

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2005-05-02** | Period of Report: **2005-05-01**
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ISSUER

PEOPLES ENERGY CORP

CIK: **77385** | IRS No.: **362642766** | State of Incorporation: **IL** | Fiscal Year End: **0930**
SIC: **4924** Natural gas distribution

Mailing Address

*130 EAST RANDOLPH DRIVE
CHICAGO IL 60601*

Business Address

*24TH FLOOR
130 EAST RANDOLPH DRIVE
CHICAGO IL 60601-6207
312-240-4000*

REPORTING OWNER

VELASQUEZ ARTHUR R

CIK: **1225804**
Type: **4** | Act: **34** | File No.: **001-05540** | Film No.: **05789355**

Mailing Address

*130 EAST RANDOLPH DRIVE
CHICAGO IL 60601*

Business Address

3122404000

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person VELASQUEZ ARTHUR R			2. Issuer Name and Ticker or Trading Symbol PEOPLES ENERGY CORP [PGL]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 05/01/2005					
130 EAST RANDOLPH DRIVE			4. If Amendment, Date Original Filed(Month/Day/Year)			6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
(Street)								
CHICAGO, IL 60601								
(City)	(State)	(Zip)						

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Deferred Shares	(1)	05/01/2005		A		1,000		(1)	(1)	Common Stock	1,000	\$39.255	3,160.919	D	

Explanation of Responses:

1. Acquired under the Company's Directors Stock and Option Plan. Deferred shares will be converted to an equal number of shares of Common Stock and distributed to the reporting person in accordance with the terms of the Plan, generally after the reporting person ceases to serve as a director of the Company. Acquisition of deferred shares is exempt from Section 16(b) under Rule 16b-3.

Signatures

Peter H. Kauffman, as Power of Attorney for Mr. Velasquez

** Signature of Reporting Person

05/02/2005

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.