

## A Message to our Transportation Customers

Effective January 1, 2007 and consistent with recent orders by the Illinois Commerce Commission (ICC) in our rate case, Nicor Gas will be implementing several minor changes to its tariff rates. Specifically, there will be a slight decrease in the delivery charges applicable to small business customers served under our firm sales Rates 4 and 5, and transportation Rates 74 and 75.

Secondly, the ICC's rulings provide for the implementation of Rider 2 – Franchise Cost Adjustment, effective January 1, 2007. Rider 2 allows for the recovery of the franchise benefit Nicor Gas provides to numerous communities. Applicable Rider 2 charges will be a fixed-charge per month and will be identified as a new line item on customer's billing. The amount of the Rider 2 charge will be specific to each community. Prior to January 1, 2007, the costs associated with franchise benefits were included in our delivery charges. As such, Rider 2 charges, offset the decrease in the delivery charges in Rates 4, 5, 74 and 75 as noted above.

Most customers will experience little, if any, noticeable change in the amount of their bill. For more information concerning the tariff changes effective January 1, 2007, please visit our website at [www.nicorgas.com](http://www.nicorgas.com) or you may contact the Gas Transportation Customer Service Center at 630-983-4040.

For many transportation customers, this will be the first bill with the new rates. Because the new rates apply only to gas service on and after January 1, 2007, this bill likely includes applicable charges which have been prorated to reflect the number of billing days under the old rates and the number of billing days under the new rates.

The following table illustrates only the changes in commercial sales and transportation rates which are impacted.

	Rates prior to January 1st	Rates as of January 1st	Change
<b>Rate 4-General Service</b>			
First 150 therms	13.38¢	13.29¢	(0.09)¢
Next 4,850 therms	6.91¢	6.82¢	(0.09)¢
<b>Rate 5-Seasonal Use Service</b>			
Billing Months Jan. - April	3.48¢	3.39¢	(0.09)¢
Billing Months May – Dec.	2.94¢	2.85¢	(0.09)¢
<b>Rate 74-General Transportation Service</b>			
First 150 therms	12.77¢	12.76¢	(0.01)¢
Next 4,850 therms	6.30¢	6.29¢	(0.01)¢
<b>Rate 75-Seasonal Use Transportation Service</b>			
Billing Months Dec. - March	2.43¢	2.42¢	(0.01)¢
Billing Months April – Nov.	1.52¢	1.51¢	(0.01)¢

Also, please be advised that charges under Rider 7 – Governmental Agency Compensation Adjustment may be included on some customer's bills for the first time. Rider 7 charges are unrelated to the ICC's recent orders in the rate case. Charges billed under Rider 7 will be identified as an individual line item on the bill and will be a fixed monthly charge(s), filed and approved by the ICC. The amount of any applicable Rider 7 charge will be specific to customers who reside within the jurisdiction of the corresponding governmental agency.