Information Requred Pursuant to
220 ILCS 5/7-204(a)(2)

Part 18 of **53**

IV. Liquidation Prices. The amount payable on each share of the $100 Cumulative Preferred Stock 7.96% Series in the event of voluntary dissolution, liquidation or winding up of the Company shall be an amount per share equal to the optional redemption prices set forth in Section III above at the date fixed for payment plus an amount equivalent to preferential dividends accrued and unpaid thereon to the date fixed for payment.

The amount payable on each share of such series in the event of involuntary dissolution, liquidation or winding up of the Company shall be $100 per share plus an amount equivalent to preferential dividends accrued and unpaid thereon to the date fixed for payment, and no more.

V. Sinking Fund. The Company shall, on or before January 1 of each year beginning with the year 1989, so long as any shares of the $100 Cumulative Preferred Stock 7.96% Series shall be outstanding, set aside as a sinking fund for such stock, separate and apart from its own funds, out of legally available funds, after full payment or provision for payment has been made for all dividends accrued on the $100 Cumulative Preferred Stock 7.96% Series, whether or not earned or declared, to such date, an amount sufficient to redeem on such January 1, at the sinking fund redemption price (a) 2,500 shares and, at its option, up to an additional 2,500 shares of $100 Cumulative Preferred Stock 7.96% Series, or (b) the number of shares of such series outstanding, whichever shall be less. The amounts set aside on or before each such date for the sinking fund shall be used to redeem on such date, on a pro rata basis among the holders of the $100 Cumulative Preferred Stock 7.96% Series and in the manner provided in the Company's Charter, $100 Cumulative Preferred Stock 7.96% Series outstanding at the sinking fund price as provided in Section III. The obligation hereunder shall be cumulative so that if the Company is for any reason unable to redeem on such January 1, at the sinking fund redemption price 2,500 shares of the $100 Cumulative Preferred Stock 7.96% Series funds legally available therefor shall, by action of the Company's Board of Directors, be applied thereto until all such requirements are fully discharged. No shares of the $100 Cumulative Preferred Stock 7.96% Series redeemed at the option of the Company pursuant to Section III above, redeemed at the option of the Company pursuant to this Section V over the required sinking fund redemption of 2,500 shares or otherwise purchased or acquired by the Company, may be credited to, or relieve the Company to any extent from, the sinking fund obligation of the Company set forth in this Section V.

VI. Restriction on Issue of Additional Cumulative Preferred Stock or Parity Stock. So long as any shares of the $100 Cumulative Preferred Stock 7.96% Series are outstanding, the Company shall not, without the consent of holders of

two-thirds of the outstanding shares of the $100 Cumulative Preferred Stock 7.96% Series, issue any shares of $100 Cumulative Preferred Stock in addition to the 100,000 shares of the $100 Cumulative Preferred Stock 7.96% Series hereinbefore referred to (except for the purpose of refunding shares of $100 Cumulative Preferred Stock at the time outstanding with shares of such stock of a like aggregate par value), or issue any stock ranking on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends, or issue any obligation or security payable in or convertible into shares of $100 Cumulative Preferred Stock or such parity stocks, unless

(a) the consolidated net earnings of the Company available for interest and dividends for a period of 12 consecutive calendar months out of the 15 calendar months immediately preceding such issue shall amount to at least 1 1/2 times the sum of (x) the actual interest charges paid or accrued during such period of 12 months and (y) the total of annual dividend requirements of all shares of the $100 Cumulative Preferred Stock, and of any stock ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon the dissolution, liquidation or winding up of the Company or as to the payment of dividends, to be outstanding after giving effect to such issue; and

(b) after giving effect to such issue, the consolidated net assets of the Company shall amount to at least 225% of the aggregate par value (or, in the case of shares without par value, the involuntary liquidation preference) of all $100 Cumulative Preferred Stock, and of any stock ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon the dissolution, liquidation or winding up of the Company or as to the payment of dividends, then to be outstanding.

VII. Restriction on Dividends, Etc. So long as any shares of the $100 Cumulative Preferred Stock 7.96% Series are outstanding, no dividend shall be paid or declared, or other distribution made, on shares of any class ranking subordinate to the $100 Cumulative Preferred Stock as to the payment of dividends, nor shall any shares of any class ranking subordinate to the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends be purchased, redeemed or otherwise acquired for a consideration unless (a) there are no arrearages

in dividends on shares of the $100 Cumulative Preferred Stock 7.96% Series, (b) any funds required by Section V hereof to be set apart or paid have been so set apart or paid, and (c) if after giving effect to such dividend, distribution, purchase, redemption or acquisition, the consolidated net assets of the Company shall be no less than 225% of the aggregate par value (or in the case of shares without par value, the involuntary liquidation preference) of all the outstanding $100 Cumulative Preferred Stock and of any stock ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends provided, however, that the restrictions of this paragraph shall not apply to the declaration and payment of dividends on shares of any class ranking subordinate to the $100 Cumulative Preferred Stock as to the payment of dividends, if payable solely in shares of any class ranking subordinate to the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company and as to the payment of dividends, nor to the acquisition of any shares of any class ranking subordinate to the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends through application of proceeds of any shares of any class ranking subordinate to the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company and as to the payment of dividends sold at or about the time of such acquisition, nor shall such restrictions prevent the transfer of any amount from surplus to stated capital;

VIII. Miscellaneous. For the purposes hereof the meanings below assigned shall control:

The "consolidated net earnings of the Company available for interest and dividends" for any period means the consolidated net income of the Company and its consolidated subsidiary companies for a 12 month period, adjusted to exclude extraordinary gain or loss items net of income taxes, arising other than out of the ordinary course of business, all as determined in accordance with generally accepted accounting principles, but in any case crediting to income all amounts of allowance for funds used during construction, all interest expense, and all preferred stock dividends accrued during such period.

The "consolidated net assets of the Company" at any time means the assets of the Company minus its liabilities determined in accordance with generally accepted accounting principles, but in making such determination of liabilities there shall be included, in addition to all liabilities, any capital stock expense, reserves and deferred credits (other than capital stock, stock premiums, surplus accounts, deferred investment tax credits and contributions in aid of construction). For purposes of the preceding paragraphs and this paragraph, obligations or securities payable in or convertible into shares of $100 Cumulative Preferred Stock, or in or into shares ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends, shall be treated as though such shares had been issued in payment or upon conversion of such obligations or securities.

IX. No Conversion Privilege. The shares of the $100 Cumulative Preferred Stock 7.96% Series shall not be convertible into other shares or securities of the Company.

3. The date of adoption of such resolution was December 19, 1977.

4. Such resolution was duly adopted by the Board of Directors.

IN WITNESS WHEREOF, the undersigned corporation has caused this statement to be executed in its name by its Vice President, attested by its Assistant Secretary, this 19th day of December, 1977.

The Peoples Gas Light and Coke Company

(Corporate Seal)

By _____
Vice President

Attest:

_____
Assistant Secretary

STATE OF ILLINOIS }
COUNTY OF COOK } ss.

I, RITA THOMAS, a Notary Public, do hereby certify that on the 19th day of December, 1977, personally appeared before me Masao Igasaki, Jr., who declares he is a Vice President of the Company executing the foregoing document and, being first duly sworn, acknowledged that he signed the foregoing document in the capacity therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year before written.

Rita Thomas
Notary Public

(Notarial Seal)

FORM L.

Box _____ File _____

STATEMENT OF RESOLUTION
ESTABLISHING SERIES
ADOPTED BY
THE BOARD OF DIRECTORS
OF
THE PEOPLES GAS LIGHT AND COKE COMPANY

File in Duplicate
Filing Fee $5.00

FILED
DEC 22 1977
Secretary of State

NOTE:

This form is applicable only where the articles of incorporation expressly vest authority in the board of directors to establish series and to fix and determine the relative rights and preferences thereof. In such case series may be established and rights and preferences fixed and determined by resolution of the board of directors only to the extent provided in Section 15 of "The Business Corporation Act" and only to the extent not already established, fixed and determined by the articles of incorporation.

FORM L.

0765-845-1

(Do not write in this space)

Date Paid 8-23-78

Filing Fee 5.00

Clerk

STATEMENT OF RESOLUTION
ESTABLISHING SERIES
ADOPTED BY BOARD OF DIRECTORS

TO ALAN J. DIXON,
Secretary of State,
Springfield, Illinois 62706

The undersigned corporation, for the purpose of establishing and designating a series of $100 Cumulative Preferred Stock and fixing and determining the relative rights and preferences of the shares of such series, and pursuant to the provisions of Section 15 of "The Business Corporation Act" of the State of Illinois, hereby executes the following statement:

1. The name of the corporation is The Peoples Gas Light and Coke Company (the "Company").

2. The following resolution was adopted by the Board of Directors, establishing and designating a series of $100 Cumulative Preferred Stock and fixing and determining the relative rights and preferences of the shares of such series:

RESOLVED, that pursuant to the authority expressly vested in the Board of Directors by the Company's Charter, there be and there hereby is established a series of the $100 Cumulative Preferred Stock of the Company, the designation of such series, the number of shares to be issuable thereunder, and certain of the terms and provisions thereof to be as follows:

I. Designation of Series and Number of Shares to be Issuable. Such series of the $100 Cumulative Preferred Stock shall be designated $100 Cumulative Preferred Stock 8.40% Series, of which series 170,000 shares shall be issuable.

II. Dividends. Preferential dividends shall be payable on the shares of the $100 Cumulative Preferred Stock 8.40% Series at the rate of 8.40% per annum on the par value thereof, and no more, payable on the first day of January, April, July and October in each year, and shall accrue from the issue date; the first payment to be made on October 1, 1978. Dividends payable on October 1, 1978 and dividends payable on the date of any redemption or purchase of the

$100 Cumulative Preferred Stock 8.40% Series not occurring on a regular dividend payment date shall be calculated on the basis of the actual number of days elapsed (including, in the case of a redemption or purchase, the date of such redemption or purchase) over a 360-day year.

III. Redemption. Subject to the Charter of the Company with respect to the notice and manner of redemption of $100 Cumulative Preferred Stock, the shares of the $100 Cumulative Preferred Stock 8.40% Series shall be redeemable at the option of the Company in whole at any time, or in part from time to time, after the issue thereof at $108.40 per share through September 30, 1979, and thereafter at the following applicable prices per share during the respective 12-month periods beginning October 1 of the years indicated:

1979.....$107.96	1988.....$103.98
1980.....107.52	1989.....103.54
1981.....107.07	1990.....103.09
1982.....106.63	1991.....102.65
1983.....106.19	1992.....102.21
1984.....105.75	1993.....101.77
1985.....105.31	1994.....101.33
1986.....104.86	1995.....100.88
1987.....104.42	1996.....100.44

and at $100 per share on and after October 1, 1997 plus, in each case, an amount equivalent to preferential dividends at the rate aforesaid accrued and unpaid to the date of redemption; provided, however, the shares of the $100 Cumulative Preferred Stock 8.40% Series shall not be redeemable at the option of the Company prior to October 1, 1988, directly or indirectly, from or in anticipation of moneys borrowed by or for the account of the Company or received from sales of other $100 Cumulative Preferred Stock (or any other capital stock of the Company ranking senior to its Common Stock with respect to the payment of dividends or the distribution of assets upon dissolution, liquidation or winding up of the Company) sold by the Company if such borrowed moneys have an interest cost or such stock has a dividend cost to the Company (calculated in accordance with generally accepted financial practice) of less than 8.40% per annum. At the time of any redemption at the option of the Company prior to October 1, 1988, the Company will provide all holders of shares of the $100 Cumulative Preferred Stock 8.40% Series with a certificate of the principal accounting officer of the Company to the effect that such redemption is being made in compliance with the proviso of the preceding sentence. All redemptions of shares of the $100 Cumulative Preferred Stock 8.40% Series shall be pro rata, as nearly as may be, among the holders of such shares according to the number of shares held by each. The shares of the $100 Cumulative Preferred Stock 8.40% Series, shall also be redeemable for purposes of the sinking fund hereinafter provided at the price of $100 per share (the "sinking fund redemption price") plus an amount equivalent to preferential dividends at the rate aforesaid accrued and unpaid to the date of redemption.

IV. Liquidation Prices. The amount payable on each share of the $100 Cumulative Preferred Stock 8.40% Series in the event of voluntary dissolution, liquidation or winding up of the Company shall be an amount per share equal to the

optional redemption prices set forth in Section III above at the date fixed for payment plus an amount equivalent to preferential dividends at the rate aforesaid accrued and unpaid thereon to the date fixed for payment.

The amount payable on each share of such series in the event of involuntary dissolution, liquidation or winding up of the Company shall be $100 per share plus an amount equivalent to preferential dividends at the rate aforesaid accrued and unpaid thereon to the date fixed for payment, and no more.

V. Sinking Fund. The Company shall, on or before October 1 of each year from the year 1989 through 1998 (the "Sinking Fund Dates"), so long as any shares of the $100 Cumulative Preferred Stock 8.40% Series shall be outstanding, set aside as a sinking fund for such stock, separate and apart from its own funds, out of legally available funds, after full payment or provision for payment has been made for all dividends accrued on outstanding shares of $100 Cumulative Preferred Stock, whether or not earned or declared, to such Date, an amount sufficient to redeem on such Sinking Fund Date, at the sinking fund redemption price, the number of shares computed in accordance with the following sentence, and shall redeem on such date said number of shares. The number of shares to be redeemed on any Sinking Fund Date shall be computed by multiplying (a) (i) the number of shares outstanding on said Sinking Fund Date, less (ii) the number of shares, if any, which were required to be, but were not, redeemed in accordance with the preceding sentence on any preceding Sinking Fund Date, plus (iii) the number of shares, if any, which have been purchased (A) through any redemption in accordance with Section III hereof or (B) upon the exercise of the option provided for in the second following sentence of this Section V by (b) a fraction, the numerator of which is one and the denominator of which is ten less the number of preceding Sinking Fund Dates. The foregoing to the contrary notwithstanding, if at any Sinking Fund Date, the number of shares outstanding shall be less than the number computed in accordance with the preceding sentence, the funds to be set aside for the sinking fund shall be an amount sufficient to redeem at the sinking fund redemption price such lesser number of shares. On any Sinking Fund Date, the Company may also, at its option, set aside as a sinking fund additional funds sufficient to redeem at the sinking fund redemption price up to the number of shares of the $100 Cumulative Preferred Stock 8.40% Series required to be redeemed by this Section V. Such option to redeem additional shares of $100 Cumulative Preferred Stock 8.40% Series shall not be cumulative. The amounts set aside on or before each Sinking Fund Date shall be used to redeem on such Date, in the manner provided in the Company's Charter, shares of $100 Cumulative Preferred Stock 8.40% Series outstanding at the sinking fund redemption price.

Such redemption shall be made on, as nearly as may be, a pro rata basis among the holders of the $100 Cumulative Preferred Stock 8.40% Series. The obligation hereunder shall be cumulative so that if the Company is for any reason unable to set aside such amounts and/or to redeem on any Sinking Fund Date, at the sinking fund redemption price, the number of shares of the $100 Cumulative Preferred Stock 8.40% Series required by this Section V to be redeemed, funds legally available therefor shall, by action of the Company's Board of Directors, as soon as possible thereafter be set aside and/or be applied thereto, as the case may be, until all such requirements are fully discharged. No shares of the $100 Cumulative Preferred Stock 8.40% Series redeemed at the option of the Company pursuant to Section III above, redeemed at the option of the Company pursuant to this Section V over the number of shares required to be redeemed hereby or otherwise purchased or acquired by the Company, may be credited to, or relieve the Company to any extent from, the sinking fund obligation of the Company set forth in this Section V.

VI. Restriction on Issue of Additional Cumulative Preferred Stock or Parity Stock. So long as any shares of the $100 Cumulative Preferred Stock 8.40% Series are outstanding, the Company shall not, without the consent of holders of two-thirds of the outstanding shares of the $100 Cumulative Preferred Stock 8.40% Series, issue any shares of $100 Cumulative Preferred Stock in addition to the 170,000 shares of the $100 Cumulative Preferred Stock 8.40% Series hereinbefore referred to (except for the purpose of refunding shares of $100 Cumulative Preferred Stock at the time outstanding with shares of such stock of a like aggregate par value), or issue any stock ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends, or issue any obligation or security payable in or convertible into shares of $100 Cumulative Preferred Stock or such senior or parity stocks, unless

(a) the consolidated net earnings of the Company available for interest and dividends for a period of 12 consecutive calendar months out of the 15 calendar months immediately preceding such issue shall amount to at least 1-1/2 times the sum of (x) the actual interest charges paid or accrued during such period of 12 months and (y) the total of annual dividend requirements of all shares of the $100 Cumulative Preferred Stock, and of any stock ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon the dissolution, liquidation or winding up of the Company or as to the payment of dividends, to be outstanding after giving effect to such issue; and

(b) after giving effect to such issue, the consolidated net assets of the Company shall amount to at least 225% of the aggregate par value (or, in the case of shares without par value, the involuntary liquidation preference) of all $100 Cumulative Preferred Stock, and of any stock ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon the

dissolution, liquidation or winding up of the Company or as to the payment of dividends, then to be outstanding.

VII. Restriction on Dividends, Etc. So long as any shares of the $100 Cumulative Preferred Stock 8.40% Series are outstanding, no dividend shall be paid or declared, or other distribution made, on shares of any class ranking subordinate to the $100 Cumulative Preferred Stock as to the payment of dividends, nor shall any shares of any class ranking subordinate to the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends be purchased, redeemed or otherwise acquired for a consideration unless (a) there are no arrearages in dividends on shares of the $100 Cumulative Preferred Stock 8.40% Series, (b) any funds required by Section V hereof to be set apart or paid have been so set apart or paid, and (c) if after giving effect to such dividend, distribution, purchase, redemption or acquisition, the consolidated net assets of the Company shall be no less than 225% of the aggregate par value (or in the case of shares without par value, the involuntary liquidation preference) of all the outstanding $100 Cumulative Preferred Stock and of any stock ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends, provided, however, that the restrictions of this paragraph shall not apply to the declaration and payment of dividends on shares of any class ranking subordinate to the $100 Cumulative Preferred Stock as to the payment of dividends, if payable solely in shares of any class ranking subordinate to the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company and as to the payment of dividends, nor to the acquisition of any shares of any class ranking subordinate to the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends through application of proceeds of any shares of any class ranking subordinate to the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company and as to the payment of dividends sold at or about the time of such acquisition, nor shall such restrictions prevent the transfer of any amount from surplus to stated capital.

VIII. Miscellaneous. For the purposes hereof the meanings below assigned shall control:

The "consolidated net earnings of the Company available for interest and dividends" for any period means the consolidated net income of the Company and its consolidated subsidiary companies for a 12 month period, adjusted to exclude extraordinary

gain or loss items net of income taxes, arising other than out of the ordinary course of business all as determined in accordance with generally accepted accounting principles, but in any case crediting to income all amounts of allowance for funds used during construction, all interest expense, and all preferred stock dividends accrued during such period.

The "consolidated net assets of the Company" at any time means the assets of the Company minus its liabilities determined in accordance with generally accepted accounting principles, but in making such determination of liabilities there shall be included, in addition to all liabilities, any capital stock expense, reserves and deferred credits (other than capital stock, stock premiums, surplus accounts, deferred investment tax credits and contributions in aid of construction). For purposes of the preceding paragraphs and this paragraph, obligations or securities payable in or convertible into shares of $100 Cumulative Preferred Stock, or in or into shares ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends, shall be treated as though such shares had been issued in payment or upon conversion of such obligations or securities.

IX. No Conversion Privilege. The shares of the $100 Cumulative Preferred Stock 8.40% Series shall not be convertible into other shares or securities of the Company.

3. The date of adoption of such resolution was May 30, 1978.

4. Such resolution was duly adopted by the Board of Directors.

IN WITNESS WHEREOF, the undersigned corporation has caused this statement to be executed in its name by its Vice President, attested by its Assistant Secretary, this 22nd day of August, 1978.

The Peoples Gas Light and Coke Company

(Corporate Seal)

By Willis C. Holder
Vice President

Attest:

Assistant Secretary

STATE OF ILLINOIS }
COUNTY OF COOK } ss.

I, RUTH H. LAUTENBACH, a Notary Public, do hereby certify that on the 22nd day of August, 1978, personally appeared before me Willis C. Holder, who declares he is a Vice President of the Company executing the foregoing document and, being first duly sworn, acknowledged that he signed the foregoing document in the capacity therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year before written.

Ruth H. Lautenbach
Notary Public

(Notarial Seal)

PAID
AUG 23 1978

FORM L

Box _____ File _____

STATEMENT OF RESOLUTION
ESTABLISHING SERIES
ADOPTED BY
THE BOARD OF DIRECTORS
OF
THE PEOPLES GAS LIGHT AND COKE COMPANY

File in Duplicate
FILED
Filing Fee $5.00
AUG 23 1978
Secretary of State

NOTE: This form is applicable only where the articles of incorporation expressly vest authority in the board of directors to establish series and to fix and determine the relative rights and preferences thereof. In such case series may be established and rights and preferences fixed and determined by resolution of the board of directors only to the extent provided in Section 15 of "The Business Corporation Act" and only to the extent not already established, fixed and determined by the articles of incorporation.

(3)

FORM L.

0765-8451

(Do not write in this space)

Date Paid 8-23-78

Filing Fee 50

Clerk

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STATEMENT OF RESOLUTION
ESTABLISHING SERIES
ADOPTED BY BOARD OF DIRECTORS

TO ALAN J. DIXON,

Secretary of State,

Springfield, Illinois 62706

The undersigned corporation, for the purpose of establishing and designating a series of $100 Cumulative Preferred Stock and fixing and determining the relative rights and preferences of the shares of such series, and pursuant to the provisions of Section 15 of "The Business Corporation Act" of the State of Illinois, hereby executes the following statement:

1. The name of the corporation is The Peoples Gas Light and Coke Company (the "Company").

2. The following resolution was adopted by the Board of Directors, establishing and designating a series of $100 Cumulative Preferred Stock and fixing and determining the relative rights and preferences of the shares of such series:

RESOLVED, that pursuant to the authority expressly vested in the Board of Directors by the Company's Charter, there be and there hereby is established a series of the $100 Cumulative Preferred Stock of the Company, the designation of such series, the number of shares to be issuable thereunder, and certain of the terms and provisions thereof to be as follows:

I. Designation of Series and Number of Shares to be Issuable. Such series of the $100 Cumulative Preferred Stock shall be designated $100 Cumulative Preferred Stock 7.50% Series, of which series 150,000 shares shall be issuable.

II. Dividends. Preferential dividends shall be payable on the shares of the $100 Cumulative Preferred Stock 7.50% Series at the rate of 7.50% per annum on the par value thereof, and no more, payable on the first day of January, April, July and October in each year, and shall accrue from the issue date; the first payment to be made on October 1, 1978. Dividends payable on October 1, 1978 and dividends payable on the date of any redemption or purchase of the

$100 Cumulative Preferred Stock 7.50% Series not occurring on a regular dividend payment date shall be calculated on the basis of the actual number of days elapsed (including, in the case of a redemption or purchase, the date of such redemption or purchase) over a 360-day year.

III. Redemption. Except for the purposes of meeting the sinking fund requirements, the shares of the $100 Cumulative Preferred Stock 7.50% Series may not be redeemed at the option of the Company or otherwise purchased or acquired by the Company. Subject to the Charter of the Company with respect to the notice and manner of redemption of $100 Cumulative Preferred Stock, the shares of the $100 Cumulative Preferred Stock 7.50% Series shall be redeemable for purposes of the sinking fund hereinafter provided at the price of $100 per share (the "sinking fund redemption price") plus an amount equivalent to preferential dividends at the rate aforesaid accrued and unpaid to the date of redemption.

IV. Liquidation Prices. The amount payable on each share of the $100 Cumulative Preferred Stock 7.50% Series in the event of voluntary dissolution, liquidation or winding up of the Company shall be at $107.50 per share through September 30, 1979 and thereafter at the following applicable redemption prices per share during the respective twelve month periods beginning October 1 of the years indicated:

1979	$106.67
1980	105.83
1981	105.00
1982	104.17
1983	103.33
1984	102.50
1985	101.67
1986	100.83

and at $100 per share on and after October 1, 1987, plus in each case an amount equivalent to preferential dividends at the rate aforesaid accrued and unpaid thereon to the date fixed for payment.

The amount payable on each share of such series in the event of involuntary dissolution, liquidation or winding up of the Company shall be $100 per share plus an amount equivalent to preferential dividends at the rate aforesaid accrued and unpaid thereon to the date fixed for payment, and no more.

V. Sinking Fund. The Company shall, on or before October 1 of each year beginning with the year 1984, so long as any shares of the $100 Cumulative Preferred Stock 7.50% Series shall be outstanding, set aside as a sinking fund for such stock, separate and apart from its own funds, out of legally available funds, after full payment or provision for payment has been made for all dividends accrued on the

outstanding shares of $100 Cumulative Preferred Stock, whether or not earned or declared, to such date, an amount sufficient to redeem on such October 1, at the sinking fund redemption price 30,000 shares of $100 Cumulative Preferred Stock 7.50% Series. The amounts set aside on or before each such date for the sinking fund shall be used to redeem on such date, on, as nearly as may be, a pro rata basis among the holders of the $100 Cumulative Preferred Stock 7.50% Series and in the manner provided in the Company's Charter, shares of $100 Cumulative Preferred Stock 7.50% Series outstanding at the sinking fund redemption price. The obligation hereunder shall be cumulative so that if the Company is for any reason unable to set aside such amount and/or redeem on such October 1, at the sinking fund redemption price, 30,000 shares of the $100 Cumulative Preferred Stock 7.50% Series, funds legally available therefor shall, by action of the Company's Board of Directors, as soon as possible thereafter be set aside and/or be applied thereto until all such requirements are fully discharged.

VI. Restriction on Issue of Additional Cumulative Preferred Stock or Parity Stock. So long as any shares of the $100 Cumulative Preferred Stock 7.50% Series are outstanding, the Company shall not, without the consent of holders of two-thirds of the outstanding shares of the $100 Cumulative Preferred Stock 7.50% Series, issue any shares of $100 Cumulative Preferred Stock in addition to the 150,000 shares of the $100 Cumulative Preferred Stock 7.50 Series hereinbefore referred to (except for the purpose of refunding shares of $100 Cumulative Preferred Stock at the time outstanding with shares of such stock of a like aggregate par value), or issue any stock ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends, or issue any obligation or security payable in or convertible into shares of $100 Cumulative Preferred Stock or such senior or parity stocks, unless

(a) the consolidated net earnings of the Company available for interest and dividends for a period of 12 consecutive calendar months out of the 15 calendar months immediately preceding such issue shall amount to at least 1-1/2 times the sum of (x) the actual interest charges paid or accrued during such period of 12 months and (y) the total of annual dividend requirements of all shares of the $100 Cumulative Preferred Stock, and of any stock ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon the dissolution, liquidation or winding up of the Company or as to the payment of dividends, to be outstanding after giving effect to such issue; and

(b) after giving effect to such issue, the consolidated net assets of the Company shall amount to

at least 225% of the aggregate par value (or, in the case of shares without par value, the involuntary liquidation preference) of all $100 Cumulative Preferred Stock and of any stock ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon the dissolution, liquidation or winding up of the Company or as to the payment of dividends, then to be outstanding.

VII. Restriction on Dividends, Etc. So long as any shares of the $100 Cumulative Preferred Stock 7.50% Series are outstanding, no dividend shall be paid or declared, or other distribution made, on shares of any class ranking subordinate to the $100 Cumulative Preferred Stock as to the payment of dividends, nor shall any shares of any class ranking subordinate to the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends be purchased, redeemed or otherwise acquired for a consideration unless (a) there are no arrearages in dividends on shares of the $100 Cumulative Preferred Stock 7.50% Series, (b) any funds required by Section V hereof to be set apart or paid have been so set apart or paid, and (c) if after giving effect to such dividend, distribution, purchase, redemption or acquisition, the consolidated net assets of the Company shall be no less than 225% of the aggregate par value (or in the case of shares without par value, the involuntary liquidation preference) of all the outstanding $100 Cumulative Preferred Stock and of any stock ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends, provided, however, that the restrictions of this paragraph shall not apply to the declaration and payment of dividends on shares of any class ranking subordinate to the $100 Cumulative Preferred Stock as to the payment of dividends, if payable solely in shares of any class ranking subordinate to the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company and as to the payment of dividends, nor to the acquisition of any shares of any class ranking subordinate to the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends through application of proceeds of any shares of any class ranking subordinate to the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company and as to the payment of dividends sold at or about the time of such acquisition, nor shall such restrictions prevent the transfer of any amount from surplus to stated capital.

VIII. Miscellaneous. For the purposes hereof the meanings below assigned shall control:

The "consolidated net earnings of the Company available for interest and dividends" for any period means the consolidated net income of the Company and its consolidated subsidiary companies for a 12 month period, adjusted to exclude extraordinary gain or loss items net of income taxes, arising other than out of the ordinary course of business, all as determined in accordance with generally accepted accounting principles, but in any case crediting to income all amounts of allowance for funds used during construction, all interest expense, and all preferred stock dividends accrued during such period.

The "consolidated net assets of the Company" at any time means the assets of the Company minus its liabilities determined in accordance with generally accepted accounting principles, but in making such determination of liabilities there shall be included, in addition to all liabilities, any capital stock expense, reserves and deferred credits (other than capital stock, stock premiums, surplus accounts, deferred investment tax credits and contributions in aid of construction). For purposes of the preceding paragraphs and this paragraph, obligations or securities payable in or convertible into shares of $100 Cumulative Preferred Stock, or in or into shares ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends, shall be treated as though such shares had been issued in payment or upon conversion of such obligations or securities.

IX. No Conversion Privilege. The shares of the $100 Cumulative Preferred Stock 7.50% Series shall not be convertible into other shares or securities of the Company.

3. The date of adoption of such resolution was May 30, 1978.

4. Such resolution was duly adopted by the Board of Directors.

IN WITNESS WHEREOF, the undersigned corporation has caused this statement to be executed in its name by its Vice President, attested by its Assistant Secretary, this 22nd day of August, 1978.

The Peoples Gas Light and Coke Company

(Corporate Seal)

By Willis C. Holden
Vice President

Attest:

Assistant Secretary

STATE OF ILLINOIS }
COUNTY OF COOK } ss.

I, RUTH H. LAUTENBACH, a Notary Public, do hereby certify that on the 22nd day of August, 1978, personally appeared before me Willis C. Holder, who declares he is a Vice President of the Company executing the foregoing document and, being first duly sworn, acknowledged that he signed the foregoing document in the capacity therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year before written.

Ruth H. Lautenbach
Notary Public

(Notarial Seal)

PAID
AUG 23 1978

FORM L.

Box _____ File _____

STATEMENT OF RESOLUTION
ESTABLISHING SERIES
ADOPTED BY
THE BOARD OF DIRECTORS
OF
THE PEOPLES GAS LIGHT AND COKE COMPANY

FILED
Filed in Duplicate
Filing Fee $5.00
AUG 23 1978
Secretary of State

NOTE:

This form is applicable only where the articles of incorporation expressly vest authority in the board of directors to establish series and to fix and determine the relative rights and preferences thereof. In such case series may be established and rights and preferences fixed and determined by resolution of the board of directors only to the extent provided in Section 15 of "The Business Corporation Act" and only to the extent not already established, fixed and determined by the articles of incorporation.

FORM L.

AMENDED AND RESTATED
STATEMENT OF RESOLUTION
ESTABLISHING SERIES
ADOPTED BY BOARD OF DIRECTORS

0765-8451
(Do not write in this space)
Date Paid 8-23-78
Filing Fee 5.00
Clerk
JP

TO ALAN J. DIXON,
Secretary of State,
Springfield, Illinois 62706

The undersigned corporation, for the purpose of amending the Resolution establishing and designating a series of $100 Cumulative Preferred Stock and fixing and determining the relative rights and preferences of the shares of such series, and pursuant to the provisions of Section 15 of "The Business Corporation Act" of the State of Illinois, hereby executes the following restatement:

1. The name of the corporation is The Peoples Gas Light and Coke Company (the "Company").

2. The following resolution was adopted by the Board of Directors, establishing and designating a series of $100 Cumulative Preferred Stock and fixing and determining the relative rights and preferences of the shares of such series:

RESOLVED, that pursuant to the authority expressly vested in the Board of Directors by the Company's Charter, there be and there hereby is established a series of the $100 Cumulative Preferred Stock of the Company, the designation of such series, the number of shares to be issuable thereunder, and certain of the terms and provisions thereof to be as follows:

I. Designation of Series and Number of Shares to be Issuable. Such series of the $100 Cumulative Preferred Stock shall be designated $100 Cumulative Preferred Stock 7.96% Series, of which series 100,000 shares shall be issuable.

II. Dividends. Dividends shall be payable on the shares of the $100 Cumulative Preferred Stock 7.96% Series at the rate of 7.96% per annum on the par value thereof, and no more, payable on the first day of January, April, July and October in each year, and shall accrue from the issue date; the first payment to be made on April 1, 1978. Dividends payable on April 1, 1978 and dividends payable on the date of any redemption or purchase of the $100 Cumulative Preferred Stock 7.96% Series not occurring on a regular dividend payment date, shall be calculated on the basis of the actual number of days elapsed (including the date of redemption or purchase) over a 360-day year.

III. Redemption. Subject to the Charter of the Company with respect to the notice and manner of redemption of $100 Cumulative Preferred Stock, the shares of the $100 Cumulative Preferred Stock 7.96% Series shall be redeemable at the option of the Company in whole at any time, or in part from time to time, after the issue thereof at $107.96 per share through December 31, 1978, and thereafter at the following applicable prices per share during the respective 12-month periods ending December 31 of the years indicated:

1979	$107.80	1991	$105.85	2003	$103.90	2015	$101.95
1980	107.64	1992	105.69	2004	103.74	2016	101.79
1981	107.47	1993	105.52	2005	103.57	2017	101.63
1982	107.31	1994	105.36	2006	103.41	2018	101.46
1983	107.15	1995	105.20	2007	103.25	2019	101.30
1984	106.99	1996	105.04	2008	103.09	2020	101.14
1985	106.82	1997	104.87	2009	102.92	2021	100.98
1986	106.66	1998	104.71	2010	102.76	2022	100.81
1987	106.50	1999	104.55	2011	102.60	2023	100.65
1988	106.34	2000	104.39	2012	102.44	2024	100.49
1989	106.17	2001	104.22	2013	102.28	2025	100.33
1990	106.01	2002	104.06	2014	102.11	2026	100.16

and at $100 per share on and after January 1, 2027 plus, in each case, an amount equivalent to preferential dividends at the rate aforesaid accrued and unpaid to the date of redemption. All redemptions of shares of the $100 Cumulative Preferred Stock 7.96% Series shall be pro rata, as nearly as may be, among the holders of such shares according to the number of shares held by each. The shares of the $100 Cumulative Preferred Stock 7.96% Series shall not be redeemable at the option of the Company prior to January 1, 1988, directly or indirectly, from or in anticipation of moneys borrowed by or for the account of the Company or received from sales of other $100 Cumulative Preferred Stock (or any other capital stock of the Company ranking senior to its common stock with respect to the payment of dividends or the distribution of assets upon dissolution, liquidation or winding up of the Company) sold by the Company if such borrowed moneys have an interest cost or such stock has a dividend cost to the Company (calculated in accordance with generally accepted financial practice) of less than 7.96% per annum. The shares of the $100 Cumulative Preferred Stock 7.96% Series, shall also be redeemable for purposes of the sinking fund hereinafter provided at the price of $100 per share plus an amount equivalent to preferential dividends at the rate aforesaid accrued and unpaid to the date of redemption.

IV. Liquidation Prices. The amount payable on each share of the $100 Cumulative Preferred Stock 7.96% Series in the event of voluntary dissolution, liquidation or winding up of the Company shall be an amount per share equal to the optional redemption prices set forth in Section III above at the date fixed for payment plus an amount equivalent to preferential dividends accrued and unpaid thereon to the date fixed for payment.

The amount payable on each share of such series in the event of involuntary dissolution, liquidation or winding up of the Company shall be $100 per share plus an amount equivalent to preferential dividends accrued and unpaid thereon to the date fixed for payment, and no more.

V. Sinking Fund. The Company shall, on or before January 1 of each year beginning with the year 1989, so long as any shares of the $100 Cumulative Preferred Stock 7.96% Series shall be outstanding, set aside as a sinking fund for such stock, separate and apart from its own funds, out of legally available funds, after full payment or provision for payment has been made for all dividends accrued on the $100 Cumulative Preferred Stock 7.96% Series, whether or not earned or declared, to such date, an amount sufficient to redeem on such January 1, at the sinking fund redemption price (a) 2,500 shares and, at its option, up to an additional 2,500 shares of $100 Cumulative Preferred Stock 7.96% Series, or (b) the number of shares of such series outstanding, whichever shall be less. The amounts set aside on or before each such date for the sinking fund shall be used to redeem on such date, on a pro rata basis among the holders of the $100 Cumulative Preferred Stock 7.96% Series and in the manner provided in the Company's Charter, $100 Cumulative Preferred Stock 7.96% Series outstanding at the sinking fund price as provided in Section III. The obligation hereunder shall be cumulative so that if the Company is for any reason unable to redeem on such January 1, at the sinking fund redemption price 2,500 shares of the $100 Cumulative Preferred Stock 7.96% Series funds legally available therefor shall, by action of the Company's Board of Directors, be applied thereto until all such requirements are fully discharged. No shares of the $100 Cumulative Preferred Stock 7.96% Series redeemed at the option of the Company pursuant to Section III above, redeemed at the option of the Company pursuant to this Section V over the required sinking fund redemption of 2,500 shares or otherwise purchased or acquired by the Company, may be credited to, or relieve the Company to any extent from, the sinking fund obligation of the Company set forth in this Section V.

VI. Restriction on Issue of Additional Cumulative Preferred Stock or Parity Stock. So long as any shares of the $100 Cumulative Preferred Stock 7.96% Series are outstanding, the Company shall not, without the consent of holders of

two-thirds of the outstanding shares of the $100 Cumulative Preferred Stock 7.96% Series, issue any shares of $100 Cumulative Preferred Stock in addition to the 100,000 shares of the $100 Cumulative Preferred Stock 7.96% Series hereinbefore referred to (except for the purpose of refunding shares of $100 Cumulative Preferred Stock at the time outstanding with shares of such stock of a like aggregate par value), or issue any stock ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends, or issue any obligation or security payable in or convertible into shares of $100 Cumulative Preferred Stock or such senior or parity stocks, unless

(a) the consolidated net earnings of the Company available for interest and dividends for a period of 12 consecutive calendar months out of the 15 calendar months immediately preceding such issue shall amount to at least 1 1/2 times the sum of (x) the actual interest charges paid or accrued during such period of 12 months and (y) the total of annual dividend requirements of all shares of the $100 Cumulative Preferred Stock, and of any stock ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon the dissolution, liquidation or winding up of the Company or as to the payment of dividends, to be outstanding after giving effect to such issue; and

(b) after giving effect to such issue, the consolidated net assets of the Company shall amount to at least 225% of the aggregate par value (or, in the case of shares without par value, the involuntary liquidation preference) of all $100 Cumulative Preferred Stock, and of any stock ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon the dissolution, liquidation or winding up of the Company or as to the payment of dividends, then to be outstanding.

VII. Restriction on Dividends, Etc. So long as any shares of the $100 Cumulative Preferred Stock 7.96% Series are outstanding, no dividend shall be paid or declared, or other distribution made, on shares of any class ranking subordinate to the $100 Cumulative Preferred Stock as to the payment of dividends, nor shall any shares of any class ranking subordinate to the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends be purchased, redeemed or otherwise acquired for a consideration unless (a) there are no arrearages

in dividends on shares of the $100 Cumulative Preferred Stock 7.96% Series, (b) any funds required by Section V hereof to be set apart or paid have been so set apart or paid, and (c) if after giving effect to such dividend, distribution, purchase, redemption or acquisition, the consolidated net assets of the Company shall be no less than 225% of the aggregate par value (or in the case of shares without par value, the involuntary liquidation preference) of all the outstanding $100 Cumulative Preferred Stock and of any stock ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends provided, however, that the restrictions of this paragraph shall not apply to the declaration and payment of dividends on shares of any class ranking subordinate to the $100 Cumulative Preferred Stock as to the payment of dividends, if payable solely in shares of any class ranking subordinate to the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company and as to the payment of dividends, nor to the acquisition of any shares of any class ranking subordinate to the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends through application of proceeds of any shares of any class ranking subordinate to the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company and as to the payment of dividends sold at or about the time of such acquisition, nor shall such restrictions prevent the transfer of any amount from surplus to stated capital;

VIII. Miscellaneous. For the purposes hereof the meanings below assigned shall control:

The "consolidated net earnings of the Company available for interest and dividends" for any period means the consolidated net income of the Company and its consolidated subsidiary companies for a 12 month period, adjusted to exclude extraordinary gain or loss items net of income taxes, arising other than out of the ordinary course of business, all as determined in accordance with generally accepted accounting principles, but in any case crediting to income all amounts of allowance for funds used during construction, all interest expense, and all preferred stock dividends accrued during such period.

The "consolidated net assets of the Company" at any time means the assets of the Company minus its liabilities determined in accordance with generally accepted accounting principles, but in making such determination of liabilities there shall be included, in addition to all liabilities, any capital stock expense, reserves and deferred credits (other than capital stock, stock premiums, surplus accounts, deferred investment tax credits and contributions in aid of construction). For purposes of the preceding paragraphs and this paragraph, obligations or securities payable in or convertible into shares of $100 Cumulative Preferred Stock, or in or into shares ranking senior to or on a parity with the $100 Cumulative Preferred Stock with respect to the distribution of assets upon dissolution, liquidation or winding up of the Company or as to the payment of dividends, shall be treated as though such shares had been issued in payment or upon conversion of such obligations or securities.

IX. No Conversion Privilege. The shares of the $100 Cumulative Preferred Stock 7.96% Series shall not be convertible into other shares or securities of the Company.

3. The date of adoption of such resolution was August 7, 1978.

4. Such resolution was duly adopted by the Board of Directors.

IN WITNESS WHEREOF, the undersigned corporation has caused this statement to be executed in its name by its Vice President, attested by its Assistant Secretary, this 22nd day of August, 1978.

The Peoples Gas Light and Coke Company

(Corporate Seal)

By Willis C. Holden
Vice President

Attest:

D. Holen
Assistant Secretary