

SECURITIES AND EXCHANGE COMMISSION

(Release No. 35-28059; 70-10175)

AGL Resources Inc. et al.

Supplemental Order Authorizing the Addition of Certain Nonutility Subsidiaries to Nonutility Money Pool

November 8, 2005

AGL Resources Inc., (“AGL Resources”), a registered holding company under the Public Utility Holding Company Act of 1935, as amended (“Act”), of Atlanta, Georgia; its public utility subsidiaries: Atlanta Gas Light Company (“AGLC”), Chattanooga Gas Company (“CGC”), Virginia Natural Gas, Inc. (“VNG”), Pivotal Utility Holdings, Inc. (“Pivotal”) and Virginia Gas Distribution Company (“VGDC”) (AGLC, CGC and VNG are collectively referred to as the “Utility Subsidiaries”)¹; and the following of its nonutility companies: AGL Rome Holdings, Inc., Georgia Natural Gas Company, AGL Investments, Inc., AGL Networks, LLC, AGL Energy Corporation, AGL Propane Services, Inc., Trustees Investments, Inc., Customer Care Services, Inc., Pivotal Propane of Virginia, Inc., Southeastern LNG, Inc., AGL Services Company, AGL Capital Corporation, Global Energy Resources Insurance Corporation, AGL Capital Trust I, AGL Capital Trust II, and AGL Capital Trust III, SouthStar Energy Services LLC all of Atlanta Georgia; and Sequent Energy Management, LP, Sequent, LLC, Sequent Holding, LLC, Sequent Energy Marketing, LP, Pivotal Energy Services, Inc., Jefferson Island Storage & Hub, LLC, (“JISH”), Pivotal Jefferson Island Storage & Hub LLC (“PJISH”) and Pivotal Storage, Inc. (“PSI”), all of Houston, Texas (collectively, the “Nonutility Subsidiaries”; AGL Resources, the Utility Subsidiaries and the Nonutility Subsidiaries are

¹ AGLC, VNG, and CGC are of Atlanta, Georgia. Pivotal is of Bedminster, New Jersey, and VGDC is of Abingdon, Virginia.

collectively referred to as “Applicants”) have filed with the Securities and Exchange Commission (“Commission”) a post-effective amendment to an application-declaration (“Amendment”) under sections 6(a), 7, 9, 10 and 12 of the Act and rules 45, and 54 under the Act. The Commission issued a notice of the Amendment on October 12, 2005.

Applicants request a supplemental order from the Commission for JISH, PJISH and PSI to become parties to and participate in the nonutility money pool as previously authorized for nonutility subsidiaries of AGL Resources (“Nonutility Money Pool”) under the Commission’s order dated April 1, 2004 (HCAR No. 27828) (“April 2004 Order”) in order to manage JISH, PJISH and PSI’s short-term capital requirements in connection with the gas storage business described below.

AGL Resources directly or indirectly owns all of the issued and outstanding common stock of the Utility Subsidiaries, which are natural gas local distribution utility companies. The Utility Subsidiaries construct, manage and maintain natural gas pipelines in Georgia, Tennessee, Virginia, Maryland, Florida and New Jersey and serve more than 2.3 million end-use customers. By order dated November 24, 2004 (HCAR No. 27917) (“November 2004 Order”), AGL Resources was authorized to acquire NUI Corporation and its subsidiaries, including NUI Utilities, Inc. (since renamed Pivotal Utility Holdings, Inc.) and several nonutility companies. The November 2004 Order granted financing authority to NUI Corporation and its subsidiaries, and permitted the nonutility subsidiaries of NUI Corporation to participate in the AGL Resources nonutility money pool under the same terms and conditions as AGL Resources’ existing nonutility subsidiaries.

Through its various nonutility subsidiaries, AGL Resources engages in asset optimization, producer services, wholesale marketing and risk management; marketing of natural

gas and related services to retail customers; and providing telecommunications conduit and dark fiber. JISH owns and operates two salt dome gas storage caverns with 9.9 million Dekatherms (Dth) of total capacity and approximately 7.3 million Dth of working gas capacity. The facility has withdrawal capacity of over 720,000 Dth per day and injection capacity of 240,000 Dth per day. Through its interconnections with eight pipelines and its access to the Henry Hub, JISH will provide additional access to natural gas supply for AGL Resources' utilities.

Through its indirect wholly owned subsidiary, PJISH, AGL Resources acquired JISH on October 1, 2004 for approximately \$90 million, which included approximately \$9 million of working gas inventory. Applicants state that the acquisition of JISH is exempt under Rule 58.

Additionally, AGL Resources has formed two new non-utility subsidiaries, PJISH and PSI, which are intermediate holding companies for JISH. PJISH is a subsidiary of PSI and PSI is a subsidiary of AGL Investments, which is a direct wholly owned subsidiary of AGL Resources. Applicants state that the creation of PJISH and PSI is exempt under the April 2004 Order.

The Commission authorized the Applicants in the April 2004 Order to engage in a system of external and intrasystem financing. In particular, as it relates to this Amendment, AGL Resources, the Utility Subsidiaries, and certain of AGL Resources nonutility subsidiaries were authorized to continue as parties to the AGL Resources utility money pool and Nonutility Money Pool. In addition, to the extent not exempt under Rule 52(b), the nonutility subsidiaries covered by the April 2004 Order were authorized to make unsecured short-term borrowings from the Nonutility Money Pool, to contribute surplus funds to the Nonutility Money Pool, and to lend and extend credit to one another through the Nonutility Money Pool. In the April 2004 Order, the Commission also reserved jurisdiction over the participation of any newly formed or acquired company in either money pool as borrower.

Applicants request authority for JISH, PHISH and PSI to become parties to and participate in the Nonutility Money Pool, subject to the same terms and conditions previously authorized by the Commission for the nonutility subsidiaries in the April 2004 Order.

Applicants further request that the Commission again reserve jurisdiction over the participation of any other current or future nonutility subsidiaries as a borrower under the Nonutility Money Pool. Applicants propose no other changes to the terms, condition or limitations of the April 2004 Order by this Amendment.

Applicants state, for purposes of rule 54, that neither AGL Resources nor any of its subsidiaries own an interest in an exempt wholesale generator or foreign utility company.

Applicants state that the fees, commission and expenses incurred or to be incurred in connection with this filing are estimated at \$5,000. Applicants maintain that no state or federal regulatory agency, other than the Commission, has jurisdiction over the proposed transactions.

Due notice of the filing of this Amendment has been given in the manner prescribed in rule 23 under the Act, and no hearing has been requested or ordered by the Commission. Based on the facts in the record, the Commission finds that, except as to those matters over which jurisdiction is reserved, the applicable standards of the Act and rules are satisfied and that no adverse findings are necessary.

IT IS ORDERED, under the applicable provisions of the Act and the rules under the Act, that , except as to those matters over which jurisdiction is reserved, the post-effective amendment of AGL Resources Inc., et al. (70-10175) as amended, be granted and permitted to become effective immediately, subject to the terms and conditions prescribed in rule 24 under the Act.

IT IS FURTHER ORDERED, that jurisdiction is reserved, pending completion of the record, over the participation of any other current or future nonutility subsidiaries as a borrower under the Nonutility Money Pool.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz
Secretary