

**Northern Illinois Gas Company  
 d/b/a Nicor Gas Company  
 Adjusted Overall Financial Summary  
 Revised Schedule A-2  
 For the Test Year Ending December 31, 2005  
 (\$000)**

Line No.	Description (A)	Reference to Supporting Schedules (B)	Present Rates			Present Rates with PGA Pass-through Adjustments		
			Test Year 2005 (Co. Sch. A-2) (Column C)	Summary of Adjustments (D)	Adjusted Test Year 2005 (E)	Test Year 2005 (Co. Sch. A-2) (Column D)	Summary of Adjustments (G)	Adjusted Test Year 2005 (H)
1	Original Cost Rate Base	Revised Schedule B-1	\$ 1,450,781	\$ (9,699)	\$ 1,441,082	\$ 1,450,781	\$ (9,699)	\$ 1,441,082
2	Operating Income at Present Rates	Revised Schedule C-1	\$ 86,065	\$ (2,022)	\$ 84,043	\$ 94,202	\$ (744)	\$ 93,458
3	Rate of Return (line 2 / line 1)	-	5.93%	-0.10%	5.83%	6.49%	0.00%	6.49%
4	Cost of Capital	Revised Schedule D-1	9.34%	-0.31%	9.03%	9.34%	-0.31%	9.03%
5	Operating Income at Proposed Rates (line 1 x line 4)	Revised Schedule C-1	\$ 135,503	\$ (5,373)	\$ 130,130	\$ 135,503	\$ (5,373)	\$ 130,130
6	Income Deficiency (line 5 - line 2)	Revised Schedule C-1	\$ 49,438	\$ (3,351)	\$ 46,087	\$ 41,301	\$ (4,629)	\$ 36,672
7	Gross Revenue Conversion Factor	Revised Schedule A-2.1	1.685108	-0.00193	1.683178	1.685108	-0.00193	1.683178
8	Revenue Increase Requested (line 6 x line 7)	Revised Schedule C-1	\$ 83,308	\$ (5,735)	\$ 77,573	\$ 69,597	\$ (7,871)	\$ 61,726
9	Columns C and E are calculated at present rates							
10	Columns F and H are calculated at present rates and include the effects of proposed PGA "pass-through" rate design change							

**Northern Illinois Gas Company  
d/b/a Nicor Gas Company  
Adjusted Gross Revenue Conversion Factor  
Revised Schedule A-2.1  
For the Test Year Ending December 31, 2005**

Line No.	Description (A)	Test Year 2005 (Co. Sch. A-2.1) (B)	Summary of Adjustments (C)	Adjusted Test Year 2005 (D)
1	Operating Revenues	1.000000	-	1.000000
2	Less: Adjustment for Uncollectible Accounts	(0.013000)	(0.001000)	(0.014000)
3	State Taxable Income	<u>0.987000</u>	<u>(0.001000)</u>	<u>0.986000</u>
4	Less: State Income Tax (a)	0.074025	(0.002047)	0.071978
5	Federal Taxable Income	0.912975	0.001047	0.914022
6	Less: Federal Income Tax (b)	0.319541	0.000367	0.319908
7	Operating Income	<u>0.593434</u>	<u>0.000680</u>	<u>0.594114</u>
8	<b>Gross Revenue Conversion Factor</b>	<u><u>1.685108</u></u>	<u><u>(0.001930)</u></u>	<u><u>1.683178</u></u>
9	(a) State Income Tax Rates: Column B is 7.5% Column D is 7.3%			
10	(b) Federal Income Tax Rate is 35%			

**Northern Illinois Gas Company  
d/b/a Nicor Gas Company  
Adjusted Rate Base Summary  
Revised Schedule B-1  
For the Test Year Ending December 31, 2005  
(\$000)**

Line No.	Rate Base Component (A)	Company Pro Forma Rate Base (Co. Sch. B-1) (B)	Company Adjustments Revised Schedule B-2 Addendum (C)	Company Pro Forma Adjusted Rate Base (Col. B + C) (D)
1	Gross Utility Plant	\$ 3,980,396	\$ -	\$ 3,980,396
2	Accumulated Provision for Depreciation and Amortization	2,240,383	-	2,240,383
3	Net Utility Plant	<u>1,740,013</u>	<u>-</u>	<u>1,740,013</u>
4	Add:			
5	Materials and Supplies	4,313 (1)	-	4,313 (1)
6	Gas in Storage	116,701 (1)	8,619 (1)	125,320 (1)
7	Retirement Benefits, Net	89,027	-	89,027
8	Subtotal	<u>210,041</u>	<u>8,619</u>	<u>218,660</u>
9	Deduct:			
10	Construction Work in Progress subject to AFUDC	31,115	-	31,115
11	Accumulated Deferred Income Taxes	327,742	18,318	346,060
12	Customer Deposits	23,711	-	23,711
13	Budget Payment Plan Balances	60,965 (1)	-	60,965 (1)
14	Regulatory Tax Liability	40,828	-	40,828
15	Investment Tax Credits	9,296	-	9,296
16	Reserve for Injuries and Damages	1,597	-	1,597
17	Customer Advances for Construction	4,019	-	4,019
18	Subtotal	<u>499,273</u>	<u>18,318</u>	<u>517,591</u>
19	Total Rate Base	<u>\$ 1,450,781</u>	<u>\$ (9,699)</u>	<u>\$ 1,441,082</u>

20 (1) Represents average of 13-month end balances for period ended December 31, 2005.

**Northern Illinois Gas Company  
d/b/a Nicor Gas Company  
Summary of Adjustments to Rate Base  
Revised Schedule B-2  
Addendum  
For the Test Year Ending December 31, 2005  
(\$000)**

Line No.	Rate Base Component (A)	Gas in Storage (Sch. 1.01) (B)	Accumulated Deferred Income Taxes on 263A (Sch. 1.02) (C)	Total Rate Base Adjustments (D)
1	Gross Utility Plant	\$ -	\$ -	\$ -
2	Accumulated Provision for Depreciation and Amortization	-	-	-
3	Net Utility Plant	<u>-</u>	<u>-</u>	<u>-</u>
4	Add:			
5	Materials and Supplies	-	-	-
6	Gas in Storage	8,619	-	8,619
7	Retirement Benefits, Net	-	-	-
8	Subtotal	<u>8,619</u>	<u>-</u>	<u>8,619</u>
9	Deduct:			
10	Construction Work in Progress subject to AFUDC	-	-	-
11	Accumulated Deferred Income Taxes	-	18,318	18,318
12	Customer Deposits	-	-	-
13	Budget Payment Plan Balances	-	-	-
14	Regulatory Tax Liability	-	-	-
15	Investment Tax Credits	-	-	-
16	Reserve for Injuries and Damages	-	-	-
17	Customer Advances for Construction	-	-	-
18	Subtotal	<u>-</u>	<u>18,318</u>	<u>18,318</u>
19	Total Rate Base	<u>\$ 8,619</u>	<u>\$ (18,318)</u>	<u>\$ (9,699)</u>

**Northern Illinois Gas Company  
 d/b/a Nicor Gas Company  
 Adjusted Operating Income Summary  
 Revised Schedule C-1  
 For the Test Year Ending December 31, 2005  
 (\$000)**

Line No.	Item (A)	Requested Rate Increase								
		Company Pro Forma Present (Co. Sch. C-1) (Col. H) (B)(1)	Staff Adjustments PGA and ECR Revenues (Staff Sch. 1.09) (C)(1)	Company Pro Forma Present (Cols. B + C) (D)(1)	Company Adjustments Revised Schedule C-2 Addendum (E)(1)	Company Pro Forma Present Adjusted (Cols. D + E) (F)(1)	Company Requested Rate Increase (Co. Sch. C-1) (Col. K) (G)(1)	Company Adjustment to Requested Rate Increase (H)(1)	Company Requested Rate Increase, Net (Cols. G + H) (I)(1)	Company Adjusted Pro Forma Proposed (Cols. F + I) (J)(1)
1	OPERATING REVENUES									
2	Base Rates Revenues	\$ 504,108	\$ -	\$ 504,108	\$ -	\$ 504,108	\$ 69,597	\$ (7,871)	\$ 61,726	\$ 565,834
3	PGA Revenues	1,654,748	(1,654,748)	-	-	-	-	-	-	-
4	ECR Revenues (Coal Tar)	18,048	(18,048)	-	-	-	-	-	-	-
5	Other Revenues	16,660	-	16,660	1,092	17,752	-	-	-	17,752
	Total Operating Revenues	2,193,564	(1,672,796)	520,768	1,092	521,860	69,597	(7,871)	61,726	583,586
6	OPERATING EXPENSES									
7	Cost of Gas	1,675,017	(1,672,796)	2,221	-	2,221	-	-	-	2,221
8	Other Operation and Maintenance:									
9	Storage	12,399	-	12,399	-	12,399	-	-	-	12,399
10	Transmission	4,340	-	4,340	-	4,340	-	-	-	4,340
11	Distribution	51,282	-	51,282	-	51,282	-	-	-	51,282
12	Customer Accounts	44,061	-	44,061	1,606	45,667	905	(41)	864	46,531
13	Customer Services and Informational Services	474	-	474	-	474	-	-	-	474
14	Sales	3,358	-	3,358	-	3,358	-	-	-	3,358
15	Administrative and General	106,057	-	106,057	532	106,589	-	-	-	106,589
16	Total Other Operation and Maintenance	221,971	-	221,971	2,138	224,109	905	(41)	864	224,973
17	Depreciation	154,700	-	154,700	-	154,700	-	-	-	154,700
18	Taxes Other Than Income	19,399	-	19,399	-	19,399	-	-	-	19,399
19	Income Taxes									
20	Federal - Current	19,949	-	19,949	(247)	19,702	22,239	(2,492)	19,747	39,449
21	State - Current	5,752	-	5,752	(55)	5,697	5,152	(709)	4,443	10,140
22	Deferred	5,271	-	5,271	-	5,271	-	-	-	5,271
23	ITC	(2,697)	-	(2,697)	-	(2,697)	-	-	-	(2,697)
24	Total Operating Expenses	2,099,362	(1,672,796)	426,566	1,836	428,402	28,296	(3,242)	25,054	453,456
25	NET OPERATING INCOME	\$ 94,202	\$ -	\$ 94,202	\$ (744)	\$ 93,458	\$ 41,301	\$ (4,629)	\$ 36,672	\$ 130,130
26	Company Adjusted Rate Base (Company Revised Schedule B-1, Column D, Line 19)									\$ 1,441,082
27	Company Overall Rate of Return (Company Exhibit 20.1, Schedule D-1 (Revised & Updated))									9.03%
28	(1) Data is calculated at present rates and includes the effects of proposed PGA "pass-through" rate design change									

**Northern Illinois Gas Company  
d/b/a Nicor Gas Company  
Summary of Adjustments to Operating Income  
Revised Schedule C-2  
Addendum  
For the Test Year Ending December 31, 2005  
(\$000)**

Line No.	Item (A)	Interest Synchronization (Sch. 1.03) (B)	Provision for Uncollectible Accounts (Sch. 1.04) (C)	Forfeited Discounts (Sch. 1.05) (D)	Lobbying Expense (Sch. 1.06) (E)	Hub Services (Sch. 1.07) (F)	Promotional & Goodwill Activities (ICC Staff Sch. 3.04) (G)	Matching Gift Program (ICC Staff Sch. 3.07) (H)	Total Operating Income Adjustments (I)
1	OPERATING REVENUES								
2	Base Rates Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	PGA Revenues	-	-	-	-	-	-	-	-
4	ECR Revenues (Coal Tar)	-	-	-	-	-	-	-	-
5	Other Revenues	-	-	1,092	-	-	-	-	1,092
	Total Operating Revenues	-	-	1,092	-	-	-	-	1,092
6	OPERATING EXPENSES								
7	Cost of Gas	-	-	-	-	-	-	-	-
8	Other Operation and Maintenance:								
9	Storage	-	-	-	-	-	-	-	-
10	Transmission	-	-	-	-	-	-	-	-
11	Distribution	-	-	-	-	-	-	-	-
12	Customer Accounts	-	1,606	-	-	-	-	-	1,606
13	Customer Services and Informational Services	-	-	-	-	-	-	-	-
14	Sales	-	-	-	-	-	-	-	-
15	Administrative and General	-	-	-	(213)	1,079	(276)	(58)	532
16	Total Other Operation and Maintenance	-	1,606	-	(213)	1,079	(276)	(58)	2,138
17	Depreciation	-	-	-	-	-	-	-	-
18	Taxes Other Than Income	-	-	-	-	-	-	-	-
19	Income Taxes								
20	Federal - Current	92	(521)	354	69	(350)	90	19	(247)
21	State - Current	21	(117)	80	16	(79)	20	4	(55)
22	Deferred	-	-	-	-	-	-	-	-
23	ITC	-	-	-	-	-	-	-	-
24	Total Operating Expenses	113	968	434	(128)	650	(166)	(35)	1,836
25	NET OPERATING INCOME	\$ (113)	\$ (968)	\$ 658	\$ 128	\$ (650)	\$ 166	\$ 35	\$ (744)

**Northern Illinois Gas Company  
d/b/a Nicor Gas Company  
Gas in Storage Adjustment Summary  
For the Test Year Ended December 31, 2005  
(\$000)**

<b>Line No.</b>	<b>Description</b>	<b>Amount</b>	<b>Source</b>
1	Gas in Storage Adjustment to Schedule B-1.1	\$ 8,143	Company Schedule 1.01 Page 2 of 3, Line 17
2	Storage Services Change Adjustment to Schedule B-2.2	<u>476</u>	Company Schedule 1.01 Page 3 of 3, Line 16
3	Total Gas in Storage Adjustment	<u><u>\$ 8,619</u></u>	

**Northern Illinois Gas Company  
d/b/a Nicor Gas Company  
Gas in Storage Adjustment  
Revised Schedule B-1.1  
For the Test Year Ended December 31, 2005  
(\$000)**

Line No.	Month (A)	2005	
		Gas in Storage (B)	Accts Payable Associated w/ Gas in Storage (1) (C)
1	December 2004	\$ 189,039	
2	January 2005	25,030	
3	February 2005	10,379	
4	March 2005	5,332	
5	April 2005	4,938	
6	May 2005	9,954	5,016
7	June 2005	15,361	5,407
8	July 2005	93,769	78,408
9	August 2005	195,709	101,940
10	September 2005	309,682	113,973
11	October 2005	396,650	86,968
12	November 2005	336,099	
13	December 2005	189,039	
14	13 Month Average Balance	\$ 136,999	\$ 30,132
15	13 Month Average Balance, net (Column B less Column C)		<u>\$ 106,867</u>
16	Gas in Storage Balance filed by Company on Schedule B-1.1		<u>98,724</u>
17	Proposed Adjustment to Gas in Storage Balance (Line 15 less Line 16)		<u>\$ 8,143</u>

18 (1) In accordance with prior Commission treatment, the Accounts Payable associated with Gas in Storage is represented by the month's increase in inventory balance.

**Northern Illinois Gas Company  
d/b/a Nicor Gas Company  
Storage Services Change  
Revised Schedule B-2.2  
For the Test Year Ended December 31, 2005  
(\$000)**

Line No.	Month (A)	Price per Therm (B)	Therms (000's) (C)	Addition to Gas in Storage (D)
1	December 2004	\$ 0.604221123	36,573	\$ 22,098
2	January 2005	0.653892779	25,505	16,678
3	February 2005	0.653892779	16,501	10,790
4	March 2005	0.653892779	10,325	6,751
5	April 2005	0.653892779	8,339	5,453
6	May 2005	0.653892779	15,515	10,145
7	June 2005	0.653892779	22,252	14,550
8	July 2005	0.653892779	28,477	18,621
9	August 2005	0.653892779	34,232	22,384
10	September 2005	0.653892779	41,029	26,829
11	October 2005	0.653892779	48,177	31,503
12	November 2005	0.653892779	46,142	30,172
13	December 2005	0.653892779	36,573	23,915
14	13 Month Average Balance			\$ 18,453
15	Storage Services Change filed by Company on Schedule B-2.2			17,977
16	Proposed Adjustment to Storage Services Change (Line 14 less Line 15)			\$ 476

**Northern Illinois Gas Company  
 d/b/a Nicor Gas Company  
 Adjustment to Accumulated Deferred Tax  
 For the Test Year Ended December 31, 2005  
 (\$000)**

<u>Line No.</u>	<u>Description</u>	<u>2005</u>
1	Prorated 2005 Deferred Tax Activity as Filed	84,409
2		Company Schedule G-7, Column E, Beginning (line 1) less Ending (Line 14) Balance
3	Prorated Deferred Tax Activity per Staff	66,091
		ICC Staff Exhibit 2.0, Schedule 2.08, Line 13
4	Proposed Deferred Tax Rate Base Adjustment	<u>18,318</u>
5	<b>Description of Adjustment</b>	
6	Accept ICC Staff Theresa Ebrey's recommendation to reflect the corrected adjustment	
7	relating to the 263A accounting method change in the deferred tax rate base adjustment.	

**Northern Illinois Gas Company  
 d/b/a Nicor Gas Company  
 Interest Synchronization Adjustment  
 For the Test Year Ended December 31, 2005  
 (\$000)**

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Original Cost Rate Base	\$ 1,441,082	Company Exhibit 26.1, Revised Schedule B-1, Line 19
2	Weighted Cost of Debt	<u>2.92%</u>	Company Exhibit 20.1, Schedule D-1 (Revised & Updated), Line 1
3	Synchronized Interest Per Company (Line 1 x Line 2)	42,080	
4	Company Filed Synchronized Interest	<u>42,363</u>	Company Schedule C-5.4
5	Increase (Decrease) in Interest Expense	<u>\$ (283)</u>	
6	Increase (Decrease) in State Income Tax Expense at 7.3%	\$ 21	
7	Increase (Decrease) in Federal Income Tax Expense at 35%	<u>92</u>	
8	Increase (Decrease) in Operating Expenses	<u>\$ 113</u>	
9	Increase (Decrease) in Operating Income	<u>\$ (113)</u>	

**Northern Illinois Gas Company  
d/b/a Nicor Gas Company  
Provision for Uncollectibles Adjustment  
For the Test Year Ended December 31, 2005  
(\$000)**

<u>Line No.</u>		Rate Case Filing	As of 02/07/05	Gas Price Variance
1	<b>Weighted Average Gas Prices</b>	\$ 0.5753	\$ 0.6431	\$ 0.0678
2	<b>Uncollectible Provision Rate:</b>			
3	Company Adjusted Rate	1.4%		
4	Company Filed Rate (1)	<u>1.3%</u>		
5	Increase In Uncollectible Provision Rate	<u><u>0.1%</u></u>		
6	<b>Gas Price Impact on Operating Revenues:</b>			
7	Sales Deliveries (therms)			2,572,698
8	x Gas Price Variance (line 1)			<u>\$ 0.0678</u>
9	Operating Revenues Impact			\$ 174,429
10	Operating Revenues (Schedule C-1, Column D, line 1)			<u>2,337,151</u>
11	Operating Revenues adjusted for Gas Price Impact			<u><u>\$ 2,511,580</u></u>
12	<b>Provision for Uncollectible Adjustment:</b>			
13	Operating Revenues adjusted for Gas Price Impact (line 11)			\$ 2,511,580
14	Uncollectible Percentage Adjusted (line 3)			<u>1.4%</u>
15	Adjusted Provision for Uncollectible			35,162
16	Provision for Uncollectible filed by Company (2)			<u>30,355</u>
17	Provision for Uncollectible Adjustment			<u><u>\$ 4,807</u></u>
18	<b>Commodity Portion of Adjustment (line 17 x 66.6%) (3)</b>			\$ 3,201
19	<b>PGA Pass-through:</b>			
20	Increase Operating Revenues			\$ 3,201
21	Increase Cost of Gas			3,201
22	<b>Other Operation and Maintenance Increase (line 17 less line 18)</b>			\$ 1,606
23	<b>Income Taxes:</b>			
24	State at 7.3%			117
25	Federal at 35%			<u>521</u>
26				638
27	<b>Operating Income Decrease</b>			<u><u>\$ 968</u></u>
28	(1) Refer to Company Schedule C-16, Column K, Line 5			
29	(2) Refer to Company Schedule C-16, Column C, Line 5			
30	(3) Refer to Company Schedule C-2.2, Line 4			

**Northern Illinois Gas Company  
d/b/a Nicor Gas Company  
Adjustment for Forfeited Discounts (Late Payments)  
For the Test Year Ended December 31, 2005  
(\$000)**

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
1	Operating Revenues Adjusted (1)	\$ 2,511,580
2	Operating Revenues Filed by Company (2)	2,337,151
3	Percentage Increase (Line 1 / Line 2)	107.46%
4	Forfeited Discounts (Late Payments) (3)	\$ 14,637
5	Percentage Increase in Revenue (Line 3)	107.46%
6	Adjusted Forfeited Discounts (Late Payments) (Line 4 x Line 5)	<u>15,729</u>
7	Other Revenues Increase (Line 6 less Line 4)	\$ 1,092
8	Income Taxes:	
9	State at 7.3%	80
10	Federal at 35%	354
11		<u>434</u>
12	Operating Income Increase	<u>\$ 658</u>

13 (1) Refer to Company Exhibit 26.1, Schedule 1.04, Line 11  
14 (2) Refer to Company Filed Schedule C-1, Column D, Line 1  
15 (3) Refer to Company Filed Schedule C-23, Column F, Line 2

**Northern Illinois Gas Company  
 d/b/a Nicor Gas Company  
 Adjustment for Lobbying Expense  
 For the Test Year Ended December 31, 2005  
 (\$000)**

<u>Line No.</u>	<u>Payee</u>	<u>Amount</u>	<u>Source</u>
	<b>Adjustments:</b>		
1	[REDACTED]	[REDACTED]	Company response to TEE 11.04
2	[REDACTED]	[REDACTED]	Company response to TEE 11.04
	Total Adjustment (in Dollars)	<u>\$ 213,150</u>	
	<b>Total Adjustment Rounded to Thousands:</b>		
3	Other Operation and Maintenance Decrease	\$ 213	
4	Income Taxes:		
5	State at 7.3%	16	
6	Federal at 35%	<u>69</u>	
7		85	
8	Operating Income Increase	<u>\$ 128</u>	

**Northern Illinois Gas Company  
 d/b/a Nicor Gas Company  
 Adjustment for Hub Services  
 For the Test Year Ended December 31, 2005  
 (\$000)**

<u>Line No.</u>	<u>Description</u>	<u>2005</u>
1	Gross Revenues	\$ 9,962
2	Administration Fee	1,079
3	Net Revenue	<u>\$ 8,883</u>
4	PGA Pass-through:	
5	Reduce Operating Revenues	\$ 9,962
6	Reduce Cost of Gas	9,962
7	Other Operation and Maintenance Increase	\$ 1,079
8	Income Taxes:	
9	State at 7.3%	79
10	Federal at 35%	<u>350</u>
11		429
12	Operating Income Decrease	<u>\$ 650</u>
13	<b>Description of Adjustment:</b>	
14	Accept Mr. David A. Borden's (ICC Staff Exhibit 8.0) proposal to	
15	recover Hub services administration costs through base rates.	