



Name of Respondent <b>ILLINOIS GAS COMPANY</b>		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report <b>Dec 31, 2007</b>
<b>OFFICERS</b>				
<p>1. Report below the name, title and salary for each executive officer whose salary is \$150,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy-making functions.</p> <p>2. If a change was made during the year in the incumbent of any position, show name of the previous incumbent, and date the change in incumbency was made.</p> <p>3. Utilities, which are required to file the same data with the Securities and Exchange Commission, may substitute a copy of Item 4 of Regulation S-K (identified as this page). The substituted page(s) should be the same size as this page.</p>				
Line No.	Title (a)	Name of Officer (b)		
1				
2	All salaries below \$150,000			
3				
4	Chairman of the Board, Senior Executive Officer	Lloyd L. Morain		
5				
6	President, Chief Executive Officer	Roger C. Avery		
7				
8	Vice President	Susan R. Avery		
9				
10	Vice President	Robert B. Avery		
11				
12	Treasurer	Jonathan S. Avery		
13				
14	Secretary	Rosemary Avery		
15				
16	Assistant Treasurer	Lori A. Uhl		
17				
18	Assistant Secretary	Ricky W. Zehner		
19				
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**SECURITY HOLDERS AND VOTING POWERS**

**Instructions:**

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of trust, and principal holds of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.
2. If any security other than stock carriers voting rights, explain in a supplemental statement the circumstances whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.
3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.
4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.

1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing.  December 31, 2007 End of Year Closing	2. State the total number of votes cast at the latest general meeting prior to the end of the year for election of directors of the respondent and number of such votes cast by proxy  Total: 2127.20 By Proxy: 572.80	3. Give the date and place of such meeting:  November 2, 2007 Olney, Illinois
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Line No.	Name (Title) & Address of Security Holder (a)	VOTING SECURITIES			
		Number of votes as of (date):			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities	2,400.0	2,400.0		
5	TOTAL number of security holders	12.0	12.0		
6	TOTAL votes of security holders listed below	2,400.0	2,400.0		
7					
8	Arthur Stone Dewing Irrevocable Trust				
9	% Welch & Forbes				
10	45 School Street				
11	Boston, MA 02018 see page 107	600.0	600.0		
12					
13	Roger C. Avery, President/CEO/Director				
14	55 Woodbridge Drive				
15	East Greenwich, RI 02818	317.8	317.8		
16					
17	Frances R. Dewing Revocable Trust (Ewing)				
18	% Welch & Forbes				
19	45 School Street				
20	Boston, MA 02018 see page 107	275.0	275.0		
21					
22	Lloyd L. Morain Revocable Trust				
23	PO Box 7190				
24	Carmel, CA 93921-7190 see page 107	263.0	263.0		
25					
26	Susan R. Avery, Vice President				
27	31 Central Street				
28	Acton, MA 01720	184.8	184.8		
29	custodial shares	48.0	48.0		
30					

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ILLINOIS GAS COMPANY		(1) X An Original (2) A Resubmission		Dec 31, 2007	
SECURITY HOLDERS AND VOTING POWERS (con't)					
Line No.	Name (Title) & Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
31	Robert B. Avery, Vice President/Director				
32	4442 Greenwich Parkway NW				
33	Washington DC 20007-2068	160.8	160.8		
34	custodial shares	32.0	32.0		
35					
36	Frances R. Dewing Revocable Trust (Morain)				
37	% Welch & Forbes				
38	45 School Street				
39	Boston, MA 02018 see page 107	125.0	125.0		
40					
41	Margaret A. Avery				
42	243 Plymouth Road				
43	Newton, MA 02461	124.8	124.8		
44	custodial shares	48.0	48.0		
45					
46	Jonathan S. Avery, Treasurer/Director				
47	7 Meetinghouse Rd				
48	Granby, CT 06035	124.8	124.8		
49	custodial shares	32.0	32.0		
50					
51	Elizabeth F. Avery, Director				
52	412 Custer Ave, 1st floor				
53	Evanston, IL 60202-3109	24.0	24.0		
54					
55	Rachel L. Avery				
56	20 N 3rd St.				
57	Madison, WI 53704-4762	24.0	24.0		
58					
59	Heather Nordell-Avery				
60	9028 Dayton Avenue North				
61	Seattle, WA 98103	16.0	16.0		
62					
63					
64					
65					
66					
67	<b>KNOWN PARTICULARS OF TRUSTS</b>				
68	Name of Trust	Duration	Trustees	Beneficiaries	
69	Lloyd L. Morain	lifetime of	Lloyd Morain	Charitable Remainder Trust	
70	Revocable Trust	Lloyd Morain			
71					
72	Arthur Stone Dewing	lifetime of	Margaret Avery	Heirs of A.S. Dewing	
73	Irrevocable Trust	Ruth Ewing	Thomas Ewing		
74		plus 15 years	Rosemary Avery		
75			Roger Avery		
76			Carolyn Cobelo		
77					
78	Frances R. Dewing (Ewing)	lifetime of	Mark Bluestein	Heirs of Ruth Ewing	
79	Revocable Trust	Ruth Ewing			
80					
81	Frances R. Dewing (Morain)	lifetime of	Mark Bluestein	Heirs of Frances R. Dewing	
82	Revocable Trust	Ruth Ewing			
83					
84					
85					
86					
87					

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<b>IMPORTANT CHANGES DURING THE YEAR</b>			
<p>Instructions: Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none" or "not applicable" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.</p> <ol style="list-style-type: none"> <li>1. Changes in and important additions to franchise right: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state the fact.</li> <li>2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give name of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.</li> <li>3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and references to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.</li> <li>4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents and other conditions. State name of Commission authorizing lease and give reference to such authorization.</li> <li>5. Important extension or reduction of transmission or distribution system: state territory added or relinquished and date operations began or ceased and give reference to such authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements etc.</li> <li>6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Give reference to Commission authorization if any was required.</li> <li>7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</li> <li>8. State the estimated annual effect and nature of any important wage scale changes during the year.</li> <li>9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.</li> <li>10. Describe briefly any materially important transaction of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.</li> <li>11. Estimated increase or decrease in annual revenues due to important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.</li> <li>12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instructions 1 to 11 above, such notes may be attached to this page.</li> </ol>			
1. None			
2. None			
3. None			
4. None			
5. None			
6. None			
7. None			
8. None			
9. None			
10. None			
11. None			
12.			



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ILLINOIS GAS COMPANY		(1) X An Original (2) A Resubmission		Dec 31, 2007
<b>COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)</b>				
Instructions:				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106 and 114)	200-201	16,016,734	16,196,578
3	Construction Work in Progress (107)	200-201		
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		16,016,734	16,196,578
5	(Less) Accum. Prov. For Depr. Amort. Depl. (108, 111 and 115)	200-201	(8,898,380)	(9,373,116)
6	Net Utility Plant (Enter Total of line 4 less 5)		7,118,354	6,823,462
7	Nuclear Fuel (120.1-120.4 and 120.6)			
8	(Less) Accum. Prov. For Amort. Of Nucl. Fuel Assembl. (120.5)			
9	Net Nuclear Fuel (Enter total of line 7 less line 8)		-	-
10	Net Utility Plant (Enter total of lines 6 less 9)		7,118,354	6,823,462
11	Utility Plant Adjustments (116)	122-123		
12	Gas Stored Underground-Noncurrent (117)	220		
13	<b>OTHER PROPERTY AND INVESTMENTS</b>			
14	Nonutility Property (121)	41		
15	(Less) Accum. Prov. For Depr. And Amort. (122)	41		
16	Investments in Associated Companies (123)	222-223		
17	Investment in Subsidiary Companies (123.1)	224-225	1,197,302	1,492,308
18	(For Cost of Account 123.1, see footnote page 224, line 42)			
19	Noncurrent Portion of Allowances			
20	Other Investments (124)	222-223		
21	Special Funds (125-128)	16		
22	TOTAL Other Property and Investments (Total of lines 14-17 and 19-21)		1,197,302	1,492,308
23	<b>CURRENT AND ACCRUED ASSETS</b>			
24	Cash (131)		137,775	231,927
25	Special Deposits (132-134)	16	-	-
26	Working Funds (135)		2,864	2,554
27	Temporary Cash Investments (136)	222-223	-	-
28	Notes Receivable (141)	17	-	-
29	Customer Accounts Receivable (142)		1,187,039	1,062,562
30	Other Accounts Receivable (143)	17	340	10,096
31	(Less) Accum. Prov. For Uncollectibles Acct.-Credit (144)		(51,056)	(66,930)
32	Notes Receivable from Associated Companies (145)	18	-	-
33	Accounts Receivable from Assoc. Companies (146)	18	409,360	636,308
34	Fuel Stock (151)	20	-	-
35	Fuel Stock Expense Undistributed (152)	20	-	-
36	Residuals (Elec.) and Extracted Products (Gas) (153)	20	-	-
37	Plant Materials and Operating Supplies (154)	20	14,661	13,238
38	Merchandise (155)	20	4,238	4,238
39	Other Materials and Operating Supplies (156)	20	-	-
40	Nuclear Materials Held for Sale (157)	20	-	-
41	Allowances (158.1 and 158.2)		-	-
42	(Less) Noncurrent Portion of Allowances		-	-
43	Stores Expenses Undistributed (163)	20	-	-
44	Gas Stored Underground-Current (164.1)	220	-	-
45	Liquefied Natural Gas Stored and Held for Processing (164.2 - 164.3)	220	-	-
46	Prepayments (165)	230	68,164	50,197
47	Advances for Gas (166-167)		-	-
48	Interest and Dividends Receivable (171)		-	-
49	Rents Receivable (172)		-	-
50	Accrued Utility Revenue (173)		1,090,505	1,301,103
51	Miscellaneous Current and Accrued Assets (174)	19	-	-

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<b>COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (continued)</b>				
Instructions:				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
52	Derivative Instrument Assets (175)		-	-
53	Derivative Instrument Assets - Hedges (176)		-	-
54	TOTAL Current and Accrued Assets (Enter total of lines 24 thru 53)		2,863,889	3,245,293
55	<b>DEFERRED DEBITS</b>			
56	Unamortized Debt Expense (181)	26-27	6,601	6,070
57	Extraordinary Property Losses (182.1)	230	-	-
58	Unrecovered Plant and Regulatory Study Costs (182.2)	230	-	-
59	Other Regulatory Assets (182.3)	232	404,450	158,524
60	Prelim. Survey and Investigation Charges (Electric) (183)		-	-
61	Prelim. Survey and Investigation Charges (Gas) (183.1, 183.2)		-	-
62	Clearing Accounts (184)		-	-
63	Temporary Facilities (185)		-	-
64	Miscellaneous Deferred Debits (186)	233	24,724	17,308
65	Deferred Losses from Disposition of Utility Plant (187)		-	-
66	Research, Development & Demonstration Expenditures (188)		-	-
67	Unamortized Loss on Reacquired Debt (189)		-	-
68	Accumulated Deferred Income Taxes (190)	234-235	18,291	32,699
69	Unrecovered Purchased Gas Costs (191)		-	-
70	TOTAL Deferred Debits (Enter total of lines 56 thru 69)		454,067	214,601
71	TOTAL Assets and Other Debits (Enter total of lines 10,11,12,22,54 and 70)		11,633,612	11,775,663

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ILLINOIS GAS COMPANY		(1) X An Original (2) A Resubmission		Dec 31, 2007
<b>COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)</b>				
Instructions:				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	<b>PROPRIETARY CAPITAL</b>			
2	Common Stock Issued (201)	250-251	297,214	297,214
3	Preferred Stock Issued (204)	250-251	-	-
4	Capital Stock Subscribed (202 and 206)	252	-	-
5	Stock Liability for Conversion (203 and 206)	252	-	-
6	Premium on Capital Stock (207)	252	-	-
7	Other Paid in Capital (208 - 211)	253	-	-
8	Installments Received on Capital Stock (212)	252	-	-
9	(Less) Discount on Capital Stock (213)	254	-	-
10	(Less) Capital Stock Expense (214)	25	-	-
11	Retained Earnings (215,215.1,216)	118-119	1,828,149	1,890,412
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	1,012,428	1,281,615
13	(Less) Reacquired Capital Stock (217)	250-251	(387,239)	(387,239)
14	Accumulated Other Comprehensive Income (219)	118(a) (b)	-	-
15	TOTAL Proprietary Capital (Enter total of lines 2 thru 14)		2,750,553	3,082,002
16	<b>LONG-TERM DEBT</b>			
17	Bonds (221)	22-23	-	-
18	(Less) Reacquired Bonds (222)		-	-
19	Advances from Associated Companies (223)		-	-
20	Other Long-Term Debt (224)		2,814,199	2,650,087
21	Unamortized Premium on Long-Term Debt (225)	26-27	-	-
22	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	26-27	-	-
23	(Less) Current Portion of Long-Term Debt		(164,082)	(172,691)
24	TOTAL Long-Term Debt (Enter total of lines 17 thru 23)		2,650,118	2,477,396
25	<b>OTHER NONCURRENT LIABILITIES</b>			
26	Obligations Under Capital Leases-Noncurrent (227)		-	-
27	Accumulated Provision for Property Insurance (228.1)		-	-
28	Accumulated Provision for Injuries and Damages (228.2)		-	-
29	Accumulated Provision for Pensions and Benefits (228.3)		-	-
30	Accumulated Miscellaneous Operating Provisions (228.4)		-	-
31	Accumulated Provision for Rate Refunds (229)		-	-
32	Asset Retirement Obligations (230)		-	-
33	TOTAL Other Noncurrent Liabilities (Enter total of lines 26 thru 32)		-	-
34	<b>CURRENT AND ACCRUED LIABILITIES</b>			
35	Current Portion of Long-Term Debt		164,082	172,691
36	Notes Payable (231)	21	1,925,000	1,700,000
37	Accounts Payable (232)		1,331,712	1,270,713
38	Notes Payable to Associated Companies (233)	21	-	-
39	Accounts Payable to Associated Companies (234)	21	-	-
40	Customer Deposits (235)		2,578	2,530
41	Taxes Accrued (236)	262-263	5,737	165,448
42	Interest Accrued (237)		14,048	13,966
43	Dividends Declared (238)		-	-
44	Matured Long Term Debt (239)		-	-
45	Matured Interest (240)		-	-
46	Tax Collections Payable (241)		-	-
47	Miscellaneous Current and Accrued Liabilities (242)		814,315	813,607
48	Obligations Under Capital Leases-Current (243)		-	-
49	Derivative Instrument Liabilities (244)		-	-
50	Derivative Instrument Liabilities - Hedges (245)		-	-
51	TOTAL Current & Accrued Liabilities (Enter total of lines 35 thru 50)		4,257,471	4,138,954

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<b>COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)</b>				
Instructions:				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
52	<b>DEFERRED CREDITS</b>			
53	Customer Advances for Construction (252)		-	-
54	Accumulated Deferred Investment Tax Credits (255)		24,709	21,773
55	Deferred Gains from Disposition of Utility Plant (256)			
56	Other Deferred Credits (253)	269	718,156	809,507
57	Other Regulatory Liabilities (254)	278	5,500	2,250
58	Unamortized Gain on Reacquired Debt (257)	24	-	-
59	Accumulated Deferred Income Taxes (281-283)	274-277	1,227,105	1,243,781
60	TOTAL Deferred Credits (Enter total of lines 53 thru 59)		1,975,470	2,077,311
61	TOTAL Liabilities and Other Credits (Enter total of lines 15,24,33,51 & 60)		11,633,612	11,775,663

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**STATEMENT OF INCOME FOR THE YEAR**

Instructions:

- Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (i, j) in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.
- Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
- Report data for lines 7, 9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
- Use page 122 for important notes regarding the statement of income or any account thereof.
- Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchase. State for each year affected, the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.
- Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet and income and expense accounts.

Line No.	Account (a)	(Ref) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
<b>1</b>	<b>UTILITY OPERATING INCOME</b>			
2	Operating Revenues (400)	300-301	12,961,224	12,976,095
3	Operating Expenses			
4	Operations Expenses (401)	320-325	10,838,078	11,643,063
5	Maintenance Expenses (402)	320-325	488,473	510,127
6	Depreciation Expenses (403)	336-338	601,235	602,779
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338	-	-
8	Amortization & Depletion Of Utility Plant (404-405)	336-338	-	-
9	Amortization & Utility Plant Acq. Adj. (406)	336-338	-	-
10	Amortiz. of Prop.Losses, Unrecovered Plant & Regulatory Study Costs (407.1)			
11	Amortization of Conversion Expenses (407.2)			
12	Regulatory Debits (407.3)		245,926	(602,866)
13	(Less) Regulatory Credits (407.4)		-	-
14	Taxes Other Than Income Taxes (408.1)	262-263	504,992	497,142
15	Income Taxes - Federal (409.1)	262-263	13,843	(9,689)
16	Income Taxes - Other (409.1)	262-263	-	-
17	Provision for Deferred Income Taxes (410.1)	234,274,277	2,268	40,345
18	(Less) Provision for Deferred Income Taxes - Credit (411.1)	234,274,277	-	-
19	Investment Tax Credit Adjustment - Net (411.4)		(2,936)	(2,936)
20	(Less) Gains from Disp. Of Utility Plant (411.6)		-	-
21	Losses from Disp. Of Utility Plant (411.7)		-	-
22	(Less) Gains from Disposition of Allowances (411.8)		-	-
23	Losses from Disposition of Allowances (411.9)		-	-
24	Accretion Expense (411.10)		-	-
25	TOTAL Utility Operating Expenses (Enter total of lines 4 thru 24)		12,691,879	12,677,966
26	Net Utility Operating Income (Enter total of line 2 less 25)		269,345	298,129
27				
<b>28</b>	<b>OTHER INCOME AND DEDUCTIONS</b>			
29	<b>Other Income</b>			
30	Nonutility Operating Income			
31	Revenues from Merchandising, Jobbing and Contract Work (415)		4,578	10,698
32	(Less) Costs & Expenses of Merchandising, Job & Contract Work (416)		(5,095)	(10,499)
33	Revenues from Nonutility Operations (417)		1,312	-
34	(Less) Expenses of Nonutility Operations (417.1)		-	-
35	Nonoperating Rental Income (418)		-	-
36	Equity in Earnings of Subsidiary Companies (418.1)	119	469,187	213,904
37	Interest and Dividend Income (419)		26,588	23,315
38	Allowance for Other Funds Used During Construction (419.1)		-	-
39	Miscellaneous Nonoperating Income (421)		-	-
40	Gain on Disposition of Property (421.1)		10,517	550
41	TOTAL Other Income (Enter total of lines 31 thru 40)		507,087	237,967
42	<b>Other Income Deductions</b>			
43	Loss on Disposition of Property (421.1)		-	-
44	Miscellaneous Amortization (425)	340	-	-
45	Miscellaneous Income Deductions (426.1 - 426.5)	340	-	9
46	TOTAL Other Income Deductions (Total of lines 42 thru 45)		-	9

Name of Respondent <b>ILLINOIS GAS COMPANY</b>	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report <b>Dec 31, 2007</b>
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**STATEMENT OF INCOME FOR THE YEAR (Continued)**

Instructions:

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be attached at page 122.
8. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in this preceding year. Also give the approximate dollar effect of such changes.
9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.
10. If the columns are insufficient for reporting additional utility departments, supply the appropriated account titles, lines 2 to 25, and report the information in the blank space on page 122 or in a supplemental statement.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
		12,961,224	12,976,095			2
						3
		10,838,078	11,643,063			4
		488,473	510,127			5
		601,235	602,779			6
		-	-			7
		-	-			8
		-	-			9
		-	-			10
		-	-			11
		245,926	(602,866)			12
		-	-			13
		504,992	497,142			14
		13,843	(9,689)			15
		-	-			16
		2,268	40,345			17
		-	-			18
		(2,936)	(2,936)			19
		-	-			20
		-	-			21
		-	-			22
		-	-			23
		-	-			24
		12,691,879	12,677,966			25
		269,345	298,129			26

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**STATEMENT OF INCOME FOR THE YEAR (Continued)**

Line No.	OTHER UTILITY		OTHER UTILITY		OTHER UTILITY	
	Current Year (k)	Previous Year (l)	Current Year (m)	Previous Year (n)	Current Year (o)	Previous Year (p)
1						
2						
3						
4						
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26						

Name of Respondent <b>ILLINOIS GAS COMPANY</b>	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report <b>Dec 31, 2007</b>
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**STATEMENT OF INCOME FOR THE YEAR (continued)**

Line No.	Account (a)	Ref. Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
47	<b>Taxes Applicable to Other Income and Deductions</b>			
48	Taxes Other than Income Taxes (408.2)	262-263		
49	Income Taxes - Federal (409.2)	262-263		
50	Income Taxes - Other (409.2)	262-263		
51	Provision for Deferred Income Taxes (410.2)	234,274-277		
52	(Less) Provision for Deferred Income Taxes - Credit (411.2)	234,274-277		
53	Investment Tax Credit Adjustment - Net (411.5)			
54	(Less) Investment Tax Credits (420)			
55	<b>TOTAL Taxes on Other Income &amp; Deductions (Total of 48 thru 54)</b>		-	-
56	<b>Net Other Income &amp; Deductions (Enter total of lines 41, 46 and 55)</b>		507,087	237,976
57	<b>Interest Charges</b>			
58	Interest on Long-Term Debt (427)		(146,799)	(155,402)
59	Amortization of Debt Disc. And Expense (428)	26-27	(532)	(532)
60	Amortization of Loss on Recquired Debt (428.1)		-	-
61	(Less) Amortization of Premium on Debt - Credit (429)	26-27	-	-
62	(Less) Amortization of Gain on Recquired Debt - Credit (429.1)		-	-
63	Interest on Debt to Associated Companies (430)	340	-	-
64	Other Interest Expense (431)		(117,651)	(111,918)
65	(Less) Allowance for Borrowed Funds Used During Construction -Credit (432)		-	-
66	<b>Net Interest Charges (Enter total of lines 58 thru 65)</b>		(264,982)	(267,851)
67	<b>Income Before Extraordinary Items (Enter total of lines 26, 56 and 66)</b>		511,449	268,254
68	<b>Extraordinary Items</b>			
69	Extraordinary Income (434)			
70	(Less) Extraordinary Deductions (435)			
71	<b>Net Extraordinary Items (Enter total of line 69 less line 70)</b>		-	-
72	Income Taxes - Federal and Other (409.3)	262-263		
73	<b>Extraordinary Items after Taxes (Enter total of line 71 less line 72)</b>		-	-
74	<b>Net Income (Enter total of lines 67 and 73)</b>		511,449	268,254

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**STATEMENT OF RETAINED EARNINGS FOR THE YEAR**

Instructions

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated, undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount of each reservation or appropriation of retained earnings.
4. List first account 439 Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
5. Show dividends for each class and series of capital stock.
6. Show separately the State and Federal income tax effect of items in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
8. If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
	<b>UNAPPROPRIATED RETAINED EARNINGS (216)</b>		
1	Balance - Beginning of Year		1,828,149
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (439)		
4	Credit: Dividend Received from Subsidiary		200,000
5	Credit:		
6	Credit:		
7	Credit:		
8	Credit:		
9	TOTAL Credits to Retained Earnings (Account 439) (Enter total of lines 4 thru 8)		200,000
10	Debit:		
11	Debit:		
12	Debit:		
13	Debit:		
14	Debit:		
15	TOTAL Debits to Retained Earnings (Account 439) (Enter total of lines 10 thru 14)		-
16	Balance Transferred from Income (Account 433 less Account 418.1)		42,263
17	Appropriations of Retained Earnings (Account 436)		
18			
19			
20			
21			
22	TOTAL Appropriations of Retained Earnings (Account 436) (Total of lines 18 thru 21)		-
23	Dividends Declared - Preferred Stock (437)		
24			
25			
26			
27			
28			
29	TOTAL Dividends Declared - Preferred Stock (Account 437) (Total of lines 24 thru 28)		-
30	Dividends Declared - Common Stock (Account 438)		
31	March	131	(43,200)
32	June	131	(45,600)
33	September	131	(45,600)
34	December	131	(45,600)
35			
36	TOTAL Dividends Declared - Common Stock (Account 438) (Total of lines 31 thru 35)		(180,000)
37	Transfers from Account 216.1, Unappropriated, Undistributed, Subsidiary Earnings		
38	Balance - End of Year (Total lines 1,9,15,16,22,29,36,37)		1,890,412

Name of Respondent <b>ILLINOIS GAS COMPANY</b>		This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report <b>Dec 31, 2007</b>
<b>STATEMENT OF RETAINED EARNINGS FOR THE YEAR (continued)</b>				
Line No.	Item (a)	Amount (b)		
	<b>APPROPRIATED RETAINED EARNINGS (215)</b>			
	State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.			
39				
40				
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)	-		
	<b>APPROPRIATED RETAINED EARNINGS - AMORTIZATION RESERVE, FEDERAL (Account 215.1)</b>			
	State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.			
46	TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (Account 215.1)			
47	TOTAL Appropriated Retained Earnings (Accounts 215 and 215.1) (Enter total lines 45 and 46)	-		
48	TOTAL Retained Earnings (Accounts 215, 215.1, and 216) (Enter total of lines 38 and 47)	1,890,412		
	<b>UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)</b>			
49	Balance - Beginning of Year (Debit or Credit)	1,012,428		
50	Equity in Earnings for Year (Credit) (418.1)	469,187		
51	(Less) Dividends Received (Debit)	(200,000)		
52	Other Changes (Explain)			
53	Balance - End of Year (Total lines 49 thru 52)	1,281,615		

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**STATEMENT OF CASH FLOWS**

- Instructions
- If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be attached to page 122. Information about noncash investing and financing activities should be provided on page 122. Provide also on page 122 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.
  - Under "Other" specify significant amounts and group others.
  - Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 122 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

Line No.	DESCRIPTION (See Instructions for Explanation of Codes) (a)	Amounts (b)
1	Net Cash Flow from Operating Activities:	
2	Net Income (Line 74(c) on page 117)	511,449
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	474,736
5	Amortization of (Specify)	
6	Miscellaneous Deferred Debits	7,416
7	Long Term Debt Expense	532
8	Deferred Income Taxes (Net)	2,268
9	Investment Tax Credit Adjustments (Net)	(2,936)
10	Net (Increase) Decrease in Receivables	(306,952)
11	Net (Increase) Decrease in Inventory	1,423
12	Net (Increase) Decrease in Allowances Inventory	
13	Net Increase (Decrease) in Payables and Accrued Expenses	189,225
14	Net (Increase) Decrease in Other Regulatory Assets	245,926
15	Net Increase (Decrease) in Other Regulatory Liabilities	(3,250)
16	(Less) Allowance for Other Funds Used During Construction	
17	(Less) Undistributed Earnings from Subsidiary Companies	(269,187)
18	Other:	
19		
20		
21	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 20)	850,651
22		
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (including land):	
26	Gross Additions to Utility Plant (less nuclear fuel)	(332,161)
27	Gross Additions to Nuclear Fuel	
28	Gross Additions to Common Utility Plant	
29	Gross Additions to Nonutility Plant	
30	(Less) Allowance for Other Funds Used During Construction	
31	Other:	
32		
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(332,161)
35		
36	Acquisition of Other Noncurrent Assets (d)	
37	Proceeds from Disposal of Noncurrent Assets (d)	152,317
38		
39	Investments in and Advance to Assoc. and Subsidiary Companies	(25,819)
40	Contributions and Advances from Assoc. and Subsidiary Companies	
41	Disposition of Investments in (and Advances to) Associated and Subsidiary Companies	
42		
43		
44	Purchase of Investment Securities (a)	
45	Proceeds from Sales of Investment Securities (a)	

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**STATEMENT OF CASH FLOWS (continued)**

Instructions			
4. Investing Activities - Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets with liabilities assumed on page 122. Do not include on this statement the dollar amount of leases capitalized per Uniform System of Accounts General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on page 122.			
5. Codes used: (a) Net proceeds or payments. (b) Bonds, debentures and other long-term debt. (c) Include commercial paper. (d) Identify separately such items as investments, fixed assets, intangibles, etc.			
6. Enter on page 122 clarifications and explanations.			
Line No.	DESCRIPTION (See Instructions for Explanation of Codes)	(a)	Amounts (b)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other:		
54			
55			
56	Net Cash Provided by (Used In) Investing Activities (Total of lines 34 thru 55)		(205,662)
57			
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		
62	Preferred Stock		
63	Common Stock		
64	Other:		
65			
66	Net Increases in Short-term Debt (c)		
67	Other:		
68			
69			
70	Cash Provided by Outside Sources (Total of lines 61 thru 69)		-
71			
72	Payments for Retirement of:		
73	Long-Term Debt (b)		(164,113)
74	Preferred Stock		
75	Common Stock		
76	Other:		
77			
78	Net Decrease in Short-Term Debt (c)		(225,000)
79			
80	Dividends on Common Stock		(180,000)
81	Dividends on Preferred Stock		
82	Net Cash Provided by (Used In) Financing Activities (Total of lines 70 thru 81)		(569,113)
83			
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents (Total of lines 22, 57 and 83)		75,876
86			
87			
88	Cash and Cash Equivalents at Beginning of Year		208,803
89			
90	Cash and Cash Equivalents at End of Year		284,678





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<b>SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION</b>				
Line No.	Item (a)	Total (b)	Electric (c)	
1	<b>UTILITY PLANT</b>			
2	<b>In Service</b>			
3	Plant In Service (Classified)	16,196,578		
4	Property Under Capital Leases	-		
5	Plant Purchased or Sold	-		
6	Completed Construction not Classified	-		
7	Experimental Plant Unclassified	-		
8	TOTAL (Enter total of lines 3 thru 7)	16,196,578	-	
9	<b>Leased to Others</b>			
10	Held for Future Use	-		
11	Construction Work in Progress	-		
12	Acquisition Adjustments	-		
13	TOTAL Utility Plant (Enter total of lines 8 thru 12)	16,196,578	-	
14	Accumulated Provision for Depreciation, Amortization & Depletion	(9,373,116)		
15	Net Utility Plant (Enter total of line 13 less 14)	6,823,462	-	
16	<b>DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION</b>			
17	<b>In Service</b>			
18	Depreciation	-		
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	-		
20	Amortization of Underground Storage Land and Land Rights	-		
21	Amortization of Other Utility Plant	9,373,116		
22	TOTAL In Service (Enter total of lines 18 thru 21)	9,373,116	-	
23	<b>Leased to Others</b>			
24	Depreciation	-		
25	Amortization & Depletion	-		
26	TOTAL Leased to Others (Enter total of lines 24 and 25)	-	-	
27	<b>Held for Future Use</b>			
28	Depreciation	-		
29	Amortization	-		
30	TOTAL Held for Future Use (Enter total of lines 28 thru 29)	-	-	
31	Abandonment of Leases (Natural Gas)	-		
32	Amort. Of Plant Acquisition Adjustment	-		
33	TOTAL Accumulated Provision (Should agree with line 14 above) (Enter total of lines 22, 26, 30, 31 and 32)	9,373,116	-	

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ILLINOIS GAS COMPANY			Dec 31, 2007	
<b>SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION (continued)</b>				
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Common (h)	Line No.
				1
				2
16,196,578				3
				4
				5
				6
				7
16,196,578	-	-	-	8
				9
				10
				11
				12
16,196,578	-	-	-	13
(9,373,116)				14
6,823,462	-	-	-	15
				16
				17
9,373,116				18
				19
				20
				21
9,373,116	-	-	-	22
				23
				24
				25
-	-	-	-	26
				27
				28
				29
-	-	-	-	30
				31
				32
9,373,116	-	-	-	33

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ILLINOIS GAS COMPANY		(1) X An Original (2) A Resubmission		Dec 31, 2007
<b>GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106)</b>				
<p>1. Report below the original cost of gas plant in service according to prescribed accounts.</p> <p>2. In addition to Account 101, Gas Plant in Service (Classified) this page and the next include Account 102 - Gas Plant Purchased or Sold; Account 103 - Experimental Gas Plant Unclassified; and Account 106-Completed Construction Not Classified - Gas.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions or prior year of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts.</p>				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
1	<b>1. Intangible Plant</b>			
2	301 Organization	12,786		
3	302 Franchises and Consents	-		
4	303 303 Miscellaneous Intangible Plant	-		
5	TOTAL Intangible Plant	12,786	-	
6	<b>2. Production Plant</b>			
7	<b>Natural Gas Production and Gathering Plant</b>			
8	321 Asset Retirement Costs for Manufactured Gas Production Plants	-		
9	325.1 Producing Lands	-		
10	325.2 Producing Leaseholds	-		
11	325.3 Gas Rights	-		
12	325.4 Rights-of-Way	-		
13	325.5 Other Land and Land Rights	-		
14	326 Gas Well Structures	-		
15	327 Field Compressor Station Structure	-		
16	328 Field Measure and Reg. Station Structure	-		
17	329 Other Structures	-		
18	330 Producing Gas Wells - Well Construction	-		
19	331 Producing Gas Wells - Well Equipment	-		
20	332 Field Lines	-		
21	333 Field Compressor Station Equipment	-		
22	334 Field Measure and Reg. Station Equipment	-		
23	335 Drilling and Cleaning Equipment	-		
24	336 Purification Equipment	-		
25	337 Other Equipment	-		
26	338 Unsuccessful Exploration & Development Costs	-		
27	339 Asset Retirement Costs for Natural Gas Production and Gathering Plant	-		
28	TOTAL Production and Gathering Plant	-	-	
29	<b>Products Extraction Plant</b>			
30	340 Land and Land Rights	-		
31	341 Structures and Improvements	-		
32	342 Extraction and Refining Equipment	-		
33	343 Pipe Lines	-		
34	344 Extracted Products Storage Equipment	-		
35	345 Compressor Equipment	-		
36	346 Gas Measuring and Regulating Equipment	-		
37	347 Other Equipment	-		
38	348 Asset Retirement Costs for Products Extraction Plant	-		
39	TOTAL Products Extraction Plant	-	-	
40	TOTAL Natural Gas Production Plant	-	-	
41	Mfd Gas Production Plant (Submit Supplemental Statement)			
42	TOTAL Production Plant	-	-	

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

Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

6. Show in column (f) reclassification or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
			12,786	301 2
			-	302 3
			-	303 4
-	-	-	12,786	5
				6
				7
			-	321 8
			-	325.1 9
			-	325.2 10
			-	325.3 11
			-	325.4 12
			-	325.5 13
			-	326 14
			-	327 15
			-	328 16
			-	329 17
			-	330 18
			-	331 19
			-	332 20
			-	333 21
			-	334 22
			-	335 23
			-	336 24
			-	337 25
			-	338 26
			-	339 27
-	-	-	-	28
				29
				30
			-	340 31
			-	341 32
			-	342 33
			-	343 34
			-	344 35
			-	345 36
			-	346 37
			-	347 38
-	-	-	-	348 39
-	-	-	-	40
			-	41
-	-	-	-	42

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

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ILLINOIS GAS COMPANY		(1) X An Original (2) A Resubmission		Dec 31, 2007	
<b>GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (continued)</b>					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. no.	Line No.
					43
					44
				350.1	45
				350.2	46
				351	47
				352	48
				352.1	49
				352.2	50
				352.3	51
				353	52
				354	53
				355	54
				356	55
				357	56
				358	57
-	-	-			58
					59
				360	60
				361	61
				362	62
				363	63
				363.1	64
				363.2	65
				363.3	66
				363.4	67
				363.5	68
				363.6	69
-	-	-			70
					71
				364.1	72
				364.2	73
				364.3	74
				364.4	75
				364.5	76
				364.6	77
				364.7	78
				364.8	79
				364.9	80
-	-	-			81
					82
-	-	-			83
					84
				365.1	85
				365.2	86
				366	87
				367	88
				368	89
				369	90
				370	91
				371	92
				372	93
-	-	-			94

Name of Respondent		This Report Is:	Date of Report (Mo./Da./Yr.)	Year of Report
ILLINOIS GAS COMPANY		(1) X An Original (2) A Resubmission		Dec 31, 2007
<b>GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (continued)</b>				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
95	<b>5. Distribution Plant</b>			
96	374 Land and Land Rights	42,512	-	
97	375 Structures and Improvements	16,200	-	
98	376 Mains	6,927,649	28,551	
99	377 Compressor Station Equipment	-	-	
100	378 Meas. And Reg. Station Equipment - General	593,763	20,607	
101	379 Meas. And Reg. Station Equipment - City Gate	79,274	-	
102	380 Services	4,994,401	81,669	
103	381 Meters	638,858	-	
104	382 Meter Installations	-	-	
105	383 House Regulators	166,364	-	
106	384 House Regulator Installations	215,098	4,658	
107	385 Industrial Meas. And Reg. Station Equipment	388,396	3,339	
108	386 Other Property On Customers' Premises	-	-	
109	387 Other Equipment	123,018	19,542	
110	388 Asset Retirement Costs for Distribution Plant		-	
111	TOTAL Distribution Plant	14,185,531	158,366	
112	<b>6. General Plant</b>			
113	389 Land and Land Rights	-	-	
114	390 Structures and Improvements	61,084	-	
115	391 Office Furniture and Equipment	464,920	11,839	
116	392 Transportation	513,679	100,218	
117	393 Stores Equipment	11,707	-	
118	394 Tools, Shop and Garage Equipment	218,856	17,271	
119	395 Laboratory Equipment	-	-	
120	396 Power Operated Equipment	532,667	44,467	
121	397 Communication Equipment	15,504	-	
122	398 Miscellaneous Equipment	-	-	
123	Subtotal	1,818,417	173,795	
124	399 Other Tangible Property	-	-	
125	399.1 Asset Retirement Costs for General Plant		-	
126	TOTAL General Plant	1,818,417	173,795	
127	TOTAL (Accounts 101 and 106)			
128	Gas Plant Purchased (See Instruction 8)			
129	(Less) Gas Plant Sold (See Instruction 8)			
130	Experimental Gas Plant Unclassified			
131	TOTAL Gas Plant in Service	16,016,734	332,161	

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<b>GAS PLANT IN SERVICE (Accounts 101, 102, 103 and 106) (continued)</b>					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Acct. No.	Line No.
					95
			42,512	374	96
			16,200	375	97
			6,956,200	376	98
			-	377	99
			614,369	378	100
			79,274	379	101
(13,920)			5,062,150	380	102
			638,858	381	103
			-	382	104
			166,364	383	105
			219,756	384	106
			391,735	385	107
			-	386	108
			142,560	387	109
			-	388	110
(13,920)	-	-	14,329,977		111
					112
			-	389	113
			61,084	390	114
(17,169)			459,591	391	115
(52,779)		-	561,117	392	116
			11,707	393	117
			236,127	394	118
			-	395	119
(42,630)		(25,819)	508,685	396	120
			15,504	397	121
			-	398	122
(112,578)	-	(25,819)	1,853,815		123
			-	399	124
			-	399.1	125
(112,578)	-	(25,819)	1,853,815		126
					127
					128
					129
					130
(126,499)	-	(25,819)	16,196,578		131

Name of Respondent <b>ILLINOIS GAS COMPANY</b>	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report <b>Dec 31, 2007</b>
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**ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108)**

Instructions:

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 12, column (c), and that reported for gas plant in service, pages 204-209, column (d), excluding retirements of non-depreciable property.
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.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Line No.	Item (a)	Total (c + d + e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
<b>Section A. Balances and Changes During the Year</b>					
1	Balance Beginning of Year	8,898,380	8,898,380		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	601,235	601,235		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. Of Gas Plant Leased to Others	-			
6	Transportation Expense - Clearing	-			
7	Other Clearing Accounts	-			
8	Other Accounts (Specify):	-			
9		-			
10	TOTAL Deprec. Prov. For Year (Enter total of lines 3 thru 9)	601,235	601,235	-	-
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	(126,499)	(126,499)		
13	Cost of Removal	-			
14	Salvage (Credit)	-			
15	TOTAL Net Charges for Plant Ret. (Enter total lines 12 thru 14)	(126,499)	(126,499)	-	-
16	Other Debit or Credit Items (Describe):	-			
17	Book Cost of Asset Retirement Costs	-			
18	Balance End of Year (Enter total of lines 1,10,15,16 & 17)	9,373,116	9,373,116	-	-
<b>Section B. Balances at End of Year According to Functional Classifications</b>					
19	Production - Manufactured Gas	-			
20	Production and Gathering - Natural Gas	-			
21	Products Extraction - Natural Gas	-			
22	Underground Gas Storage	-			
23	Other Storage Plant	-			
24	Base Load LNG Term. And Processing Plant	-			
25	Transmission	-			
26	Distribution	-			
27	General	-			
28	TOTAL (Enter total lines 19 thru 27)	-	-	-	-

Name of Respondent <b>ILLINOIS GAS COMPANY</b>		This Report Is: (1) XAn Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report <b>Dec 31, 2007</b>
<b>INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)</b>				
<p>1. Report below investments in Account 123.1 - Investments in Subsidiary Companies.</p> <p>2. 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).  (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.  (b) Investment Advance - 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.</p> <p>3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.</p>				
Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Utility Safety and Design, Inc			
2	subsidiary earnings			991,456
3	asset transfer			183,874
4	dividend			-
5	<b>Utility Safety and Design, Inc Subtotal</b>			<b>1,175,330</b>
6				
7				
8	Utility Sales and Service, Inc			
9	subsidiary earnings			(5,932)
10	asset transfer			27,904
11	<b>Utility Sales and Service, Inc Subtotal</b>			<b>21,972</b>
12				
13				
14				
15				
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42	Total Cost of Account 123.1			

Name of Respondent <b>ILLINOIS GAS COMPANY</b>	This Report Is: (1) XAn Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report <b>Dec 31, 2007</b>
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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 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 in 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
420,099		1,411,555		2
25,819		209,693		3
	(200,000)	(200,000)		4
<b>445,918</b>	<b>(200,000)</b>	<b>1,421,248</b>		5
				6
				7
				8
49,087		43,155		9
		27,904		10
<b>49,087</b>	-	<b>71,060</b>		11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
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**PREPAYMENTS (Account 165)**

Instructions:  
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 (in dollars) (b)
1	Prepaid Insurance	3,746
2	Prepaid Rents	-
3	Prepaid Taxes (pages 262-263)	29,950
4	Prepaid Interest	-
5	Gas Prepayments	-
6	Miscellaneous prepayments:	
7	Computer Consulting/Programming/Support	15,126
8	Other	1,375
9		
10	<b>TOTAL</b>	<b>50,197</b>

**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	<b>TOTAL</b>	-	-			-

**UNRECOVERED PLANT AND REGULATORY STUDY COSTS (Account 182.2)**

Line No.	Description of Unrecovered Plant and Regulatory Study Costs (Include in the description of costs the date of Commission authorization to use Account 182.2, and period of amortization (mo./ yr. To mo./yr.)) (a)	Total Amount of Charges (b)	Costs Recognized During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3						
4						
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19						

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**OTHER REGULATORY ASSETS (Account 182.3)**

Instructions:

- Report below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
- For regulatory assets being amortized, show period of amortization in column (a).
- 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)	Debits (b)	CREDITS		Balance at End of Year (e)
			Account Charged (c)	Amount (d)	
1					
2	2007 Uniform PGA Reconciliation				
3	(reclass from account 254, see page 278)	158,524			158,524
4					
5					
6					
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42					
43	<b>TOTAL</b>	158,524		-	158,524

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<b>MISCELLANEOUS DEFERRED DEBITS (Account 186)</b>						
Instructions:						
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 Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2	04-0475 Rate Case Expenses	24,724		928.4	7,416	17,308
3						
4						
5						
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45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expense (See Page 350-351)					
49	TOTAL	24,724	-		7,416	17,308

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**ACCUMULATED DEFERRED INCOME TAXES (Account 190)**

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 410.1/411.1 (d)
1	Electric			
2				
3				
4				
5				
6				
7	Other			
8	TOTAL Electric (Enter Total of lines 2 thru 7)	-	-	-
9	Gas			
10				
11				
12				
13				
14				
15	Other	18,291	-	14,408
16	TOTAL Gas (Enter total of lines 10 thru 15)	18,291	-	14,408
17	Other (Specify)			
18	TOTAL (Acct. 190) (Total of lines 8, 16 and 17)	18,291	-	14,408

NOTES

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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 to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Account Credited (g)	DEBITS Amount (h)	Account Debited (i)	CREDITS Amount (j)		
							1
							2
							3
							4
							5
							6
							7
-	-		-		-	-	8
							9
							10
							11
							12
							13
							14
						32,699	15
-	-		-		-	32,699	16
-	-		-		-	32,699	17
-	-		-		-	32,699	18

NOTES (Continued)

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**CAPITAL STOCK (Accounts 201 and 204)**

For 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 for 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.

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	Common	3,000	-	-
2				
3				
4				
5				
6				
7				
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**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 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 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)	511,449
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	Federal Income Taxes (page 114, line 15)	13,843
11	Penalties (page 114, line 45)	0
12	Uncollectible Expense	156,368
13	Amortization of Long Term Debt Expense (page 27, column h)	532
14	50% Meal Allowance Adjustment	9,773
15	Deferred Income Taxes (pages 42-43, 234-235, 276-277)	2,268
16	Other Post Employment Benefits	34,741
17	Rate Case Amortization (page 233, column e)	7,416
18		
19		
20		
21	Income Recorded on Books Not Included in Return	
22	Investment Tax Credit Adjustment (page 114, line 18)	(2,936)
23	Subsidiary Earnings (page 114, line 36)	(469,187)
24	Gain/(loss) on sale of assets	(29,998)
25		
26	Deductions on Return Not Charged Against Book Income	
27	Additional ACRS/MACRS Depreciation	(17,465)
28	Actual Bad Debt Write Offs	(140,769)
29		
30		
31		
32		
33		
34	Federal Tax Net Income	76,035
35	Show Computation of Tax:	18.21% 13,843
36	(Percentage is low because AMT credit was used)	
37		
38		
39		
40		
41		

Name of Respondent <b>ILLINOIS GAS COMPANY</b>	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report <b>Dec 31, 2007</b>
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**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 directly 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 directly to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner. (more on next page)

Line No.	Kind of Tax (See Instruction 5) (a)	2007	BALANCE AT BEGINNING OF YEAR	
			Taxes Accrued (Account 236) (b)	Prepaid Taxes (Incl. In Account 165) (c)
1	Social Security / Medicare Tax	2007	-	-
2	FUTA	2007	-	-
3	IL Unemployment Tax	2007	-	-
4	Other Unemployment Tax	2007	-	-
5	IL Gross Receipts Tax	2007	-	-
6	IL Invested Capital Tax	2006	-	-
7	IL Invested Capital Tax	2007	-	-
8	IL Public Utility Tax	2007	-	-
9	Property Taxes	2006	5,736	-
10	Property Taxes	2007	-	-
11	IL Franchise Tax	2007	-	-
12	IL Energy Assistance Tax	2007	-	-
13	IL Sales and Use Tax	2007	-	-
14				
15				
16				
17				
18				
19				
20	Total		5,736	-

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

Line No.	Electric (Account 408.1, 409.1) (i)	Gas (Account 408.1, 409.1) (j)	Other Utility Departments (Account 408.1, 409.1) (k)	Other Income and Deductions (Account 408.2, 409.2) (l)
1		101,655		
2		1,564		
3		2,354		
4		6		
5		239,042		
6		(7,858)		
7		40,000		
8		12,334		
9		-		
10		7,910		
11		376		
12		107,596		
13		-		
14		-		
15		-		
16		-		
17		-		
18		-		
19		-		
20		504,980		

Name of Respondent <b>ILLINOIS GAS COMPANY</b>	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo./Da./Yr.)	Year of Report <b>Dec 31, 2007</b>
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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (continued)**

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).
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 parentheses.
7. Do not include on this page entries 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 (i) thru (p) how the tax accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriated balance sheet plant accounts or sub account.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. In Account 165) (h)	
101,655	163,346	61,691	0		1
1,564	2,788	1,224	0		2
2,354	3,912	1,558	0		3
6	600	594	0		4
239,042	248,937	(9,895)		(0)	5
(7,858)	(7,858)	-		0	6
40,000	40,000	-		0	7
12,334	12,334			0	8
-	5,863	127	0		9
7,910	-	1,581	9,491		10
376	376			0	11
107,596	107,596			0	12
-	-		0		13
					14
					15
					16
					17
					18
					19
504,980	577,894	56,880	9,491	(0)	20

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

Extraordinary Items (Acct. 409.3) (m)	Other Utility Open Income (Acct. 408.1, 409.1) (n)	Adjustments to Ret. Earnings (Acct. 439) (o)	Other (p)	Line No.
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20

Adjustments for lines 1-4 and 10 are expenses transferred to USDI  
Adjustments for lines 5-7 are amounts from receivable accounts  
All other adjustments are transfers from year to year.