

AGL RESOURCES INC  
Form U-9C-3  
August 29, 2003

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington D.C. 20549

FORM U-9C-3

QUARTERLY REPORT PURSUANT TO RULE 58 OF  
THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935, AS AMENDED

For the Quarter Ended June 30, 2003

AGL Resources Inc.  
(Name of registered holding company)

Ten Peachtree Place

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Atlanta, Georgia 30309

(Address of principal executive offices)

Inquiries concerning this Form U-9C-3 may be directed to:

Bryan E. Seas

Vice President and Controller

AGL Resources Inc.

Ten Peachtree Place

Atlanta, Georgia 30309

404-584-4000

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**ITEM 1 - ORGANIZATION CHART**

<b>Name of Reporting Company</b>	<b>Energy or Gas Related Company</b>	<b>Date of Organization</b>	<b>State of Organization</b>	<b>% of Voting Securities Held</b>	<b>Nature of Business (a)</b>
AGL Resources Inc. (AGL Resources) (b)		11/27/1995	Georgia		RHC
AGL Investments, Inc. (AGLI) (b)		11/27/1995	Georgia	100%	IHC
Sequent, LLC (Sequent)	Energy	01/29/2001	Georgia	100%	IHC
Sequent Energy Management, LP (SEM)	Energy	06/29/2001	Georgia	1%	(c)
Sequent Energy Marketing, LP *	Energy	07/12/2001	Georgia	1%	Inactive
Sequent Holdings, LLC	Energy	06/29/2001	Georgia	100%	IHC
SEM	Energy	06/29/2001	Georgia	99%	(c)
Sequent Energy Marketing, LP *	Energy	07/12/2001	Georgia	99%	Inactive
Southeastern LNG, Inc.	Gas	11/14/2000	Georgia	100%	(d)
Georgia Natural Gas Company (GNG)	Gas	09/10/1996	Georgia	100%	(e)
SouthStar Energy Services, LLC (SouthStar)	Gas	07/13/1998	Delaware	50%	(f)
AGL Peaking Services, Inc. *	Gas	11/21/1997	Georgia	100%	(g)

\*

This company was inactive during the reporting period ended June 30, 2003.

(a)

The following acronyms are used in Item 1: RHC registered holding company, IHC intermediate holding company.

(b)

AGL Resources and AGLI are not reporting companies but are included in this Item 1 because they hold securities, directly or indirectly, in the energy-related and gas-related companies as indicated.

(c)

SEM is an asset optimization, gas supply services, and wholesale marketing and risk management subsidiary.

(d)

Southeastern LNG, Inc. owns and operates a fleet of liquefied natural gas tankers.

(e)

Initially, GNG owned a 50% interest in SouthStar, a subsidiary of Piedmont Natural Gas Company owned a 30% interest and a subsidiary of Dynegy Holdings Inc. owned the remaining 20%. On January 24, 2003, we announced that our wholly-owned subsidiary, GNG, reached an agreement to purchase Dynegy's 20% ownership interest of SouthStar. The transaction closed March 11, 2003 and for accounting purposes had an effective date of February 18, 2003. Upon closing, GNG owned a non-controlling 70% financial interest in SouthStar and Piedmont's subsidiary owned the remaining 30%. Although we own 70% of SouthStar, we do not have a controlling interest as matters of significance require the unanimous vote of Piedmont's representative and our representative to the governing board of SouthStar.

(f)

SouthStar markets natural gas and related services to retail customers, principally in Georgia. SouthStar is the largest retail marketer of natural gas in Georgia with a market share of 38% and operates under the trade name Georgia Natural Gas.

(g)

During September 2001, AGL Peaking Services, Inc. ( AGL Peaking ) terminated its investment in Etowah LNG Company, LLC ( Etowah ), a joint venture with Southern Natural Gas Company. Etowah was formed for the purpose of constructing, owning, and operating a liquefied natural gas peaking facility. AGL Peaking owns property formerly designated for the peaking facility, but has no active operations.

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## ITEM 2 - ISSUANCES AND RENEWALS OF SECURITIES AND CAPITAL CONTRIBUTIONS

There were no reportable issuances or capital contributions during the quarter ended June 30, 2003.

**ITEM 3 - ASSOCIATE TRANSACTIONS****Part I - Transactions Performed by Reporting Companies on Behalf of Associate Companies (in thousands)**

<b>Reporting Company Rendering Services</b>	<b>Associate Company Receiving Services (a)</b>	<b>Types of Services Rendered</b>	<b>Direct Costs Charged</b>	<b>Indirect Costs Charged</b>	<b>Cost of Capital</b>	<b>Total Amount Billed</b>
SEM	Atlanta Gas Light Company	Gas procurement, scheduling and other	\$ 68	--	--	\$ 68
SEM	Virginia Natural Gas, Inc.	Gas procurement, scheduling and other	\$ 79	--	--	\$ 79
SEM	Chattanooga Gas Company	Gas procurement, scheduling and other	\$ 43	--	--	\$ 43
SEM	GNG	Management and administrative payroll	\$ 4	--	--	\$ 4
SEM	AGL Networks, LLC	Management and administrative payroll	\$ 13	--	--	\$ 13
SEM	Atlanta Gas Light Company	Gas Transmission Storage Management	**	**	**	**
SEM	Virginia Natural Gas, Inc.	Gas Transmission Storage Management	**	**	**	**
SEM	Chattanooga Gas Company	Gas Transmission Storage Management	**	**	**	**

(a)

All services are being provided at cost and are being billed (with the exception of certain direct billings) through AGL Services Company ( AGSC ). As per Rules 80 and 81, energy purchases are not reported hereunder.

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Represents information filed separately with the Commission pursuant to a request for confidential treatment pursuant to Rule 104 of the Public Utility Holding Company Act of 1935, as amended.

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**Part II - Transactions Performed by Associate Companies on Behalf of Reporting Companies (in thousands)**

<b>Associate Company Rendering Services</b>	<b>Reporting Company Receiving Services</b>	<b>Types of Services Rendered</b>	<b>Direct Costs Charged</b>	<b>Indirect Costs Charged</b>	<b>Cost of Capital</b>	<b>Total Amount Billed</b>
AGSC	SEM	Support (b)	\$ 443	\$ 953	\$ 40	\$ 1,436
AGSC	Southeastern LNG, Inc.	Support (c)	\$ 15	\$ 1	-	\$ 16
AGSC	GNG	Support (d)	\$ 28	\$ 26	\$ 3	\$ 57
AGSC	AGL Peaking	Support (e)	-	\$ 1	-	\$ 1

(b)

Sequent receives support services (i.e. accounting, information services, human resources, payroll, etc.) from AGSC which are billed pursuant to a standard at-cost service agreement with AGSC. Detailed information with respect to transactions under the agreement is not provided in this report, but will be provided by Form U-13-60.

(c)

Southeastern LNG, Inc. receives support services from AGSC. Detailed information with respect to transactions under the agreement is not provided in this report but will be provided by Form U-13-60.

(d)

GNG receives support services (i.e. accounting, legal, risk management, etc.) from AGSC which are billed pursuant to a standard at-cost service agreement with AGSC. Detailed information with respect to transactions under the agreement is not provided in this report, but will be provided by Form U-13-60.

(e)

AGL Peaking receives support services from AGSC. Detailed information with respect to transactions under the agreement is not provided in this report, but will be provided by Form U-13-60.

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**ITEM 4 - SUMMARY OF AGGREGATE INVESTMENT**

**Investments in energy-related companies (in thousands):**

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Total consolidated capitalization of AGL Resources as of June 30, 2003 <sup>(1)</sup>	\$2,063,773	Line 1
Total capitalization multiplied by 15% (Line 1 multiplied by 0.15)	309,566	Line 2
Greater of \$50 million or line 2	\$309,566	Line 3
Total current aggregate investment <sup>(2)</sup> (categorized by major line of energy-related business)		
Sequent organization <sup>(2) (4)</sup>	(89,359)	
Total current aggregate investment	(89,359)	Line 4
Difference between the greater of \$50 million or 15% of capitalization and the total aggregate investment of the registered holding company system (line 3 less line 4)	\$398,925	Line 5

**Investments in gas-related companies (in thousands):**

Total current aggregate investment <sup>(2)</sup> (categorized by major line of gas-related business)		
GNG	48,607	
SouthStar <sup>(3)</sup>	80,688	
AGL Peaking	4,925	
Southeastern LNG, Inc.	671	
Total current aggregate investment		134,891

(1) Total capitalization consists of common shareholders' equity, long-term debt including current portion, preferred stock, and short-term debt.

(2) Total current aggregate investment consists of common stock owned by system companies, premium on common stock, retained earnings, and net intercompany payables/(receivables).

(3) GNG's portion of SouthStar's owner's equity.

(4) The aggregate investment in the Sequent organization as of June 30, 2003 is negative because Sequent has a net intercompany receivable.

**ITEM 5 - OTHER INVESTMENTS**

None.

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**ITEM 6 - FINANCIAL STATEMENTS AND EXHIBITS**

**A**

**Financial Statements**

- Exhibit 1.1 Balance Sheets of Sequent; SEM; Sequent Holdings, LLC; Southeastern LNG, Inc.; GNG, and AGL Peaking as of June 30, 2003 (Submitted under confidential treatment request pursuant to Rule 104(b))
- Exhibit 1.2 Balance Sheet of SouthStar as of June 30, 2003 (Submitted under confidential treatment request pursuant to Rule 104(b))
- Exhibit 2.1 Income Statements for the Three Months and Six Months Ended June 30, 2003 for Sequent; SEM; Southeastern LNG, Inc.; GNG and AGL Peaking (Submitted under confidential treatment request pursuant to Rule 104(b))
- Exhibit 2.2 Income Statements for the Three Months and Six Months Ended June 30, 2003 for SouthStar (Submitted under confidential treatment request pursuant to Rule 104(b))

**B**

**Exhibits**

- Exhibit 3 The certificate as to filing with interested state commissions is attached hereto as Exhibit 3.

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SIGNATURE

The undersigned registered holding company has duly caused this quarterly report to be signed on its behalf by the undersigned officer thereunto duly authorized pursuant to the requirements of the Public Utility Holding Company Act of 1935, as amended.

AGL RESOURCES INC.

By: /s/ Bryan E. Seas

Bryan E. Seas  
Vice President and Controller

August 29, 2003