

PEOPLES ENERGY CORPORATION

CHARTER

OF THE EXECUTIVE COMMITTEE

OF THE BOARD OF DIRECTORS

Effective: February 25, 2005

**CHARTER OF THE EXECUTIVE COMMITTEE
OF THE BOARD OF DIRECTORS
OF PEOPLES ENERGY CORPORATION**

I. Purpose

The Executive Committee ("Committee") shall perform such duties and oversee such matters as may be delegated to it by the Board of Directors of Peoples Energy Corporation ("Company").

II. Powers

The Executive Committee shall, in the recess of the Board of Directors ("Board"), have all the powers of the Board that are delegated by it to the Committee, except those powers assigned by the Company's By-Laws, by resolution of the Board or by committee charter approved by the Board to another standing committee and except to the extent limited in any respect by law or the Articles of Incorporation or By-Laws of the Company. No action or approval of the Executive Committee shall be effective unless approved or ratified by the Board.

III. Organization

A. Membership and Term

The Executive Committee shall be comprised of the Chairman, CEO and President of the Company, the Lead Director and such other Director as the Board may appoint. Each member shall serve for a term of one year. The Board shall have the power at any time to change the membership of the Committee.

B. Meetings

The Executive Committee shall meet as often as it deems necessary.

C. Chair and Vice Chair of the Executive Committee

The Chair of the Executive Committee shall be the Chairman, CEO and President of the Company and the Vice Chair shall be the Lead Director. In the absence of the Chair, the Vice Chair of the Committee shall preside.

D. Communication and Reporting to the Board of Directors

The Executive Committee shall report any actions taken to the full Board.

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