



FOR IMMEDIATE RELEASE  
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**CENTRAL VALLEY GAS STORAGE L.L.C. ANNOUNCES  
RECEIPT OF CALIFORNIA PUBLIC UTILITIES COMMISSION APPROVAL**

Naperville, IL – Today Central Valley Gas Storage, L.L.C. (“Central Valley”), a subsidiary of Nicor Inc. (NYSE: GAS), announced that the California Public Utilities Commission (“CPUC”) has approved Central Valley’s Certificate of Public Convenience and Necessity to construct and operate the designed facilities in Colusa County California.

The Central Valley natural gas storage project is a high deliverability depleted reservoir that will provide multi-turn services tailored to customers’ requirements. The field is strategically situated in northern California and will have an interconnect into Pacific Gas and Electric Company’s (PG&E) gas transmission system. The interconnect point will be considered a PG&E city gate point similar to other independent storage facilities connected to the PG&E system, and will provide access to west coast natural gas and power markets. Nicor Enerchange, L.L.C., a subsidiary of Nicor Inc., will serve as marketing administrator for Central Valley.

Central Valley’s facilities include:

- An 11 Bcf working gas reservoir
- 9 directional drilled injection & withdrawal wells
- A gas handling facility with 10,650 hp of compression and dehydration facilities
- A 14.7 mile, 24” lateral between the gas handling facilities and PG&E’s transmission system

Central Valley plans to initiate construction activity in late November, 2010 subject to receiving all of the requisite permits. Construction is planned to be completed during the fourth quarter of 2011, with firm storage services commencing on April 1, 2012.

“We are pleased to have received approval from the California Public Utilities Commission to construct and operate this natural gas storage facility in Colusa County,” said Steve Cittadine, President of Central Valley. “We believe Central Valley’s geographic location and service profile offer an excellent complement to new infrastructure being developed to serve west coast markets and will facilitate more effective use of natural gas as renewable energy mandates take shape in California.”

For additional information on Central Valley Gas Storage, L.L.C., parties are encouraged to contact John Fortman at (630) 245-7845 or [jfortma@nicor.com](mailto:jfortma@nicor.com) and Oscar Towne at (630) 245-7814 or [otowne@nicor.com](mailto:otowne@nicor.com). Information can also be obtained by visiting the website, [www.cvgasstorage.com](http://www.cvgasstorage.com).

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*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 website at [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 website at [www.nicor.com](http://www.nicor.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. These forward-looking statements may include statements regarding timing, capacity and benefits of the proposed project. While we believe our expectations are reasonable in view of the currently available information, our expectations are subject to future events, risks and uncertainties, and there are several factors - many beyond our control - that could cause results to differ significantly from our expectations.*

*Such events, risks and uncertainties include, but are not limited to, changes in price, supply and demand for natural gas and related products; the impact of changes in state and federal legislation and regulation; actions taken by government agencies on rates and other matters; the inability of the company to obtain regulatory and other approvals necessary to complete the proposed project, resulting in a delay in project completion, or in the imposition of conditions that could have a material adverse effect on Nicor or the project or cause the Nicor to abandon the project; actions by competitors, suppliers, customers or others that might result in a delay in project completion or abandonment of the project; concentration of credit risk; utility and energy industry consolidation; impact of acquisitions and divestitures; direct or indirect effects on the company's business, financial condition or liquidity resulting from a change in our credit ratings or the credit ratings of our counterparties or competitors; interest rate fluctuations; financial market conditions and general economic conditions; uncertainties about environmental issues and the related impact of such issues; the impact of changes in weather upon the temperature-sensitive portions of the business; impacts of natural disasters upon the supply and price of natural gas; acts of war or terrorism; the timing and success of business development efforts; and other factors which are provided in detail in Nicor's filings with the Securities and Exchange Commission, which we incorporate by reference in this press release. Forward-looking statements are only as of the date they are made, and we do not undertake to update these statements to reflect subsequent changes.*

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