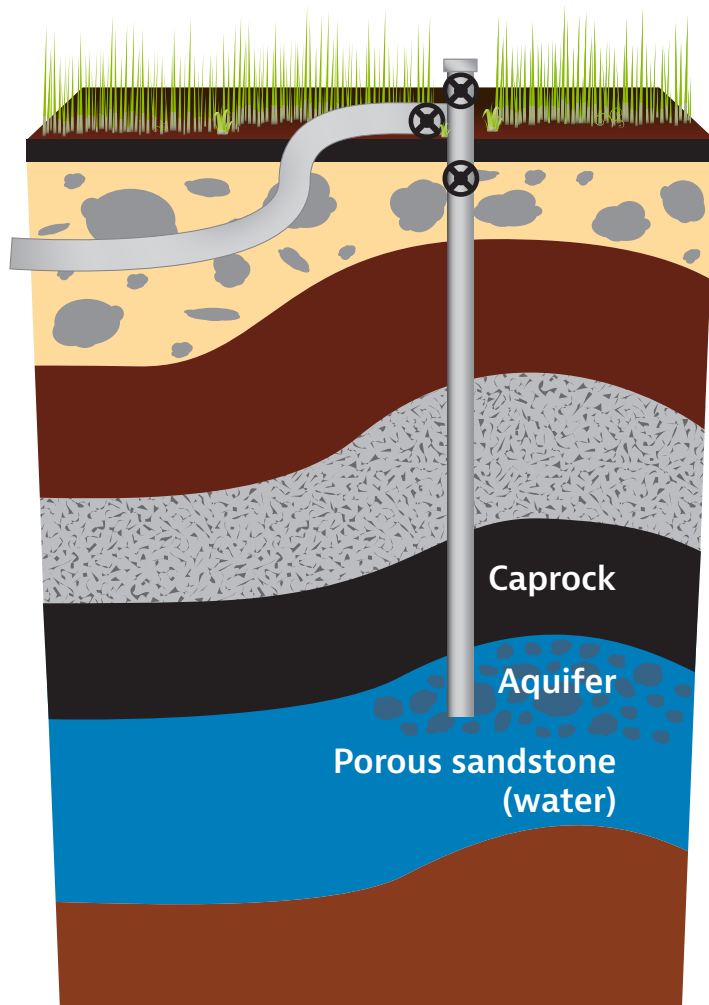


Underground Storage

At Nicor Gas we own and operate eight underground natural gas storage facilities in Illinois with an annual inventory capacity of approximately **135 Bcf**. The system is designed to meet about 50% of the estimated peak-day deliveries.

Our underground storage aquifers allow Nicor Gas to:

- Mitigate seasonal price movements
- Deliver gas during peak winter demand
- Provide supply flexibility
- Improve reliability of supply



Storage Highlights

- Eight underground storage aquifers
- 135 billion cubic feet annual storage capacity
- Can meet about 50 percent of peak-day needs
- Storage supplies one-third of our normal winter deliveries
- Hourly balancing capability
- 24-Hour variable nomination capability
- Provides allowances for a 16-Hour or less load profile

Underground Aquifer Reservoirs

An underground aquifer reservoir is a natural underground formation consisting of water-filled, porous sandstone layers covered by a solid dome-shaped caprock. Through wells, natural gas is injected into the reservoir, displacing the water and making the gas available for withdrawal later.