

AGL RESOURCES INC  
Form U-13-60  
May 03, 2004  
#

Form U-13-60

Mutual and Subsidiary Service Companies

Revised February 7, 1980

**ANNUAL REPORT**

For the Year Ended

December 31, 2003

To The

**U.S. SECURITIES AND EXCHANGE COMMISSION**

OF

**AGL SERVICES COMPANY**

(Exact Name of Reporting Company)

Subsidiary Service Company

( Mutual or Subsidiary )

Date of Incorporation: July 25, 2000

If not Incorporated, Date of Organization \_\_\_\_\_

State or Sovereign Power Under Which Incorporated or Organized: State of Georgia

Location of Principal Executive Offices of Reporting Company:

**Ten Peachtree Place, N.W.**

**Atlanta, Georgia 30309**

Name, title, and address of officers to whom correspondence concerning this report should be addressed:

**Bryan E. Seas**

**Vice President and Controller**

**Ten Peachtree Place, N.W.**

**Atlanta, Georgia 30309**

Name of Principal Holding Company Whose Subsidiaries are served by Reporting Company:

**AGL RESOURCES INC.**

INSTRUCTIONS FOR USE OF FORM U-13-60

1. Time of Filing. Rule 94 provides that on or before the first day of May in each calendar year, each mutual service company and each subsidiary service company as to which the Commission shall have made a favorable finding pursuant to Rule 88, and every service company whose

application for approval or declaration pursuant to Rule 88 is pending shall file with the Commission an annual report on form U-13-60 and in accordance with the Instructions for that form.

2. Number of Copies. Each annual report shall be filed in duplicate. The company should prepare and retain at least one extra copy for itself in case correspondence with reference to the report become necessary.
3. Period Covered by Report. The first report filed by any company shall cover the period from the date the Uniform System of Accounts was required to be made effective as to that company under Rules 82 and 93 to the end of that calendar year. Subsequent reports should cover a calendar year.
4. Report Format. Reports shall be submitted on the forms prepared by the Commission. If the space provided on any sheet of such form is inadequate, additional sheets may be inserted of the same size as a sheet of the form or folded to such size.
5. Money Amounts Displayed. All money amounts required to be shown in financial statements may be expressed in whole dollars, in thousands of dollars or in hundred thousands of dollars, as appropriate and subject to provisions of Regulation S-X ( 210.3-01(b)).
6. Deficits Displayed. Deficits and other like entries shall be indicated by the use of either brackets or a parenthesis with

corresponding reference in footnotes. (Regulation S-X, 210.3-01(c))

7. Major Amendments or Corrections. Any company desiring to amend or correct a major omission or error in a report after it has been filed with the Commission shall submit an amended report including only those pages, schedules, and entries that are to be amended or corrected. A cover letter shall be submitted requesting the Commission to incorporate the amended report changes and shall be signed by a duly authorized officer of the company.
  
8. Definitions. Definitions contained in Instruction 01-8 to the Uniform System of Accounts for Mutual Service companies and Subsidiary Service companies, Public Utility Holding Company Act of 1935, as amended February 2, 1979 shall be applicable to words or terms used specifically within this Form U-13-60.
  
9. Organization Chart. The service company shall submit with each annual report a copy of its current organization chart.
  
10. Methods of Allocation. The service company shall submit with each annual report a listing of the currently effective methods of allocation being used by the service company and on file with the Securities and Exchange Commission pursuant to the Public Utility Holding Company Act of 1935.
  
11. Annual Statement of Compensation for Use of Capital Billed. The

service company shall submit with each annual report a copy of the annual statement supplied to each associate company in support of the amount of compensation for use of capital billed during the calendar year.

**LISTING OF SCHEDULES AND ANALYSIS OF ACCOUNTS**

| <b>Description of Schedules and Accounts</b>   | <b>Schedule or Account<br/>Number</b> | <b>Page<br/>Number</b> |
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| ACCUMULATED PROVISION FOR<br>DEPRECIATION AND AMORTIZATION OF<br>SERVICES COMPANY PROPERTY | SCHEDULE III                          | 7                      |
| INVESTMENTS  | SCHEDULE IV                           | 8                      |
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|  |                |       |
|--|----------------|-------|
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## ANNUAL REPORT OF AGL SERVICES COMPANY

## SCHEDULE I

## COMPARATIVE BALANCE SHEET

Give balance sheet of the Company as of December 31 of the current and prior year.

| ACCOUNT    | ASSETS AND OTHER DEBTS  | Balance At<br>12/31/03 | Balance At<br>12/31/02 |
|------------|---|------------------------|------------------------|
|            | <b>SERVICE COMPANY PROPERTY</b>   |                        |                        |
| <b>121</b> | Nonutility Property (Schedule II)   | 96,381,153             | 89,116,530             |
| <b>107</b> | Construction WIP  | 7,822,101              | 21,614,660             |
|            | <b>Total Other Property &amp; Investments</b>   | <b>104,203,254</b>     | <b>110,731,190</b>     |
| <b>108</b> | Less Accumulated provision for<br>depreciation and amortization of service<br>company property (Schedule III) |                        |                        |
|            |   | <b>(26,204,623)</b>    | <b>(40,442,682)</b>    |
|            | <b>Net Service Company Property</b>   | <b>77,998,631</b>      | <b>70,288,508</b>      |
|            | <b>INVESTMENTS</b>  |                        |                        |



|     |  |   |   |
|-----|--|---|---|
| 123 | Investments in associated companies<br>(Schedule IV) | - | - |
| 124 | Other investments (Schedule IV)                      | - | - |
|     | <b>Total Investments</b>                             |   |   |

**CURRENT AND ACCRUED ASSETS**

|     |   |                   |                   |
|-----|---|-------------------|-------------------|
| 131 | Cash  | 15,950,968        | 5,485,516         |
| 134 | Special deposits  | -                 | -                 |
| 135 | Working funds   | -                 | -                 |
| 136 | Temporary cash investments (Schedule<br>IV)                 | -                 | -                 |
| 141 | Notes receivable  | -                 | -                 |
| 143 | Accounts receivable   | 383,943           | 4,098,872         |
| 144 | (Less) Accum. Prov. For Uncollectible<br>Acct.- Credit      | -                 | -                 |
| 146 | Accounts Receivable from Assoc.<br>Companies                | 345,058           | (96,706)          |
| 152 | Fuel stock expenses undistributed<br>(Schedule VI)          | -                 | -                 |
| 154 | Materials and supplies                                      | 1,904             | 36                |
| 163 | Stores expense undistributed<br><br>(Schedule VII)          | 1,800             | 1,800             |
| 165 | Prepayments   | 3,669,645         | 4,608,482         |
| 174 | Miscellaneous current and accrued<br>assets (Schedule VIII) | -                 | -                 |
|     | <b>Total Current and Accrued Assets</b>                     | <b>20,353,318</b> | <b>14,098,000</b> |

**DEFERRED DEBITS**

|       |   |         |             |
|-------|---|---------|-------------|
| 181   | Unamortized debt expense  | -       | -           |
| 182.3 | Other Regulatory Assets   | -       | (1,244,910) |
| 184   | Clearing accounts   | 53,386  | -           |
| 186   | Miscellaneous deferred debits<br><br>(Schedule IX)                      | 112,203 | 338,739     |
| 188   | Research, development, or<br>demonstration expenditures (Schedule<br>X) | -       | -           |
| 190   | Accumulated deferred income taxes                                       | -       | -           |

|                                      |                   |                   |
|--------------------------------------|-------------------|-------------------|
| <b>Total Deferred Debits</b>         | <b>165,589</b>    | <b>(906,171)</b>  |
| <b>TOTAL ASSETS AND OTHER DEBITS</b> | <b>98,517,538</b> | <b>83,480,337</b> |

## ANNUAL REPORT OF AGL SERVICES COMPANY

## SCHEDULE I

## COMPARATIVE BALANCE SHEET (Continued)

| <b>ACCOUNT</b>                         | <b>LIABILITIES AND PROPRIETARY CAPITAL</b>               | <b>Balance At<br/>12/31/03</b> | <b>Balance At<br/>12/31/02</b> |
|--|--|--------------------------------|--------------------------------|
| <b>PROPRIETARY CAPITAL</b>             |  |                                |                                |
| 201                                    | Common stock issued (Schedule XI)                        | (100)                          | (100)                          |
| 207                                    | Premium on capital stock                                 | (2,641,505)                    | -                              |
| 208                                    | Other Paid-In Capital                                    | 3,393,544                      | 668,424                        |
| 216                                    | Unappropriated retained earnings (Schedule XI)           |                                |                                |
|  |  | 43,396,539                     | 49,186,353                     |
|  | <b>Total Proprietary Capital</b>                         | <b>44,148,478</b>              | <b>49,854,677</b>              |
| <b>OTHER NONCURRENT LIABILITIES</b>    |  |                                |                                |
| 228.2                                  | Accumulated provisions for injuries and damages          |                                |                                |
|  |  | (2,159,785)                    | -                              |
| 228.3                                  | Accumulated provisions for pensions and benefits         |                                |                                |
|  |  | (26,792,045)                   | (66,948,455)                   |
|  | <b>Total Other Noncurrent Liabilities</b>                | <b>(28,951,830)</b>            | <b>(66,948,455)</b>            |
| <b>CURRENT AND ACCRUED LIABILITIES</b> |  |                                |                                |
| 231                                    | Notes payable  | -                              | -                              |
| 232                                    | Accounts payable   | (32,413,365)                   | (41,625,939)                   |
| 233                                    | Notes payable to associated companies (Schedule XIII)    |                                |                                |
|  |  | -                              | -                              |
| 234                                    | Accounts payable to associated companies (Schedule XIII) |                                |                                |

|  |   |                      |                     |
|--|---|----------------------|---------------------|
|  |   | (106,143,442)        | (70,414,653)        |
| 236                                      | Taxes accrued   | 31,674,290           | 29,660,904          |
| 237                                      | Interest accrued  | -                    | -                   |
| 238                                      | Dividends declared  | -                    | -                   |
| 241                                      | Tax collections payable   | (606,941)            | (1,110,629)         |
| 242                                      | Miscellaneous current and accrued liabilities (Schedule (XIII))     | (2,077,188)          | (2,393,672)         |
|  | <b>Total Current and Accrued</b>                                    |                      |                     |
|  | <b>Liabilities</b>  | <b>(109,566,646)</b> | <b>(85,883,989)</b> |
| <b>DEFERRED CREDITS</b>                  |   |                      |                     |
| 252                                      | Customer advances for construction                                  | -                    | -                   |
| 253                                      | Other Deferred Credits  | (331,569)            | (1,057,100)         |
| 255                                      | Accumulated deferred investment tax credits                         | -                    | -                   |
|  | <b>Total Deferred Credits</b>                                       | <b>(331,569)</b>     | <b>(1,057,100)</b>  |
| <b>ACCUMULATED DEFERRED INCOME TAXES</b> |   |                      |                     |
| 281 /1                                   | Accumulated deferred income taxes Accelerated amortization property | (3,815,971)          | 20,554,530          |
| 283 /1                                   | Accumulated deferred income taxes other                             | -                    | -                   |
|  | <b>TOTAL LIABILITIES AND PROPRIETARY CAPITAL</b>                    | <b>(98,517,538)</b>  | <b>(83,480,337)</b> |

/1 The FERC account #281 and #283 balances are accumulated deferred income tax assets for AGL Services Company. They are recorded in the liability section of the balance sheet because on a consolidated basis these accounts are liabilities for AGL Resources Inc.

ANNUAL REPORT OF AGL SERVICES COMPANY

For the Year Ended December 31, 2003

SCHEDULE II

SERVICE COMPANY PROPERTY

| ACCOUNT | DESCRIPTION                        | BALANCE<br>AT 12/31/02 | ADDITIONS  | RETIREMENTS<br>OR SALE | OTHER<br>CHANGES | BALANCE<br>AT 12/31/03 |
|---------|------------------------------------|------------------------|------------|------------------------|------------------|------------------------|
|         |                                    |                        |            |                        | 1/               |                        |
| 363.5   | Other Equipment                    | 964,212                | -          | -                      | -                | 964,212                |
| 379     | Measuring & Reg.<br>Station Equip. | 71,904                 | 25,080     | -                      | -                | 96,984                 |
| 390     | Structures and<br>Improvements     | 20,122,926             | 17,136,089 |                        |                  |                        |