

**FIRST AMENDMENT TO
OPERATING AGREEMENT**

This First Amendment to Operating Agreement ("First Amendment") is made and entered into as of the 13th day of September, 2004.

WITNESSETH

Whereas, Nicor Inc. ("NICOR"), Northern Illinois Gas Company d/b/a Nicor Gas Company ("Nicor Gas") and each of the other signatories hereto are parties to that certain Operating Agreement dated as of October 25, 2001 (the "Original Operating Agreement"); and

Whereas, by Order issued in Docket No. 02-0581 and effective June 15, 2004 (the "Order"), the Illinois Commerce Commission adopted 83 Ill. Administrative Code Part 340 (Money Pool Agreements); and

Whereas, the Parties desire to amend the Original Operating Agreement solely for the purpose of complying with the requirements of the Order and updating Exhibit A to the Original Operating Agreement to reflect a current list of the Parties.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, the Parties hereby agree as follows:

1. Unless otherwise expressly defined herein, capitalized terms used herein shall have the meanings assigned to them in the Original Operating Agreement.
2. The term "Agreement" as used in the Original Operating Agreement and this First Amendment shall be deemed to mean the Original Operating Agreement as amended by this First Amendment.
3. The Addendum to the Original Operating Agreement is hereby deleted in its entirety and the new Addendum attached to this First Amendment is substituted in lieu thereof.
4. Exhibit A to the Original Operating Agreement is hereby deleted in its entirety and the new Exhibit A attached to this First Amendment is substituted in lieu thereof.
5. Except as amended hereby, the Original Operating Agreement shall continue in full force and effect in accordance with its terms.

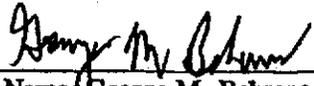
OFFICIAL FILE

I.C.C. DOCKET NO. 04-0779
RGS Cross Exhibit No. 8

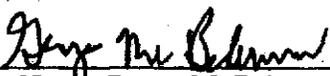
Witness _____
Date 5/23/05 Reporter TD

IN WITNESS WHEREOF, the Parties have each caused this First Amendment to be executed by a duly authorized representative as of the day and year first above written.

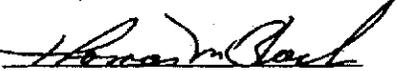
NICOR INC.

By: 
Name: George M. Behrens
Title: Vice President and Treasurer

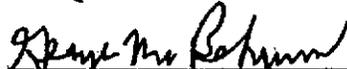
NORTHERN ILLINOIS GAS COMPANY

By: 
Name: George M. Behrens
Title: Vice President and Treasurer

BIRDSALL, INC.

By: 
Name: Thomas M. Black
Title: Senior Vice President

TROPIC EQUIPMENT LEASING INC.

By: 
Name: George M. Behrens
Title: Vice President

TROPICAL BAHAMAS LTD.

By: 
Name: Thomas M. Black
Title: President

NICOR ENERGY VENTURES
COMPANY

By: 
Name: Paul C. Gracey, Jr.
Title: Secretary

NICOR ENERGY MANAGEMENT
SERVICES COMPANY

By: 
Name: Paul C. Gracey, Jr.
Title: Secretary

NICOR ENERGY SERVICES COMPANY

By: 
Name: Paul C. Gracey, Jr.
Title: Secretary

NICOR ENERGY SOLUTIONS INC.

By: 
Name: Paul C. Gracey, Jr.
Title: Secretary

NICOR ENERCHANGE, L.L.C. (F/K/A
ENERCHANGE, L.L.C.)

By: 
Name: Paul C. Gracey, Jr.
Title: Secretary

NICOR TECHNOLOGIES INC.

By: 
Name: Paul C. Gracey, Jr.
Title: Secretary

NICOR HOME SERVICES, L.L.C.

By: 
Name: Paul C. Gracey, Jr.
Title: Secretary

NICOR HORIZON, INC.

By: George M. Behrens
Name: George M. Behrens
Title: Treasurer

NICOR POWER HOLDING COMPANY

By: George M. Behrens
Name: George M. Behrens
Title: Treasurer

NICOR ROCKY ROAD COMPANY

By: Paul C. Gracey, Jr.
Name: Paul C. Gracey, Jr.
Title: Secretary

NICOR OIL & GAS CORPORATION

By: Paul C. Gracey, Jr.
Name: Paul C. Gracey, Jr.
Title: Secretary

NICOR NATIONAL INC.

By: Paul C. Gracey, Jr.
Name: Paul C. Gracey, Jr.
Title: Secretary

NICOR MINING INC.

By: Paul C. Gracey, Jr.
Name: Paul C. Gracey, Jr.
Title: Secretary

NICOR PURCHASING, L.L.C.

By: George M. Behrens
Name: George M. Behrens
Title: Treasurer

NICOR SOLUTIONS, L.L.C.

By: George M. Behrens
Name: George M. Behrens
Title: Treasurer

NI-GAS EXPLORATION, INC.

By: Paul C. Gracey, Jr.
Name: Paul C. Gracey, Jr.
Title: Secretary

Revised
September 13, 2004

ADDENDUM
Short-term Borrowing and Investment between Parties

Cash advances made by Nicor Gas to NICOR Inc. pursuant to this Agreement shall be in accordance with the following terms and in accordance with 83 Ill. Administrative Code Part 340 (Money Pool Agreements) as adopted by Illinois Commerce Commission (the "ICC") Order effective June 15, 2004 in Docket No. 02-0581, as the same may be amended or modified by the ICC from time to time:

(a) To the extent that Nicor Gas possesses excess cash and no outstanding short term borrowings, cash advances can be made to Nicor Inc. to the extent that it continues to meet the requirements of Section 340.40(b)(1); and

(b) the interest rate on cash advances from Nicor Gas to NICOR Inc. shall be calculated at the higher of (i) the interest rate at which NICOR Inc. could have borrowed the funds pursuant to an existing bank credit agreement(s) or commercial paper facility(ies) entered into between NICOR Inc. and an unaffiliated third party or parties, or (ii) the rate the utility would have earned on existing short term investment accounts maintained during the same period.

Cash advances made by a NICOR Entity to Nicor Gas pursuant to this Agreement shall be in accordance with the following terms and in accordance with 83 Ill. Administrative Code Part 340 (Money Pool Agreements) as adopted by ICC Order effective June 15, 2004 in Docket No. 02-0581, as the same may be amended or modified by the ICC from time to time:

(a) The balance of cash advances shall not at any time exceed the unused balance of funds actually available to Nicor Gas under Nicor Gas' existing bank credit agreement(s) or commercial paper facility(ies) entered into between Nicor Gas and an unaffiliated third party or parties; and

(b) the interest rate on cash advances from NICOR Entity to Nicor Gas shall be calculated at the lower of (i) the interest rate at which Nicor Gas could have borrowed the funds pursuant to an existing bank agreement(s) or commercial paper facility(es) entered into between Nicor Gas and an unaffiliated third party or parties, or (ii) the NICOR Entity's actual interest cost, including issuance costs, for the funds obtained or used to provide the cash advance to Nicor Gas.

Revised
September 13, 2004

Exhibit A

Parties to the Operating Agreement

NICOR Inc. (Parent)
Northern Illinois Gas Company
Birdsall, Inc.
Tropic Equipment Leasing Inc.
Tropical Bahamas Ltd.
NICOR Energy Ventures Company
NICOR Energy Management Services Company
NICOR Energy Services Company
NICOR Energy Solutions Inc.
NICOR Enerchange L.L.C.
NICOR Technologies Inc.
NICOR Home Services, L.L.C.
NICOR Horizon, Inc.
NICOR Power Holding Company
NICOR Rocky Road Company
NICOR Oil & Gas Corporation
NICOR National Inc.
NICOR Mining Inc.
NICOR Purchasing, L.L.C.
NICOR Solutions, L.L.C.
NI-Gas Exploration Inc.