

Northern Illinois Gas Company d/b/a Nicor Gas
 Under (Over) Recovery Balances (at December 31, 2002)

| Line | Stipulated Adjustments | Adjustments | Allocated to Commodity | Allocated to Non-Commodity |
|------|--|--------------------------|---------------------------|-------------------------------|
| (1) | LIFO derived savings | \$ (21,871,934) | \$ (21,871,934) | |
| (2) | Storage credit adjustment (Infield Transfers) | (11,149,901) | (11,149,901) | |
| (3) | Reversal of costs from 2000 affiliate discount | (4,258,586) | (4,258,586) | |
| (4) | Reversal of costs from 2001 weather insurance | (2,057,525) | (2,057,525) | |
| (5) | Adjustment based on certain Hub revenues | (6,150,917) | (6,150,917) | |
| (6) | Revise benchmark to reflect contract costs | (1,475,267) | | \$ (1,475,267) |
| (7) | Revise Benchmark (capacity management) | (5,893,472) | | (5,893,472) |
| (8) | Capacity management adjustment (1999) | (3,216,169) | | (3,216,169) |
| (9) | Total Stipulated Adjustments | \$ (56,073,771) | \$ (45,488,863) | \$ (10,584,908) |
| (10) | Stipulated Interest | (12,323,657) | (9,997,351) | (2,326,306) |
| (11) | Factor O Before Interest (Nicor Gas) | 4,397,428 ⁽¹⁾ | 5,400,074 | (1,002,646) |
| (12) | Total Stipulated Refund Year End (Factor O) | \$ (64,000,000) | \$ (50,086,140) | \$ (13,913,860) |
| (13) | Per Order: CUB DSS Adjustment | (8,149,519) | (8,149,519) | |
| (14) | Ordered Refund (Factor O) | \$ (72,149,519) | (58,235,659) | (13,913,860) |

⁽¹⁾ Per Nicor Gas Exhibit 2.0 p.6 Line 100 and Stipulation p. 5

Northern Illinois Gas Company
 d/b/a Nicor Gas Company
 Revised PGA Reconciliation for the Year Ended December 31, 2002

Commodity Gas Cost

| Line | Description | Restatement | |
|------|--|------------------------------|--|
| 1 | Unamortized Balance as of 12/31/01 per 2001 Reconciliation | (\$50,560,245) | |
| 2 | Factor A Adjustments Amortized to Schedule 1 at 12/31/01 per 2001 Reconciliation | (62,220,763) | |
| 3 | Factor O Collected/(Refunded) during 2001 | 0 | |
| | Requested Factor O to be Collected/(Refunded) (DUE TO RESTATEMENT) | <u>15,975,261</u> | |
| 4 | Balance to be Collected/(Refunded) from prior periods (sum of lines 1 thru 3) | <u>(\$96,805,747)</u> | |
| 5 | 2002 Gas Costs | 852,088,014 | |
| 6 | 2002 PGA Revenues | (817,968,005) | |
| 7 | Pipeline Surcharges/(Refunds) | (6,633) | |
| 8 | Other Adjustments | 12,259,342 | |
| 9 | Reversing 2001 Plan Year PBR Collection | (12,259,342) | |
| 10 | 2001 PBR Restatement | (13,287,949) | |
| 11 | PGA Adjustment to reflect 2002 Final Gas Cost | (6,864,375) | |
| 12 | Interest | <u>(428,304)</u> | |
| 13 | 2002 Under/(Over) Recovery (sum of lines 5 thru 12) | <u>\$13,532,748</u> | |
| 14 | Under/(Over) Recovery Balance at 12/31/02 (line 4 + line 13) | (83,272,999) | |
| 15 | Factor A Adjustments Amortized to Schedule 1 at 12/31/02 | (38,674,251) | |
| 16 | Unamortized Balance at 12/31/02 (per filing truing up actual for December 2002) | <u>(28,162,343)</u> | |
| 17 | Requested Factor O to be Collected/(Refunded) (DUE TO RESTATEMENT) (line 14 - line 15 - line 16) | <u>(\$16,436,405)</u> | Nicor Gas Exhibit 2.2 |
| 18 | Gas Cost Performance Program - Commodity Adjustment (50%) | \$23,649,691 | Nicor Gas Exhibit 2.1 |
| 19 | OXY Adjustment | <u>(\$1,813,212)</u> | Nicor Gas Exhibit 2.0:37-46; 5:92 - 6:98 |
| 20 | Revised Factor O (Line 17 + Line 18 + Line 19) | \$5,400,074 | Exhibit A |
| 21 | Total Stipulated Commodity Adjustments | (\$45,488,863) | Exhibit A |
| 22 | Stipulated Interest Allocation | <u>(\$9,997,351)</u> | Exhibit A |
| 23 | Stipulated Refund - Commodity (Factor O) (Line 20 + Line 21 + Line 22) | (\$50,086,140) | Exhibit A |
| 24 | Per Order: CUB DSS Adjustment | <u>(\$8,149,519)</u> | Exhibit A |
| 25 | Per Order: Commodity (Factor O) with CUB DSS Adjustment (Line 23 + Line 24) | <u><u>(\$58,235,659)</u></u> | |

Northern Illinois Gas Company
 d/b/a Nicor Gas Company
 PGA Reconciliation for the Year Ended December 31, 2002

Non-Commodity Gas Cost

| Line | Description | Restatement | |
|------|---|-----------------------|--------------------------|
| 1 | Unamortized Balance as of 12/31/01 per 2001 Reconciliation | \$0 | |
| 2 | Factor A Adjustments Amortized to Schedule 1 at 12/31/01 per 2001 Reconciliation | (2,365,312) | |
| 3 | Factor O Collected/(Refunded) during 2001 | 0 | |
| | Requested Factor O to be Collected/(Refunded) (DUE TO RESTATEMENT) | <u>10,452,129</u> | |
| 4 | Balance to be Collected/(Refunded) from prior periods (sum of lines 1 thru 3) | <u>\$8,086,817</u> | |
| 5 | 2002 Gas Costs | 108,503,557 | |
| 6 | 2002 PGA Revenues | (117,424,086) | |
| 7 | Pipeline Surcharges/(Refunds) | 0 | |
| 8 | Other Adjustments | 1,262,388 | |
| 9 | Reversing 2001 Plan Year PBR Collection | (1,262,388) | |
| 10 | 2001 PBR Restatement | (1,489,081) | |
| 11 | PGA Adjustment to reflect 2002 Final Gas Cost | (11,929,485) | |
| 12 | Interest | <u>0</u> | |
| 13 | 2002 Under/(Over) Recovery (sum of lines 5 thru 12) | <u>(\$22,339,095)</u> | |
| 14 | Under/(Over) Recovery Balance at 12/31/02 (line 4 + line 13) | (14,252,278) | |
| 15 | Factor A Adjustments Amortized to Schedule 1 at 12/31/02 | (10,023,453) | |
| 16 | Unamortized Balance at 12/31/02 (per filing truing up actual for December 2002) | <u>0</u> | |
| 17 | Requested Factor O to be Collected/(Refunded) (DUE TO RESTATEMENT) (line 13 - line 14- line 15) | <u>(\$4,228,825)</u> | Nicor Gas Exhibit 2.2 |
| 18 | Gas Cost Performance Program - Demand Adjustment (50%) | <u>\$3,226,179</u> | Nicor Gas Exhibit 2.1 |
| 19 | Revised Factor O (Line 17 + Line 18) | (\$1,002,646) | Exhibit A |
| 20 | Total Stipulated Non-Commodity Adjustments | (\$10,584,908) | Exhibit A |
| 21 | Stipulated Interest Allocation | <u>(\$2,326,306)</u> | Exhibit A |
| 22 | Stipulated Refund - Non-Commodity (Factor O) (Line 19 + Line 20 + Line 21) | <u>(\$13,913,860)</u> | Exhibit A |
| 23 | Per Order: Non-Commodity (Factor O) (Line 22) | <u>(\$13,913,860)</u> | Exhibit A |