

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
---	--	--------------------------------	---------------------------------

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME
FOR FEDERAL INCOME TAXES**

- Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
- If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	1,645,529
2	Reconciling Items for the Year	
3	Income Taxes (Accts. 409, 410 and 411)	267,210
4	Taxable Income Not Reported on Books	
5		
6		
7	Deductions Recorded on Books Not Deducted for Return	
8	Meal Expense Disallowance	5,366
9	Lobbying Expense Disallowance	(91,627)
10	Charitable Meals	(290,771)
11		
12		
13	Income Recorded on Books Not Included in Return	
14		
15		
16	Deductions on Return Not Charged Against Book Income	
17	State Income Tax (included in line 3)	112,107
18		
19		
20	Federal Tax Net Income	1,423,600
21	Computation of Tax:	
22	1,423,600 x 35% = 498,260	498,260
23		
24		
25	Total Federal Income Tax	
26	Deduct:	
27	Federal Income Tax - Other Income and Deductions	277,265
28	Deferred Taxes:	
29	Accelerated in Excess of Tax Straight Line Depreciation	1,529,629
30	Provision for Deferred Income Taxes, Utility Operating Income - Other	
31	Provision for Deferred Income Taxes-Credit, Utility Operating Income	274,514
32		
33	Add:	
34	Accrual Adjustment	(257,078)
35	APB 28 Interim Reporting Adjustment	77,010
36		
37		
38	Total Federal Income Tax (Acct. 409.1)	(1,763,216)

Respondent's income will be included in the consolidated Federal income tax return of its parent, Peoples Energy Corporation (PEC). Also included in PEC's return will be the results of its subsidiaries. Respondent's parent will file its consolidated Federal income tax return on a fiscal year basis and the allocation of the tax among the member companies will be made in accordance with SEC. 1552 of the 1986 Internal Revenue Code.

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
---	--	--------------------------------	---------------------------------

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.

3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and

(c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

5. If any tax (exclude Federal and state income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column (a).

Line No.	Type of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING YEAR				BALANCE AT END OF YEAR			
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Account 165) (c)	Taxes Charged During Year (d)	Paid During Year (e)	Adjustments (f)	Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	
1	Income Taxes:								
2	Federal	599,416		(1,485,951)	(551,470)		(1,099,199)		
3	State (Ill.)	(144,722)		(442,259)	(390,040)	(764,134)	(32,589)		
4						164,352			
5	Total Income Taxes	454,694		(1,928,210)	(941,510)	(599,782)	(1,131,788)		
6									
7	Taxes Other Than								
8	Income Taxes:								
9	Old Age Benefit								
10	2004	109,826			109,826				
11	2005			881,846	789,104		92,743		
12	Sub-Total	109,826		881,846	898,930	-	92,743		
13	Federal Unemployment								
14	2004	(1,670)			(1,670)				
15	2005			13,451	14,146		(694)		
16	Sub-Total	(1,670)		13,451	12,476	-	(694)		
17	Federal Excise								
18	2005								
19	Sub-Total	-							
20									
21	State Unemployment								
22	2004	(188)			(188)				
23	2005			29,551	27,629		1,921		
24	Sub-Total	(188)		29,551	27,441	-	1,921		
25	State Franchise								
26	Year Ending 1-31-05			24,851	24,851				
27	Sub-Total			24,851	24,851				
28	State Public Utility								
29	2004	396,938			396,938				
30	2005			5,795,039	5,001,012		794,027		
31	Sub-Total	396,938		5,795,039	5,397,950	-	794,027		
32	Illinois Use								
33	2004	25,296			25,296				
34	2005			(197)	(3,798)		3,599		
35	Sub-Total	25,296		(197)	21,500	-	3,599		
36	Gross Revenue								
37	2004	48,200	135,312		(40,812)			46,300	
38	2005			325,670	370,176			44,506	
39	Sub-Total	48,200	135,312	325,670	329,364	-		90,806	
40	Invested Capital								
41	2004	83,723			83,723				
42	2005			1,401,250	1,386,147		15,103		
43	Sub-Total	83,723		1,401,250	1,469,870	-	15,103		
44	Motor Fuel - CNG								
45	2005								
46	Sub-Total								
47	Real Estate								
48	2004	298,568			298,568				
49	2005			49,112	(186,421)		235,532		
50	Sub-Total	298,568		49,112	112,147	-	235,532		
51	Personal Property								
52	2004								
53	2005								
54	Sub-Total								
55	Municipal Utility								
56	2004	2,576,113			2,576,113				
57	2005			7,553,954	3,940,600		3,613,354		
58	Sub-Total	2,576,113		7,553,954	6,516,713	-	3,613,354		
59	Energy Assistance								
60	prior to 2004	622,149			622,149				
61	2005			1,478,543	869,229		609,314		
62	Sub-Total	622,149		1,478,543	1,491,378	-	609,314		
63	Total Taxes Other								
64	Than Income Taxes	4,158,954	135,312	17,553,070	16,302,620	-	5,364,899	90,806	
65									
66									
67									
68									
69	TOTAL	4,613,648	135,312	15,624,861	15,361,110	(599,782)	4,233,111	90,806	
70									

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parenthesis.

7. Do not include parenthesis with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Show in columns (j) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)

Line No.	Electric (Account 408.1) (j)	Gas (Account 408.1, 409.1) (k)	Other Utility Departments (Account 408.1, 409.1) (l)	Other Income and Deductions (Account 408.2, 409.2) (m)	Extraordinary Items (Account 408.8) (n)	Other Utility Opt. Income (Account 408.1, 409.1) (o)	Adjustment to Ret. Earnings (Account 439) (p)	Other (q)
1								
2		(1,763,216)		277,265				
3		(504,694)		62,435				
4								
5		(2,267,910)		339,700				
6								
7								
8								
9								
10								
11								
12		741,471						140,376
13								
14								
15		10,958						2,493
16								
17								
18								
19								
20								
21								
22								
23								
24		27,058						2,493
25								
26								
27		24,851						
28								
29								
30								
31		5,795,039						
32								
33								
34								
35		(11,709)						11,511
36								
37								
38								
39		277,470						48,200
40								
41								
42								
43								
44		1,401,250						
45								
46								
47								
48								
49								
50								
51								
52		(1,964)						51,076
53								
54								
55								
56								
57								
58								
59								
60		7,553,954						
61								
62								
63								
64		1,478,543						
65								
66		17,296,921						256,149
67								
68								
69		15,029,012		339,700				256,149
70								

North Shore Gas Company

Accrued and Prepaid Taxes

Adjustments

Column (F)

<u>Line</u> <u>Number</u>	<u>Account</u>	<u>Amount</u>
	190 Accumulated Deferred Income Taxes	(40,743)
	255 Accumulated Deferred Investment Tax Credits	(46,333)
	282 Accumulated Deferred Income Taxes - Other Property	(83,603)
	283 Accumulated Deferred Income Taxes - Other	(426,998)
	184 Transportation Expenses - Clearing	(2,105)
5	Total Income tax adjustments	<u>(599,782)</u>

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
---	--	--------------------------------	---------------------------------

OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (less than \$100,000) may be grouped by classes.
4. For any undelivered gas obligations to customers under take-or-pay clauses of sale agreements, show the total amount on this page. Show also on this page, but as a separate item, any advance billings or receipts for gas sales or service classified in Account 253 but not related to take-or-pay arrangements.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	Debits		Credits (e)	Balance at End of year (f)
			Contra Account (c)	Amount (d)		
1	Estimated Liability for Costs Incurred					
2	Re: Manufactured Gas Residues	54,118,000	182.3	3,149,000	12,911,000	63,880,000
3						
4	Deferred Gas Charge Settlement		232	410,000	8,500,000	8,090,000
5						
6	Miscellaneous				454	454
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29	TOTAL	54,118,000		3,559,000	21,411,454	71,970,454

The Next Page is 274

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
---	--	--------------------------------	---------------------------------

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. At Other (Specify), include deferrals relating to other income and deductions.
3. Use separate pages as required.

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	Account 282			
2	Electric			
3	Gas	35,954,951	230,265	205,960
4	Other (define)			
5	TOTAL (Enter Total of lines 2 thru 4)	35,954,951	230,265	205,960
6	Other (Specify)			
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	35,954,951	230,265	205,960
10	Classification of TOTAL			
11	Federal Income Tax	29,521,511	140,576	205,960
12	State Income Tax	6,433,440	89,689	
13	Local Income Tax			

Notes

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
---	--	--------------------------------	---------------------------------

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)(Continued)

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
			418,046		727,262	36,288,472	3
							4
			418,046		727,262	36,288,472	5
							6
							7
							8
			418,046		727,262	36,288,472	9
							10
					*	727,262	11
			**	418,046		6,105,083	12
							13

Notes (Continued)

	Acct. No.	Debits
* Federal	236	380,096
	254	347,166
		727,262
	Acct. No.	Credits
** State	236	296,493
	254	121,553
		418,046

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
---	--	--------------------------------	---------------------------------

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For Other (Specify), include deferrals relating to other income and deductions.
3. Provide in the space below explanations for pages 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use separate pages as required.

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	Account 283			
2	Electric			
3				
4				
5				
6				
7				
8	Other			
9	TOTAL Electric (Total of Lines 3 thru 8)			
10	Gas			
11	Capitalized Overheads, Tax Straight Line			
12	Depreciation in Excess of Book Depreciation,			
13	and Miscellaneous Other	4,938,412	1,808,114	(45,209)
14				
15				
16	Other			
17	TOTAL Gas (Total of Lines 11 thru 16)	4,938,412	1,808,114	(45,209)
18	Other (Specify)			
19	TOTAL Account 283 (Total lines 9, 17, and 18)	4,938,412	1,808,114	(45,209)
20	Classification of TOTAL			
21	Federal Income Tax	3,880,408	1,394,094	(48,103)
22				
23				
24	State Income Tax	1,058,004	414,020	2,894
25	Local Income Tax			

Notes

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
---	--	--------------------------------	---------------------------------

ACCUMULATED DEFERRED INCOME TAXES-OTHER (Account 283) (Continued)

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
					611,535	7,403,270	13
							14
							15
							16
					611,535	7,403,270	17
							18
					611,535	7,403,270	19
							20
					*	507,053	21
							22
							23
					**	104,482	24
							25

Notes (Continued)

* Federal	Acct. No.	Debit
	219	12,270
	236	351,062
	254	143,721
		<u>507,053</u>

** State	Acct. No.	Debit
	219	2,724
	236	75,936
	254	25,822
		<u>104,482</u>

This page was left blank intentionally.

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
---	---	--------------------------------	---------------------------------

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.

Line No	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Account Credited (c)	Amount (d)		
1						
2	Future Rate Reductions - Taxes	2,469,674	Various	767,167	223,473	1,925,980
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35	TOTAL	2,469,674		767,167	223,473	1,925,980

The Next Page is 300

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 OPERATING REVENUES (Account 400)

- Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total.
- Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
- Report quantities of natural gas sold in therms (14.73 psia at 60° F). If billings are done on a therm basis, give the Btu contents of the gas sold and the sales converted to therms.
- If increases or decreases from previous year (columns (c), (e) and (g)), are not derived from previously reported figures, report inconsistencies in a footnote.

Line No.	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 Ind.)	8,775,861	6,848,069
6	482 Other Sales to Public Authorities		
7	Total Sales to Ultimate Consumers	280,036,744	225,503,602
8	483 Sales for Resale		
9	484 Interdepartmental Sales		
10	TOTAL Gas Service Revenues (Lines 7, 8, & 9)	280,036,744	225,503,602
11	Revenues from Manufactured Gas		
12	TOTAL Gas Service Revenues	280,036,744	225,503,602
13	OTHER GAS 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	15,792,307	13,440,187
28	Total Gas Operating Revenues	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	Dist. Type Sales by States (Incl. Main Line Sales to Resod. and Comm. Customers)	280,036,744	225,503,602
32	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)		
33	Sales for Resale		
34	Other Sales to Pub. Auth. (Local Dist. Only)		
35	Interdepartmental Sales		
36	Total (same as Line 10, Columns (b) and (d))	280,036,744	225,503,602

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
---	--	--------------------------------	---------------------------------

GAS OPERATING REVENUES (Account 400)

6. Commercial and Industrial Sales, Account 481, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 200,000 Mcf. per year or approximately 800 Mcf per day of normal requirements. (see Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

7. See pages 108-109, Important Changes During Year, for important new territory added and important rate increases or decreases.

THERMS SOLD		AVG. NO. OF NAT. GAS CUSTS. PER MONTH		Line No.
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
196,015,930	197,448,260	140,770	139,330	1
				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
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
				35
				36

The Next Page is 305

This page was left blank intentionally.

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
RESIDENTIAL AND COMMERCIAL SPACE HEATING CUSTOMERS			
A residential space heating customer is a customer whose major fuel for heating is gas.			
Line No.	Item (a)	Residential (b)	Commercial (c)
1	Average Number of Space Heating Customers for the Year (Estimate if not known. Designate with an asterisk if estimated.)	138,176	8,792
2	For Space Heating Only, Estimated Mcf (14.73 psia at 60° F) Per Customer for the Year @ 1000 BTU	142	390
3	Number of Space Heating Customers Added During the Year	1,559	84
4	Number of Unfilled Applications for Space Heating at End of Year	None	None
INTERRUPTIBLE, OFF PEAK, AND FIRM SALES TO DISTRIBUTION SYSTEM INDUSTRIAL CUSTOMERS			
<p>1. Report below the average number of interruptible, off peak, and firm industrial customers on local distribution systems of the respondent, and the Mcf of gas sales to these customers for the year.</p> <p>2. Interruptible customers are those to whom service may be interrupted under terms of the customer's gas contract, or to whom service is required to be interrupted, regardless of contractual arrangements in emergency periods, by law, ordinance, directive, or other requirement of government authority. State in a footnote the basis on which interruptible customers are reported.</p> <p>3. Off peak sales are seasonal and other sales which do not occur during winter time peak demands.</p> <p>4. Report pressure base of gas volumes at 14.73 psia at 60° F.</p>			
Line No.	Item (a)	Number/Account (b)	
1	Interruptible Customers		
2	Average Number of Customers for the Year	None	
3	Mcf of Gas Sales for the Year @ 1000 BTU	None	
4	Off Peak Customers		
5	Average Number of Customers for the Year	None	
6	Mcf of Gas Sales for the Year @ 1000 BTU	None	
7	Firm Customers		
8	Average Number of Customers for the Year	918	
9	Mcf of Gas Sales for the Year @ 1000 BTU	819,855	
10	TOTAL Industrial Customers		
11	Average Number of Customers for the Year	918	
12	Mcf of Gas Sales for the Year @ 1000 BTU	819,855	

The Next Page is 310

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
--	---	--------------------------------	---------------------------------

SALES FOR RESALE - NATURAL GAS (Account 483)

- Report particulars (details) concerning sales of natural gas during the year to other gas utilities and to pipeline companies for resale. Sales to each customer should be subdivided by service classifications, identified in column (c) where applicable, by rate schedule designation contained in the company's tariff.
- Natural gas means either natural gas unmixed, or any mixture of natural and manufactured gas.
- In either column a or b, provide separate subheadings and totals for each State in addition to a grand total for all sales to other gas utilities.
- Enter in column b, point of delivery, the name of city or town and State, and such other designation necessary to enable identification on maps of respondent's pipeline system.
- Designate with an asterisk and footnote any sales which are other than firm sales, i.e., sales for storage, etc.
- Monthly billing demands, as used in column (g), are the number of Mcf in the respective months actually used on computing the demand portion of the customer's bills; such quantity of Mcf is multiplied by the demand portion of the tariff rate. Report in column (g) the sum of the monthly billing demands for the number of months the customer received service or was subject to demand charges.
- Where consolidated bills for more than one point of delivery are rendered under Commission rate schedule, indicate the several points of delivery in column (b) and report the remainder of the columns on a consolidated basis corresponding to the billing. Where, however, consolidated bills for more than one point of delivery are not rendered under a Commission rate schedule, the required information (columns) shall be furnished for each point of delivery.

Line No.	Name of Other Gas Utility (Designate associated companies with an asterisk) (a)	Point of Delivery (City or town and state) (b)	Commission Tariff Rate Schedule Designation (c)	Mcf of Gas Sold (Approx. B.T.U. per Cubic Foot) (d)	Revenue for Year (See Instr. 5) (e)
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					

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

SALES FOR RESALE - NATURAL GAS (Account 483) (Continued)

8. Designate in a footnote if Btu per cubic foot of gas is different for any delivery point from that shown in the heading of column (d)
9. For each firm sale of \$25,000 or more for the year at each point of delivery, shown in column (i) peak day volume of gas, at pressure base indicated in column (d), and in column (h) show the date of such peak delivery. If an estimate is used for any peak day delivery, state the basis for such estimate. If deliveries are made to one customer at more than one delivery point, show the peak day delivery and date thereof for each delivery point if billing is on a non-conjunctive basis, and show the total for each such customer if billing is on a conjunctive basis.
10. Summarize total sales as follows: A. Field sales subdivided by deliveries to (i) interstate pipeline companies and (ii) other; B. Transmission system sales divided by deliveries to (i) interstate pipeline companies, (ii) intrastate pipeline companies and gas utilities for resale under Commission rate schedules, and (iii) others. "Field Sales" means sales made from wells, from points along transmission lines within fields or production areas. "Transmission Sales" means sales made from points along transmission lines within gas fields or production areas.
11. Enter Mcf at 14.73 psia at 60 F.

Average Revenue per Mcf (In cents) (f)	Sum Monthly Billing Demands Mcf (g)	Peak Day Delivery to Customers			Line No.
		Date (h)	Mcf		
			Noncoincidental (i)	Coincidental (j)	
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
					20
					21
					22
					23
					24

The Next Page is 320

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
---	---	--------------------------------	---------------------------------

GAS OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnotes.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)	344,769	216,158
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering		
8	751 Production Maps and Records		
9	752 Gas Wells Expenses		
10	753 Field Lines Expenses		
11	754 Field Compressor Station Expenses		
12	755 Field Compressor Station Fuel and Power		
13	756 Field Measuring and Regulating Station Expenses		
14	757 Purification Expenses		
15	758 Gas Wells Royalties		
16	759 Other Expenses		
17	760 Rents		
18	TOTAL Operation (Enter Total of lines 7 thru 17)		
19	Maintenance		
20	761 Maintenance Supervision and Engineering		
21	762 Maintenance of Structures and Improvements		
22	763 Maintenance of Producing Gas Wells		
23	764 Maintenance of Field Lines		
24	765 Maintenance of Field Compressor Station Equipment		
25	766 Maintenance of Field Meas. and Reg. Sta. Equipment		
26	767 Maintenance of Purification Equipment		
27	768 Maintenance of Drilling and Cleaning Equipment		
28	769 Maintenance of Other Equipment		
29	TOTAL Maintenance (Enter Total of lines 20 thru 28)		
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)		
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering		
34	771 Operation Labor		
35	772 Gas Shrinkage		
36	773 Fuel		
37	774 Power		
38	775 Materials		
39	776 Operation Supplies and Expenses		
40	777 Gas Processed by Others		
41	778 Royalties on Products Extracted		
42	779 Marketing Expenses		
43	780 Products Purchased for Resale		
44	781 Variation in Products Inventory		
45	(Less) 782 Extracted Products Used by the Utility - Credit		
46	783 Rents		
47	TOTAL Operation (Enter Total of lines 33 thru 46)		

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
---	--	--------------------------------	---------------------------------

PRODUCTION EXPENSES SUPPLEMENTAL STATEMENT FOR A. MANUFACTURED GAS PRODUCTION EXPENSES			
1		Amount for	Amount for
2		Current Year	Previous Year
3			
4			
5			
6			
7	A1. STEAM PRODUCTION		
8	Operation		
9	700 Operation Supervision and Engineering		
10	701 Operation Labor		
11	702 Boiler Fuel		
12	703 Miscellaneous Steam Expenses		
13	704 Steam Transferred - Credit		
14	Total Operation		
15	Maintenance		
16	705 Maintenance Supervision and Engineering		
17	706 Maintenance of Structures and Improvements		
18	707 Maintenance of Boiler Plant Equipment		
19	708 Maintenance of Other Steam Production Plant		
20	Total Maintenance		
21	Total Steam Production		
22			
23	A2. MANUFACTURED GAS PRODUCTION		
24	Operation		
25	710 Operation Supervision and Engineering		
26	Production Labor and Expenses	32,364	30,047
27	711 Steam Expenses		
28	712 Other Power Expenses		
29	713 Coke Oven Expenses		
30	714 Producer Gas Expenses		
31	715 Water Gas Generating Expenses		
32	716 Oil Gas Generating Expenses		
33	717 Liquefied Petroleum Gas Expenses	16,396	16,679
34	718 Other Process Production Expenses		
35	Gas Fuels		
36	719 Fuel Under Coke Ovens		
37	720 Producer Gas Fuel		
38	721 Water Gas Generator Fuel		
39	722 Fuel For Gas Oil		
40	723 Fuel For Liquefied Petroleum Gas Process	28	52
41	724 Other Gas Fuels		
42	Gas Raw Materials		
43	725 Coal Carbonized in Coke Ovens		
44	726 Oil For Water Gas		
45	727 Oil For Oil Gas		
46	728 Liquefied Petroleum Gas	40,790	41,650
47	729 Raw Materials For Other Gas Processes		
48	730 Residuals Expenses		
49	731 Residuals Produced - Credit		
50	732 Purification Expenses		
51	733 Gas Mixing Expenses		
52	734 Duplicate Charges - Credit		
53	735 Miscellaneous Production Expenses	(3,146)	17,944
54	736 Rents		
55	Total Operation	<u>86,432</u>	<u>106,372</u>
56	Maintenance		
57	740 Maintenance Supervision and Engineering	32,364	30,005
58	741 Maintenance of Structures and Improvements	1,307	3,546
59	742 Maintenance of Production Equipment	224,666	76,235
60	Total Maintenance	<u>258,337</u>	<u>109,786</u>
61	Total Manufactured Gas Production	<u>344,769</u>	<u>216,158</u>
62			

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
---	--	--------------------------------	---------------------------------

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
	B2. Products Extraction (Continued)		
48	Maintenance		
49	784 Maintenance Supervision and Engineering		
50	785 Maintenance of Structures and Improvements		
51	786 Maintenance of Extraction and Refining Equipment		
52	787 Maintenance of Pipe Lines		
53	788 Maintenance of Extracted Products Storage Equipment		
54	789 Maintenance of Compressor Equipment		
55	790 Maintenance of Gas Measuring and Reg. Equipment		
56	791 Maintenance of Other Equipment		
57	TOTAL Maintenance (Enter Total of lines 49 thru 56)		
58	TOTAL Products Extraction (Enter Total of lines 47 and 57)		
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals		
62	796 Nonproductive Well Drilling		
63	797 Abandoned Leases		
64	798 Other Exploration		
65	TOTAL Exploration and Development (Enter Total of lines 61 thru 64)		
66	Operation		
67	800 Natural Gas Well Head Purchases		
68	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		
69	801 Natural Gas Field Line Purchases		
70	802 Natural Gas Gasoline Plant Outlet Purchases		
71	803 Natural Gas Transmission Line Purchases		
72	804 Natural Gas City Gate Purchases	212,625,561	165,061,848
73	804.1 Liquefied Natural Gas Purchases		
74	805 Other Gas Purchases		
75	(Less) 805.1 Purchased Gas Cost Adjustments		
76			
77	TOTAL Purchased Gas (Enter Total of lines 67 to 75)	212,625,561	165,061,848
78	806 Exchange Gas		
79	Purchased Gas Expenses		
80	807.1 Well Expenses - Purchased Gas		
81	807.2 Operation of Purchased Gas Measuring Stations		
82	807.3 Maintenance of Purchased Gas Measuring Stations		
83	807.4 Purchased Gas Calculations Expenses		
84	807.5 Other Purchased Gas Expenses	665	384
85	TOTAL Purchased Gas Expenses (Enter Total of lines 80 thru 84)	665	384
86	808.1 Gas Withdrawn from Storage - Debit	83,002,866	64,129,670
87	808.2 Gas Delivered to Storage - Credit	(78,685,034)	(65,827,865)
88	809.1 Withdrawals of Liquefied Natural Gas for Processing - Debit		
89	(Less) 809.2 Deliveries of Natural Gas for Processing - Credit		
90	Gas Used in Utility Operations - Credit		
91	810 Gas Used for Compressor Station Fuel - Credit	(1,767,028)	(1,630,230)
92	811 Gas Used for Products Extraction - Credit		
93	812 Gas Used for Other Utility Operations - Credit	(1,174,976)	(894,607)
94	TOTAL Gas Used in Utility Operations - Credit (Total of lines 91 thru 93)	(2,942,004)	(2,524,837)
95	813 Other Gas Supply Expenses		
96	TOTAL Other Gas Supply Expenses (Total of lines 77,78,85 thru 89,94,95)	214,002,054	160,839,200
97	TOTAL Production Expenses (Enter Total of lines 3,30,58,65 and 96)	214,346,823	161,055,358

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 OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
98	2. NATURAL GAS STORAGE, TERMINALING & PROCESSING EXPENSES			
99	A. Underground Storage Expenses			
100	Operation			
101	814 Operation Supervision and Engineering			
102	815 Maps and Records			
103	816 Wells Expense			
104	817 Lines Expense			
105	818 Compressor Station Expenses			
106	819 Compressor Station Fuel and Power			
107	820 Measuring and Regulating Station Expenses			
108	821 Purification Expenses			
109	822 Exploration and Development			
110	823 Gas Losses			
111	824 Other Expenses			
112	825 Storage Well Royalties			
113	826 Rents			
114	TOTAL Operation (Enter Total of lines 101 thru 113)			
115	Maintenance			
116	830 Maintenance Supervision and Engineering			
117	831 Maintenance of Structures and Improvements			
118	832 Maintenance of Reservoirs and Wells			
119	833 Maintenance of Lines			
120	834 Maintenance of Compressor Station Equipment			
121	835 Maintenance of Measuring and Regulating Station Equipment			
122	836 Maintenance of Purification Equipment			
123	837 Maintenance of Other Equipment			
124	TOTAL Maintenance (Enter Total of lines 116 thru 123)			
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)			
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering			
129	841 Operation Labor and Expenses			
130	842 Rents			
131	842.1 Fuel			
132	842.2 Power			
133	842.3 Gas Losses			
134	TOTAL Operation (Enter Total of lines 128 thru 133)			
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering			
137	843.2 Maintenance of Structures and Improvements			
138	843.3 Maintenance of Gas Holders			
139	843.4 Maintenance of Purification Equipment			
140	843.5 Maintenance of Liquefaction Equipment			
141	843.6 Maintenance of Vaporizing Equipment			
142	843.7 Maintenance of Compressor Equipment			
143	843.8 Maintenance of Measuring and Regulating Equipment			
144	843.9 Maintenance of Other Equipment			
145	TOTAL Maintenance (Enter Total of lines 136 thru 144)			
146	TOTAL Other Storage Expenses (Enter Total of lines 134 and 145)			