

AGL RESOURCES INC  
Form 10-Q/A  
November 26, 2014

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

FORM 10-Q/A

Amendment No. 1

QUARTERLY REPORT PURSUANT TO SECTION 13 OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2014

Commission File Number 1-14174

AGL RESOURCES INC.  
Ten Peachtree Place NE, Atlanta, Georgia 30309  
404-584-4000

Georgia  
(State of incorporation)

58-2210952  
(I.R.S. Employer Identification No.)

AGL Resources Inc. (1) has filed all reports required to be filed by Section 13 of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

AGL Resources Inc. has submitted electronically and posted on its corporate website every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months.

AGL Resources Inc. is a large accelerated filer and is not a shell company.

The number of shares of AGL Resources Inc.'s common stock, \$5.00 Par Value, outstanding as of October 31, 2014, was 119,572,999.

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Unless the context requires otherwise, references to “we,” “us,” “our,” the “company” or “AGL Resources” mean consolidated AGL Resources Inc. and its subsidiaries.

Explanatory Note:

We are filing this Amendment No. 1 on Form 10-Q/A (this “Amended Filing”) to our Quarterly Report on Form 10-Q for the period ended September 30, 2014 (the “Original Filing”), for the item discussed below. Accordingly, we hereby amend and replace in their entirety Items 1 and 4 in the Original Filing.

As required by Rule 12b-15, our principal executive officer and principal financial officer are providing updated certifications. Accordingly, we hereby amend and replace in its entirety Item 6 in the Original Filing to reflect the filing of the new certifications.

In the third quarter of 2014, we revised our financial statements and other affected disclosures for items related to the recognition of revenues for certain of our regulatory infrastructure programs and the amortization of our intangible assets. On November 7, 2014, we filed an amended Form 10-K/A revising certain prior period information with respect to our Annual Report on Form 10-K for the year ended December 31, 2013, due to the revenue recognition and amortization of intangible asset issues referred to above. We previously disclosed in our Form 10-K/A that the revisions did not impact any incentive compensation that was based on our results for 2013, 2012 and 2011. However, subsequent to the filing of our Form 10-K/A, we determined that for 2011, had the underlying accounting originally reflected the distinction between regulatory accounting principles and GAAP, certain long-term incentives that were based on our results for the performance period ended December 31, 2011, would not have been awarded. Specifically, in February 2012, based upon results for the performance period ended December 31, 2011, we would not have awarded officers (as defined for purposes of Section 16 of the Securities Exchange Act of 1934, as amended) (1) performance cash unit awards with an aggregate value of approximately \$1 million and (2) a total of 37,290 shares of restricted stock. Management has evaluated this item in relation to its previously filed Form 10-K/A and materiality conclusions under Staff Accounting Bulletin No. 99 and has concluded that it would not change its prior materiality conclusion. This impact on executive compensation will be reviewed by the Compensation Committee of our Board of Directors and by the full Board to determine appropriate actions.

Except as indicated above, this Amended Filing does not purport to reflect any information or events subsequent to the filing date of the Original Filing. As such, this Amended Filing speaks only as of the date the Original Filing was filed, and we have not undertaken herein to amend, supplement or update any information contained in the Original Filing to give effect to any subsequent events. Accordingly, this Amended Filing should be read in conjunction with the Original Filing and any documents filed by us with the Securities and Exchange Commission (SEC) subsequent to the Original Filing, including our amended Quarterly Report on Form 10-Q/A for the quarter ended March 31, 2014, filed with the SEC on November 25, 2014 and our amended Quarterly Report on Form 10-Q/A for the quarter ended June 30, 2014, filed with the SEC on November 25, 2014.

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## GLOSSARY OF KEY TERMS

2013 Form 10-K	Our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on February 6, 2014
2013 Form 10-K/A	Amendment No. 1 to our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on November 7, 2014
AFUDC	Allowance for funds used during construction, which represents the estimated cost of funds, from both debt and equity sources, used to finance the construction of major projects, capitalized in PP&E and considered rate base for ratemaking purposes
AGL Capital	AGL Capital Corporation
AGL Credit Facility	\$1.3 billion credit agreement entered into by AGL Capital to support its commercial paper program, which matures in November 2017
AGL Resources	AGL Resources Inc., together with its consolidated subsidiaries
Atlanta Gas Light	Atlanta Gas Light Company
Atlantic Coast Pipeline	Atlantic Coast Pipeline, LLC
Bcf	Billion cubic feet
Compass Energy	Compass Energy Services, Inc., which was sold in 2013
Dalton Pipeline	A 50% undivided ownership interest in a pipeline facility in Georgia
EBIT	Earnings before interest and taxes, the primary measure of our operating segments' profit or loss, which includes operating income and other income and excludes financing costs, including interest on debt and income tax expense
ERC	Environmental remediation costs
FASB	Financial Accounting Standards Board
GAAP	Accounting principles generally accepted in the United States of America
Georgia Commission	Georgia Public Service Commission, the state regulatory agency for Atlanta Gas Light
Heating Season	The period from November through March when natural gas usage and operating revenues are generally higher
Horizon Pipeline	Horizon Pipeline Company, LLC
Illinois Commission	Illinois Commerce Commission, the state regulatory agency for Nicor Gas
LIFO	Last-in, first-out
LOCOM	Lower of weighted average cost or market price
Marketers	Marketers selling retail natural gas in Georgia and certificated by the Georgia Commission
MGP	Manufactured Gas Plant
New Jersey BPU	New Jersey Board of Public Utilities, the state regulatory agency for Elizabethtown Gas
Nicor Gas	Northern Illinois Gas Company, doing business as Nicor Gas Company
Nicor Gas Credit Facility	\$700 million credit facility entered into by Nicor Gas to support its commercial paper program, which matures in December 2017
OCI	Other comprehensive income
Operating margin	A non-GAAP measure of income, calculated as operating revenues minus cost of goods sold and revenue tax expense
PBR	Performance-based rate
PennEast Pipeline	PennEast Pipeline Company, LLC
Piedmont	Piedmont Natural Gas Company, Inc.
PP&E	Property, plant and equipment
SEC	Securities and Exchange Commission
Sequent	Sequent Energy Management, L.P.
SouthStar	SouthStar Energy Services, LLC
Triton	Triton Container Investments, LLC
Tropical Shipping	

	Tropical Shipping and Construction Company Limited, and also the name used throughout this filing to describe the business operations of our former cargo shipping segment (excluding Triton), which has been classified as discontinued operations and held for sale
VIE	Variable interest entity
WACOG	Weighted average cost of gas

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## PART I – FINANCIAL INFORMATION

## Item 1. Condensed Consolidated Financial Statements (Unaudited)

AGL RESOURCES INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
(UNAUDITED)

	September 30, 2014	As of December 31, 2013 Revised	September 30, 2013 Revised
In millions, except share amounts			
Current assets			
Cash and cash equivalents	\$32	\$81	\$97
Short-term investments	8	49	41
Receivables			
Energy marketing	544	786	502
Gas, unbilled and other	409	736	308
Less allowance for uncollectible accounts	37	29	32
Total receivables, net	916	1,493	778
Inventories, net	796	658	788
Regulatory assets	105	114	87
Derivative instruments	102	99	97
Assets held for sale	-	283	294
Other	134	118	70
Total current assets	2,093	2,895	2,252
Long-term assets and other deferred debits			
Property, plant and equipment	11,352	10,938	10,761
Less accumulated depreciation	2,427	2,295	2,281
Property, plant and equipment, net	8,925	8,643	8,480
Goodwill	1,827	1,827	1,822
Regulatory assets	637	705	845
Intangible assets	130	145	152
Other	341	335	259
Total long-term assets and other deferred debits	11,860	11,655	11,558
Total assets	\$ 13,953	\$ 14,550	\$ 13,810
Current liabilities			
Short-term debt	\$681	\$1,171	\$832
Energy marketing trade payables	612	671	539
Other accounts payable - trade	298	421	295
Current portion of long-term debt	200	-	-
Accrued expenses	173	203	149
Customer deposits and credit balances	122	136	140
Regulatory liabilities	118	183	174
Accrued environmental remediation liabilities	82	70	48
Derivative instruments	45	75	38
Liabilities held for sale	-	40	39
Other	131	148	153

Total current liabilities	2,462	3,118	2,407
Long-term liabilities and other deferred credits			