

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
GAS PLANT IN SERVICE (Accounts 101,102,103, and 106 (Continued))			
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
44	3. Natural Gas Storage and Processing Plant		
45	Underground Storage Plant		
46	350.1 Land		
47	350.2 Rights-of-Way		
48	351 Structures and Improvements		
49	352 Wells		
50	352.1 Storage Leaseholds and Rights		
51	352.2 Reservoirs		
52	352.3 Non-recoverable Natural Gas	10,264,084	
53	353 Lines		
54	354 Compressor Station Equipment		
55	355 Measuring and Reg. Equipment		
56	356 Purification Equipment		
57	357 Other Equipment		
58	358 Asset Retirement Costs for Other Storage Plant		
59	TOTAL Underground Storage Plant	10,264,084	
60	Other Storage Plant		
61	360 Land and Land Rights		
62	361 Structures and Improvements		
63	362 Gas Holders		
64	363 Purification Equipment		
65	363.1 Liquefaction Equipment		
66	363.2 Vaporizing Equipment		
67	363.3 Compressor Equipment		
68	363.4 Meas. and Reg. Equipment		
69	363.5 Other Equipment		
70	363.6 Asset Retirement Costs for Other Storage Plant		
71	TOTAL Other Storage Plant		
72	Base Load Liquefied Natural Gas Terminating and Processing Plant		
73	364.1 Land and Land Rights		
74	364.2 Structures and Improvements		
75	364.3 LNG processing Terminal Equipment		
76	364.4 LNG Transportation Equipment		
77	364.5 Measuring and Regulating Equipment		
78	364.6 Compressor Station Equipment		
79	364.7 Communications Equipment		
80	364.8 Other Equipment		
81	364.9 Asset Retirement Costs for Baseload LNG Terminating & Processing Plant		
82	TOTAL Base Load Liquefied Natural Gas		
83			
84	TOTAL Nat. Gas Storage and Proc. Plant	10,264,084	
85	4. Transmission Plant		
86	365.1 Land and Land Rights	61,547	
87	365.2 Rights-of-Way	7,706,996	
88	366 Structures and Improvements	629,870	
89	367 Mains	17,352,691	
90	368 Compressor Station Equipment		
91	369 Measuring and Reg. Station Equipment	3,419,646	48,653
92	370 Communication Equipment		
93	371 Other Equipment		
94	372 Asset Retirement Costs for Transmission Plant		
95	TOTAL Transmission Plant	29,170,750	48,653

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GAS PLANT IN SERVICE (Accounts 101,102,103, and 106) (Continued)				
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				44
				45
			350.1	46
			350.2	47
			351	48
			352	49
			352.1	50
			352.2	51
			10,264,084	52
			353	53
			354	54
			355	55
			356	56
			357	57
			358	58
			10,264,084	59
				60
			360	61
			361	62
			362	63
			363	64
			363.1	65
			363.2	66
			363.3	67
			363.4	68
			363.5	69
				70
				71
				72
			364.1	73
			364.2	74
			364.3	75
			364.4	76
			364.5	77
			364.6	78
			364.7	79
			364.8	80
				81
				82
				83
			10,264,084	84
				85
			61,547	365.1 86
			7,706,996	365.2 87
			629,870	366 88
			17,352,691	367 89
				368 90
			3,468,299	369 91
				370 92
				371 93
				94
			29,219,403	95

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GAS PLANT IN SERVICE (Accounts 101,102,103, and 106) (Continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
96	5. Distribution Plant		
97	374 Land and Land Rights	3,793,083	
98	375 Structures and Improvements	8,592,300	922,865
99	376 Mains	142,242,524	6,871,360
100	377 Compressor Station Equipment		
101	378 Meas. and Reg. Sta. Equip. - General	415,757	
102	379 Meas. and Reg. Sta. Equip. - City Gate	101,250	
103	380 Services	100,558,921	3,874,841
104	381 Meters	12,231,818	518,442
105	382 Meter Installations	17,764,380	612,497
106	383 House Regulators	5,765,067	33,549
107	384 House Reg. Installations		
108	385 Industrial Meas. and Reg. Sta. Equipment	12,440	
109	386 Other Prop. on Customers' Premises		
110	387 Other Equipment		
111	388 Asset Retirement Costs for Distribution Plant		
112	TOTAL Distribution Plant	291,477,540	12,833,554
113	6. General Plant		
114	389 Land and Land Rights	136,422	
115	390 Structures and Improvements	2,714,992	
116	391 Office Furniture and Equipment	2,457,343	(966)
117	392 Transportation	3,654,609	649,472
118	393 Stores Equipment	19,701	
119	394 Tools, Shop and Garage Equipment	2,555,653	292,457
120	395 Laboratory Equipment		
121	396 Power Operated Equipment	4,452,678	158,490
122	397 Communication Equipment	810,914	
123	398 Miscellaneous Equipment		
124	Subtotal	16,802,312	1,099,453
125	399 Other Tangible Property		
126	399.1 Asset Retirement Costs for General Plant		
127	TOTAL General Plant	16,802,312	1,099,453
128	TOTAL (Accounts 101 and 106)	353,139,751	13,989,822
129	Gas Plant Purchased (See Instr. 8)		
130	(Less) Gas Plant Sold (See Instr. 8)		
131	Experimental Gas Plant Unclassified		
132	TOTAL Gas Plant in Service	353,139,751	13,989,822

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GAS PLANT IN SERVICE (Accounts 101,102,103, and 106) (Continued)				
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				96
			3,793,083	374 97
			9,515,165	375 98
(703,433)	491	716	148,411,658	376 99
				377 100
			415,757	378 101
			101,250	379 102
(582,962)	(491)	(716)	103,849,593	380 103
(118,526)		(1,692)	12,630,042	381 104
			18,376,877	382 105
(105,436)			5,693,180	383 106
				384 107
(12,440)				385 108
				386 109
				387 110
				388 111
(1,522,797)		(1,692)	302,786,605	112
				113
			136,422	389 114
			2,714,992	390 115
(393,620)		1,299	2,064,056	391 116
(163,939)		12,673	4,152,815	392 117
			19,701	393 118
(634,518)		1,692	2,215,284	394 119
				395 120
(37,192)			4,573,976	396 121
(644,138)			166,776	397 122
				398 123
(1,873,407)		15,664	16,044,022	124
				399 125
				399.1 126
(1,873,407)		15,664	16,044,022	127
(3,396,204)		13,972	363,747,341	128
				129
				130
				131
(3,396,204)		13,972	363,747,341	132

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	Dec. 31, 2005	
MANUFACTURED GAS PRODUCTION PLANT - SUPPLEMENTAL SCHEDULE SEE PAGE 204 LINE 41						
		Additions (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)
1	PRODUCTION PLANT					
2	Manufactured Gas Production Plant					
3	304 Land and Land Rights	69,538				69,538
4	305 Structures and Improvements	831,440	8,162			839,602
5	306 Boiler Plant Equipment					
6	307 Other Power Equipment					
7	308 Coke Ovens					
8	309 Producer Gas Equipment					
9	310 Water Gas Generating Equipment					
10	311 Liquefied Petroleum Gas Equipment	4,524,087				4,524,087
11	312 Oil Gas Generating Equipment					
12	313 Generating Equipment - Other Expenses					
13	314 Coal, Coke and Ash Handling Equipment					
14	315 Catalytic Cracking Equipment					
15	316 Other Reforming Equipment					
16	317 Purification Equipment					
17	318 Residual Refining Equipment					
18	319 Gas Mixing Equipment					
19	320 Other Equipment					
20	TOTAL Manufactured Gas Production Plant	5,425,065	8,162			5,433,227

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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GAS PLANT LEASED TO OTHERS (Account 104)

1. Report the information called for concerning gas plant leased to others.
2. In column (c) give the date of Commission authorization of the lease of gas plant to others.

Line No.	Name of Lessee (Designate associated companies with an asterisk) (a)	Description of Property Leased (b)	Commission Authorization (c)	Expiration Date of Lease (d)	Balance at End of Year (e)
1					NONE
2					
3					
4					
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26					
27					
28					
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30					
31					
32					
33	TOTAL				NONE

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GAS PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.
2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in This Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	NATURAL GAS LANDS, LEASEHOLDS, AND GAS RIGHTS HELD FOR FUTURE UTILITY USE			
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35				
36				
37	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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CONSTRUCTION WORK IN PROGRESS - GAS (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107).
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor Projects (less than \$500,000) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress - Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1			
2			
3			
4			
5			
6	Minor Projects	417,877	Not Available
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42			
43	TOTAL	417,877	Not Available

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NORTH SHORE GAS COMPANY		(1) X An Original (2) A Resubmission		Dec. 31, 2005	
ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108)					
<p>1. Explain in a footnote any important adjustments during year.</p> <p>2. Explain in a footnote any difference between the amount for book cost of plant retired line 11, column (c), and that reported for gas plant in service, pages 204-209 column (d), excluding retirements of nondepreciable property.</p> <p>3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p>					
Section A. Balances and Changes During Year					
		(c)-(d)-(e)	(c)	(d)	(e)
1	Balance Beginning of Year	142,891,237	142,891,237		
2	Depreciation Provisions for Year, Charged to				
3	403 Depreciation Expense	5,426,218	5,426,218		
4	413 Expenses of Gas Plant Leased to Others				
5	Transportation Expenses - Clearing	852,832	852,832		
6	Other Clearing Accounts				
7	Other Accounts: Capitalized Depreciation Transferred	35,169	35,169		
8	Other Accounts: Amortization Transferred to/from Other Limited-Term Gas Plant (111.03)	(2,966)	(2,966)		
9	TOTAL Depreciation Provisions for Year (Enter Total of lines 3 thru 8)	6,311,253	6,311,253		
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired (1)	(3,394,945)	(3,394,945)		
12	Cost of Removal	(455,823)	(455,823)		
13	Salvage (Credit)	366,144	366,144		
14	TOTAL Net Charges for Plant Retired (Enter Total of lines 11 thru 13)	(3,484,624)	(3,484,624)		
15	Other Debit or Credit Items:				
16	Adjustments				
17	Sundry Items - Other				
18	TOTAL Other Debit or Credit Items (Enter Total of line 16 thru 17)	11,083	11,083		
19	Balance End of Year (Enter Total of lines 1, 9, 14, and 18)	145,728,949	145,728,949		
Section B. Balances at End of Year According to Functional Classifications					
20	Production - Manufactured Gas	3,921,842	3,921,842		
21	Production and Gathering - Natural Gas				
22	Products Extraction - Natural Gas				
23	Underground Gas Storage	6,071,955	6,071,955		
24	Other Storage Plant				
25	Base Load LNG Terminating and Processing Plant				
26	Transmission	7,490,216	7,490,216		
27	Distribution	119,745,158	119,745,158		
28	General	8,499,778	8,499,778		
29	TOTAL (Enter Total of lines 20 thru 28)	145,728,949	145,728,949		

(1) Book cost of plant retired is less than retirements on page 209 due to the fact there was sales activity in which the property retired was different from the accumulated depreciation retired in the amount of \$1,259.

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GAS STORED (Accounts 117, 164.1, 164.2 and 164.3)

1. If during the year an adjustment was made to the stored gas inventory (such as to correct cumulative inaccuracies of gas measurements), furnish in a footnote an explanation of the reason for the adjustment, the Mcf and dollar amount of adjustment, and account charged or credited.
2. Give in a footnote a concise statement of the facts and the accounting performed with respect to any encroachment of withdrawals during the year, or restoration of previous encroachment, upon native gas constituting the "gas cushion" of any storage reservoir.
3. If the company uses a "base stock" in connection with its inventory accounting, give a concise statement of the basis of establishing such "base stock" and the inventory basis and the accounting performed with respect to any encroachment of withdrawals upon "base stock" or restoration of previous encroachment, including brief particulars of any such accounting during the year.
4. If the company has provided accumulated provision for stored gas which may not eventually be fully recovered from any storage project, furnish a statement showing: (a) date of Commission authorization of such accumulated provision, (b) explanation of circumstances requiring such provision, (c) basis of provision and factors of calculation, (d) estimated ultimate accumulated provision accumulation, and (e) a summary showing balance of accumulated provision and entries during year.
5. Report pressure base of gas volumes as 14.73 psia at 60 degree F.

Line No.	Description (a)	Noncurrent (Acct. 117) (b)	Current (Acct. 164.1) (c) (1)	LNG (Acct. 164.2) (d)	LNG (Acct. 164.3) (e)	Total (f)
1	Balance at Beginning of Year	\$373,350	\$1,621,497	None	None	\$1,994,847
2	Gas Delivered to Storage (Contra Account)		19,965,521 (1)			19,965,521
3	Gas Withdrawn from Storage (Contra Account)		20,093,521 (1)			20,093,521
4	Other debits or Credits (Net)					
5	Balance at End of Year	\$373,350	\$1,493,497	None	None	\$1,866,847
6	Mcf @ 1,000 BTU	341,486	1,295,748			1,637,234
7	Amount Per Mcf	\$1.093	\$1.153			\$1.140

8 State basis of segregation of inventory between current and noncurrent portions:
 Injections to maintain deliverability are classified as non-current. Other activity is classified as current.

Note (1) Represents the costs of gas delivered and withdrawn from storage originally charged to Account 117 and then transferred to Account 164.1 to separate current gas costs from the non-current gas costs.

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INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1)

- Report below investments in Accounts 123.1, Investments in Subsidiary Companies.
- Provide a subheading for each company and list there under the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).
 - Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate.
 - Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
- Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Account 123.10 - Investment in			
2	Subsidiary Companies -			
3	Exploration Company			
4	North Shore			
5	Exploration Company (Ill. C. C.			
6	Dkt. 58216, Order dated 6-6-73;	Various		91,329
7	Dkt. 58769, Order dated 4-24-74(1))	Various		61,943
8				153,272
9				
10				
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42	Total Cost of Account 123.1 \$94,300		TOTAL	153,272

(1) See Supplemental Sheets

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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

4. For any securities, notes or accounts that were pledged, designate such securities, notes or accounts in a footnote, and state the name of pledge and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) Interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on line 42, column (a) the total cost of Account 123.1.

Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
				2
				3
				4
				5
		91,329		6
		61,943	None	7
		153,272		8
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		153,272		42

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North Shore Gas Company

ANNUAL REPORT TO THE ILLINOIS COMMERCE COMMISSION
REPORT FOR DOCKET NO. 58769
(Five-Year Program)

As of December 31, 2005, Respondent had invested a total of \$2,225,000 in North Shore Exploration Company ("Exploration Company") under the terms of the Five-Year Program. All of this amount was invested prior to calendar year 2005.

Of the total, \$1,980,873 was invested by Exploration Company in joint efforts to augment gas supply pursuant to an agreement entered into by and between Exploration Company, certain subsidiaries of other participating customers of Natural Gas Pipeline Company of America, and NGPL Exploration Company (the "Group"), and Chevron U.S.A., Inc. ("Chevron"), formerly The California Company, a division of Chevron Oil Company.

An additional \$239,941 was invested by Exploration Company in similar efforts pursuant to agreements entered into by and between the Group and Burmah Oil Development, Inc., later succeeded by Aminoil Development, Inc. and by Phillips Oil Company ("Phillips").

Through December 31, 2005, Exploration Company has received a total of \$3,758,896 as its share of the net profits (i.e. recoveries) and limited partnership distributions applicable to the investments approved by the Commission in Docket 58769.

There were no transactions recorded on Respondent's books during calendar year 2005:

Respondent's results of operations for the twelve months ended December 31, 2005 and its cumulative results through that date are shown in the following table:

Results of Operations

Description	Twelve Months Ended 12/31/05	Cumulative Through 12/31/05
Account 813 - Other Gas Supply Expenses		
Recoveries	\$ --	\$ (3,758,896)
Amortization of Investment	--	2,220,814
Net Recoveries	--	(1,538,082)
Miscellaneous Interest Revenues and Other Expenses - net	--	(39,671)
Total	--	(1,577,753)
Account 409.10 - Federal Income Taxes	--	452,641
Account 410.10 - Amortization of Deferred Income Taxes	--	15,564
Account 411.40 - Amortization of Job Development Credit	--	(5,003)
Impact on Operating Expenses	\$ --	\$ (1,114,552)
Impact on Operating Income	\$ --	\$ 1,114,552

() Denotes red figure.

During the twelve months ended December 31, 2005, Exploration Company repurchased no shares of its common stock, no par value, at \$100 per share (the original issuance price of the stock). A summary of Respondent's investment in Exploration Company is as follows:

Investment in North Shore Exploration Company

Original Investment in Exploration Company Common Stock				\$2,225,000
Less: Common Stock Repurchased by Exploration Company				
	Prior to 1-1-05		\$2,218,500	
	Twelve Months ended 12-31-05		<u> -- </u>	
	Total Common Stock Repurchased			<u>2,218,500</u>
	Remaining Investment in Exploration Company Common Stock			6,500
Undistributed Gains and Losses of Exploration Company				<u>55,443</u>
Total Investment in Exploration Company at 12-31-05				<u>\$ 61,943</u>

As of December 31, 2005, the reported status of the remaining projects under the Five-Year Program was as follows:

Block	No. of Wells Drilled			Status
	During 2005	Cumulative to Date Total	Successful	
West Cameron 115	0	4	2	Last Productive 10/94
West Cameron 116	0	2	2	Last Productive 8/94
East Cameron 38	0	5	2	Not Producing
East Cameron 347	0	8	4	Last Productive 9/92
Vermilion 40	0	3	3	Not Producing
South Marsh Island 265	0	7	2	Last Productive 4/02
West Delta 137	0	6	1	Last Productive 6/92

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PREPAYMENTS (Account 165)

1 Report below the particulars (details) on each prepayment.
2 Report all payments for undelivered gas on line 5.

Line No.	Nature of Prepayment (a)	Balance at End of Year (b)
1	Prepaid Insurance	171,612
2	Prepaid Rents	
3	Prepaid Taxes (See pages 262-263)	90,806
4	Prepaid Interest	
5	Gas Prepayments	7,225,039
6	Miscellaneous Prepayments: (1 item)	539
7	TOTAL	7,487,996

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss (include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization-mo, yr to mo, yr.) (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	Written Off During Year		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3						
4						
5						
6						
7						
8						
9	TOTAL					None

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Extraordinary Loss (include in the description the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization-mo, yr to mo, yr.) (a)	Total Amount of Loss (b)	Losses Recognized During Year (c)	Written Off During Year		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27	TOTAL					None

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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) Dec. 31, 2005	Year of Report Dec. 31, 2005
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OTHER REGULATORY ASSETS (Account 182.3)

1. Report below particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory assets being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 182.3 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3	Investigation and Removal of					
4	Manufactured Gas Residues	1,780,345	4,533,755	Various	4,462,545	1,851,555
5						
6	Estimated Liability for Costs					
7	Incurred Re: Manufactured					
8	Gas Residues - Net	51,623,474	18,060,082	253	6,177,617	63,505,939
9						
10						
11	Price Protection Program	3,988,657	5,420,251	Various	9,134,458	274,450
12						
13						
14						
15						
16						
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20						
21						
22						
23						
24						
25						
26						
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28						
29						
30						
31						
32						
33						
34	TOTAL	57,392,476	28,014,088		19,774,621	65,631,944

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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MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a).
3. Minor items (less than \$100,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debit (a)	Balance at Beginning of Year (b)	Debits (c)	Credits		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Labor and Material - Work					
2	Orders to be Billed	1,200		Various	1,200	
3						
4	Deferred Pension Costs	1,155,554	3,476,407	Various	2,085,887	2,546,074
5						
6	Miscellaneous	173,370	1,592,063	Various	1,680,954	84,479
7						
8						
9						
10						
11						
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31						
32						
33						
34						
35						
36	Misc. Work in Progress					
37	Deferred Regulatory Commission					
38	Expenses (See pages 350-351)					
39	TOTAL	1,330,124	5,068,470		3,768,041	2,630,553

Name of Respondent NORTH SHORE GAS COMPANY	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 2005	Year of Report Dec. 31, 2005
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ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to (Account 410.1) (c)	Amounts Credited to (Account 411.1) (d)
1	Electric			
2				
3				
4				
5				
6				
7	Other			
8	TOTAL Electric (Total of lines 2 thru 7)			
9	Gas			
10				
11	Bad debts, inventory costs, IRT, ITC,			
12	early retirement benefits & pension			
13	- Federal Income Tax	4,666,244	11,413	(274,514)
14	- State Income Tax	1,047,197	1,659	(64,562)
15				
16				
17	TOTAL Gas (Total of lines 10 thru 16)	5,713,441	13,072	(339,076)
18	Other (Specify)			
19	TOTAL Account 190 (Total lines 8, 17, and 18)	5,713,441	13,072	(339,076)

Notes

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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ACCUMULATED DEFERRED INCOME TAXES (Account 190)(Continued)

3. If more space is needed, use separate pages as required.
 4. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided.
 Indicate insignificant amounts listed under Other.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited (Account 410.2) (e)	Amounts Credited (Account 411.2) (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
			*	191,316	*	157,140	4,414,493
			**	43,045	**	32,140	991,881
							15
							16
				234,361		189,280	5,406,374
							18
				234,361		189,280	5,406,374
							19

Notes (Continued)

	Acct. No.	Credit	Debit
* Federal	219	191,316	
	236		30,871
	254		126,269
		191,316	157,140
	Acct. No.	Credit	Debit
** State	219	43,045	
	236		9,872
	254		22,268
		43,045	32,140

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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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CAPITAL STOCK (Accounts 201 and 204)

- Utilities with gas and electric operations who file this page in FERC Form 1, this page is optional. Please note on page, "See FERC Form 1."
Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. 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 both the 10-K report and this report are compatible.
- Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
- Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value Per share (c)	Call Price at End of Year (d)
1	Account 201			
2	Common Stock	5,000,000	\$ 6.83 (1)	
3				
4	Account 204			
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16	Note: (1) Average stated value per share			
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18				
19				
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32				

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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OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries affecting such change.

- (a) Donations Received from Stockholders (Account 208) - State amount and give brief explanation of the origin and purpose of each donation.
- (b) Reduction in Par or Stated Value of Capital Stock (Account 209) - State amount and give brief explanation of the capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210) - Report balance at beginning of the year, credits, debits, and balance at the end of the year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
- (d) Miscellaneous Paid-in Capital (Account 211) - Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1		
2		
3		
4		
5		
6		
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14		
15		
16		
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24		
25		
26		
27		
28		
29		
30	TOTAL	None

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