

**SECTION 285.315**  
**General Information Requirements Applicable for Gas Utilities**  
Utility: North Shore Gas Company

**Subpart (a)**

**RECEIVED**  
MAR - 9 2007  
ILLINOIS COMMERCE COMMISSION  
CHIEF CLERKS OFFICE

FORM 21 ILCC

ANNUAL REPORT OF ELECTRIC UTILITIES  
LICENSEES AND/OR NATURAL GAS UTILITIES

TO THE

ILLINOIS COMMERCE COMMISSION



Exact Legal Name of Respondent (Company)

Year of Report

North Shore Gas Company

December 31, 2005

This state agency is requesting disclosure of information that is necessary to accomplish the statutory purpose as outlined in Section 5-109 of the Public Utilities Act [220 ILCS 5/5-109]. Disclosure of this information is REQUIRED. Failure to provide any information could result in a fine of \$100 per day under Section 5-109 of the Public Utilities Act.

**ANNUAL REPORT OF ELECTRIC UTILITIES, LICENSEES  
AND/OR  
NATURAL GAS UTILITIES**

IDENTIFICATION		
01 Exact Legal Name of Respondent North Shore Gas Company	02 Year of Report Dec. 31, 2005	
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Office at End of Year (street, city, state, zip code) 130 East Randolph Drive, Chicago, Illinois 60601		
05 Name of Contact Person Katherine A. Donofrio	06 Title of Contact Person Senior Vice President	
07 Address of Contact Person (street, city, state, zip code) 130 East Randolph Drive, Chicago, Illinois 60601		
08 Telephone of Contact Person, include area code  312-240-4262	09 This Report is  (1) <input checked="" type="checkbox"/> An Original  (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo.Da.Yr.)  March 31, 2006
11 Email address of Contact Person  k.donofrio@pecorp.com	12 Utility website  www.peoplesenergy.com	

**ANNUAL REPORT OF ELECTRIC UTILITIES,  
LICENSEES AND/OR NATURAL GAS UTILITIES  
INSTRUCTIONS FOR FILING FORM 21 ILCC**

**GENERAL INFORMATION**

**I. PURPOSE:**

This form is a regulatory support requirement (Public Utilities Act, Section 5-109). It is designed to collect financial and operational information from electric and gas utilities subject to the jurisdiction of the Illinois Commerce Commission.

**II. WHO MUST SUBMIT:**

All electric and gas utilities subject to the Illinois Commerce Commission jurisdiction.

**III. WHAT, WHERE AND WHEN TO SUBMIT**

(a) Submit an original and one copy of this form on or before MARCH 31 of the year following the year covered by this report (three hole punched but not bound) to:

ILLINOIS COMMERCE COMMISSION  
527 East Capitol Avenue  
Springfield, IL 62701

(b) Submit immediately upon publication two copies of the submitted FERC Form Nos. 1 and/or 2, if applicable, to the above address. The submitted copies should be three hole punched, but not bound.

(c) Submit immediately upon publication two copies of the SEC 10-K Report, if applicable, to the above address. The submitted copies should be three hole punched.

(d) Submit immediately upon publication two copies of the Annual Report to Stockholders. The submitted copies should be three hole punched. \*

**IV. REGISTERED AGENT**

Exact Name of Registered Agent Katherine A. Donofrio  
Street or Local Address 130 East Randolph Drive  
City Chicago State Illinois Zip Code 60601  
Telephone (312) 240-4262

\* Respondent is a subsidiary of Peoples Energy Corporation and does not issue an annual report to stockholders.

**ANNUAL REPORT OF ELECTRIC UTILITIES,  
LICENSEES AND/OR NATURAL GAS UTILITIES**

**GENERAL INSTRUCTIONS**

- I. This form of annual report is prepared in conformity with the applicable Uniform System of Accounts and all of the accounting terminology used herein is in accordance therewith.
- II. Enter in whole numbers only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important.) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "NONE" where it truly and completely states the fact.
- IV. The schedules within Form 21ILCC are classified as follows:
- 0 Series - General Corporate Schedules required by all utilities filing Form 21 ILCC
  - 100 Series - General Corporate Schedules required by gas only utilities not submitting FERC Form No. 2.
  - 200 Series - Balance Sheet Supporting Schedules required by gas utilities not submitting FERC Form No. 2.
  - 300 Series - Income Supporting Schedules required by gas utilities not submitting FERC Form No. 2.
  - 500 Series - Gas Plant Statistical Data required by gas utilities not submitting FERC Form No. 2.
  - 600 Series - Electric Data required by all electric utilities.
  - 700 Series - Gas Data required by all gas utilities.
- Electric only utilities that submit FERC Form No. 1 to the Illinois Commerce Commission (ICC) must submit the following schedules: 0 Series and 600 Series.
- Combination utilities (utilities that provide both electric and gas service in Illinois) that submit FERC Form No. 1 (but not FERC Form No. 2) to the ICC must submit the following schedules: 0 Series, 200 Series, 300 Series, 500 Series, 600 Series, and 7
- Combination utilities (utilities that provide both electric and gas service in Illinois) that submit FERC Form Nos. 1 and 2 to the ICC must submit the following schedules: 0 Series, 600 Series and 700 Series.
- Gas only utilities that submit FERC Form No. 2 to the ICC must submit the following schedules: 0 Series and 700 Series.
- Gas only utilities that do not submit FERC Form No. 2 to the ICC must submit the following schedules: 0 Series, 100 Series, 200 Series, 300 Series, 500 Series and 700 Series.
- If a schedule within a series is not applicable to the respondent, enter the words "NOT APPLICABLE" on the particular page or omit the page and enter "N/A" or "NOT APPLICABLE" in the "Remarks" column on the List of Schedules on pages vi through x. If pages are deleted, indicate in the footer of the prior provided page the page number of the next sequentially provided page.
- V. It is preferred that all data be typed on the form. Entries of an opposite character (such as decreases reported in a column providing for both increases and decreases) should be enclosed in parentheses.
- VI. Enter the month, day and year for all dates. Use customary abbreviations. The "Date of Report" at the top of each page is applicable only to the resubmission (see VII below).
- VII. When making revisions, resubmit only those pages that have been changed from the original submission. Submit the same number of copies as required for filing the form. Include with the resubmission the Identification and Attestation page as the last page as the last page. Mail dated resubmissions to:
- ILLINOIS COMMERCE COMMISSION  
527 East Capitol Avenue  
Springfield, IL 62701
- VIII. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement (8 1/2 x 11 inch size) to the page being supplemented. Provide the appropriate identification information, including the title(s) of the page and the page number supplemented.
- IX. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized. The annual report should in all particulars be complete in itself.
- X. Whenever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown on the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.
- XI. Respondents may submit computer printed schedules (reduced to 8 1/2 x 11) instead of the schedules herein if they are substantially the same format.
- XII. Where Illinois Commerce Commission authority is to be supplied, enter the applicable docket number.
- XIII. The word "respondent", whenever used in this report, means the person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.
- XIV. Because of the limited space afforded on some Form 21 ILCC schedules, dollar signs may be omitted where necessary. The rounding of numbers in thousands is permissible in cases where there is insufficient room for all digits. However, notations to this effect must be made in a conspicuous location on the page on which the rounding occurs.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
NORTH SHORE GAS COMPANY	(1) X An Original (2) A Resubmission		Dec. 31, 2005

EXCERPTS FROM THE LAW

(The Public Utilities Act, Section 5-109)

REPORTS BY PUBLIC UTILITIES - FAILURE TO REPORT - FALSE REPORT - PENALTY. Each public utility in the State shall each year furnish to the Commission, in such form as the Commission shall require, annual reports as to all the items mentioned in the preceding sections of this article, and in addition such other items, whether of a nature similar to those therein enumerated or otherwise, as the Commission may prescribe. Such annual reports shall contain all the required information for the period to twelve months ending on the thirtieth day of June in each year, or ending on the thirty-first day of December in each year, as the Commission may by order prescribe for each class of public utilities, and shall be filed with the Commission at its office in Springfield within three months after the close of the year for which the report is made. The Commission shall have authority to require any public utility to file monthly reports of earnings and expenses of such utility, and to file other periodical or special, or both periodical and special reports concerning any matter about which the Commission is authorized by law to keep itself informed. All reports shall be under oath.

When any report is erroneous or defective or appear to the Commission to be erroneous or defective, the Commission may notify the public utility to amend such report within thirty days, and before or after the termination of such period the Commission may examine the officers, agents, or employees, and books, records, accounts, vouchers, plant, equipment and property of such public utility, and correct such items in the report as upon such examination the Commission may find defective or erroneous.

All reports made to the Commission by any public utility and the contents thereof shall be open to public inspection, unless otherwise ordered by the Commission. Such reports shall be preserved in the Office of the Commission.

Any public utility which fails to make and file any report called for by the Commission within the time specified; or to make specific answer to any question propounded by the Commission within thirty days from the time it is lawfully required to do so or within such further time, not to exceed ninety days, as may in its discretion be allowed by the Commission, shall forfeit up to \$100 for each and every day it may so be in default if the utility collects less than \$100,000 annually in gross revenue; and if the utility collects \$100,000 or more annually in gross revenue, it shall forfeit \$100 per day for each and every day it is in default.

Any person who willfully makes any false return or report to the Commission, or to any member, officer or employee thereof, and any person who aids or abets such person shall be guilty of a Class A misdemeanor.

**FORM 21 ILCC  
LIST OF SCHEDULES**

Schedules	Page	Remarks
Identification	i	
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Illinois Megawatt Hrs. Sold/Delivered & Avg. No. of Customers per Month	9-9a	N/A
Illinois Gas Net Operating Revenues	11-11a	
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Schedules	Page	Remarks
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Prepayments (Account 165)	230	
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Schedules	Page	Remarks
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Steam-Electric Generating Plants	602-603	N/A
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Changes Made or Scheduled to be Made In Generating Plant Capacities	606	N/A
Electric Plant Acquisition Adjustments & Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments (Accounts 114 and 115)	607	N/A
Franchise Requirements (Account 927) (Electric)	608	N/A
Territory Served (Electric)	609-610	N/A
Construction Overheads - Electric	611	N/A
Electric Distribution Meters and Line Transformers	612	N/A
Environmental Protection Facilities	613	N/A
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VERIFICATION

This report shall be verified under oath by the responsible accounting officer.

OATH

STATE OF Illinois )
COUNTY OF Cook ) ss

Linda M. Kallas makes oath and says that
(insert here the name of the affiant)

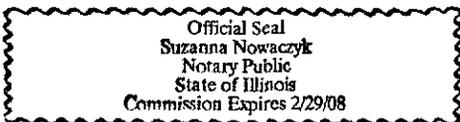
she is Vice President and Controller
(insert here the official title of the affiant)

of North Shore Gas Company
(insert here the exact legal title or name of the respondent)

that she has examined the foregoing report; that to the best of her knowledge, information, and belief, all statements of fact contained in the said report are true, and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from and including January 1, 2005, to and including December 31, 2005.

Linda M. Kallas
(Signature of affiant)

Subscribed and sworn to before me, a Notary Public in and for the State and County above named, this 27th day of March, 2006. My Commission expires 2-29 20 08.



Suzanna Nowaczyk
(Signature of officer authorized to administer oath)

Name of Respondent NORTH SHORE GAS COMPANY	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo. Da. Yr)	Year of Report Dec. 31, 2005
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**BALANCE SHEET**

Line No.	Title of Account (a)	Page Ref. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	353,139,751	363,747,341
3	Construction Work In Progress (107)	200-201	4,523,790	417,877
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		357,663,541	364,165,218
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	142,888,271	145,728,949
6	Net Utility Plant (Enter Total of line 4 less 5)		214,775,270	218,436,269
7	Nuclear Fuel (120.1-120.4, 120.6)	202-203		
8	(Less) Accum. Prov. For Amort. Of Nucl. Fuel Assemblies (120.5)			
9	Net Nuclear Fuel (Enter Total of line 7 less 8)			
10	Net Utility Plant (Enter Total of lines 6 and 9)		214,775,270	218,436,269
11	Utility Plant Adjustments (116)			
12	Gas Stored Underground-Noncurrent (117)	220	373,350	373,350
13	OTHER PROPERTY AND INVESTMENTS			
14	Nonutility Property (121)	41		
15	(Less) Accum. Prov. For Depr. And Amort. (122)	41		
16	Investments in Associated Companies (123)	29-30		
17	Investments in Subsidiary Companies (123.1)	224-225	153,272	153,272
18	(For Cost of Account 123.1, See Footnote Page 224, line 45)			
19	Noncurrent Portion of Allowances			
20	Other Investments (124)	29-30	21,681	21,681
21	Special Funds (125-128)	16		
22	TOTAL Other Property and Investments (Total of lines 14-17, 19-21)		174,953	174,953
23	CURRENT AND ACCRUED ASSETS			
24	Cash (131)			1,244,158
25	Special Deposits (132-134)	16	662	
26	Working Funds (135)		2,000	
27	Temporary Cash Investments (136)	29-30	(59)	
28	Notes Receivable (141)	17		
29	Customer Accounts Receivable (142)		48,625,214	70,223,079
30	Other Accounts Receivable (143)	17	58,100	410,622
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		978,156	1,875,799
32	Notes Receivable from Associated Companies (145)	18		
33	Accounts Receivable from Assoc. Companies (146)	18	2,384,852	1,836,106
34	Fuel Stock (151)	20	854,610	613,820
35	Fuel Stock Expenses undistributed (152)	20		
36	Residuals (Elec) and Extracted Products (Gas) (153)	20		
37	Plant Materials and Operating Supplies (154)	20	2,202,171	1,207,542
38	Merchandise (155)	20		
39	Other Materials and Operating Supplies (156)	20		
40	Nuclear Materials Held for Sale (157)	20		
41	Allowances (158.1 and 158.2)	228-229		
42	(Less) Noncurrent Portion of Allowances			
43	Stores Expense Undistributed (163)	20	786	6,421
44	Gas Stored Underground - Current (164.1)	220	1,621,497	1,493,497
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	220		
46	Prepayments (165)	230	8,952,960	7,487,996
47	Advances for Gas (166-167)			
48	Interest and Dividends Receivable (171)			
49	Rents Receivable (172)			
50	Accrued Utility Revenues (173)			
51	Miscellaneous Current and Accrued Assets (174)	19	57,334	22,222

Name of Respondent

NORTH SHORE GAS COMPANY

This Report is:  
(1)  An Original  
(2)  A Resubmission

Date of Report  
(Mo, Da, Yr)

Year of Report  
Dec. 31, 2005

Instructions: Include in columns (e) through (i), total company balances of Utility Plant in Service and associated balances corresponding to the line numbers on page 2, lines 2 through 12. Include in column (g), Total Company Common Utility, balances that can not be directly assigned to a specific service in columns (e), (f), or (h). Columns (e) thru (i) must total column (d) on page 2. For amounts in columns (e) thru (i), show corresponding Illinois jurisdictional amounts in columns (j) thru (n).

BALANCE SHEET

Total Company Direct Electric Utility (e)	Total Company Direct Gas Utility (f)	Total Company Common Utility (g)	Total Company Competitive Utility (h)	Total Company Other Utility (i)	Line No.
	363,747,341				1
	417,877				2
	364,165,218				3
	145,728,949				4
	218,436,269				5
					6
					7
					8
	218,436,269				9
					10
	373,350				11
					12
					13

Illinois Direct Electric Utility (j)	Illinois Direct Gas Utility (k)	Illinois Common Utility (l)	Illinois Competitive Utility (m)	Illinois Other Utility (n)	Line No.
	363,747,341				1
	417,877				2
	364,165,218				3
	145,728,949				4
	218,436,269				5
					6
					7
					8
	218,436,269				9
					10
	373,350				11
					12
					13

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Name of Respondent NORTH SHORE GAS COMPANY	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2005	Year of Report Dec. 31, 2005
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BALANCE SHEET (continued)

Line No.	Title of Account (a)	Page Ref (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
52	Derivative Instrument Assets (175)			
53	Derivative Instrument Assets-Hedges (176)			
54	TOTAL Current and Accrued Assets (Enter Total of lines 24 thru 53)		63,581,971	82,869,664
55	DEFERRED DEBITS			
56	Unamortized Debt Expense (181)	26 & 27	1,481,131	1,391,609
57	Extraordinary Property Losses (182.1)	230		
58	Unrecovered Plant and Regulatory Study Costs (182.2)	230		
59	Other Regulatory Assets (182.3)	232	57,392,476	65,631,944
60	Prelim. Survey and Investigation Charges (Electric) (183)			
61	Prelim. Survey and Investigation Charges (Gas) (183.1, 183.2)			
62	Clearing Accounts (184)			
63	Temporary Facilities (185)			
64	Miscellaneous Deferred Debits (186)	233	1,330,124	2,630,553
65	Def. Losses from Disposition of Utility Plant (187)			
66	Research, Devel. and Demonstration Expend. (188)			
67	Unamortized Loss on Reacquired Debt (189)	24	2,234,118	2,122,468
68	Accumulated Deferred Income Taxes (190)	234-235	5,713,441	6,406,374
69	Unrecovered Purchased Gas Costs (191)			
70	TOTAL Deferred Debits (Enter Total of lines 56 thru 69)		68,151,290	77,182,949
71	TOTAL Assets and Other Debits (Enter Total of Lines 10, 11, 12, 22, 54, and 70)		347,058,834	379,037,185

Name of Respondent NORTH SHORE GAS COMPANY	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2005
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**BALANCE SHEET**

Line No.	Title of Account (a)	Page Ref. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	<b>PROPRIETARY CAPITAL</b>			
2	Common Stock Issued (201)	250-251	24,756,721	24,756,721
3	Preferred Stock Issued (204)	250-251		
4	Capital Stock Subscribed (202, 205)	45		
5	Stock Liability for Conversion (203, 206)	45		
6	Premium on Capital Stock (207)	45		
7	Other Paid-In Capital (208-211)			
8	Installments Received on Capital Stock (212)	45		
9	(Less) Discount on Capital Stock (213)	46		
10	(Less) Capital Stock Expense (214)	46		
11	Retained Earnings (215, 215.1, 216)	118-119	81,351,349	65,396,878
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119		
13	(Less) Reacquired Capital Stock (217)	250-251		
14	Accumulated Other Comprehensive Income (219)	35a	(2,038,087)	(2,370,601)
15	<b>TOTAL Proprietary Capital (Enter Total of lines 2 thru 14)</b>		<b>104,069,983</b>	<b>87,782,998</b>
16	<b>LONG-TERM DEBT</b>			
17	Bonds (221)	22 & 23	69,250,000	69,250,000
18	(Less) Reacquired Bonds (222)	22 & 23		
19	Advances from Associated Companies (223)	22 & 23		
20	Other Long-Term Debt (224)	22 & 23		
21	Unamortized Premium on Long-Term Debt (225)			
22	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	26 & 27	26,680	23,479
23	<b>TOTAL Long-Term Debt (Enter Total of lines 17 thru 22)</b>		<b>69,223,320</b>	<b>69,226,521</b>
24	<b>OTHER NONCURRENT LIABILITIES</b>			
25	Obligations Under Capital Leases - Noncurrent (227)			
26	Accumulated Provision for Property Insurance (228.1)			
27	Accumulated Provision for Injuries and Damages (228.2)			
28	Accumulated Provision for Pensions and Benefits (228.3)		15,813,063	11,967,357
29	Accumulated Miscellaneous Operating Provisions (228.4)			
30	Accumulated Provision for Rate Refunds (229)			
31	Asset Retirement Obligations (230)			
32	<b>TOTAL Other Noncurrent Liabilities (Enter Total of lines 25 thru 31)</b>		<b>15,813,063</b>	<b>11,967,357</b>
33	<b>CURRENT AND ACCRUED LIABILITIES</b>			
34	Notes Payable (231)	21		
35	Accounts Payable (232)		25,629,839	55,968,721
36	Notes Payable to Associated Companies (233)	21	7,815,000	9,875,000
37	Accounts Payable to Associated Companies (234)	21	4,632,407	3,698,393
38	Customer Deposits (235)		2,359,931	2,769,359
39	Taxes Accrued (236)	262-263	4,613,648	4,233,110
40	Interest Accrued (237)		445,741	460,498
41	Dividends Declared (238)		3,000,000	1,500,000
42	Matured Long-Term Debt (239)			
43	Matured Interest (240)			
44	Tax Collections Payable (241)		(60,049)	18,498
45	Miscellaneous Current and Accrued Liabilities (242)		8,845,980	10,308,058
46	Obligations Under Capital Leases-Current (243)			

Name of Respondent NORTH SHORE GAS COMPANY	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2005
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BALANCE SHEET (continued)

Line No.	Title of Account (a)	Page Ref (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
47	Derivative Instrument Liabilities (244)			
48	Derivative Instrument Liabilities--Hedging (245)			
49	TOTAL Current and Accrued Liabilities (Enter Total of lines 34 thru 48)		57,282,497	88,831,639
50	DEFERRED CREDITS			
51	Customer Advances for Construction (252)		347,213	788,794
52	Accumulated Deferred Investment Tax Credits (255)		2,839,721	2,851,700
53	Deferred Gains from Disposition of Utility Plant (256)			
54	Other Deferred Credits (253)	269	54,118,000	71,970,454
55	Other Regulatory Liabilities (254)	278	2,469,674	1,925,980
56	Unamortized Gain on Reacquired Debt (257)	24		
57	Accumulated Deferred Income Taxes (281-283)	42-43; 274-277	40,893,363	43,691,742
58	TOTAL Deferred Credits (Line 51-57)		100,667,971	121,228,670
59				
60				
61				
62				
63				
64				
65				
66				
67				
68				
69	TOTAL Liabilities and Other Credits (Enter Total of lines 15,23,32,49 & 58)		347,056,834	379,037,185

Name of Respondent NORTH SHORE GAS COMPANY	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2005
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**STATEMENT OF RETAINED EARNINGS FOR THE YEAR**

- Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
- Each credit and debit during the year should be identified as to the retained earnings in which recorded. Show the contra primary account affected in column (b).
- State the purpose and amount for each reservation or appropriation of retained earnings.
- List first, Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
- Show dividends for each class and series of capital stock.
- Show separately the state and federal income tax effect of items shown in Account 439, Adjustments to Retained Earnings.
- Explain in a footnote the basis of determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
- If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
<b>UNAPPROPRIATED RETAINED EARNINGS (Account 216)</b>			
1	Balance - Beginning of Year		81,351,349
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit:		
5	Credit:		
6	Credit:		
7	Credit:		
8	Credit:		
9	TOTAL Credits to Retained Earnings (Account 439) (Enter Total of lines 4 thru 8)		
10	Debit:		
11	Debit:		
12	Debit:		
13	Debit:		
14	Debit:		
15	TOTAL Debits to Retained Earnings (Account 439) (Enter Total of lines 10 thru 14)		
16	Balance Transferred from Income (Account 433 less Account 418.1)		1,645,529
17	(Less) Appropriations of Retained Earnings (Account 436)		
18			
19			
20			
21			
22	TOTAL Appropriations of Retained Earnings (Account 436) (Enter Total of lines 18 thru 21)		
23	Dividends Declared - Preferred Stock (Account 437)		
24			
25			
26			
27			
28			
29	TOTAL Dividends Declared - Preferred Stock (Account 437) (Enter Total of lines 24 thru 28)		
30	Dividends Declared - Common Stock (Account 438)		
31	Dividends Per Share                      Number of Shares		
32	0.77    3,625,887	238	2,800,000
33	0.72    3,625,887	238	2,600,000
34	0.74    3,625,887	238	2,700,000
35	2.62    3,625,887	238	9,500,000
36	TOTAL Dividends Declared - Common Stock (Account 438) (Enter Total of lines 31 thru 35)		17,600,000
37	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
38	Balance - End of Year (Enter Total of lines 1, 9, 15, 16, 22, 29, 36 and 37)		65,396,878

Name of Respondent NORTH SHORE GAS COMPANY	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2005	Year of Report Dec. 31, 2005
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STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	APPROPRIATED RETAINED EARNINGS (Account 215)		
39			
40			
41			
42			
43			
44			
45	TOTAL Appropriated Retained Earnings (Account 215)		None
	APPROPRIATED RETAINED EARNINGS - AMORTIZATION RESERVE, FEDERAL (Account 215.1)		
46	TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (Account 215.1)		None
47	TOTAL Appropriated Retained Earnings (Accounts 215, 215.1) (Enter Total of lines 45 and 46)		None
48	TOTAL Retained Earnings (Account 215, 215.1, 216) (Enter Total of lines 38 and 47)		65,396,878
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)		
49	Balance - Beginning of Year (Debit or Credit)		None
50	Equity in Earnings for Year (Credit) (Account 418.1)		
51	Dividends Received (Debit)		
52	Other Changes (Explain)		
53	Balance - End of Year		None

Name of Respondent NORTH SHORE GAS COMPANY	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 2005
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1. Report the amount derived from total company operations for the current year and the previous year on this page.

STATEMENT OF INCOME FOR THE YEAR

Line No.	Account (a)	Page Ref. (b)	TOTAL	
			TOTAL Company Current Year (c)	Total Company Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	295,829,051	238,943,789
3	Operating Expenses			
4	Operation Expenses (401)	320-325	265,049,318	193,021,419
5	Maintenance Expenses (402)	320-325	3,091,972	2,689,613
6	Depreciation Expenses (403)	336-337	5,426,218	7,090,166
7	Depreciation Expenses for Asset Retirement Costs (403.1)	336-337		
8	Amort. & Depl. Of Utility Plant (404-406)	336-337		1,064
9	Amort. Of Utility Plant Acq. Adj. (406)	336-337		
10	Amort. Of Property Losses, Unrecovered Plant & Regulatory Study Costs (407.1)			
11	Amort. of Conversion Expenses (407.2)			
12	Regulatory Debits (407.3)			
13	(Less) Regulatory Credits (407.4)			
14	Taxes Other Than Income Taxes (408.1)	262-263	17,296,921	16,524,250
15	Income Taxes - Federal (409.1)	262-263	(1,763,216)	1,173,363
16	- Other (409.1)	262-263	(504,694)	275,636
17	Provision for Deferred Income Taxes (410.1)	234,274-277	2,051,449	5,098,226
18	(Less) Provision for Deferred Income Taxes - Cr. (411.1)	234,274,277	(178,325)	605,956
19	Investment Tax Credit Adj. - Net (411.4)	234,274,277	(34,354)	(109,447)
20	(Less) Gains from Disp.Of Utility Plant (411.6)			
21	Losses from Disp. Of Utility Plant (411.7)			
22	(Less) Gains from Disposition of Allowances (411.8)			
23	Losses from Disposition of Allowances (411.9)			
24	Accretion Expense (411.10)			
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		290,791,939	225,158,334
26	Net Utility Operating Income (Enter Total of line 2 less 25) Carry to Page 7b, line 27		5,037,112	13,785,455

Name of Respondent	This Report is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
NORTH SHORE GAS COMPANY			Dec. 31, 2005

Instructions: For balances that cannot be allocated to a specific jurisdiction or service, reflect "\*\*\*\*\*" in the cell (box) and provide the total gas or electric company balance in the Total gas or electric Company column.

STATEMENT OF INCOME FOR THE YEAR

Illinois Electric Utility (e)	Total Company Electric Utility (f)	Illinois Gas Utility (g)	Total Company Gas Utility (h)	Other Utility (i)	Line No. (j)
					1
		295,829,051	295,829,051		2
					3
		265,049,318	265,049,318		4
		3,091,972	3,091,972		5
		5,426,218	5,426,218		6
					7
					8
					9
					10
					11
					12
					13
		17,296,921	17,296,921		14
		(1,763,216)	(1,763,216)		15
		(504,694)	(504,694)		16
		2,051,449	2,051,449		17
		(178,325)	(178,325)		18
		(34,354)	(34,354)		19
					20
					21
					22
					23
					24
		290,791,939	290,791,939		25
		5,037,112	5,037,112		26

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