

NORTH SHORE GAS COMPANY)
)
Informational statement pursuant to Section)
6-102(d) of the Illinois Public Utilities Act in)
connection with the proposed issuance and sale) 13-0119
of up to \$54 million aggregate principal amount)
of bonds or notes, or a combination thereof, in)
one or more series.)

THIRD REPORT

North Shore Gas Company ("Company") respectfully submits this third report, for the period ended September 30, 2013, with respect to the bonds authorized by the order of the Commission entered on March 6, 2013, in the above-entitled Docket No. 13-0119. (Reference is made to the initial report to the Commission in this Docket for the period ended March 31, 2013, dated May 22, 2013.)

On May 1, 2013, the Company issued and sold \$54,000,000 in principal amount of its First and Refunding Mortgage Bonds, Series Q, to the initial purchasers:

Companion Life Insurance Company
Employers Reassurance Corporation
Genworth Life Insurance Company
MetLife Alico Life Insurance K.K.
MetLife Insurance Company of Connecticut
MetLife Investors Insurance Company
MetLife Investors USA Insurance Company
Metropolitan Life Insurance Company
Thrivent Financial for Lutherans
United of Omaha Life Insurance Company

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at 100% of the principal amount (i.e., \$100 per one hundred dollars face amount) for an aggregate consideration of \$54,000,000. The Series Q Bonds, which will mature on May 1, 2043, bear interest at a rate of 3.96% per annum.

The proceeds realized from the issuance of the Series Q Bonds were used to redeem the Company's previously issued \$40,000,000, 4.625% First and Refunding Mortgage Bonds, Series N, and will be used to redeem the Company's previously issued \$6,500,000, 7.00% First and Refunding Mortgage Bonds, Series O, having maturity dates of May 1, 2013, and November 1, 2013, respectively. The remaining \$7,500,000 of the proceeds was used for capital expenditures and for other general corporate utility purposes.

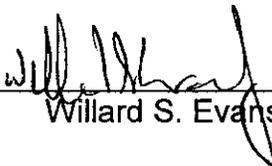
No entity is or became an "affiliated interest" of the Company within the meaning of section 7-101 of the Illinois Public Utilities Act as a result of acquiring the Series Q Bonds.

During the period ended September 30, 2013, the Company paid the following expenses in connection with the issuance and sale of said bonds:

	Three Months Ended <u>Sept. 30, 2013</u>	Cumulative Total at <u>Sept. 30, 2013</u>
Series Q		
-ICC Issuance Fee		\$18,000.00
-Accounting Fee		4,700.00
-Legal Fees and Expenses		60,937.18
-Trustee Fee		1,500.00
-Placement Agent Fees	\$75,600.00	<u>304,150.00</u>
Total		<u>\$389,287.18</u>

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

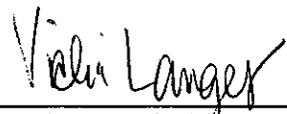
Willard S. Evans, Jr., being first duly sworn, on oath states that he is President of North Shore Gas Company, that he has read the foregoing report and knows the contents thereof, and that the facts stated therein are true to the best of his knowledge, information and belief.



Willard S. Evans, Jr.

Subscribed and sworn to before me this 20th day of November, 2013.





Notary Public