

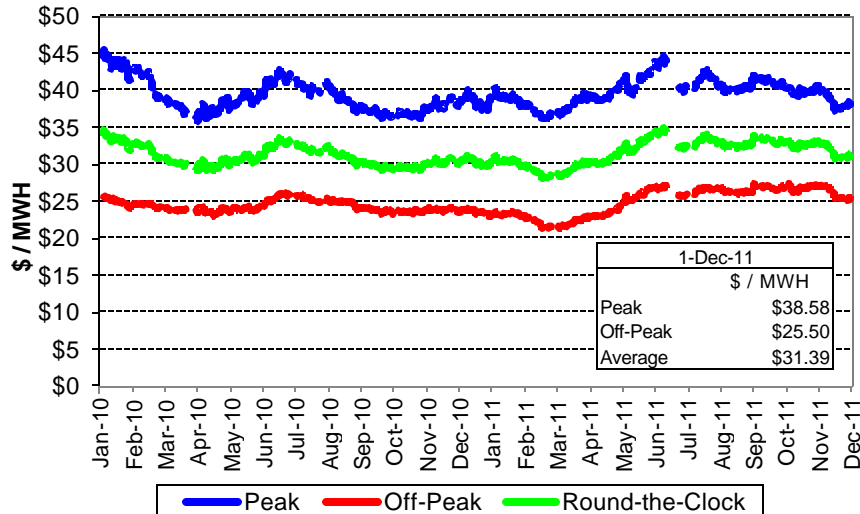
# NEU Electric and Natural Gas Price Update

## Electric: Short-Term Outlook

NYMEX Northern Illinois Hub **forward prices** for the December 2011 to November 2012 period were \$31.39 per MWH (3.14¢ per kWh) on December 1. Forward peak prices were \$38.58 per MWH and off-peak prices were \$25.50 per MWH. These prices are down about \$1.55 per MWH from forward prices on November 1, 2011.

PJM ComEd Zone Day-Ahead hourly index prices in November averaged \$26.00 per MWH. This monthly average price was down \$1.43 per MWH from the October average price. Decreasing natural gas prices have been keeping PJM index prices low.

**NYMEX N. Illinois Hub Electric Prices  
12-Month Forward Prices Through 12/1/11**

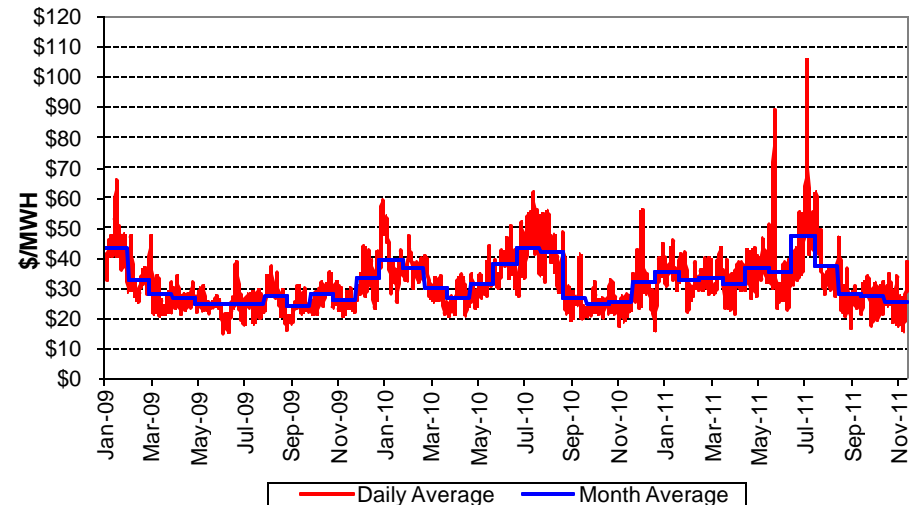


## PJM Day-Ahead and Real-Time Prices ComEd Zone

	ComEd Zonal Price - \$ / MWH						Daily Nat Gas
	Day-Ahead LMP			Real-Time LMP			
Sep-10	\$26.96	\$35.38	\$19.60	\$25.52	\$34.24	\$17.89	\$3.91
Oct-10	\$24.83	\$30.32	\$20.31	\$26.05	\$32.80	\$20.49	\$3.55
Nov-10	\$25.53	\$31.87	\$19.49	\$25.57	\$33.29	\$18.21	\$3.89
Dec-10	\$32.58	\$40.32	\$25.62	\$30.86	\$38.48	\$24.02	\$4.48
Jan-11	\$35.80	\$41.82	\$30.85	\$36.08	\$42.58	\$30.73	\$4.68
Feb-11	\$33.12	\$38.63	\$28.11	\$33.96	\$40.31	\$28.19	\$4.36
Mar-11	\$33.93	\$38.66	\$29.28	\$33.11	\$38.65	\$27.67	\$4.11
Apr-11	\$31.90	\$39.33	\$25.40	\$33.55	\$40.56	\$27.42	\$4.35
May-11	\$36.79	\$46.49	\$28.80	\$37.94	\$52.12	\$26.25	\$4.41
Jun-11	\$35.45	\$46.49	\$24.90	\$33.70	\$43.75	\$24.10	\$4.64
Jul-11	\$47.57	\$62.98	\$35.94	\$47.50	\$61.99	\$36.56	\$4.49
Aug-11	\$37.40	\$45.45	\$29.52	\$38.26	\$47.66	\$29.05	\$4.14
Sep-11	\$28.23	\$35.95	\$21.47	\$26.97	\$32.68	\$21.98	\$3.96
Oct-11	\$27.43	\$34.81	\$21.35	\$26.38	\$32.26	\$21.55	\$3.67
Nov-11	\$26.00	\$32.16	\$20.12				\$3.50
Cal '10	\$33.41	\$41.18	\$26.66	\$33.39	\$41.81	\$26.07	\$4.46
Cal '11	\$34.01	\$41.97	\$26.98	\$34.79	\$43.18	\$27.43	\$4.21

\* NERC Hours (6 AM TO 10 PM)

**PJM Day-Ahead Prices for ComEd Zone  
Daily Average Hourly Prices Through 12/1/11**



# NEU Electric and Natural Gas Price Update

## Natural Gas: Short-Term Outlook

The Energy Information Administration (“EIA”) reported in its November 8, 2011 Short-Term Energy Outlook that Henry Hub prices in 2011 will average \$4.09 per MMBtu, \$0.30 lower than the 2010 average price. The Prices in 2012 are expected to average \$4.13 per MMBtu.

The EIA predicts that natural gas consumption will increase about 1.7% in 2011 to 67.1 Bcf per day. Projected natural gas consumption in 2012 is expected to be 67.9 Bcf per day, a 1.2% increase.

Average natural gas production in 2011 is expected at 65.6 Bcf per day which is a 6.1% increase over 2010 production. This production growth all comes from onshore production and offsets a 1.0 Bcf per day decline in Gulf of Mexico production. The difference between reported production and consumption volumes would be balanced by imports from Canada and/or other sources.

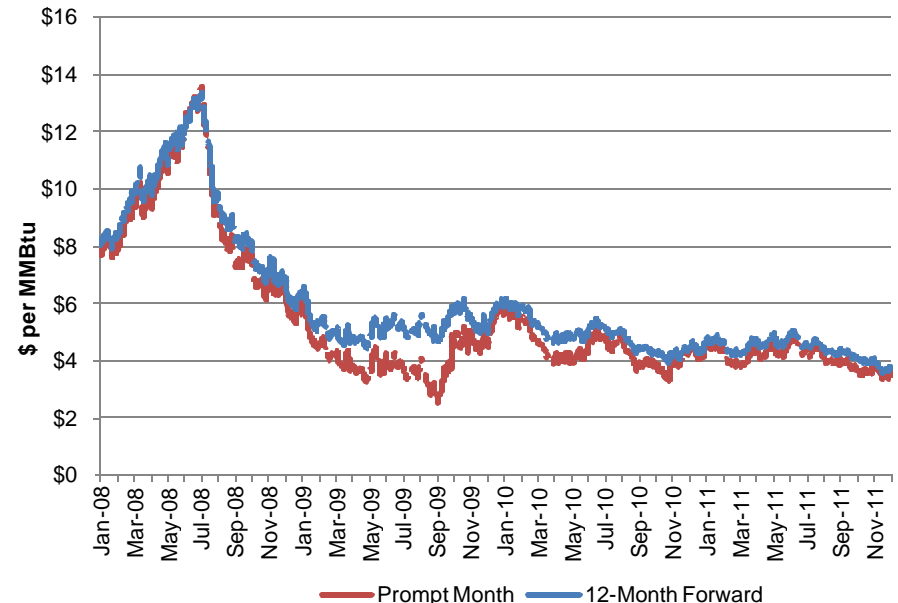
Natural gas storage at the end of October is about 3.8 Tcf, about 1% lower than storage volumes at the same time last year. About 2.0 Tcf is expected to be withdrawn over the winter period.

### 2012 Winter Weather Update

NOAA released their winter weather outlook for the December through February period that predicts below average temperatures for the Great Lakes area. Above average participation (snowfall) is also expected. Even with the colder weather predictions natural gas prices remain relatively low. La Nina returned in August (cooler than normal ocean temperatures) and is expected to strengthen through the winter.

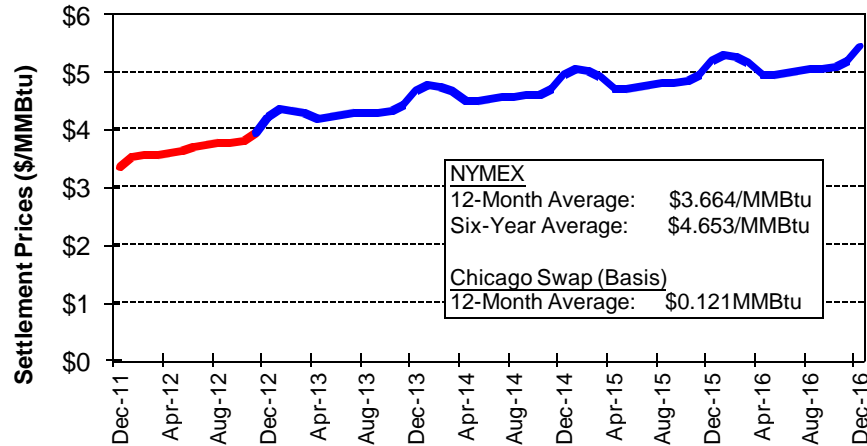
The December 2011 NYMEX natural gas futures price closed at \$3.364 per MMBtu, down \$0.160 from the October 2011 settlement price of \$3.524 per MMBtu. The closing twelve-month forward NYMEX price for the December 2011 to November 2012 period was \$3.664 per MMBtu compared to \$3.904 per MMBtu last month. Adding the forward NYMEX Chicago swap basis of \$0.121 per MMBtu to the forward NYMEX price shows a Chicago forward price of \$3.785 per MMBtu for the December 2011 to November 2012 period. Natural gas prices, storage volumes and rig counts are summarized in the following graphs.

**NYMEX Natural Gas Forward Prices  
Through December 1, 2011**



# NEU Electric and Natural Gas Price Update

## NYMEX Natural Gas Settlement Prices on Last Trade Day of December 2011 Contract



## Utility Natural Gas Supply Costs (\$/Therm) – Dec. 2011

Gas Supply Costs:	Peoples Gas	North Shore	NICOR
Bundled Gas Supply Cost	\$0.4606	\$0.5055	\$0.4797
Commodity	\$0.4131	\$0.4180	\$0.4420
Non-Commodity Charge	\$0.0521	\$0.0875	\$0.0377
Demand	\$0.2263	\$0.3532	\$0.4818
Environmental Surcharges			
Rider 11, Peoples and North Shore	\$0.0034	(\$0.0037)	
Rider 12, NICOR - Small C&I			(\$0.0021)
Rider 12, NICOR - Large C&I			(\$0.0006)
Rider VBA - Balancing Adjustment	(\$0.0012)	(\$0.0026)	
Infrastructure Cost Recovery (ICR)			
Surcharge Percentage (a)	1.170%		
Hub Service Credit - Sales	(\$0.0046)		
Hub Service Credit - Transportation	(\$0.0046)		
NICOR Transportation Service Adj.			(\$0.0005)
NICOR, Rider 5 Storage Adj. Factor			\$0.0003

(a) Applied to distribution charges (customer, meter, demand, and commodity)

## Natural Gas Price Summary Comparison December 2011 (\$ per MMBtu)

	Burner-Tip \$/MMBtu	Local Distribution (a)
NYMEX Final Settlement Price	\$3.364	
NYMEX Chicago Basis	\$0.350	
Chicago City-gate Price (b)	\$3.714	
<u>Peoples Gas Burner-Tip Price</u>		
Rate 2 - Utility Supply Service	\$6.531	\$2.817
Rate 4 - Utility Supply Service	\$6.257	\$2.543
Rate 4 - Utility Supply Service	\$6.141	\$2.427
Rate 2, SST, 50% Standby	\$5.640	\$1.926
Rate 4, LST, 50% Standby	\$5.352	\$1.638
Rate 4, LST, 50% Standby	\$5.228	\$1.514
<u>North Shore Burner-Tip Price</u>		
Rate 2 - Utility Supply Service	\$5.917	\$2.203
Rate 3 - Utility Supply Service	\$5.722	\$2.008
Rate 2, SST, 50% Standby	\$4.431	\$0.717
Rate 3, LST, 50% Standby	\$4.210	\$0.496
<u>NICOR Burner-Tip Price</u>		
Rate 6 - Utility Supply Service	\$5.095	\$1.381
Rate 7 - Utility Supply Service	\$5.131	\$1.417
Rate 76, 0% Standby (c)	\$4.087	\$0.373
Rate 77, 0% Standby (c)	\$4.132	\$0.418

(a) Local distribution charge = burner-tip less city-gate price.  
Includes all taxes, city fees and gas loss costs.  
(b) NYMEX last day settlement price plus NYMEX Chicago basis swap last day settlement price.  
(c) Assumes 31 days storage in place of standby service.



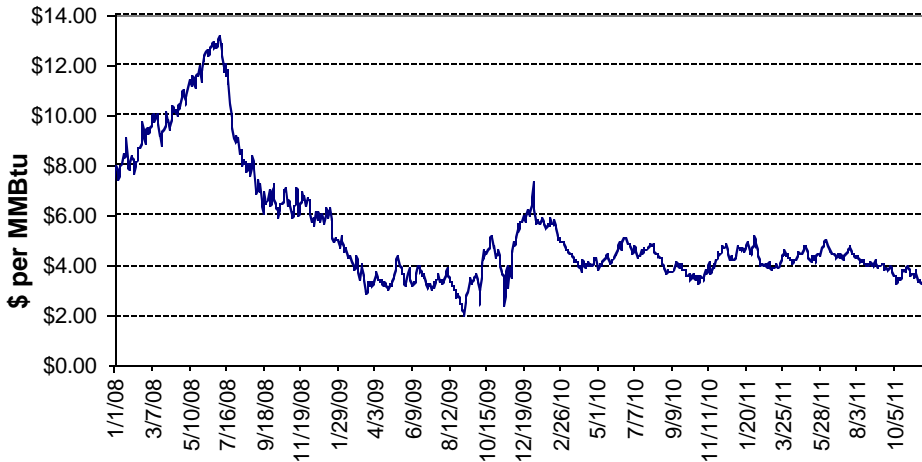
# NEU Electric and Natural Gas Price Update

Chicago citygate natural gas prices reported by Intercontinental Exchange ("ICE") for the November 2010 to December 2011 period are summarized in the adjacent table. The December 2011 index price of \$3.72 per MMBtu is down \$0.11 per MMBtu from the reported October 2011 index price of \$3.83 per MMBtu. Daily prices in November 2011 averaged \$3.50 per MMBtu.

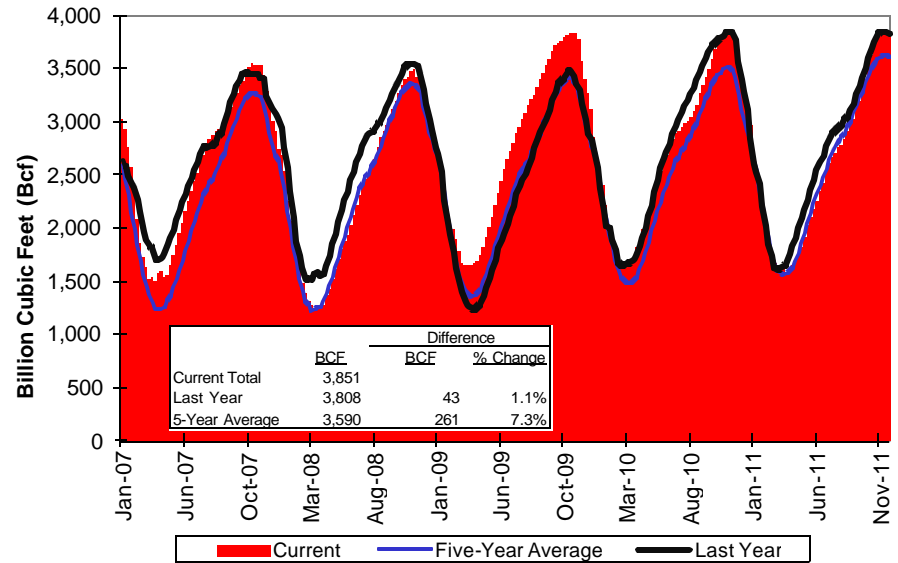
**ICE Natural Gas Index Prices**  
\$ per MMBtu

Month	Average	
	Daily	Monthly Index
Nov-10	\$3.89	\$3.45
Dec-10	\$4.48	\$4.52
Jan-11	\$4.68	\$4.39
Feb-11	\$4.36	\$4.62
Mar-11	\$4.11	\$3.95
Apr-11	\$4.35	\$4.40
May-11	\$4.41	\$4.49
Jun-11	\$4.64	\$4.39
Jul-11	\$4.49	\$4.37
Aug-11	\$4.14	\$4.50
Sep-11	\$3.97	\$3.96
Oct-11	\$3.67	\$3.92
Nov-11	\$3.50	\$3.83
Dec-11		\$3.72

**Daily Chicago Natural Gas Prices**  
January 2008 through November 2011



**EIA Weekly Storage Report**  
January 2007 through November 25, 2011



**Natural Gas Rig Count Through August 26, 2011**

