

COMM. FILE NO. 00-0758
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NORTHERN ILLINOIS GAS COMPANY,)
)
Informational Statement pursuant to Section)
6-102(d) of the Illinois Public Utilities Act)
in connection with the proposed issuance)
and sale of up to \$275,000,000 aggregate)
principal amount of bonds or notes, or a)
combination thereof, in one or more series.)

Docket No. 00-0758

QUARTERLY REPORT

(April 1, 2006 – June 30, 2006)

To the ILLINOIS COMMERCE COMMISSION:

Northern Illinois Gas Company d/b/a Nicor Gas ("Nicor Gas" or the "Company") hereby submits its quarterly report for the period April 1, 2006 through June 30, 2006, pursuant to 83 Ill. Adm. Code 240 and the final order of the Commission entered December 20, 2000 in the above-entitled cause. For the report period, Nicor Gas states as follows:

1. On February 1, 2001, Nicor Gas issued \$75,000,000 as First Mortgage Bonds, 6.625% Series due February 1, 2011. The bonds were sold, under a Supplemental Indenture with BNY Midwest Trust, as Trustee, to ABN AMRO Inc. at a price of 99.553% of the principal amount thereof (or a price of \$99.553 for each one hundred dollars of principal amount thereof). Nicor Gas realized aggregate proceeds, excluding accrued interest, from the sale of these 6.625% Series of \$74,177,250, after deducting the Underwriters' discounts and commissions of \$487,500.00 but before deducting other expenses of issuance and sale. The net proceeds from this issuance were used to replace the \$50,000,000 5.875% Series due May 1, 2000, as well as \$25,000,000 of the \$50,000,000 of the 8.25% Series due August 15, 2024. Refinancing authority for the 8.25% Series was granted under Docket No. 98-0016.

2. On August 16, 2001, Nicor Gas issued \$75,000,000 as First Mortgage Bonds, 5 7/8% Series due August 15, 2008. The bonds were sold, under a Supplemental Indenture with BNY Midwest Trust, as Trustee, to Banc One Capital Markets, Inc. at a price of 99.727% of the principal amount thereof (or a price of \$99.727 for each one hundred dollars of principal amount thereof). Nicor Gas realized aggregate proceeds, excluding accrued interest, from the sale of these 5.78% Series of \$74,326,500, after deducting the Underwriters' discounts and commissions of \$468,750 but before deducting other expenses of issuance and sale. The net proceeds of the issuance were used to replace the \$75,000,000 6.45% Series due August 1, 2001.

3. On December 17, 2001, Nicor Gas issued \$50,000,000 as First Mortgage Bonds, 5.55% Series due December 15, 2006. The bonds were sold, under a Supplemental Indenture with BNY Midwest Trust, as Trustee, to ABN AMRO Inc. and Wachovia Securities, Inc. at a price of 100% of the principal amount thereof (or a price of \$100.00 for each one hundred dollars of principal amount thereof). Nicor Gas realized aggregate proceeds, excluding accrued interest, from the sale of these 5.55% Series of \$49,700,000, after deducting the Underwriters' fees of \$300,000 but before deducting other expenses of issuance and sale. The net proceeds from this issuance were used to replace the \$50,000,000 6.75% Series due June 1, 2002.

4. On April 16, 2002, Nicor Gas issued \$50,000,000 as an unsecured 3.00% Note which matured in April 2003. The Notes were sold, by the guidelines of Rule 144A, to USAA Money Market Fund, a Series of USAA Mutual Fund Inc. Nicor Gas realized aggregate proceeds from the sale of this 3.00% Note of \$50,000,000, with Underwriters' fees of \$50,000. The net proceeds from the Note issuance were used to replace the \$50,000,000 8.875% Series due August 15, 2021.

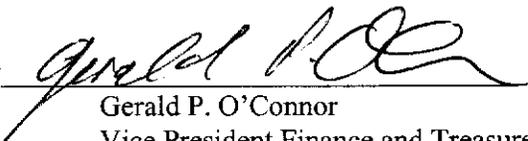
5. The expenses incurred by the Company in connection with the issuance, sale and delivery of the foregoing \$275,000,000 aggregate principal amount of bonds or notes have amounted in total, as of June 30, 2006, to \$1,714,215 as follows:

Description	
SEC registration & filing fees	\$ 56,719
Printing of Registration Statement, Prospectus, certain Exhibits, the Supplemental Indenture dated February 1, 1999, and Underwriting Agreement	33,575
Bond rating agency fees	133,625
Legal fees	133,713
Trustee's fees and expenses	10,325
Accounting fees and expenses	33,600
Underwriting Fees	1,306,250
Miscellaneous expenses	6,408
Total	\$ 1,714,215

6. No capital stock was proposed by Nicor Gas for issuance. In addition, there are no amount or amounts of proceeds from the foregoing sales and issuances remaining unapplied to the purpose or purposes specified in the Commission's Final Order. There may be additional issuance and sale expenses incurred or payable after June 30, 2006 to be accounted for in subsequent quarterly reports.

Dated this 16 day of August, 2006.

NORTHERN ILLINOIS GAS COMPANY

By 
 Gerald P. O'Connor
 Vice President Finance and Treasurer

Northern Illinois Gas Company
 1844 Ferry Road
 Naperville, Illinois 60563-9600

STATE OF ILLINOIS)
)
COUNTY OF DuPage)

VERIFICATION

Gerald P. O'Connor, being first duly sworn, deposes and states that he is Vice President Finance and Treasurer of Northern Illinois Gas Company d/b/a Nicor Gas, that he has read the foregoing Special Report, that he is familiar with the facts set forth therein, and that such facts are true and correct to the best of his knowledge, information and belief.

Gerald P. O'Connor

SUBSCRIBED AND SWORN TO
before me this 16 day of August, 2006

Joan B. Baltusis
Notary Public

My Commission expires:

