ATTACHMENT B

ORDER APPROVING STIPULATION AND CONSENT AGREEMENTS

(Issued August 2, 2004)

Dominion Resources, Inc.; Dominion Transmission, Inc.; Dominion Energy Clearinghouse; Northern Illinois Gas Company; and Columbia Gas Transmission Corporation	Docket No. IN04-2-000

Stipulation and Consent Agreement
To Be Submitted To
The Federal Energy Regulatory Commission

I.

The Enforcement Division of the Office of Market Oversight and Investigations (Enforcement); and Northern Illinois Gas Company (which does business as Nicor Gas) (hereafter Nicor) enter into this Stipulation and Consent Agreement (Agreement). This Agreement resolves all claims the Commission has or may have against Nicor relating only to the facts recited in Section II of the Agreement that arise from a non-public investigation (investigation) that Enforcement conducted pursuant to Part 1b of the Commission's regulations, 18 C.F.R. Part 1b (2003).

II.

Enforcement and Nicor hereby stipulate and agree to the following:

A. Nicor, Inc. is a holding company whose principal subsidiary is Nicor. Nicor is a local distribution company (LDC) that distributes natural gas to more than two million residential, commercial and industrial customers in Illinois. Nicor sells at wholesale a portion of the approximately 250 Bcf of natural gas that it purchases each year. Nicor executes these wholesale transactions pursuant to an operating statement that the company has on file with the Commission pursuant to sections 284.123(e) and 284.224 of the Commission's regulations. The operating statement describes how Nicor provides interstate firm and interruptible transportation and storage services, and interstate parking and lending services, which it collectively refers to as hub services, among other interstate transportation services. Nicor operates seven natural gas storage facilities that have an aggregate working capacity of approximately 150 Bcf and an aggregate maximum daily deliverability of approximately 2.6 Bcf. Nicor Enerchange, an agent of Nicor, is a natural gas marketer, engaged primarily in the wholesale trading business. The wholesale trading activities of Nicor Enerchange occur in Wisconsin, Illinois and Indiana, and in production areas of the United States. Nicor Enerchange's trading activities averaged approximately 95,000 MMBtu/d in 2001, 175,000 MMBtu/d in 2002 and 300,000 MMBtu/d in 2003.

B. Hub Administration, a business unit of Nicor Enerchange, administers the storage and transportation services, including parking and lending services, that Nicor provides through its Chicago Hub pursuant to Nicor's operating statement and a state-approved rate schedule.

1. Storage traders in Hub Administration sell parking and lending

services on Nicor's system. The Hub Administration Storage Trader (referred to in section II.D below) provided the following information in this paragraph to Enforcement: Parking and lending services permit buyers, among other things, to hedge risk associated with purchasing gas in future months. For example, a buyer could purchase gas for delivery in the prompt month, *e.g.*, September, store that gas in Chicago Hub, and withdraw that gas during a future month, *e.g.*, December. If the current spread in commodity price between September and December exceeds the cost of storage, a buyer might advantageously purchase storage capacity from Hub Administration. Conversely, a customer could borrow gas from Hub Administration, and agree to redeliver a like amount of gas to Hub Administration in a subsequent month. In this example, a wholesale marketer could borrow gas from Hub Administration when prices may be high relative to prices in a future month, *e.g.*, March, and subsequently return that gas when prices are expected to be lower, *e.g.*, June. If the current spread in commodity price between March and June exceeds the transaction cost, a customer might advantageously borrow gas from Hub Administration. The primary indicia that determine whether these storage services are advantageous to a customer are the NYMEX gas futures contract price, the basis component of the price, *i.e.*, the spread in price between the relevant months, and the storage or transaction cost. Storage traders have substantial discretion with respect to the pricing of Hub Administration parking and lending services.

2. Storage traders also sell transportation services. These transportation services generally involved Hub Administration taking receipt of natural gas from an interstate pipeline and delivering it to another interstate pipeline. Eight interstate pipelines have interconnects with Nicor's storage facilities: Alliance Pipeline, L.P.; ANR Pipeline Company; Horizon Pipeline Company, L.L.C.; Midwestern Gas Transmission Company; Natural Gas Pipe Line Company of America; Northern Border Pipeline Company; Northern Natural Gas Company; and Panhandle Eastern Pipe Line Company. Hub Administration provides transportation services by physical delivery and by displacement.

C. Every Thursday at 10:30 a.m. Eastern Time, the United States Department of Energy's Energy Information Administration (EIA) releases its Weekly Natural Gas Storage report, which tracks natural gas inventories in underground storage facilities in the United States. The weekly inventory levels are estimates of the aggregate volumes of working gas as of the week ending the Friday immediately preceding the Thursday release of the report. Changes in reported inventory levels reflect all events affecting working gas in storage, including injections, withdrawals, and reclassifications between base and working gas. EIA's Thursday release of its storage inventory report has an immediate impact on the price of NYMEX futures gas contracts as indicated by the shift in price that is usually observed immediately following EIA's 10:30 a.m. release of its report on Thursdays. The release of the EIA report also affects other natural gas commodity price, transportation, transactional, market and trading behavior because of the important role the EIA report plays in the assessment of commodity inventories. EIA's weekly storage inventory report is a fundamental factor in Hub Administration's sale of storage services because movements in commodity and futures contract prices impact the spread value of natural gas and hence the market value of Hub Administration's storage. Nicor Enerchange prepares weekly forecasts of the weekly EIA storage inventory report, among other reasons, to help storage traders determine whether there will be demand for Hub Administration services and, if so, what discounts the market may demand.

D. Beginning in the late summer of 2002, and ending in August 2003 (the relevant time period), a Hub Administration Storage Trader provided Nicor's weekly net injections into storage or withdrawals from storage on a regular basis to a natural gas trader (Dominion Gas Trader) employed by a customer of Hub Administration, Virginia Power Energy Marketing, a division of Dominion Energy Clearinghouse, which in turn is owned by Dominion Resources, Inc. (Dominion). The Hub Administration Storage Trader typically communicated the amount of gas injected or withdrawn on Nicor's system in the previous week, in Bcf, before the Thursday release by EIA of its weekly storage report. The number that the Hub Administration Storage Trader communicated to the Dominion Gas Trader was the same number that Nicor communicated weekly to the EIA on the EIA's Form 912. Dominion is one of Nicor Enerchange's largest customers. By providing Nicor's weekly non-public storage inventory information to the Dominion Gas Trader, Nicor provided the Dominion Gas Trader an advantage with respect to the ability of the Dominion Gas Trader to schedule services on Nicor's system and to price and time the potential purchase of storage and transportation services from Nicor.

E. During the relevant time period, no other agent or employee of Nicor provided Nicor's net injection and withdrawal storage information to any other customer of Nicor, even though, according to the Hub Administration Storage Trader, at least one customer requested it. Nicor conducted its own internal investigation and disputes that any customer who requested the storage information was denied it.

F. During the relevant time period, the Dominion Gas Trader regularly provided the Hub Administration Storage Trader the weekly net injections into storage or withdrawals from storage, *i.e.*, the weekly non-public storage inventory number, of Dominion Transmission, Inc. (DTI). Also during this time period, the Dominion Gas Trader occasionally provided the Hub Administration Storage Trader the daily non-public storage inventory number of Columbia Gas Transmission Corporation. (Columbia).

G. The Hub Administration Storage Trader did not communicate the DTI or Columbia storage information to anyone outside Nicor. He communicated this information to other storage traders in Hub Administration.

H. Nicor's corporate policies prohibit the disclosure of confidential information to parties outside Nicor, although no specific policy stated that Nicor's storage inventory information was confidential. Nicor's weekly net injections into storage or withdrawals from storage should have been covered by Nicor's confidentiality policy.

I. In 2003, Nicor realized $6,697,903 in revenue from FERC jurisdictional transactions. Of this amount, $2,190,863 is attributable to the sales activities of the Hub Administration Storage Trader. There is no evidence that Nicor profited either directly or indirectly by providing its storage information to the Dominion Gas Trader or by receiving the Dominion storage information.

J. Over the course of the last several months, Nicor has been cooperative with Enforcement's efforts to complete its investigation and resolve this matter in an expeditious manner.

III.

Nicor admits that by providing its weekly non-public storage inventory information to a major customer on a regular basis for an extended period of time it provided an undue preference in violation of sections 284.9(b) and 284.7(b)(1) of the Commission's regulations, 18 C.F.R. §§ 284.9(b) and 284.7(b)(1) (2003).

IV.

A. Within thirty days after the date that the Commission approves the Agreement without modification, and that approval becomes final, Nicor shall pay to the United States Treasury a civil penalty in the sum of $600,000 by wire transfer or by delivering a certified check made payable to Federal Energy Regulatory Commission, Lockbox 93938, Chicago, Illinois 60673. Nicor represents that the payment of this civil penalty and the conduct that is the subject of this Agreement will in no way impact the rates of, or services rendered to, Nicor's customers.

B. Nicor shall comply with the prospective measures designed to deter future similar violations that are set forth in Appendix A.

C. Within six months after the date that the Commission approves the Agreement without modification, and that approval becomes final, Nicor shall file with the Commission in the docket in which the Commission approves the Agreement, a report that states in detail the steps Nicor has taken to implement the prospective measures set forth in Appendix A. The Commission staff reserves its right to audit and investigate Nicor's compliance with the prospective measures set forth in Appendix A, including the matter of disclosure by employees of Nicor's storage inventory information.

V.

A. Enforcement agrees that the Agreement is a full and complete settlement of all administrative or civil claims the Commission has or may have against Nicor, Inc., its subsidiaries and affiliates, or any of their officers, directors or employees, either before the Commission or in the courts, relating only to the facts recited in Section II of the Agreement.

B. Enforcement and Nicor agree that they enter into the Agreement voluntarily and that other than the recitations set forth herein, no tender, offer or promise of any kind by any member, employee, officer, director, agent or representative of Enforcement or Nicor has been made to induce any other party to enter into the Agreement.

C. If the Commission does not issue an order which becomes final approving the Agreement, without modification, the Agreement shall be null and void, unless otherwise agreed in writing by Enforcement and Nicor.

D. The undersigned representative of Nicor affirms that he or she has read the Agreement, that all of the matters set forth in the Agreement are true and correct to the best of his or her knowledge, information and belief, and that he or she understands that the Agreement is entered into by Enforcement in express reliance on those representations.

E. The Agreement binds Nicor and its agents, successors and assigns.

F. In connection with the payment of the civil penalty provided for in section IV.A, Nicor agrees that the Commission's order approving the Agreement without modification shall be a final and unappealable order assessing a civil penalty under section 504 of the Natural Gas Policy Act (NGPA), 15 U.S.C. § 3414 (2000). With regard to such civil penalty, Nicor waives: a Notice of Proposed Penalty under section 504(b)(6)(E) of the NGPA, 15 U.S.C.A. § 3414(b)(6)(E); hearings pursuant to the applicable provisions of the NGPA; the filing of proposed findings of fact and conclusions of law; an Initial Decision by an Administrative Law judge pursuant to the Commission's Rules of Practice and Procedure; post-hearing procedures pursuant to the Commission's Rules of Practice and Procedure; and judicial review by any court.

G. Nicor waives judicial review by any court of any Commission order approving the Agreement without modification.

H. Each of the undersigned warrants that he or she is an authorized representative of the entity designated, is authorized to bind such entity, and accepts the Agreement on the entity's behalf.

I. Appendix A, referenced in section IV.B of the Agreement and attached hereto, is expressly made part of, and incorporated in, the Agreement.

Agreed to and accepted:

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Robert E. Pease,
Director, Enforcement Division

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Paul C. Gracey
Vice President, General Counsel
and Secretary
Northern Illinois Gas Company

July ___, 2004

APPENDIX A

COMPLIANCE PLAN FOR NICOR GAS

This Compliance Plan responds to specific issues and recommendations arising from a non-public investigation conducted by the Division of Enforcement, Office of Market Oversight and Investigations (OMOI).

Northern Illinois Gas Company (d/b/a Nicor Gas) (hereinafter referred to as "Nicor") will implement the following policies and procedures to resolve issues that have arisen regarding compliance with the Federal Energy Regulatory Commission's (Commission's) applicable statutes, rules, and regulations.

This Compliance Plan applies to Nicor and to any successor companies owned or controlled by Nicor and will remain in effect for two years following the Effective Date of the Stipulation and Consent Agreement in Docket Nos. IN04-02-000. (Agreement). This Compliance Plan is a part of the Commission's Order approving the Agreement.

Nicor may request that the Commission modify this Compliance Plan during its two-year term. Nothing in this Compliance Plan relieves Nicor from complying with the Commission's rules and regulations currently in effect and as they may be amended.

I. Chief Compliance Officer

Nicor will designate an individual whose title will be "Chief Compliance Officer" (Compliance Officer) and who will report to Nicor's General Counsel. This Compliance Officer and his or her staff, as appropriate, will be the contact for Commission staff for Nicor's FERC compliance issues and will be responsible for implementing this Compliance Plan.

II. Training

Outside counsel for Nicor will conduct an annual, onsite training session to provide guidance on compliance with FERC rules, regulations, and policies to all Nicor employees involved in selling, marketing, trading, or providing interstate transportation or storage services subject to the Commission's jurisdiction. Employee attendance at the training sessions will be mandatory. The training sessions will focus on compliance with FERC's undue discrimination requirements, but will also focus on Nicor's obligations and responsibilities as a holder of a blanket Part 284.224 limited jurisdiction certificate.

III. Maintaining Confidentiality of Nicor Storage Inventory Information

Nicor will modify its corporate policies to specifically prohibit the disclosure of Nicor's storage inventory information to parties outside of Nicor. All employees will be notified of this change and the modification will be emphasized in the training sessions referenced in Section II, above.

IV. Disciplinary Measures

Nicor does not condone or tolerate violations of the Commission's regulations. Employees who fail to comply with FERC's rules, or any procedures or policies adopted as part of the Stipulation and Consent Agreement, will be subject to disciplinary actions up to, and including, termination.