

SECOND AMENDMENT TO
OPERATING AGREEMENT

This Second Amendment to Operating Agreement ("Second Amendment") is made and entered into as of the ___ day of _____, 200_.

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") as amended by that certain First Amendment to Operating Agreement dated as of September 13, 2004 (the "First Amendment") (the Original Operating Agreement as amended by the First Amendment is herein referred to as the "Currently Effective Operating Agreement"); and

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

WHEREAS, the parties to the Original Operating Agreement entered into the First Amendment for the purposes of complying with the Money Pool Order and, by Order issued in Docket No. 04-0629 on December 15, 2004 (the "First Amendment Order"), the ICC approved the First Amendment; and

WHEREAS, the First Amendment and the First Amendment Order permitted Nicor Gas to loans funds to NICOR on the condition, among others, that NICOR continued to meet the eligibility criterion set forth in Section 340.40(b)(1) of the ICC regulations; and

WHEREAS, the ICC regulations issued pursuant to the Money Pool Order also would allow Nicor Gas to loan funds to NICOR as long as NICOR met the eligibility criteria set forth in either Section 340.40(b)(2) or Section 340.40(b)(3) of the ICC regulations; and

WHEREAS, the parties desire to amend the Currently Effective Operating Agreement solely to allow Nicor Gas to loan funds to NICOR as long as NICOR continues to meet the eligibility criterion set forth in Section 340(b)(1), (2) or (3) of the ICC regulations.

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 Currently Effective Operating Agreement.

2. The term "Agreement" as used in the Currently Effective Operating Agreement and this Second Amendment shall be deemed to mean the Currently Effective Operating Agreement as amended by this Second Amendment.

3. The initial clause (a) of the Addendum to the Currently Effective Operating Agreement is hereby deleted in its entirety and the following new initial clause (a) is substituted in lieu thereof:

"(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), (2) or (3); and"

4. Except as amended hereby, the Currently Effective Operating Agreement shall continue in full force and effect in accordance with its terms.

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

NICOR INC.

By: _____
Name:
Title:

NORTHERN ILLINOIS GAS COMPANY.

By: _____
Name:
Title:

BIRDSALL, INC.

By: _____
Name:
Title:

TROPIC EQUIPMENT LEASING INC.

By: _____

Name:

Title:

TROPICAL SHIPPING AND
CONSTRUCTION COMPANY LIMITED.

By: _____

Name:

Title:

NICOR ENERGY VENTURES
COMPANY

By: _____

Name:

Title:

NICOR ENERGY MANAGEMENT
SERVICES COMPANY

By: _____

Name:

Title:

NICOR ENERGY SERVICES COMPANY

By: _____

Name:

Title:

NICOR ENERGY SOLUTIONS INC.

By: _____

Name:

Title:

NICOR ENERCHANGE, L.L.C.

By: _____

Name:

Title:

NICOR HOME SERVICES, L.L.C.

By: _____

Name:

Title:

NICOR HORIZON, INC.

By: _____

Name:

Title:

NICOR OIL & GAS CORPORATION

By: _____

Name:

Title:

NICOR NATIONAL INC.

By: _____

Name:

Title:

NICOR MINING INC.

By: _____

Name:

Title:

NICOR PURCHASING L.L.C.

By: _____

Name:

Title:

NICOR SOLUTIONS, L.L.C.

By: _____
Name:
Title:

NI-GAS EXPLORATION INC.

By: _____
Name:
Title:

PRAIRIE POINT ENERGY L.L.C.

By: _____
Name:
Title:

IBT SOLUTIONS L.L.C.

By: _____
Name:
Title:

SEVEN SEAS INSURANCE COMPANY,
INC.

By: _____
Name:
Title: