

STATEMENT OF INCOME FOR THE YEAR (Continued)

Line No.	Account (a)	Page Ref (b)	TOTAL	
			Total Company Current Year (c)	Total Company Previous Year (d)
27	Net Utility Operating Income (Enter Total of line 2 less 25)		5,037,112	13,785,455
28	OTHER INCOME AND DEDUCTIONS			
29	Other Income			
30	Nonutility Operating Income			
31	Revenues From Merchandising, Jobbing and Contract Work (415)			
32	(Less) Costs and Exp. of Merchandising, Jobbing & Contract Work (416)			
33	Revenues From Nonutility Operations (417)	31		
34	(Less) Expenses of Nonutility Operations (417.1)	31		
35	Nonoperating Rental Income (418)	31	16,595	5,845
36	Equity in Earnings of Subsidiary Companies (418.1)	119		
37	Interest and Dividend Income (419)		839,292	303,536
38	Allowance for Other Funds Used During Construction (419.1)			
39	Miscellaneous Nonoperating Income (421)			15,649
40	Gain on Disposition of Property (421.1)			1,160,083
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		855,887	1,485,113
42	Other Income Deductions			
43	Loss on Disposition of Property (421.2)		1,260	
44	Miscellaneous Amortization (425)	340		
45	Miscellaneous Income Deductions (426.1-426.5)	340	63,411	92,886
46	TOTAL Other Income Deductions (Total of lines 42 thru 45)		64,671	92,886
47	Taxes Applic. to Other Income and Deductions			
48	Taxes Other Than Income Taxes (408.2)	262-263		(547)
49	Income Taxes - Federal (409.2)	262-263	277,265	472,510
50	Income Taxes - Other (409.2)	262-263	62,435	100,771
51	Provision for Deferred Inc. Taxes (410.2)	234, 274-277		
52	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 274-277		
53	Investment Tax Credit Adj.- Net (411.5)			
54	(Less) Investment Tax Credits (420)			
55	TOTAL Taxes on Other Inc. and Ded. (Enter Total of 48 thru 54)		339,700	572,734
56	Net Other Income and Deductions (Enter Total of lines 41, less 46 & 55)		451,516	819,493
57	INTEREST CHARGES			
58	Interest on Long-Term Debt (427)		3,312,500	3,316,167
59	Amortization of Debt Disc. and Expense (428)	26-27	130,506	130,075
60	Amortization of Loss on Reacquired Debt (428.1)	24	111,650	111,650
61	(Less) Amort. of Premium on Debt - Credit (429)	26-27		
62	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)	24		
63	Interest on Debt to Associated Companies (430)	340	26,720	14,273
64	Other Interest Expense (431)	340	261,723	314,118
65	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)			
66	Net Interest Charges (Total of lines 58 thru 65)		3,843,099	3,886,282
67	Income Before Extraordinary Items (Total of lines 27 & 56 less line 66)		1,645,529	10,718,665
68	EXTRAORDINARY ITEMS			
69	Extraordinary Income (434)			
70	(Less) Extraordinary Deductions (435)			
71	Net Extraordinary Items (Enter Total of line 69 less line 70)			
72	Income Taxes - Federal and Other (409.3)	262-263		
73	Extraordinary Items After Taxes (Enter Total of line 71 less line 72)			
74	Net Income (Enter Total of lines 67 and 73)		1,645,529	10,718,665

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

ILLINOIS GAS NET OPERATING REVENUES

1. Report the amount derived from or incurred in providing utility services in Illinois.

Line No	Title of Account (a)	OPERATING REVENUES	
		Amount for Current Year (b)	Amount for Previous Year (c)
1	GAS SERVICE REVENUES		
2	480 Residential Sales	232,422,776	187,734,148
3	481 Commercial and Industrial Sales		
4	Small (or Comm.)	38,838,107	30,921,385
5	Large (or Industrial.)	8,775,861	6,848,069
6	482 Other Sales to Public Authorities		
7	TOTAL Sales to Ultimate Consumers (lines 2-6)	280,036,744	225,503,602
8	483 Sales for Resale		
9	484 Interdepartmental Sales		
10			
11			
12	TOTAL Gas Service Revenues (lines 7-9)	280,036,744	225,503,602
13	OTHER OPERATING REVENUES		
14	485 Intercompany Transfers		
15	487 Forfeited Discounts	874,327	697,936
16	488 Miscellaneous Service Revenues	501,780	476,123
17	489.1 Rev. from Trans. of Gas of others through gathering facilities		
18	489.2 Rev. from Trans. of Gas of others through transmission facilities		
19	489.3 Rev. from Trans. of Gas of others through distribution facilities	14,239,541	12,146,224
20	489.4 Rev. from storing gas of others		
21	490 Sales of Products Extracted from Natural Gas		
22	491 Revenues from Natural Gas Processed by Others		
23	492 Incidental Gasoline and Oil Sales		
24	493 Rent from Gas Property	13,500	
25	494 Interdepartmental Rents		
26	495 Other Gas Revenues	163,159	119,904
27	TOTAL Other Operating Revenues (Total of lines 14-26)	15,792,307	13,440,187
28	TOTAL Gas Operating Revenues (Total of lines 12 plus 27)	295,829,052	238,943,789
29	(Less) 496 Provision for Rate Refunds		
30	TOTAL Gas Operating Revenues Net of Provision for Refunds	295,829,052	238,943,789
31			
32	Dist. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Customers)	280,036,744	225,503,602
33	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)		
34	Sales for Resale		
35	Other Sales to Pub. Auth. (Local Dist. Only)		
36	Interdepartmental Sales		
37	TOTAL (same as Line 12, Columns (b) and (c))	280,036,744	225,503,602

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

ILLINOIS GAS NET OPERATING REVENUES (Continued)

THERMS OF NATURAL GAS SOLD		AVERAGE NO. OF NAT. GAS CUSTOMERS PER MO.		Line No.
Current Year (d)	Prior Year (e)	Current Year (f)	Prior Year (g)	
				1
196,015,930	197,448,260	140,770	139,330	2
				3
34,258,830	34,057,330	9,128	9,045	4
8,198,550	8,116,660	918	915	5
				6
238,473,310	239,622,250	150,816	149,290	7
				8
				9
				10
				11
				12
				13

Quantity of Actual Gas Transported		Average No. of Transport Customers Per Month		Line No.
Current Year	Prior Year	Current Year	Prior Year	
				17
				18
126,971,380	126,846,000	4,695	4,564	19

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

ANALYSIS OF UNBILLED REVENUE

		<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	ILCC FORM 21 REFERENCE
1.	Electric Utility Revenue	\$	\$	
2.	Less: Prior Year Unbilled Revenue	\$	\$	Pg 13(a), ln 3 prior yr
3.	Add: Current Year Unbilled Revenue	\$ _____	\$ _____	
4.	Gross Electric Utility Operating Revenue	\$	\$	Pg 7a, col. (f) Ln 2
5.	Gas Utility Revenue	\$ 230,973,492	\$ 287,065,734	
6.	Less: Prior Year Unbilled Revenue	\$ 18,180,500	\$ 26,150,797	Pg 13(a), ln 7 prior yr
7.	Add: Current Year Unbilled Revenue	\$ <u>26,150,797</u>	\$ <u>34,914,114</u>	
8.	Gross Gas Utility Operating Revenue	\$ <u>238,943,789</u>	\$ <u>295,829,051</u>	Pg 7a, col. (g), ln 2
9.	Total Utility Revenue (ln 1 + ln 5)	\$ 230,973,492	\$ 287,065,734	
10.	Less: Total Prior Year Unbilled Revenue (ln 2 + ln 6)	\$ 18,180,500	\$ 26,150,797	Pg 13(a), ln 11 prior yr
11.	Add: Total Current Year Unbilled Revenue (ln 3 + ln 7)	\$ <u>26,150,797</u>	\$ <u>34,914,114</u>	
12.	Total Gross Gas Utility Operating Revenue	\$ <u>238,943,789</u>	\$ <u>295,829,051</u>	Pg 7a, ln 2, a/c 400

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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RECONCILIATION OF GROSS REVENUE TAX

This schedule is to reconcile the amounts shown in the accompanying Annual Report with the amounts shown on the Amended/
Annual Gross Revenue Tax Return:

Line No.	(a)	As Shown On Annual Report (b)	Page and Line Where Amount At Left Can Be Found In The Annual Report (c)
1	1) a. Actual Gross Operating Revenue as shown in Annual Report	295,829,051	
2	b. Less Interstate Revenue		
3	c. Gross Revenue Applicable to Illinois (line 1 minus line 2)	295,829,051	Page 300 Line 30
4	DEDUCT:		
5	2) a. Revenue from Sale to Utilities for Resale		
6	b. Uncollectible Accounts (if billing basis used)	1,809,934	
7	c. Other Deductions (if amounts are included in 1-a. above).	14,550,392	N/A
8	Account Description	Account No.	
9	Misc. Service Revenues	488	
10	Other Gas Revenues	495	163,159
11			
12			
13			
14			
15	Taxable Illinois Gross Revenue from Annual Report (line 3 minus lines 5-14)	279,305,566	
16	Taxable Illinois Gross Revenue from Amended /Annual Gross Revenue Tax Return	279,305,566	
17	Difference (line 15 minus line 16)		

If difference calculated on line 17 is a positive amount of \$1,000 or more, a revised Amended/Annual Tax Return for the year plus payment of any additional tax due must be promptly remitted to the Illinois Commerce Commission. If the calculated difference is less than \$1,000 or a negative amount, no further action is required regarding your tax reconciliation. (The tax owed on \$1,000 at the current rate of .10% is \$1.00. According to the Public Utilities Act a deficiency in taxes paid of less than \$1.00 need not be paid to the Commission.)

Subsection 2-202(d)(1) of the Public Utilities Act (220 ILCS 5/2-202(d)(1)) states: "each public utility shall file an amended return showing the actual amount of gross revenues shown by the company's books and records as of December 31 of the previous year." For a utility filing its Public Utility Fund Gross Revenue Return using the "receipts" method, provide a reconciliation between the amounts used for revenues and deductions on the Gross Revenue Return and the amounts in the Annual Report. If these amounts cannot be reconciled, provide the necessary documentation to fulfill the requirements of Subsection 2-202(d)(1) of the Public Utilities Act to the Commission's Manager of the Accounting Department. The necessary documentation can consist of a detailed analysis of actual billed revenue to the receipts collected. Supporting work papers should include the cash receipts journal showing the receipts collected. Also, provide documentation supporting the deductions.

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

PROMOTIONAL PRACTICES OF ELECTRIC AND GAS PUBLIC UTILITIES

Pursuant to 83 Ill. Adm. Code 275, the following amounts were expended by this utility for promotional practices on file with this Commission for this reporting year:

Account 912 - Demonstrating and Selling Expenses

Allowance for Gas Space Cooling Equipment	\$	1,779
Cogeneration Program	\$	33,333

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

SPECIAL FUNDS (Accounts 125-128)

1. Report below the balance at end of year of each special fund maintained during year. Identify each fund as to account in which included.
2. Indicate nature of any fund included in Account 128, Other Special Funds.
3. If the trustee of any fund is an associated company, give name of such associated company.
4. If assets other than cash comprise any fund, furnish a list of the securities or other assets, giving interest or dividend rate of each, cost to respondent, number of shares or principal amount, and book cost at end of year.

Line No.	Name of Fund and Trustee, if any (a)	Balance at End of Year (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16	TOTAL	None

SPECIAL DEPOSITS (Accounts 132, 133, 134)

1. Report below the amount of special deposits by classes at end of year.
2. If any deposit consists of assets other than cash, give a brief description of such assets.
3. If any deposit is held by an associated company, give name of company.

1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19	TOTAL	None

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)	Year of Report Dec. 31, 2005
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NOTES RECEIVABLE (Account 141)

1. Give the particulars called for below concerning notes receivable at end of year.
2. Give the particulars of any note pledged or discounted.
3. Minor items may be grouped by classes, showing number of such items.
4. Designate any note the maker of which is a director, officer or other employee.

Name of Maker and Purpose of Which Received	Date of Issue	Date of Maturity	Interest Rate %	Balance at End of Year
TOTAL				None

OTHER ACCOUNTS RECEIVABLE (Account 143)

1. Give the particulars called for below concerning other accounts receivable at end of year.
2. Designate any account in excess of \$10,000 that is more than 1 year old.

Description	Balance at End of Year
Officers & Employees	
Due from Subscriptions to capital stock	
Miscellaneous	
Accounts Receivable - Sundry Accounts Receivable	309,516
Accounts Receivable - Dishonored Checks	101,106
TOTAL	410,622

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

RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)

1. Report particulars of notes and accounts receivable from associated companies at end of year.
2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.
3. For notes receivable list each note separately and show also in column (a) date of note and date of maturity.
4. If any note was received in satisfaction of an open account, state the period covered by such open account.
5. Include in column (d) interest recorded as income during the year, including interest on accounts and notes held any time during the year.
6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.

Name of Company (a)	Balance End of Year (b)	Interest for Year	
		Rate % (c)	Amount (d)
<u>Account 145 - Notes Receivable from Associated Companies</u>	None	Various	30,037
<u>Account 146 - Accounts Receivable from Associated Companies</u>			
The Peoples Gas Light and Coke Company	211,940		None
Peoples Energy Corporation	1,622,048		None
Peoples Energy Home Services	2,118		None
	1,836,106		

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

MISCELLANEOUS CURRENT AND ACCRUED ASSETS (Account 174)

1. Give a description and amount of miscellaneous current and accrued assets as of the end of the year.
2. Minor items may be grouped by classes, showing number of such items.

Description (a)	Balance End of Year (b)
Unamortized Cogeneration Incentive	22,222
TOTAL	22,222

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

MATERIALS AND SUPPLIES

- For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
- Give an explanation of important inventory adjustments during year (on a supplemental page) showing general classes of material and supplies and the various accounts (operating expense, clearing accounts, plant, etc.) affected - debited or credited. Show separately debits or credits to stores expense-clearing, if possible.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments Which Use Material (d)
1	Fuel Stock (Account 151)	654,610	613,820	Gas
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	1,267,875	694,911	Gas
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	378		Gas
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)	238,885	151,541	Gas
10	Assigned to - Other	695,033	361,090	Gas
11	TOTAL Account 154 (Enter Total of lines 5 thru 10)	2,202,171	1,207,542	
12	Merchandise (Account 155)			
13	Other Materials and Supplies (Account 156)			
14	Nuclear Materials Held for Sale (Account 157) (Not applicable to Gas Utilities)			
15	Stores Expense Undistributed (Account 163)	786	6,421	Gas
16				
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	2,857,567	1,827,782	

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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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NOTES PAYABLE (Account 231)

1. Report the particulars indicated concerning notes payable at end of year.
2. Give particulars of collateral pledged, if any.
3. Any demand notes should be designated as such in column (c).

Line No.	Payee (a)	Purpose for Which Issued (b)	Date of Note (c)	Interest Rate % (d)	Balance at End of Year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15	TOTAL				None

PAYABLES TO ASSOCIATED COMPANIES (Accounts 233,234)

1. Report particulars of notes and accounts to associated companies at end of year.
2. Provide separate totals for Account 233, Notes Payable to Associated Companies and 234, Accounts Payable to Associated Companies, in addition to a total for the combined accounts.
3. List each note separately and state the purpose for which issued. Show also in column (a) date of note and maturity.
4. Include in column (e) the amount of any interest expense during the year on notes or accounts that were paid before the end of the year.

1	Account 233 - Notes Payable to Associated Companies				
2					
3	The Peoples Gas Light and Coke Co. (1)		9,875,000	Various	26,720
4					
5			9,875,000		26,720
6	Account 234 - Accounts Payable to Associated Companies				
7	The Peoples Gas Light and Coke Company		1,938,881		None
8	Peoples Energy Corporation		1,594,270		None
9	North Shore Exploration Company		152,569		None
10	Peoples Energy Home Services		12,673		None
11			3,698,393		
12					
13					
14					
15	TOTAL		13,573,393		26,720

(1) North Shore Gas has a note with The Peoples Gas Light and Coke Co. that requires North Shore Gas to pay interest monthly. The interest is calculated by applying commercial paper rates to the outstanding balance. The maximum amount that can be borrowed is \$50 million. This arrangement was approved in Docket 04-0602.

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)	Year of Report Dec. 31, 2005
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LONG-TERM DEBT (Accounts 221, 222, 223, and 224)

- Report by balance sheet Account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other Long-Term Debt. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
- For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
- For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
- For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.
- In a supplemental statement, give explanatory particulars (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.

Line No.	Class and Series of Obligation, Coupon Rate (a)	Principal Amount of Debt Issued (b)	Nominal Date of Issue (c)	Date of Maturity (d)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (e)
1	<u>Account 221 - Bonds</u>				
2					
3					
4	Series M, 5.00%	30,035,000	12-18-98	12-01-26	29,250,000
5	Series N-2, 4.625% (1)	40,000,000	04-29-03	05-01-13	40,000,000
6					
7					
8					
9	<u>Account 222 - Reacquired Bonds</u>				None
10					
11	<u>Account 223 - Advances From Associated Companies</u>				None
12					
13	<u>Account 224 - Other Long-Term Debt</u>				None
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28	Notes: (1) Not redeemable except in extraordinary circumstances.				
29					
30					
31					
32	TOTAL				69,250,000

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)	Year of Report Dec. 31, 2005
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LONG-TERM DEBT (Accounts 221, 222, 223, and 224)

6. If the respondent has pledged any of its long-term debt securities, give particulars (details) in a footnote, including name of the pledges and purpose of the pledge.
7. If the respondent has any long-term securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include interest expense in column (g). Explain in a footnote any difference between the total of column (g) and the total Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
9. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.
10. In column (b) show the principal amount of bonds or other long-term debt originally issued.
11. In column (i) provide redemption price in % or per \$100 of face amount outstanding. If the respondent has provided information required in column (i) in a document filed pursuant to Article 6 of the Illinois Public Utilities Act, respondent may reference that document in a footnote in lieu of providing the information here.

INTEREST FOR YEAR		HELD BY RESPONDENT		Redemption Price Per \$100 at End of Year	Line No.
Amount	Reacquired Bonds (ACCT. 222)	Sinking and Other Funds			
(f)	(g)	(h)	(i)		
					1
					2
					3
1,462,500				102	4
1,850,000				(1)	5
					6
					7
					8
None					9
					10
None					11
					12
None					13
					14
					15
					16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
TOTAL	3,312,500	None	None		32

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

UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189 and 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars (details) of gain or loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.

2. In column (e) show the principal amount of bonds or other long-term debt reacquired.

3. In column (f) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform System of Accounts.

4. Show loss amounts by enclosing the figures in parentheses.

5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	Account	Date	Series	Principal Amount of Debt Reacquired	Net Gain or Net Loss	Balance Beginning of Year	Debits During Year	Credits During Year	Balance at End of Year	
1	Account 189 - Unamortized Loss on Reacquired Debt									
2	First and Refunding Mortgage Bonds									
3	Series J, 8.00%	11-01-90				854,371		53,960	800,411	
4	Series K, 6.375%	10-01-92				1,364,406		57,048	1,307,358	
5	Series M, 5.00%	12-01-98				15,341		642	14,699	
6										
7										
8										
9										
10										
11						2,234,118		111,650	2,122,468	
12	Account 257 - Unamortized Gain on Reacquired Debt									
13	First Mortgage Bonds									
14	None									
15										
16										
17										
18										
19										
20										
21										
22										

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)	Year of Report Dec. 31, 2005
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DISCOUNT ON COMMON STOCK AND PREFERRED STOCK ISSUANCES

(Accounts 201 through 204 and 207)

1. Identify the amount of discount or expense, including underwriting discounts, recorded in account 214, Capital Stock Expense, that has accumulated since December 31, 1993. Amounts recorded before December 31, 1993 may also be included.

Line No.	Account Title (a)	Amount of Discount (b)	Amount Recovered through Rates (c)
1	Account 201, Common Stock issued	None	None
2	Account 202, Common Stock Subscribed	None	None
3	Account 203, Common Stock Liability for Conversion	None	None
4	Account 204, Preferred Stock Issued	None	None
5	Account 207, Premium on Capital Stock	None	None
6	Total	None	None

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)	Year of Report Dec. 31, 2005
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UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG - TERM DEBT (Accounts 181, 225, 226)

- Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term Debt, particulars (details) of expense, premium or discount applicable to each class and series of long-term debt.
- Show premium amounts by enclosing the figures in parentheses.
- In column (b) show the principal amount of bonds or other long-term debt originally issued.
- In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term originally issued.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	Amortization Period	
				Date From (d)	Date To (e)
1	Account 181 - Unamortized				
2	Debt Expense				
3					
4	First Mortgage Bonds				
5					
6					
7					
8	Series M, 5.00%	30,035,000	1,417,580	12-01-98	12-01-28
9	Series N-2, 4.625%	40,000,000	419,899	04-29-03	05-01-13
10					
11					
12					
13	Account 225 - Unamortized				
14	Premium on Long-Term Debt				
15					
16					
17	Account 226 -				
18	Unamortized Discount on Long-Term Debt				
19					
20	First Mortgage Bonds				
21					
22					
23	Series N-2, 4.625%	40,000,000	32,000	04-29-03	05-01-13
24					
25					
26					
27					
28	Notes:				
29	(1) Does not include \$37,782 for Series N Hedge Loss Charged to Account 428				
30					
31					
32					
33	TOTAL				

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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UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG - TERM DEBT (Accounts 181, 225, 226)

5. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.

Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)	Line No.
				1
				2
				3
				4
				5
				6
				7
1,128,220		47,172	1,081,048	8
352,911		42,350	310,561	9
				10
1,481,131		89,522	1,391,609	11
				12
None			None	13
				14
				15
				16
				17
				18
				19
				20
				21
26,680		3,202	23,479	22
26,680		3,202	23,479	23
				24
				25
				26
				27
				28
				29
				30
				31
				32
1,507,811		92,724 (1)	1,415,088	33

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)	Year of Report Dec. 31, 2005
SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR			
<ol style="list-style-type: none"> 1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates. 2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired. 3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance or redemption price and name of the principal underwriting firm through which the security transactions were consummated. 4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method. 5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as particulars (details) of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked. 			
None			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report
NORTH SHORE GAS COMPANY			Dec. 31, 2005
SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR			
1	None		
2			
3			
4			
5			
6			
7			
8			
9			
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