



FOR IMMEDIATE RELEASE

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## **Central Valley Gas Storage LLC Files Application with California Public Utilities Commission for Underground Storage Facility**

Naperville, IL – Central Valley Gas Storage, L.L.C., a subsidiary of Nicor Inc. (NYSE: GAS) of Naperville, Illinois filed an application for a Certificate of Public Convenience and Necessity (CPCN) with the California Public Utilities Commission (CPUC) on Wednesday, August 5, 2009 requesting authorization to construct and operate an underground natural gas storage facility.

“California’s expected greater reliance on renewables for electric generation and greenhouse gas reduction goals create greater demands for timely natural gas deliverability when renewable power is unavailable and as a replacement for higher emission fuels. Storage will play a more vital role than ever in stabilizing customers’ natural gas portfolios,” said Steve Cittadine, President of Central Valley Gas Storage, L.L.C.

This filing is a milestone for the proposed Central Valley Gas Storage project. Included with the filing are a Proponent’s Environmental Assessment (PEA) and a proposed service tariff. The general public will also have several opportunities for input as part of the approval process.

The Central Valley natural gas storage project is a high deliverability reservoir that is expected to provide firm services with the capability to be cycled three times during a year. The field’s initial capacity will be 5.5 billion cubic feet (Bcf) and have the capability to be expanded up to 8.0 Bcf in total working capacity. It is anticipated that interim services will be available during 2011 and firm service will begin in April, 2012.

The project site is located in Colusa County about one mile south of Princeton, California and the facility will interconnect with Pacific Gas and Electric Company’s (PG&E) gas transmission system. The facility’s interconnect point will be considered a PG&E city gate point similar to other independent storage facilities connected to the PG&E system.

“Central Valley’s storage services provide for an increase in the utilization of natural gas as the lowest emission fossil fuel for the power generation, industrial, commercial, and residential markets throughout California,” continued Cittadine.

For additional information on Central Valley Gas Storage, L.L.C. parties are encouraged to contact Jim Kiefer, Project Director for Central Valley Gas Storage, L.L.C. at (630) 245-6101 or [jkiefer@nicor.com](mailto:jkiefer@nicor.com). Information can also be obtained by visiting the Web site [www.cvgasstorage.com](http://www.cvgasstorage.com).

*Nicor Inc. (NYSE: GAS) is a holding company and is a member of the Standard & Poor’s 500 Index. Its primary business is Nicor Gas, one of the nation’s largest natural gas distribution companies. Nicor owns Tropical Shipping, a containerized shipping business serving the Caribbean region and the Bahamas. In addition, the company owns and has an equity interest in several energy-related businesses. For more information, visit the Nicor Web site at [www.nicor.com](http://www.nicor.com).*

*Central Valley Gas Storage, L.L.C. is a subsidiary of Nicor Inc. with offices in Lisle, Illinois, specializing in gas storage services serving the California markets. For more information, visit the Central Valley Gas Storage Web site at [www.cvgasstorage.com](http://www.cvgasstorage.com).*

*Caution Concerning Forward-Looking Statements*

*This document includes certain forward-looking statements about the expectations of Nicor and its subsidiaries and affiliates. Although Nicor believes these statements are based on reasonable assumptions, actual results may vary materially from stated expectations. Such forward-looking statements may be identified by the use of forward-looking words or phrases such as “anticipate,” “believe,” “expect,” “intend,” “may,” “planned,” “potential,” “should,” “will,” “would,” “project,” “estimate,” “ultimate,” or similar phrases. Actual results may differ materially from those indicated in the company’s forward-looking statements due to the direct or indirect effects of legal contingencies (including litigation) and the resolution of those issues, including the effects of an ICC review, and undue reliance should not be placed on such statements.*

*Other factors that could cause materially different results include, but are not limited to, weather conditions; natural disasters; natural gas and other fuel prices; fair value accounting adjustments; inventory valuation; health care costs; insurance costs or recoveries; legal costs; borrowing needs; interest rates; credit conditions; economic and market conditions; accidents, leaks, equipment failures, service interruptions, environmental pollution, and other operating risks; tourism and construction in the Bahamas and Caribbean region; energy conservation; legislative and regulatory actions; tax rulings or audit results; asset sales; significant unplanned capital needs; future mercury-related charges or credits; changes in accounting principles, interpretations, methods, judgments or estimates; performance of major customers, transporters, suppliers and contractors; labor relations; and acts of terrorism.*

*Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Nicor undertakes no obligation to publicly release any revision to these forward-looking statements to reflect events or circumstances after the date of this release.*

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