



STATE OF ALABAMA
ALABAMA PUBLIC SERVICE COMMISSION
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MONTGOMERY, ALABAMA 36130-4260

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WALTER L. THOMAS, JR.

SECRETARY

February 9, 2011

NOTICE OF PENDING PETITION

AGL RESOURCES, INC.

Petitioner

DOCKET 31564

NOTICE OF PETITION OF AGL RESOURCES, INC. ("AGL") FOR DECLARATORY ORDER ADDRESSING THE COMMISSION'S JURISDICTION OVER AGL'S PROPOSED ACQUISITION OF A LIQUEFIED NATURAL GAS ("LNG") FACILITY FROM TRUSSVILLE UTILITIES, LOCATED AT 7839 GASLINE ROAD IN TRUSSVILLE, ALABAMA.

All interested parties should be advised that the above-styled petition is under consideration by the Commission. Interested parties who desire to submit comments in response to said petition must do so no later than March 1, 2011. The petition and all comments received in response thereto will be posted on the Commission's website at www.psc.alabama.gov.

BY THE COMMISSION:

**Walter L. Thomas, Jr.
Secretary of the Commission**

SD 11-11503

**BEFORE THE
ALABAMA PUBLIC SERVICE COMMISSION
MONTGOMERY, ALABAMA**

**In the Matter of the Application
of AGL Resources Inc.**

)
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Docket No.: _____

PETITION FOR DECLARATORY ORDER

COMES NOW AGL Resources Inc. ("AGLR"), and requests that the Alabama Public Service Commission (the "Commission") issue a declaratory order, pursuant to Rule 22, APSC Rules of Practice, and ALA. CODE § 41-22-11 (1975 as amended), holding that AGLR's proposed acquisition, through a subsidiary of AGLR to be determined, of a liquefied natural gas ("LNG") facility from the Utilities Board of the City of Trussville ("Trussville Utilities"), in Trussville, Alabama, as described herein, does not require a Certificate of Public Convenience and Necessity ("Certificate") or other approval from this Commission. In support thereof, AGLR states the following:

1. AGLR and the Utilities Board of the City of Trussville, have executed a letter of intent providing for AGLR's purchase of an LNG facility located at 7389 Gasline Road in Trussville, Alabama. Trussville Utilities is not operating the LNG facility in the continued operation of its gas distribution plant or system. It will be operated by AGLR to generate LNG that will be used as vehicular fuel, compressor fuel, and other mechanical energy fuel, which will be delivered by truck carriers to third parties.¹ Incidental to its operation of the LNG facility, AGLR will at times need to inject vaporized LNG, known as "boil-off," as well as so-called "tail gas," from the facility into the Trussville Utilities municipal local distribution company ("LDC") system. If Trussville Utilities cannot accommodate all of the "tail gas" from the LNG facility, AGLR may divert such excess quantities into a Southern Natural Gas ("Sonat") interstate

¹ It is contemplated that third party truck carriers will be used to transport the LNG that is sold to customers.

pipeline, located approximately 500 yards away on Dollar Road, in Trussville, Alabama (Sonat City Gate Trussville #2), using existing connecting facilities.² Any storage of LNG at the facility will be incidental and short term, to support the reliability of AGLR's sales operations.

2. AGLR will not own, operate or control facilities extending beyond those as described in Paragraph 1 above, and will not offer the sale of "boil off" or "tail gas," nor any other gas, to the general public.

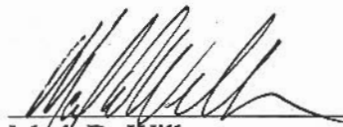
3. Since AGLR will not own, operate or control any pipeline facilities, the LNG facility would not fall under the provisions applicable to transportation companies under ALA. CODE §§ 37-2-1, *et seq.* (1975 as amended). Moreover, the incidental "boil-off" and "tail gas" (or any other gas) will not be offered by AGLR for sale to the general public, a prerequisite for regulation as a public utility under ALA. CODE §§ 37-4-1, *et seq.* (1975 as amended). *See Coastal States Gas Transmission Company, Inc. v. APSC*, 524 So. 2d 357 (Ala. 1988) (holding that a pipeline company seeking to offer service only to a small, defined group of industrial customers was not a public utility for purposes of Alabama law).

4. AGLR acknowledges the Commission's safety jurisdiction over the LNG facility under ALA. CODE §§ 37-4-80, *et seq.* (1975 as amended) and will comply with all applicable Commission safety regulations in its operation of the facility.

WHEREFORE, THESE PREMISES CONSIDERED, AGLR requests that this Commission enter an order or orders: (1) affirming that AGLR's proposed acquisition of a liquefied natural gas facility from Trussville Utilities, in Trussville, Alabama, as more specifically described herein, does not require a Certificate of Public Convenience and Necessity or other approval from this Commission; and (2) providing such other relief as the Commission may deem just and reasonable in the premises.

² The six-inch (6") connecting facility is presently capped on both ends.

Respectfully submitted on this 7th day of February, 2011.



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