

AGL RESOURCES INC
Form U-9C-3
February 28, 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

For the Quarter Ended December 31, 2002

AGL Resources Inc.
(Name of registered holding company)

817 West Peachtree Street, NW
Atlanta, Georgia 30308
(Address of principal executive offices)

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

Richard T. O Brien
Executive Vice President and Chief Financial Officer
AGL Resources Inc.
817 West Peachtree Street, NW
Atlanta, Georgia 30308

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ITEM 1 - ORGANIZATION CHART

| Name of Reporting Company | Energy or Gas Related Company | Date of Organization | State of Incorporation | % of Voting Securities Held | Nature of Business |
|---------------------------|-------------------------------------|-------------------------|---------------------------|--------------------------------------|-----------------------|
|---------------------------|-------------------------------------|-------------------------|---------------------------|--------------------------------------|-----------------------|

AGL Resources Inc.

| | | | | | |
|--------------------------------|----------------|--------------------|----------|------|-----|
| Sequent Energy Management, LP | Energy related | September 29, 2001 | Georgia | 100% | (a) |
| Georgia Natural Gas Company | Gas related | September 10, 1996 | Georgia | 100% | (b) |
| SouthStar Energy Services, LLC | Gas related | July 13, 1998 | Delaware | 33% | (c) |
| AGL Peaking Services, Inc. * | Energy related | November 21, 1997 | Georgia | 100% | (d) |

(a)

Sequent Energy Management, LP (Sequent), successor to AGL Energy Services, Inc. (a Georgia corporation organized July 31, 1996), is an asset optimization, gas supply services, and wholesale marketing and risk management subsidiary.

(b)

Georgia Natural Gas Company (GNG) owns a 50% interest in SouthStar Energy Services, LLC (SouthStar), a joint venture with subsidiaries of Dynege Holdings Inc. and Piedmont Natural Gas Company.

(c)

SouthStar offers a combination of unregulated energy products and services to industrial, commercial and residential customers in the southeastern United States.

(d)

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.

*

This company was inactive during the reporting period ended December 31, 2002.

ITEM 2 - ISSUANCES AND RENEWALS OF SECURITIES AND CAPITAL CONTRIBUTIONS

None

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ITEM 3 - ASSOCIATE TRANSACTIONS

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

| Reporting Company Rendering Services | Associate Company Receiving Service (e) | Types of Services Rendered | Direct Costs Charged | Indirect Costs Charged | Cost of Capital | Total Amount Billed |
|---|--|-----------------------------------|-----------------------------|-------------------------------|------------------------|----------------------------|
| Sequent | Atlanta Gas Light Company | Gas supply management services | \$ 86 | -- | -- | \$ 86 |
| Sequent | Virginia Natural Gas, Inc. | Gas supply management services | \$ 109 | -- | -- | \$ 109 |
| Sequent | Chattanooga Gas Company | Gas supply management services | \$ 46 | -- | -- | \$ 46 |

(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.

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

| Associate Company Rendering Services | Reporting Company Receiving Service | Types of Services Rendered | Direct Costs Charged | Indirect Costs Charged | Cost of Capital | Total Amount Billed |
|---|--|---|-------------------------------------|---------------------------------------|----------------------------|------------------------------------|
| AGSC | Sequent | Support (f) | \$ 576 | \$ 413 | \$ 12 | \$ 1,001 |
| AGSC | GNG | Support (g) | \$ 18 | \$ 21 | \$ 1 | \$ 40 |
| AGSC | AGL Peaking | Support (h) | - | \$ 2 | - | \$ 2 |

(a)

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.

(b)

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.

(c)

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

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Investments in energy-related companies (in thousands):

| | | |
|--|-------------|--------|
| Total consolidated capitalization of AGL Resources as of December 31, 2002 ⁽¹⁾ | \$2,122,995 | Line 1 |
| Total capitalization multiplied by 15% (Line 1 multiplied by 0.15) | 318,449 | Line 2 |
| Greater of \$50 million or line 2 | 318,449 | Line 3 |
| Total current aggregate investment ⁽²⁾ (categorized by major line of energy-related business) | | |
| Sequent | (31,836) | |
| AGL Peaking | 4,917 | |
| Total current aggregate investment | (26,919) | 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) | 345,368 | |

Investments in gas-related companies (in thousands):

| | | |
|--|---------|--------|
| Total current aggregate investment (categorized by major line of gas-related business) | | |
| GNG ⁽³⁾ | 25,247 | |
| SouthStar ⁽⁴⁾ | 44,611 | |
| Total current aggregate investment | 69,858 | Line 5 |
| 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 5) | 248,591 | |

(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 investment in subsidiary, net intercompany receivable (payable) balance including money pool, and retained earnings of subsidiary.

(3) Total current aggregate investment consists of investment in subsidiary and net intercompany receivable (payable) balance including money pool.

(4) Total current aggregate investment consists of investment and equity in joint venture.

ITEM 5 - OTHER INVESTMENTS

| Major Line of Energy-Related Business | Other Investment in Last U-9C-3 Report | Other Investment in this U-9C-3 Report | Reason for Difference in Other Investment |
|---|---|---|--|
|---|---|---|--|

None

ITEM 6 - FINANCIAL STATEMENTS AND EXHIBITS

- Exhibit I - Balance Sheets of Sequent, GNG, and AGL Peaking as of December 31, 2002 (Submitted under confidential treatment request pursuant to Rule 104(b))
- Exhibit Ia - Balance Sheet of SouthStar as of December 31, 2002 (Submitted under confidential treatment request pursuant to Rule 104(b))
- Exhibit II - Income Statement for the Three Months Ended December 31, 2002 for Sequent, GNG and AGL Peaking (Submitted under confidential treatment request pursuant to Rule 104(b))
- Exhibit IIa - Income Statement for the Three Months Ended December 31, 2002 for SouthStar (Submitted under confidential treatment request pursuant to Rule 104(b))
- Exhibit III - The certificate as to filing with interested state commissions is attached hereto as Exhibit III.

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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.

AGL RESOURCES INC.

By: /s/ Richard T. O'Brien

Richard T. O'Brien
Executive Vice President and
Chief Financial Officer

February 28, 2003

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