

**Northern Illinois Gas Company
d/b/a Nicor Gas Company
Response to:
Illinois Commerce Commission**

- POL 1.2 Q. Please describe all actions taken by NI-Gas (including investments, staffing changes, procedure changes, employee incentive programs, etc.) to reduce gas costs since the inception of the GCPP. Also indicate NI-Gas' out-of-pocket costs and the gas cost savings associated with each action.
- POL 1.2 A. The Company does not track gas costs or savings in the manner requested. The following actions were taken by Nicor Gas to reduce gas costs since the inception of the GCPP:
- More detailed and comprehensive planning processes for monthly and daily activity
 - Tested operationally flexibility boundaries
 - Increased sales to non-utility customers
 - Implemented various hedging strategies utilizing financial tools (See POL 1.13)
 - Entered into partnership arrangements for storage and transportation
 - Added staff
 - Implemented employee incentive program