remaining Months	Amortization Dr. 998-781200-42810 Cr. 999-194200	Balance 999-194200
8/15/01	240.0	$0.00	
			$2,595,089.88
8/30/01	239.5	5,406.44	
			2,589,683.44
9/30/01	238.5	10,812.87	
			2,578,870.57
10/31/01	237.5	10,812.87	
			2,568,057.69
11/30/01	236.5	10,812.87	
			2,557,244.82
12/31/01	235.5	10,812.87	
			2,546,431.94
1/31/02	234.5	10,812.87	
			2,535,619.07
2/28/02	233.5	10,812.87	
			2,524,806.20
3/31/02	232.5	10,812.87	
			2,513,993.32
4/30/02	231.5	10,812.87	
			2,503,180.45
5/31/02	230.5	10,812.87	
			2,492,367.57
6/30/02	229.5	10,812.87	
			2,481,554.70
7/31/02	228.5	10,812.87	
			2,470,741.82
8/31/02	227.5	10,812.87	

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Date	Remaining Months	Amortization Dr. 998-781200-42810 Cr. 999-194200	Balance 999-194200
			2,459,928.95
9/30/02	226.5	10,812.87	
			2,449,116.07
10/31/02	225.5	10,812.87	
			2,438,303.20
11/30/02	224.5	10,812.87	
			2,427,490.33
12/31/02	223.5	10,812.87	
			2,416,677.45
1/31/03	222.5	10,812.87	
			2,405,864.58
2/28/03	221.5	10,812.87	
			2,395,051.70
3/31/03	220.5	10,812.87	
			2,384,238.83
4/30/03	219.5	10,812.87	
			2,373,425.95
5/31/03	218.5	10,812.87	
			2,362,613.08
6/30/03	217.5	10,812.87	
			2,351,800.20
7/31/03	216.5	10,812.87	
			2,340,987.33
8/31/03	215.5	10,812.87	
			2,330,174.45
9/30/03	214.5	10,812.87	
			2,319,361.58
10/31/03	213.5	10,812.87	
			2,308,548.71
11/30/03	212.5	10,812.87	
			2,297,735.83
12/31/03	211.5	10,812.87	
			2,286,922.96
1/31/04	210.5	10,812.87	
			2,276,110.08
2/29/04	209.5	10,812.87	
			2,265,297.21
3/31/04	208.5	10,812.87	
			2,254,484.33
4/30/04	207.5	10,812.87	
			2,243,671.46
5/31/04	206.5	10,812.87	
			2,232,858.58

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Date	Remaining Months	Amortization Dr. 998-781200-42810 Cr. 999-194200	Balance 999-194200
6/30/04	205.5	10,812.87	
			2,222,045.71
7/31/04	204.5	10,812.87	
			2,211,232.84
8/31/04	203.5	10,812.87	
			2,200,419.96
9/30/04	202.5	10,812.87	
			2,189,607.09
10/31/04	201.5	10,812.87	
			2,178,794.21
11/30/04	200.5	10,812.87	
			2,167,981.34
12/31/04	199.5	10,812.87	
			2,157,168.46

Revised 01/06/05

Nicor Gas
Amortization of Call Premium Expense on Bonds Reacquired
7.260%
Due 10/15/25
Recalled 12/17/01

999-281170 Discount=	$368,932.52
999-276170 Expense=	196,953.88
Recall Premium=	2,375,000.00
	$2,940,886.40

Face Amount Retired=	$50,000,000.00
Recall Premium=	2,375,000.00
Call Price=	$52,375,000.00

Date	Remaining Months	Amortization Dr. 998-781300-42810 Cr. 999-194300	Balance 999-194300
12/17/01	286.0	$0.00	
			$2,940,886.40
12/31/01	285.5	5,141.41	
			2,935,744.99
1/31/02	284.5	10,282.82	
			2,925,462.17
2/28/02	283.5	10,282.82	
			2,915,179.35
3/31/02	282.5	10,282.82	
			2,904,896.53
4/30/02	281.5	10,282.82	
			2,894,613.71
5/31/02	280.5	10,282.82	
			2,884,330.89
6/30/02	279.5	10,282.82	
			2,874,048.07
7/31/02	278.5	10,282.82	
			2,863,765.25
8/31/02	277.5	10,282.82	
			2,853,482.43
9/30/02	276.5	10,282.82	
			2,843,199.61
10/31/02	275.5	10,282.82	
			2,832,916.79
11/30/02	274.5	10,282.82	
			2,822,633.97
12/31/02	273.5	10,282.82	

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Date	Remaining Months	Amortization Dr. 998-781300-42810 Cr. 999-194300	Balance 999-194300
			2,812,351.16
1/31/03	272.5	10,282.82	
			2,802,068.34
2/28/03	271.5	10,282.82	
			2,791,785.52
3/31/03	270.5	10,282.82	
			2,781,502.70
4/30/03	269.5	10,282.82	
			2,771,219.88
5/31/03	268.5	10,282.82	
			2,760,937.06
6/30/03	267.5	10,282.82	
			2,750,654.24
7/31/03	266.5	10,282.82	
			2,740,371.42
8/31/03	265.5	10,282.82	
			2,730,088.60
9/30/03	264.5	10,282.82	
			2,719,805.78
10/31/03	263.5	10,282.82	
			2,709,522.96
11/30/03	262.5	10,282.82	
			2,699,240.14
12/31/03	261.5	10,282.82	
			2,688,957.32
1/31/04	260.5	10,282.82	
			2,678,674.50
2/29/04	259.5	10,282.82	
			2,668,391.68
3/31/04	258.5	10,282.82	
			2,658,108.86
4/30/04	257.5	10,282.82	
			2,647,826.04
5/31/04	256.5	10,282.82	
			2,637,543.22
6/30/04	255.5	10,282.82	
			2,627,260.40
7/31/04	254.5	10,282.82	
			2,616,977.58
8/31/04	253.5	10,282.82	
			2,606,694.76
9/30/04	252.5	10,282.82	
			2,596,411.94

Revised 01/06/05

Date	Remaining Months	Amortization Dr. 998-781300-42810 Cr. 999-194300	Balance 999-194300
10/31/04	251.5	10,282.82	
			2,586,129.12
11/30/04	250.5	10,282.82	
			2,575,846.30
12/31/04	249.5	10,282.82	
			2,565,563.49

Revised 01/06/05

Nicor Gas
Amortization of Call Premium Expense on Bonds Reacquired
7.375%
Due 10/15/27
Recalled 12/26/03

999-281170 Discount=	$396,712.89
999-276170 Expense=	108,847.23
Recall Premium=	2,410,000.00
	$2,915,560.12

Face Amount Retired=	$50,000,000.00
Recall Premium=	2,410,000.00
Call Price=	$52,410,000.00

Date	Remaining Months	Amortization Dr. 998-781400-42810 Cr. 999-194400	Balance 999-194400
12/26/03	285.6	$0.00	
			$2,915,560.12
12/31/03	285.5	1,360.98	
			2,914,199.14
1/31/04	284.5	10,207.36	
			2,903,991.77
2/29/04	283.5	10,207.36	
			2,893,784.41
3/31/04	282.5	10,207.36	
			2,883,577.04
4/30/04	281.5	10,207.36	
			2,873,369.68
5/31/04	280.5	10,207.36	
			2,863,162.32
6/30/04	279.5	10,207.36	
			2,852,954.95
7/31/04	278.5	10,207.36	
			2,842,747.59
8/31/04	277.5	10,207.36	
			2,832,540.22
9/30/04	276.5	10,207.36	
			2,822,332.86
10/31/04	275.5	10,207.36	
			2,812,125.49
11/30/04	274.5	10,207.36	
			2,801,918.13
12/31/04	273.5	10,207.36	
			2,791,710.77

285.4050 Schedule D-5: Unrecovered Common Equity Issuance Costs

Section 285.4050
Schedule D-5
Unrecovered Common Equity Issuance Costs [2]

Utility: Northern Illinois Gas Company
d/b/a Nicor Gas Company

Test Year: 12 Months Ended 12/31/05

Line No.	Issue Date	Type	Shares	Per Share Offering Price	Gross Proceeds	Underwriting Discounts & Commissions	Net Proceeds	Company Issuance Expenses	Selling & Issuance Costs
	(A)	(B)	(C)	(D)	(E)	(F)	(G) = E - F	(H)	(I)=(F+H)/E
1	7/11/1961	Public	450,037	$ 49.500	$ 22,276,831.50	$ 133,660.99	$ 22,143,170.51	$ 165,000	1.34%
2	4/22/1971	Public	900,000	$ 32.875	$ 29,587,500.00	$ 702,000.00	$ 28,885,500.00	$ 62,000	2.58%
3	7/19/1973	Public	1,000,000	$ 25.500	$ 25,500,000.00	$ 727,000.00	$ 24,773,000.00	$ 57,000	3.07%
4	7/25/1979 [1]	Public	1,500,000	$ 31.500	$ 47,250,000.00	$ 1,245,000.00	$ 46,005,000.00	$ 80,000	2.80%
5	9/2/1980 [1]	Public	1,500,000	$ 32.500	$ 48,750,000.00	$ 1,335,000.00	$ 47,415,000.00	$ 90,000	2.92%
Totals									

Notes:
[1] The Nicor Inc. holding company was formed on 4/30/1976; therefore, issuances listed prior to that date were in the Northern Illinois Gas Company name.
[2] The II.C.C. has not previously approved a method of rate treatment for recovery of floatation costs.

285.4060 Schedule D-6: Cost of Common Equity Workpapers WP(D-6)1

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$ IN THOUSANDS	2003	2002	2001
Amounts as reported, reflecting stock-based employee compensation cost determined under APB No. 25			
Stock-based employee compensation cost, net of tax effect	$ —	$ —	$ —
Net income (loss)	$ 9,104	$ 10,762	$ 17,236
Basic earnings (loss) per share	$ 0.82	$ 0.97	$ 1.56
Diluted earnings (loss) per share	$ 0.82	$ 0.97	$ 1.56
Proforma amounts, reflecting stock-based employee compensation cost as if determined under fair value (FAS 123) method			
Stock-based employee compensation cost, net of tax effect	$ 110	$ 129	$ 133
Net income (loss)	$ 8,994	$ 10,633	$ 17,103
Basic earnings (loss) per share	$ 0.81	$ 0.96	$ 1.55
Diluted earnings (loss) per share	$ 0.81	$ 0.96	$ 1.55

Comprehensive income (loss). Comprehensive income for the fiscal years ended September 30, 2003, 2002, and 2001, included charges to Other Comprehensive Income in the amount of $1,682,000, $7,587,000 and $4,161,000, net of income tax. The charges are related to minimum pension liability adjustments. See Note 10 for more information.

Segment reporting. Management views the Company as operating as a single segment, that of a local distribution company in the Pacific Northwest. Therefore, the financial statements do not include disclosure of segment information.

Derivatives. The Company records derivative transactions according to the provisions of FAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by FAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities," and by FAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." These standards require that the fair value of all derivative financial instruments be recognized as either assets or liabilities on the Company's balance sheet. Changes during a period in the fair value of a derivative instrument are required to be included in earnings or other comprehensive income for the period.

The Company's contracts for purchase and sale of natural gas qualify for the normal purchase and normal sales exceptions under FAS No. 133. Accordingly, the Company recognizes revenues and expenses on a accrual basis, based on physical delivery of natural gas. The Company applies mark-to-market accounting to financial derivative arrangements. Periodic changes in fair market value are recognized in earnings.

CASCADE NATURAL GAS: 100%

Financial Information by Segment

(Millions)	2003	2002	2001	2000	1999	1998	1997
Operating revenues							
Gas distribution	**$ 2,351.6**	$ 1,590.7	$ 2,090.8	$ 1,880.3	$ 1,326.0	$ 1,229.0	$ 1,730.5
Shipping	**272.2**	266.0	230.3	248.3	229.9	224.5	213.1
Other energy ventures	**96.5**	56.9	43.7	30.7	14.6	10.5	58.7
Corporate and eliminations	**(57.6)**	(16.2)	1.5	-	-	-	(9.7)
	$ 2,662.7	$ 1,897.4	$ 2,366.3	$ 2,159.3	$ 1,570.5	$ 1,464.0	$ 1,992.6
Operating income (loss)							
Gas distribution	**$ 166.2**	$ 207.0	$ 194.4	$ 55.7	$ 188.2	$ 193.3	$ 216.9
Shipping	**22.7**	21.2	19.1	26.2	22.5	28.1	25.4
Other energy ventures	**7.9**	6.4	6.8	6.7	5.4	(1.9)	(1.0)
Corporate and eliminations	**(7.4)**	(8.1)	(1.1)	(3.0)	(3.5)	(2.6)	(4.7)
	$ 189.4	$ 226.5	$ 219.2	$ 85.6	$ 212.6	$ 216.9	$ 236.6
Capital expenditures							
Gas distribution	**$ 172.9**	$ 169.5	$ 149.8	$ 124.6	$ 127.4	$ 112.6	$ 101.8
Shipping	**5.9**	19.6	34.8	33.8	26.0	23.3	10.9
Corporate and other	**2.5**	3.4	1.1	-	.6	.3	.3
	$ 181.3	$ 192.5	$ 185.7	$ 158.4	$ 154.0	$ 136.2	$ 113.0
Property, Plant and Equipment, net							
Gas distribution *(a)*	**$ 2,345.2**	$ 2,273.0	$ 2,195.7	$ 2,142.1	$ 2,105.5	$ 2,062.8	$ 2,034.9
Shipping	**133.3**	144.4	146.1	127.8	123.2	113.3	105.6
Corporate and other	**5.7**	4.4	1.8	1.0	1.3	.7	.3
	$ 2,484.2	$ 2,421.8	$ 2,343.6	$ 2,270.9	$ 2,230.0	$ 2,176.8	$ 2,140.8
Depreciation							
Gas distribution	**$ 143.5**	$ 137.6	$ 132.4	$ 129.0	$ 125.2	$ 120.8	$ 116.6
Shipping	**16.9**	16.9	16.1	15.8	16.1	15.4	14.2
Corporate and other	**1.3**	.5	.3	.3	.3	.3	.4
	$ 161.7	$ 155.0	$ 148.8	$ 145.1	$ 141.6	$ 136.5	$ 131.2

Mercury Reserve

(Millions)	2003	2002	2001	2000
Initial mercury-related charge	**$ -**	$ -	$ -	$ 148.0
Mercury-related costs incurred, net	**1.5**	4.6	32.0	70.0
Mercury-related credits	**-**	9.0	9.0	-
Year-end estimated mercury liability	**$ 21.9**	$ 23.4	$ 37.0	$ 78.0

Nicor Gas has incurred, and will continue to incur, costs related to its historical use of mercury in various kinds of company equipment. Nicor Gas charged $148 million to operating expense in 2000, and made adjustments to the reserve in 2001 and 2002 totaling $18 million to reflect management's best estimate of future costs.

(a) Reflects the reclassification of estimated removal cost obligation from accumulated depreciation to non-current liabilities.

NICOR INC: 88.32%

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For the years ended Dec. 31, 2003, 2002 and 2001, 77,500 shares, 84,000 shares and 138,491 shares, respectively, representing the number of stock options the exercise prices for which were greater than the average market prices for the Company's common stock for such years, were excluded from the calculation of diluted earnings per share because the effect was antidilutive.

Stock-Based Compensation

The Company applies APB Opinion No. 25, "Accounting for Stock Issued to Employees," to account for its stock-based compensation plans. Accordingly, the Company does not recognize compensation expense for the fair value of its stock option grants. Instead, the Company has elected to continue using the intrinsic value method of accounting for stock options rather than adopting the fair value method of accounting. However, the Company does recognize compensation expense for the fair value of stock awards granted under its Long-Term Incentive Plan and Non-Employee Directors Stock Compensation Plan in the period when shares are earned (see Note 4).

2 CONSOLIDATED SUBSIDIARY OPERATIONS AND SEGMENT INFORMATION:

At Dec. 31, 2003, the Company had two direct, wholly-owned subsidiaries, Financial Corporation and Northwest Energy. Northwest Energy was formed in 2001 to serve as the holding company for NW Natural and PGE if the acquisition of PGE had been completed. Since the acquisition of PGE has been terminated, Northwest Energy remains a non-active subsidiary of the Company.

The Company's core business is the distribution and sale of natural gas ("Utility" segment). Another segment, "Gas Storage," represents natural gas storage services provided to interstate customers, including asset optimization services under a contract with an independent energy trading company. The remaining business segment, "Other," primarily consists of non-regulated investments in alternative energy projects in California (see "Financial Corporation," below), a Boeing 737-300 aircraft leased to Continental Airlines and Northwest Energy's limited acquisition activities (see Note 9).

Gas Storage

Gas storage services are provided to off-system interstate customers using Company-owned storage capacity that has been developed in advance of core utility customers' (residential, commercial and industrial firm) requirements. NW Natural retains 80 percent of the income before tax from gas storage services and credits the remaining 20 percent to a deferred regulatory account for sharing with its core utility customers.

Results for the gas storage segment also include revenues, net of amounts shared with core utility customers, from a contract with an independent energy trading company that seeks to optimize the use of NW Natural's assets by trading temporarily unused portions of its gas storage capacity and upstream pipeline transportation capacity. NW Natural retains 80 percent of the pre-tax income from the optimization of storage and pipeline transportation capacity when the costs of such capacity have not been included in core utility rates, or 33 percent of the pre-tax income from such capacity when the costs have been included in core utility rates. The remaining 20 percent and 67 percent, respectively, are credited to a deferred regulatory account for distribution to NW Natural's core utility customers.

Financial Corporation

Financial Corporation has several financial investments, including investments as a limited partner in solar electric generating systems, windpower electric generating projects and low-income housing projects. Financial Corporation's total assets were $8.0 million and $11.6 million at Dec. 31, 2003 and 2002, respectively.

Segment Information Summary

The following table presents summary financial information about the reportable segments for 2003, 2002 and 2001. Inter-segment transactions are insignificant.

Thousands	Utility	Gas Storage	Other	Total
2003				
Net operating revenues	$ 278,856	$ 9,036	$ 174	$ 288,066
Depreciation and amortization	53,798	451	–	54,249
Other operating expenses	130,619	804	122	131,545
Income from operations	94,439	7,781	52	102,272
Income from financial investments	3,406	–	474	3,880
Net income	40,913	4,312	758	45,983
Total assets at Dec. 31, 2003	1,558,342	18,464	14,526	1,591,332
2002				
Net operating revenues	$ 279,414	$ 7,944	$ 186	$ 287,544
Depreciation and amortization	51,693	396	1	52,090
Other operating expenses	118,156	962	78	119,196
Income from operations	109,565	6,586	107	116,258
Income from financial investments	1,390	–	988	2,378
Loss provision for PGE transaction costs	–	–	(8,414)	(8,414)
Net income (loss)	47,280	3,646	(7,134)	43,792
Total assets at Dec. 31, 2002	1,432,776	16,403	18,098	1,467,277
2001				
Net operating revenues	$ 271,473	$ 4,368	$ 170	$ 276,011
Depreciation and amortization	49,413	227	–	49,640
Other operating expenses (income)	115,708	489	(37)	116,160
Income from operations	106,352	3,652	207	110,211
Income (loss) from financial investments	1,646	–	(321)	1,325
Net income	47,233	2,112	842	50,187
Total assets at Dec. 31, 2001	1,506,787	14,243	29,623	1,550,653

3 CAPITAL STOCK:

Common Stock

At Dec. 31, 2003, NW Natural had reserved 134,240 shares of common stock for issuance under the Employee Stock Purchase Plan, 353,059 shares for future conversions of its 7-1/4% Convertible Debentures, 389,951 shares under its Dividend Reinvestment and Stock Purchase Plan, 1,751,544 shares under its Restated Stock Option Plan (see Note 4), and 3,000,000 shares under the Shareholder Rights Plan.

Redeemable Preferred Stock

On Nov. 14, 2003, NW Natural redeemed all of the remaining shares of its $7.125 Series of Redeemable Preferred Stock with an aggregate stated value of $7.5 million, at a redemption price equivalent to 102.375 percent with proceeds from sales of commercial paper. The Company re-financed the commercial paper with the sale of new long-term debt in the fourth quarter of 2003. The early redemption premium from the redemption of the $7.125 Series was recognized as an unamortized cost pursuant to SFAS No. 71 and will be amortized to expense over the life of the new debt.

Redeemable Preference Stock

On Dec. 31, 2002, NW Natural redeemed all 250,000 shares of its $6.95 Series of Redeemable Preference Stock with proceeds from the sale of commercial paper.

Stock Repurchase Program

NW Natural's Board of Directors approved a stock repurchase program in 2000 to purchase up to 2 million shares, or up to $35 million in value, of NW Natural's common stock in the open market or through privately negotiated transactions. The repurchase program has been extended through May 2004. No shares were repurchased in 2002 or 2003. Since the program's inception, the Company has repurchased 355,400 shares of common stock at a total cost of $8.2 million.

Restated Stock Option Plan

In May 2002, the shareholders approved an amendment to the Restated Stock Option Plan that increased the total number of shares authorized for option grants from 1,200,000 to 2,400,000

 NW NATURAL GAS: 96.8%

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SOUTHERN UNION COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the Texas Operations' results of operations that have been segregated and reported as "discontinued operations" in the Consolidated Statement of Operations:

	Year Ended June 30,		
	2003	2002	2001
Operating revenues	$ 144,490	$ 309,936	$ 471,002
Net operating margin (a)	$ 51,480	$ 105,730	$ 109,016
Net earnings from discontinued operations (b)	$ 32,520	$ 18,104	$ 16,524

(a) Net operating margin consists of operating revenues less gas purchase costs and revenue-related taxes.
(b) Net earnings from discontinued operations do not include any allocation of interest expense or other corporate costs, in accordance with generally accepted accounting principles. All outstanding debt of Southern Union Company and subsidiaries is maintained at the corporate level, and no debt was assumed by ONEOK, Inc. in the sale of the Texas Operations.

XX Quarterly Operations (Unaudited)

Year Ended June 30, 2003	Quarter Ended September 30	December 31	March 31	June 30	Total
Total operating revenues	$ 99,710	$ 346,104	$ 535,663	$ 207,030	$ 1,188,507
Operating margin	54,464	118,031	161,400	89,516	423,411
Net earnings (loss) from continuing operations	(9,186)	18,519	46,234	(11,898)	43,669
Net earnings (loss) from discontinued operations	2,691	10,900	17,665	1,264	32,520
Net earnings (loss) available for common stock	(6,495)	29,419	63,899	(10,634)	76,189
Diluted net earnings (loss) per share:[1]					
Continuing operations	(.17)	.31	.79	(.20)	.74
Discontinued operations	.05	.19	.30	.02	.55
Available for common stock	(.12)	.50	1.09	(.18)	1.29

Year Ended June 30, 2002	Quarter Ended September 30	December 31	March 31	June 30	Total
Total operating revenues	$ 120,676	$ 286,622	$ 419,599	$ 153,717	$ 980,614
Operating margin	55,576	104,455	143,630	70,467	374,128
Net earnings (loss) from continuing operations	(29,906)	7,554	38,899	(15,027)	1,520
Net earnings (loss) from discontinued operations	(497)	12,196	4,889	1,516	18,104
Net earnings (loss) available for common stock	(30,403)	19,750	43,788	(13,511)	19,624
Diluted net earnings (loss) per share:[1]					
Continuing operations	(.51)	.14	.67	(.27)	.03
Discontinued operations	(.01)	.21	.07	.03	.30
Available for common stock	(.52)	.35	.74	(.24)	.33

(1) The sum of earnings per share by quarter may not equal the net earnings per common and common share equivalents for the year due to variations in the weighted average common and common share equivalents outstanding used in computing such amounts.

XXI Reportable Segments

The Company's operations include two reportable segments. The Transportation and Storage segment is primarily engaged in the interstate transportation and storage of natural gas in the Midwest and Southwest, and also provides LNG terminalling and regasification services. Its operations are conducted through Panhandle Energy, which the Company acquired on June 11, 2003. The Distribution segment is primarily engaged in the local distribution of natural gas in Missouri, Pennsylvania, Rhode Island and Massachusetts. Its operations are conducted through the Company's three regulated utility divisions: Missouri Gas Energy, PG Energy and New England Gas Company. The determination of reportable business segments is based on similarities in economic characteristics, products and services, types of customers, methods of distribution and regulatory environment.

SOUTHERN UNION: 97.51%

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The components of post-retirement benefit expense other than pensions were as follows (in thousands):

	2003	2002	2001
Service cost	$326	$264	$224
Interest cost	1,425	1,451	1,476
Other	(408)	(161)	(164)
Net post-retirement expense	$1,343	$1,554	$1,536

The health care trend rate assumption is 10.0 percent in 2003 gradually decreasing to 5.0 percent for the year 2008 and later. The discount rate used to compute the accumulated post-retirement benefit obligation was 6.00 percent in fiscal 2003 and 6.75 percent in fiscal 2002. An increase in the health care trend rate assumption by one percentage point in all years would increase the accumulated post-retirement benefit obligation by approximately $2.5 million and the aggregate annual service and interest costs by approximately $0.2 million.

The company continually evaluates alternative ways to manage these benefits and control its costs. Any changes in the plan or revisions to assumptions that affect the amount of expected future benefit may have a significant effect on the amount of the reported obligation and expense.

Employee Stock Purchase Plan (ESPP). The company allows eligible employees to purchase shares of the company's stock monthly at a price equal to 85 percent of the lower of the fair market value on the first and last trading days of the month, up to a maximum of 10 percent of their annual compensation. The company expenses this employee discount as compensation expense.

Savings and Investment Plans (401(k)). The company maintains a voluntary 401(k) savings plan designed to enhance existing retirement programs covering eligible employees. The plan allows eligible employees who participate to make contributions of up to six percent of their annual base pay, which are matched by contributions by the company. Contributions are invested at the election of the employee in the company's common stock or in various other investment funds. Effective October 1, 2002, the company increased the match to 60 percent of each employee's first 6 percent of salary contributions. Prior to that date, the company matched participant contributions that were invested in the NUI Stock Fund at 60 percent and in all other funds at 50 percent. Employer contributions charged to expense were $1.3 million for the fiscal years ended September 30, 2003 and 2002, and $1.2 million for the fiscal year ended September 30, 2001.

21. Business Segment Information

The company's operations are organized and managed as three primary segments: Distribution Services, Energy Asset Management (formerly Wholesale Energy Marketing and Trading), and Retail and Business Services. The Distribution Services segment currently distributes natural gas in three states through the company's regulated utility operations, and engages in appliance leasing, repair and maintenance operations, and off-system gas sales. The Energy Asset Management segment reflects the operations of NUI Energy Brokers and all of the VGC subsidiaries. The Retail and Business Services segment reflects the operations of the company's NUI Energy subsidiary, the billing services operations of UBS, and OAS, the company's digital mapping business, which used to be part of UBS. The company also has corporate operations that do not generate any revenues.

During fiscal 2003, the company realigned its reportable business segments as follows: the appliance service businesses in New Jersey and Florida, previously reported within the Retail and Business Services segment, are now included within the Distribution Services segment; off-system sales made by NUI Energy Brokers on behalf of the utility operations, previously reported within the Energy Asset Management segment, are now included within the Distribution Services segment; NUI Telecom, previously reported within the Retail and Business Services segment, was being held for sale at September 30, 2003, and is now reported within discontinued operations; the operations of TIC are being wound down by the company and have also been reported as discontinued operations; and the operating results of NUI Environmental, previously reported within discontinued operations, are now included as part of the Retail and Business Services segment. The change for NUI Environmental, which was sold in September 2003, was due to the company's potential future involvement in this business under certain ancillary agreements entered into by the company on the date of the sale.

NUI: 94.36%

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LONG-TERM DEBT — We estimate the fair values of SJI's long-term debt, including current maturities, as of December 31, 2003 and 2002, to be $338.6 million and $336.0 million, respectively. Carrying amounts are $314.1 million and $284.8 million, respectively. We base the estimates on interest rates available to SJI at the end of each year for debt with similar terms and maturities. SJI retires debt when it is cost effective as permitted by the debt agreements.

OTHER FINANCIAL INSTRUMENTS — The carrying amounts of SJI's other financial instruments approximate their fair values at December 31, 2003 and 2002.

8. SEGMENTS OF BUSINESS:

Information about SJI's operations in different industry segments is presented below:

	Thousands of Dollars		
	2003	2002	2001
Operating Revenues:			
Gas Utility Operations	$ 528,066	$ 417,262	$ 475,462
Wholesale Gas Operations	10,560	4,998	6,144
Retail Gas and Other Operations	190,380	114,706	96,752
On-Site Energy Production	12,736	852	—
Subtotal	714,742	537,818	578,358
Intersegment Sales	(44,922)	(32,692)	(32,372)
Total Operating Revenues	$ 696,820	$ 505,126	$ 545,986
Operating Income:			
Gas Utility Operations	$ 65,420	$ 60,874	$ 60,463
Wholesale Gas Operations	4,998	4,280	4,628
Retail Gas and Other Operations	5,600	4,159	3,824
On-Site Energy Production	3,122	416	—
General Corporate	(1,297)	(654)	(371)
Total Operating Income	$ 77,843	$ 69,075	$ 68,544
Depreciation and Amortization:			
Gas Utility Operations	$ 26,627	$ 24,730	$ 23,332
Wholesale Gas Operations	13	12	8
Retail Gas and Other Operations	106	84	78
On-Site Energy Production	866	10	—
Discontinued Operations	28	28	28
Total Depreciation and Amortization	$ 27,640	$ 24,864	$ 23,446
Property Additions:			
Gas Utility Operations	$ 53,238	$ 49,646	$ 47,799
Wholesale Gas Operations	6	—	61
Retail Gas and Other Operations	245	138	163
On-Site Energy Production	8,137	33,925	17,915
Total Property Additions	$ 61,626	$ 83,709	$ 65,938
Identifiable Assets:			
Gas Utility Operations	$ 944,562	$ 914,791	
Wholesale Gas Operations	70,156	62,568	
Retail Gas and Other Operations	60,206	44,732	
On-Site Energy Production	72,896	60,916	
Discontinued Operations	2,358	2,335	
Subtotal	1,150,178	1,085,342	
Corporate Assets	36,755	40,783	
Intersegment Assets	(60,730)	(72,291)	
Total Identifiable Assets	$ 1,126,203	$ 1,053,834	

Gas Utility Operations consist primarily of natural gas distribution to residential, commercial and industrial customers. Wholesale Gas Operations include SJRG's activities. Retail Gas and Other Operations include natural gas and electricity acquisition and transportation service companies. On-Site Energy Production consists of Marina's energy-related projects.

SJI's interest expense relates primarily to SJG's and Marina's borrowing and financing activities. Interest income is essentially derived from borrowings between the subsidiaries and is eliminated during consolidation.

9. REGULATORY ACTIONS:

In January 1997, the BPU granted SJG rate relief, which was predicated in part, upon a 9.62% rate of return on rate base, which included an 11.25% return on common equity. This rate relief provides for the recovery of cost of service, including deferred costs, through base rates. Additionally, our threshold for sharing pre-tax margins generated by interruptible and off-system sales and transportation increased. Currently, SJG keeps 100% of pre-tax margins up to the threshold level of $7.8 million. The next $750,000 is credited to customers through the Basic Gas Supply Service (BGSS) clause. Thereafter, SJG keeps 20% of the pre-tax margins as we have historically.

Effective January 10, 2000, the BPU approved full unbundling of SJG's system. This allows all natural gas consumers to select their natural gas commodity supplier. As of December 31, 2003, 102,563 of SJG's residential customers were purchasing their gas commodity from someone other than SJG. Customers choosing to purchase natural gas from providers other than the utility are charged for the cost of gas by the marketer, not the utility. The resulting decrease in SJG's revenues is offset by a corresponding decrease in gas costs. While customer choice can reduce utility revenues, it does not negatively affect SJG's net income or financial condition. The BPU continues to allow for full recovery of prudently incurred natural gas costs through the BGSS. Unbundling did not change the fact that SJG still recovers cost of service, including deferred costs, through base rates.

In November 2001, SJG filed for a $2.7 million rate increase to recover the cash related to a prior net deficiency in the Temperature Adjustment Clause (TAC). Additionally, in September 2002, SJG filed for an $8.6 million rate increase to recover the cash related to a TAC deficiency resulting from warmer-than-normal weather for the 2001-2002 winter. As a result of the colder-than-normal 2002-2003 winter, the cumulative TAC deficiency decreased to $5.7 million. In August 2003, the BPU approved the recovery of the $5.7 million TAC deficiency, effective September 1, 2003.

In December 2001, the BPU approved recovery of SJG's October 31, 2001 underrecovered gas cost balance of $48.9 million plus accrued interest since April 1, 2001 at a rate of 5.75%. As of December 31, 2003, the remaining deferred underrecovered balance totaled $16.1 million.

During 2002, the BPU convened a gas policy group to address BGSS, which is the gas supply service being provided by the natural gas utility. In December 2002, the BPU approved the proposed BGSS price structure. The BGSS-approved price structure replaced the Levelized Gas Adjustment Clause (LGAC) pricing structure. The LGAC was structured to reset gas charges to consumers once per year. The BGSS resets gas prices monthly for larger customers, and for smaller customers permits multiple resets each year, if certain conditions are met. With the implementation of BGSS in March 2003,

SOUTH JERSEY INDUSTRIES: 75.78%

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O. Recent Accounting Pronouncements Adopted within the Current Fiscal Year

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." It provides guidance on how an entity classifies and measures certain financial instruments with characteristics of both liabilities and equity. This statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise was generally effective for the fourth quarter ended September 30, 2003. The Company was not affected by this standard.

In April 2003, the FASB issued SFAS No. 149, "Amendment of SFAS No. 133 on Derivative Instruments and Hedging Activities." This statement amends and clarifies the accounting and reporting for derivative instruments, including embedded derivatives, and for hedging activities under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." It amends SFAS No. 133 to reflect the decisions made as part of the Derivatives Implementation Group and in other FASB projects or deliberations. SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003, and for hedging relationships designated after June 30, 2003. As of September 30, 2003 there have been no significant impacts on the Company from adopting SFAS No. 149. However, management expects that more transactions in the Midstream Services segment will be subject to mark-to-market accounting in fiscal 2004.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure." It is an amendment of SFAS No. 123 to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation and Accounting Principles Board (APB) No. 28, Interim Financial Reporting. In addition, this statement allows companies to continue to report using the intrinsic method. It amends the disclosure requirements of SFAS No. 123 for reporting under the intrinsic method to require prominent disclosures in both annual and interim financial statements about the pro forma stock option expense. The Company has continued to report based on the intrinsic method and has more prominently disclosed pro forma stock option expense. (See Note 1G.)

In November 2002, the FASB issued FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others — an interpretation of SFAS Nos. 5, 57 and 107 and rescission of FIN 34." FIN 45 elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees and in certain circumstances requires recognition of a liability for the fair value of the obligation undertaken in issuing the guarantee. The Company adopted the disclosure requirements of FIN 45 in the first quarter of fiscal 2003 (see Note 6). The recognition and measurement provisions of FIN 45 were effective for guarantees issued or modified after December 31, 2002, however, there was no impact on the Company.

On October 25, 2002, the FASB through EITF Issue 02-03, "Issues Involved in Accounting for Contracts under EITF 98-10," rescinded EITF 98-10, "Accounting for Contracts Involved in Energy Trading and Risk Management Activities." The rescission did not have an effect on the Company.

In July 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." SFAS No. 143 requires an entity to record a liability and corresponding asset representing the present value of legal obligations associated with the retirement of tangible, long-lived assets. SFAS No. 143 is effective for fiscal years beginning after June 2002. The Company adopted the standard on October 1, 2002 and did not record any significant adjustments.

2: Business Segments

The Company has six business segments: Gas Distribution, Power Generation, Midstream Services, Retail Energy Services, Oil and Gas Production and Other. Operating income also includes the effect of corporate activities and consolidating adjustments.

The Company has determined its business segments based on regulation and on type of products or services and activity related to those products or services, such as production versus marketing of natural gas. These segments are consistent with how the Company's senior management develops overall strategy for the Company. The financial performance of each segment is evaluated based on its operating income. The accounting policies of the six segments are the same as those described in Note 1A. No single customer represents more than 10 percent of consolidated revenues. All of the segments' reportable revenues are derived from sources within the United States and all segments' reportable long-lived assets are located in the United States.

The Gas Distribution segment is the Company's core business. Its two regulated utilities purchase, store, distribute, sell and transport natural gas to approximately one million retail customers through a 6,000-mile distribution system serving Chicago and 54 communities in northeastern Illinois. The Company also owns a storage facility in central Illinois and a pipeline system that connects the facility and seven major interstate pipelines to Chicago.

The Power Generation segment is engaged in the development, construction, operation and ownership of electric generation facilities for sales to electric utilities and marketers. The segment is a 50 percent investor in Elwood and a 27 percent investor in SCEP.

The Midstream Services segment performs wholesale activities that provide value to utilities, marketers and pipelines. The Company, through Peoples Gas, utilizes its storage and pipeline supply assets as a natural gas hub. It also owns and operates a propane-based peaking plant and is active in other asset-based wholesale activities.

PEOPLES ENERGY: 70.73%

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Financial Guarantees

WGL Holdings and Washington Gas Resources are party to agreements naming them as the guarantor for certain purchases and sales of natural gas and electricity made by WGEServices. Total guarantees outstanding at September 30, 2003 were $245.4 million, of which $242.4 million and $3.0 million of such guarantees named WGL Holdings and Washington Gas Resources as the guarantor, respectively. Of the total guarantees, there were $42.0 million held by WGL Holdings that were due to expire December 31, 2004; the remaining $203.4 million do not have specific maturity dates. As of October 31, 2003, total guarantees increased by $45.9 million to $291.3 million, of which $288.3 million were guaranteed by WGL Holdings.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments at September 30, 2003 and 2002. The fair value of a financial instrument represents the amount at which the instrument could be exchanged in a current transaction between willing parties.

Fair Value of Financial Instruments

	2003		2002	
(In millions)	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Current assets	$189.5	$189.5	$182.7	$182.7
Current liabilities	375.5	375.5	326.4	326.4
Preferred stock	28.2	28.2	28.2	28.2
Long-term debt	637.1	722.9	668.0	725.5

Financial instruments included in current assets consist of cash and cash equivalents, net accounts receivable, accrued utility revenues, other miscellaneous receivables and the fair market value of WGEServices and Washington Gas instrument asset hedging derivatives. The carrying amount of the financial instruments included in current assets, current liabilities and preferred stock approximates fair value. The fair value of long-term debt (excluding current maturities of long-term debt) was estimated based on the quoted market prices of U.S. Treasury issues having a similar term to maturity, adjusted for Washington Gas' credit quality and the present value of future cash flows.

17. OPERATING SEGMENT REPORTING

In accordance with SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information,* the Company identifies and reports on operating segments under the "management approach." Operating segments comprise revenue-generating components of an enterprise for which the Company produces separate financial information internally that management regularly uses to make operating decisions and assess performance. The Company reports three operating segments: 1) regulated utility; 2) retail energy-marketing; and 3) HVAC.

With approximately 93 percent of WGL Holdings' assets, the regulated utility segment is the Company's core business. Represented almost entirely by Washington Gas, the regulated utility segment provides regulated gas distribution services (including the sale and delivery of natural gas, meter reading, responding to customer inquiries and bill preparation) to customers in the metropolitan areas of Washington, D.C., Maryland and Virginia. In addition to the regulated operations of Washington Gas,

 WGL HOLDINGS: 63.61%

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(in thousands)	**Year Ended December 31, 2003**	Year Ended December 31, 2002	Ended December 31, 2001	Year Ended September 30, 2001
Future gross revenues	**$ 7,211,830**	$ 5,455,802	$ 2,181,148	$ 1,672,436
Future production costs	**2,189,464**	1,754,700	829,968	693,817
Future development costs	**204,513**	183,818	114,317	83,781
Future net cash flows before income taxes	**4,817,853**	3,517,284	1,236,863	894,838
Future income tax expense	**1,609,324**	1,100,392	265,611	124,803
Future net cash flows after income taxes	**3,208,529**	2,416,892	971,252	770,035
Discount at 10% per annum	**1,635,450**	1,172,635	399,810	272,493
Standardized measure of discounted future net cash flows relating to proved oil and gas reserves	**$ 1,573,079**	$ 1,244,257	$ 571,442	$ 497,542

Reserves and associated values were calculated using year-end prices and current costs. The following are the principal sources of changes in the standardized measure of discounted future net cash flows:

(in thousands)	**Year Ended December 31, 2003**	Year Ended December 31, 2002	Three Months Ended December 31, 2001	Year Ended September 30, 2001
Balance at beginning of year	**$ 1,244,257**	$ 571,442	$ 497,542	$ 1,105,265
Revisions to reserves proved in prior years:				
Net changes in prices, production costs and future development costs	**365,816**	658,956	100,710	(1,015,900)
Net changes due to revisions in quantity estimates	**(14,804)**	(8,380)	49,579	(81,076)
Development costs incurred, previously estimated	**80,878**	49,418	8,812	50,768
Accretion of discount	**124,426**	57,144	11,398	144,266
Other	**39,134**	(8,669)	(24,012)	95,165
Total revisions	**595,450**	748,469	146,487	(806,777)
New field discoveries and extensions, net of future production and development costs	**200,880**	213,625	5,562	33,685
Sales of oil and gas produced, net of production costs	**(311,189)**	(162,151)	(23,699)	(220,220)
Purchases	**74,201**	218,799	20	32,811
Sales	**(48,107)**	(14,203)	(2,271)	(26,256)
Net change in income taxes	**(182,413)**	(331,724)	(52,199)	379,034
Net change in standardized measure of discounted future net cash flows	**328,822**	672,815	73,900	(607,723)
Balance at end of year	**$ 1,573,079**	$ 1,244,257	$ 571,442	$ 497,542

21. INDUSTRY SEGMENT INFORMATION

The Company is principally engaged in two business segments: the acquisition, development, exploration and

ENERGEN CORP: 58.07%

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11. Business Segment Data

Information related to the Company's various business segments, excluding capital expenditures, which are presented in the Consolidated Statements of Cash Flows, is detailed below.

The Natural Gas Distribution segment consists of regulated energy and off-system and capacity management operations. The Energy Services segment consists of unregulated fuel and capacity management and wholesale marketing operations. The Retail and Other segment consists of appliance and installation services, commercial real estate development, investment and other corporate activities.

(Thousands)	2003	2002	2001
Operating Revenues			
Natural Gas Distribution	**$ 759,878**	$ 774,541	$1,009,477
Energy Services	**1,766,265**	1,037,417	1,022,734
Retail and Other	**21,927**	19,711	21,474
Total before eliminations	**2,548,070**	1,831,669	2,053,685
Intersegment revenues	**(3,691)**	(165)	(5,277)
Total	**$2,544,379**	$1,831,504	$2,048,408
Depreciation and Amortization			
Natural Gas Distribution	**$31,192**	$31,044	$31,676
Energy Services	**189**	219	250
Retail and Other	**584**	581	604
Total	**$31,965**	$31,844	$32,530
Operating Income			
Natural Gas Distribution	**$ 97,408**	$ 88,883	$89,248
Energy Services	**19,454**	11,430	5,638
Retail and Other	**4,489**	4,442	5,034
Total	**$121,351**	$104,755	$99,920

The Company's assets for the various business segments are detailed below:

(Thousands)	2003	2002
Assets at Year-End		
Natural Gas Distribution	**$1,285,894**	$1,059,417
Energy Services	**213,253**	276,471
Retail and Other	**71,832**	51,923
Total	**$1,570,979**	$1,387,811

12. Selected Quarterly Data (Unaudited)

A summary of financial data for each fiscal quarter of 2003 and 2002 follows. Due to the seasonal nature of the Company's businesses, quarterly amounts vary significantly during the year. In the opinion of management, the information furnished reflects all adjustments necessary for a fair presentation of the results of the interim periods.

(Thousands, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2003				
Operating revenues	**$668,779**	**$1,152,851**	**$369,660**	**$353,089**
Operating income	**$41,669**	**$71,885**	**$9,665**	**$(1,868)**
Net income	**$23,323**	**$41,244**	**$4,473**	**$(3,628)**
Earnings per share				
Basic	**$.86**	**$1.52**	**$.16**	**$(.13)**
Diluted	**$.85**	**$1.50**	**$.16**	**$(.13)**
2002				
Operating revenues	$395,831	$525,780	$442,684	$467,209
Operating income	$34,847	$59,425	$9,725	$758
Net income	$19,681	$34,930	$4,764	$(2,531)
Earnings per share				
Basic	$.74	$1.30	$.18	$(.09)
Diluted	$.73	$1.29	$.17	$(.09)

NEW JERSEY RESOURCES: 29.86%

285.4070 Schedule D-7: Comparative Financial Data

Section 285.4070
Schedule D-7
Comparative Financial Data
($000's) ***except per share data***

Utility: Northern Illinois Gas Company
d/b/a Nicor Gas Company

Test Year: 12 Months Ended 12/31/05

Part 285.4070 Section	Line No.	Description	Reference	Source [1]	Forecasted Test Year 2005	Forecasted Current Year 2004	Historical Calendar Years 2003	2002	2001	2000	1999
b) 1)	1	Funds from Operations:									
	2	Net Income	WP(D-7) 1	ICC Form 21, P. 117 Line 74	$46,389	$69,073	$83,000	$109,139	$98,806	$12,584	$96,010
	3	Depreciation & Amortization	WP(D-7) 1	ICC Form 21, P. 120 Line 4	154,700	149,200	143,500	137,600	132,391	128,968	125,235
	4	Deferred Income Taxes	WP(D-7) 1	ICC Form 21, P. 120 Line 6	5,271	14,994	136,704	32,317	16,020	(35,268)	(5,858)
	5	Deferred Investment Tax Credits	WP(D-7) 1	ICC Form 21, P. 120 Line 7	(2,697)	(2,697)	(1,975)	(1,423)	(2,148)	(1,541)	(1,450)
	6	Less: AFUDC	WP(D-7) 1	ICC Form 21, P. 117 Line 65	700	550	220	395	241	363	118
	7	Plus: Change in Mercury Reserve	WP(D-7) 1	ICC Form 21, P. 120 Line 17	-	(669) [4]	(1,421)	(13,667)	(41,006)	78,007	-
	8	**Total Funds from Operations (Lines 1 to 7)**			**$202,963**	**$229,351**	**$359,588**	**$263,571**	**$203,822**	**$182,386**	**$213,819**
b) 2)	9	Capital Structure:									
	10	Short-term Debt	WP(D-7) 1	ICC Form 21, P. 112 Line 36	$515,800	$445,100	$477,500 [2]	$315,000	$227,000	$315,000	$276,685
	11	Long-term Debt [3]	WP(D-7) 1	ICC Form 21, P. 112 Line 24-19	500,376	500,354	495,838	497,130	446,732	472,929	472,621
	12	Preferred and Preference Stock	WP(D-7) 1	ICC Form 21, P. 112 Line 3+19	1,401	1,401	7,001	7,001	7,501	8,001	8,501
	13	Common Equity	WP(D-7) 1	ICC Form 21, P. 112 Line 15-3	648,156	638,895	625,091	607,837	583,568	575,581	674,528
	14	**Total Capital**			**$1,665,733**	**$1,585,750**	**$1,605,430**	**$1,426,968**	**$1,264,800**	**$1,371,511**	**$1,432,335**
c) 1)	15	Capital Structure Ratios:									
	16	**Short-term Debt Ratio**		Line 10 / Line 14	**31.0%**	**28.1%**	**29.7%**	**22.1%**	**17.9%**	**23.0%**	**19.3%**
	17	**Long-term Debt Ratio**		Line 11 / Line 14	**30.0%**	**31.6%**	**30.9%**	**34.8%**	**35.3%**	**34.5%**	**33.0%**
	18	**Preferred Stock Ratio**		Line 12 / Line 14	**0.1%**	**0.1%**	**0.4%**	**0.5%**	**0.6%**	**0.6%**	**0.6%**
	19	**Common Equity Ratio**		Line 13 / Line 14	**38.9%**	**40.3%**	**38.9%**	**42.6%**	**46.1%**	**42.0%**	**47.1%**
c) 2)	20	Cost of Capital:									
	21	**Embedded Cost of Long-term Debt**	WP(D-7) 2		**6.72 %**	**6.74 %**	**6.79 %**	**6.54 %**	**6.95 %**	**7.39 %**	**7.24 %**
	22	**Embedded Cost of Preferred Stock**	WP(D-7) 2		**4.77 %**	**4.77 %**	**4.77 %**	**4.59 %**	**4.67 %**	**4.67 %**	**4.67 %**
c) 3)	23	Earnings Ratios:									
	24	Earnings Available for Common Equity ("EACE")		Line 2 - Line 35	$46,322	$69,006	$82,804	$108,785	$98,522	$12,183	$95,586
	25	Estimated Net Utility Rate Base			1,450,781	1,333,937	1,391,467	1,354,127	1,329,627	1,360,707	1,316,798
	26	**AFUDC as a percentage of EACE**		Line 6 / Line 24	**1.5%**	**0.8%**	**0.3%**	**0.4%**	**0.2%**	**3.0%**	**0.1%**
	27	**Return on Estimated Rate Base**		Line 30/ / Line 25	**5.96%**	**7.72%**	**8.56%**	**10.60%**	**11.02%**	**3.96%**	**10.27%**
	28	**Return on Average Common Equity**		Line 2 / 2-YR avg. Line 13	**7.20%**	**10.92%**	**13.43%**	**18.26%**	**17.00%**	**1.95%**	**14.12%**

Section 285.4070
Schedule D-7
Comparative Financial Data
($000's) ***except per share data***

Utility: Northern Illinois Gas Company
d/b/a Nicor Gas Company

Test Year: 12 Months Ended 12/31/05

Part 285.4070 Section	Line No.	Description	Reference	Source [1]	Forecasted Test Year 2005	Forecasted Current Year 2004	Historical Calendar Years 2003	2002	2001	2000	1999
c) 4)	29	Fixed Charge Coverage:									
	30	Total Operating Income	WP(D-7) 1	ICC Form 21, P. 114 Line 26	$86,525	$102,952	$119,110	$143,590	$146,476	$53,881	$135,272
	31	Other Income	WP(D-7) 1	ICC Form 21, P. 114 Line 41	1,110	3,481	2,936	3,919	(1,854)	8,652	6,787
	32	Federal and State Income Taxes	WP(D-7) 1	ICC Form 21, P. 114 Line 15,16	21,168	23,276	(86,163)	33,727	45,468	36,626	64,913
	33	Less: AFUDC Equity Funds Portion	WP(D-7) 1	ICC Form 21, P. 117 Line 65	700	550	220	395	241	363	118
	34	Total Interest Charges	WP(D-7) 1	ICC Form 21, P. 117 Line 66	41,246	37,360	37,494	37,284	47,275	47,799	41,375
	35	Perferred Dividends	WP(D-7) 1	ICC Form 21, P. 118 Line 29	67	67	196	354	285	401	424
c) 4) A)	**36**	**Pre-tax Interest Coverage (Excluding AFUDC)**		(Line 30+31+32-33)/Line 34	**2.62**	**3.46**	**0.95**	**4.85**	**4.02**	**2.07**	**5.00**
c) 4) B)	**37**	**After-tax Fixed Charge Coverage**		(Line 30+ Line 31)/(Line 34+Line 35)	**2.12**	**2.84**	**3.24**	**3.92**	**3.04**	**1.30**	**3.40**
c) 5) A)	38	Cash Flow Ratios:									
	39	Funds from Operations		Line 8	$202,963	$229,351	$359,588	$263,571	$203,822	$182,386	$213,819
	40	Cash Interest Paid		ICC Form 21, p. 122	41,246	37,360	39,100	28,700	44,900	44,000	40,000
	41	Total Interest Incurred		Line 34	41,246	37,360	37,494	37,284	47,275	47,799	41,375
	42	**Funds Flow Interest Coverage**		(Line 39 + Line 40) / Line 41	**5.9 x**	**7.1 x**	**10.6 x**	**7.8 x**	**5.3 x**	**4.7 x**	**6.1 x**
c) 5) B)	43	Average Short-term Debt [2]	WP(D-7) 4	2004 & 2005 see D-2	$206,850	$212,283	$346,408	$219,583	$270,192	$256,141	$139,486
	44	Average Long-term Debt	WP(D-7) 4	2004 & 2005 see D-2	495,538	495,196	404,677	416,890	419,183	390,664	454,759
	45	**Funds Flow as % of Avg. Total Debt**		Line 39/(Line 43+ Line 44)	**29%**	**32%**	**48%**	**41%**	**30%**	**28%**	**36%**
c) 5) C)	46	Common Dividends	WP(D-7) 1	ICC Form 21, P. 118 Line 31	$41,893	$56,100	$65,000	$85,000	$90,000	$111,000	$99,600
	47	Preferred Dividends	WP(D-7) 1	ICC Form 21, P. 118 Line 29	67	67	196	354	285	401	424
	48	**Cash Coverage of Common Dividends**		(Line 39-Line 47)/Line 46	**4.8 x**	**4.1 x**	**5.5 x**	**3.1 x**	**2.3 x**	**1.6 x**	**2.1 x**
c) 5) D)	49	Gross Construction Expenditures	WP(D-7) 1	ICC Form 21, P. 120 Line 34	$194,727	$181,307	$172,854	$169,531	$149,796	$124,549	$127,425
	50	**Net Cash Flow as % of Construction Exp.**		(Line 39-Line 46-Line 47)/(Line 49- Line 6)	**83%**	**96%**	**171%**	**105%**	**76%**	**57%**	**89%**
c) 6)	51	Common Stock Related Data:									
	52	Shares Outstanding - Year End (000)	WP(D-7) 3		15,232	15,232	15,232	15,232	15,232	15,232	15,232
	53	Shares Outstanding - Monthly Weighted Average (000)	WP(D-7) 3		15,232	15,232	15,232	15,232	15,232	15,232	15,232
	54	Earning Per Share - Weighted Average		Line 24 / Line 53	3.04	4.53	5.44	7.14	6.47	0.80	6.28
	55	Dividend Paid Per Share - Weighted Average		Line 46 / Line 53	2.75	3.68	4.27	5.58	5.91	7.29	6.54
	56	Dividend Delared Per Share		Line 46 / Line 52	2.75	3.68	4.27	5.58	5.91	7.29	6.54
	57	Dividend Payout Ratio (Declared Basis)		Line 46 / Line 24	90%	81%	78%	78%	91%	911%	104%

Footnotes:
[1] ICC Form 21 references are based on 2003 filing. 1999 to 2002 referencing source may be slightly different.
[2] Short-term debt numbers prior to 2003 include Nicor Inc. short-term borrowing; due to money pooling rule, 2003 to 2005 numbers are for Nicor Gas short-term borrowing only.
[3] The 2004 and 2005 long-term debt forecast includes mandatorily redeemable preferred stock and amounts due within one-year.
[4] 2004 and 2005 Change in Mercury Reserve derived from WP (D-7) 1 - 1 of 61 (Mercury Incident Contingency)

NICOR GAS COMPANY	AN ORIGINAL	DECEMBER 31, 2003

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plans of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be attached hereto.

See insert pages. The attached footnotes conform to those filed in the Nicor Gas Form 10-K, and may differ from presentation in the Form 21

Supplemental Cash Flow Information (Millions)	Year ended 12/31/03
Income taxes paid (refunded), net	$ (59.5) (A)
Interest paid, net of amounts capitalized	$ 39.1

(A) As described in the Notes to the Consolidated Financial Statements - 8. Income Taxes, Nicor Gas received an income tax refund of approximately $100 million, subject to future Internal Revenue Service review and approval.

WP (D-7)S 2/5

NICOR GAS COMPANY	AN ORIGINAL	DECEMBER 31, 2002

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
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See insert pages.

Supplemental Cash Flow Information (Millions)	Year ended 12/31/02
Income taxes paid, net of refunds	$ 17.6
Interest paid, net of amounts capitalized	$ 28.7

Statement of Comprehensive Income (Millions)	Year ended 12/31/02
Net income	$ 109.1
Other comprehensive income (loss), net of taxes	
Gain (loss) on cash flow hedges	0.8
(Increase) decrease to minimum pension liability	(0.4)
Total other comprehensive income (loss)	0.4
Comprehensive income	$ 109.5

Statement of Accumulated Other Comprehensive Income (Millions)	Year ended 12/31/02
Balance at 01/01/02	$ (1.3)
Other comprehensive income (loss)	0.4
Balance at 12/31/02	$ (0.9)

3/s

WP (D-7) S

NICOR GAS COMPANY	A RESUBMISSION	DECEMBER 31, 2001

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
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4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
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6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be attached hereto.

See insert pages.

Supplemental Cash Flow Information (Millions)	Year ended 12/31/01
Income taxes paid, net of refunds	$ 30.1
Interest paid, net of amounts capitalized	$ 44.9

Statement of Comprehensive Income (Millions)	Year ended 12/31/01
Net income	$ 98.8
Other comprehensive income (loss), net of taxes	
Gain (loss) on cash flow hedges	(0.3)
(Increase) decrease to minimum pension liability	(0.2)
Total other comprehensive income (loss)	(0.5)
Comprehensive income	$ 98.3

Statement of Accumulated Other Comprehensive Income (Millions)	Year ended 12/31/01
Balance at 01/01/01	$ (0.8)
Other comprehensive income (loss)	(0.5)
Balance at 12/31/01	$ (1.3)

WP (D-7) S 4/5

NICOR GAS COMPANY	A RESUBMISSION	DECEMBER 31, 2000

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
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5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
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See insert pages.

Supplemental Cash Flow Information (Millions)	Year ended 12/31/00
Income taxes paid, net of refunds	$ 43.4
Interest paid, net of amounts capitalized	$ 44.0

Statement of Comprehensive Income (Millions)	Year ended 12/31/00
Net income	$ 12.6
Other comprehensive income (loss), net of taxes	
(Increase) decrease to minimum pension liability	(0.2)
Total other comprehensive income (loss)	(0.2)
Comprehensive income	$ 12.4

Statement of Accumulated Other Comprehensive Income (Millions)	Year ended 12/31/00
Balance at 01/01/00	$ (0.6)
Other comprehensive income (loss)	(0.2)
Balance at 12/31/00	$ (0.8)

WP (D-7) S

S/S

NICOR GAS COMPANY	A RESUBMISSION	DECEMBER 31, 1999

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plans of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
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See insert pages.

Supplemental Cash Flow Information (Millions)	Year ended 12/31/99
Income taxes paid, net of refunds	$ 57.3
Interest paid, net of amounts capitalized	$ 40.0

Statement of Comprehensive Income (Millions)	Year ended 12/31/99
Net income	$ 96.0
Other comprehensive income (loss), net of taxes	
(Increase) decrease to minimum pension liability	(0.6)
Total other comprehensive income (loss)	(0.6)
Comprehensive income	$ 95.4

Statement of Accumulated Other Comprehensive Income (Millions)	Year ended 12/31/99
Balance at 01/01/99	$ -
Other comprehensive income (loss)	(0.6)
Balance at 12/31/99	$ (0.6)