

ENERGY SOLUTIONS@ WORK

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October 2005

Why are natural gas prices increasing?

By now you've probably heard that natural gas prices are on the rise, and this winter we'll likely experience the highest gas costs we've ever seen – nationwide. The Energy Information Administration (EIA) is predicting a 71 percent increase in winter gas prices (Oct. – Mar.) in the Midwest.

Many market factors influence the price of natural gas, with the major forces at this time being a higher demand for natural gas used for electric generation this summer, winter weather predictions and the impact of recent hurricanes. At Nicor Gas, to lessen the volatility of gas prices as much as possible, we buy gas for our storage fields in the summer when gas is typically cheaper, and use financial purchasing strategies and hedging.

To prepare your building and employees now for winter, we encourage you to use the following tips and tools designed to help businesses use energy wisely.

1. Nicor's Energy News is a free, online resource with a variety of offerings, such as:

- > **eLibrary** – find a comprehensive collection of energy and business-related topics at your disposal.
- > **Ask an Expert** – a confidential, one-on-one hotline service for answers to all your technical energy-related questions. Our team is only an e-mail or phone call away.
- > **Conduct an Energy Audit** – use this tool to get the top 10 energy efficiency tips for your business type and climate. Also get industrial benchmarks which will identify where energy is typically being used at businesses in your industry.

Visit nicorgas.com/commercial and click on "Customer News" to sign up!

2. Preventative maintenance today will save you energy costs tomorrow. Have your air ducts, returns and filters inspected and cleared to plan for the cold winter days ahead. Did you know that 40 percent of heated air can be lost through a leaky duct system?

3. Weatherize your building or office space, and simply **identify and change high energy-use habits**, for example:

- > Insulate your office like you would your home. Check for drafts and seal them now before the weather gets too cold.
- > Determine the coolest, yet most comfortable temperature for your work environment. Try lowering the temperature one degree every few days to determine the best setting for your building.
- > Better yet, install a programmable thermostat, which you can set to automatically raise the temperature an hour or so before the business day begins and lower the temperature an hour before the day ends. This way you will not be heating the building when employees or customers are not present.

4. Join the Budget Plan. The Budget Plan attempts to even out your payments over a 12-month period, taking into account changes in your gas usage and gas costs. You will pay less per month during the winter than someone not participating in the Budget Plan, and pay more during the summer. To be eligible, your monthly bill must be \$4,000 or less. Sign up at nicorgas.com or call 1 888 Nicor4u.

SMALL
BUSINESS
CORNER

Successful strategic planning for 2006

You may be in the process of planning for next year, and regardless of the size of your business, a strategic plan is important to a company's success.

A successful plan will ensure that the company's goals and objectives are appropriate, and that the company's resources (labor and capital) are properly focused toward achieving those goals and objectives.

Steps in Strategic Planning

1. Preparation. The organization must determine if the time is right for a planning effort. If a management change or budget crisis is looming, a strategic planning process might not be appropriate. Planning requires the full support and commitment of the company leadership. Without proper

resources and time, the planning effort will not be successful.

2. Mission and Vision. This step is important in setting the overall theme of the company's strategic plan and setting the tone for everything that follows.

3. Situational Assessment. The planning committee must obtain current information about the organization's strengths, weaknesses, opportunities and threats. This information will highlight the critical success factors facing the organization, and what must be addressed within the strategic plan.

4. Developing Strategies, Goals and Objectives. The outcome of this step is the strategic direction, the long-term goals and specific objectives that will address the organization's critical success factors. The strategy defines the overall approach to be taken. The goals and objectives should involve definable and measurable outcomes. Equally important is a specific plan of action for achieving the goals and objectives.

5. Writing and Communicating the Plan. An introduction should include details on the planning committee and the methods used in the planning process. The mission and vision statements should be highlighted. The critical success factors should be described, along with details about the internal and competitive environments. Finally, the plan should include the overall goals and objectives and the specific approach that will be used to achieve them.

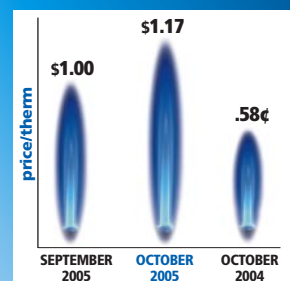
Visit nicorgas.com/commercial and click on "Customer News." Under *Nicor's Energy News*, type in the keyword "strategic planning" for more information.

Utilize the new "Winter Bill Planning Guide" online

By taking into account your gas usage last year, and the current gas cost per therm, you can get an idea what your gas bill may be in the upcoming month and take steps to prepare. Visit the "gas rates & costs" section of nicorgas.com/commercial for more information.

October Natural Gas Cost

Every month, Nicor Gas files a gas supply charge with the Illinois Commerce Commission (ICC). It is the price customers pay for gas purchased from Nicor Gas during that month. As a regulated utility, Nicor Gas does not profit from the sale of natural gas. The price we pay for gas is passed on to our customers without markup.



**At press time, this was the price Nicor Gas filed with the ICC. Under ICC rules, the price may be changed up until the first of the month in which it is effective.*

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