

AGL CAPITAL CORP  
Form 424B3  
June 27, 2006  
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FILED PURSUANT TO  
RULE 424(B)(3)  
REGISTRATION NO. 333-119921

333-119921-02

The information in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to these securities has been declared effective by the Securities and Exchange Commission. We are not using this preliminary prospectus supplement and the accompanying prospectus to offer to sell these securities or to solicit offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated June 27, 2006

Preliminary Prospectus Supplement

(To Prospectus dated November 9, 2004)

## AGL CAPITAL CORPORATION

\$

### *% Senior Notes Due*

*Interest payable and*

*Guaranteed fully and unconditionally by AGL Resources Inc.*

**Issue price:**

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The senior notes will mature on \_\_\_\_\_, 20\_\_\_\_. Interest will accrue from \_\_\_\_\_, 2006. We may redeem the senior notes in whole or in part at any time at the redemption price described on page S-11.

The senior notes will not be listed on any securities exchange. Currently, there is no public market for the senior notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the senior notes or determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

	<b>Price to</b>		<b>Underwriting</b>		<b>Proceeds</b>
	<b>Public</b>	%	<b>Discounts</b>	%	<b>to Us</b>
	\$		\$		\$
Per Senior Note					
Total					

The senior notes will not be listed on any securities exchange. Currently, there is no public market for the senior notes.

We expect that delivery of the senior notes will be made to investors on or about June \_\_\_\_\_, 2006.

*Joint Book-Running Managers*

**Calyon Securities (USA)**

**JPMorgan**

**RBS Greenwich Capital**



**Lazard Capital Markets**

**SunTrust Robinson Humphrey**

June \_\_\_\_\_, 2006

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offering of senior notes. The second part is the accompanying prospectus, which contains a description of the senior notes and gives more general information, some of which will not apply to the senior notes.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus and any free writing prospectus we send to you or file with the Securities and Exchange Commission. If the information in this prospectus supplement varies from the information contained or incorporated by reference in the accompanying prospectus, you should rely on the information in this prospectus supplement. No person is authorized to provide you with information that is different from the information provided or incorporated by reference in this prospectus supplement or to offer the senior notes in any jurisdiction where the offer is not permitted. It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus, including the information and documents incorporated by reference therein as well as any free writing prospectus we send to you or file with the SEC, in making your investment decision. See *Where You Can Find More Information* below. You should not assume that the information provided by this prospectus supplement, the accompanying prospectus, any such free writing prospectus or any document incorporated by reference is accurate as of any date other than the date of the document that contains the information.

Unless stated otherwise, references in this prospectus supplement to *AGL Capital*, *we*, *us* or *our* refer to AGL Capital Corporation. References in this prospectus supplement to *AGL Resources* refer to AGL Resources Inc. and its subsidiaries unless otherwise indicated or the context otherwise requires.

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**FORWARD-LOOKING STATEMENTS**

Certain expectations and projections regarding our future performance included or incorporated by reference in this prospectus supplement and the accompanying prospectus are forward-looking statements. Forward-looking statements involve matters that are not historical facts, and because these statements involve anticipated events or conditions, forward-looking statements often include words such as anticipate, assume, can, could, estimate, expect, forecast, future, indicate, intend, may, predict, project, seek, should, target, will, would, or similar expressions. Our expectations are not guarantees and are based on currently available competitive, financial and economic data along with our operating plans. While we believe that our expectations are reasonable in view of the currently available information, our expectations are subject to future events, risks and uncertainties, and there are several factors - many beyond our control - that could cause results to differ significantly from our expectations. Such events, risks and uncertainties include, but are not limited to:

changes in price, supply and demand for natural gas and related products;

the impact of changes in state and federal legislation and regulation;

actions taken by government agencies on rates and other matters;

concentration of credit risk;

utility and energy industry consolidation;

the impact of acquisitions and divestitures;

direct or indirect effects on AGL Resources' business, financial condition or liquidity resulting from a change in AGL Resources' credit ratings or the credit ratings of its counterparties or competitors;

interest rate fluctuations;

financial market conditions and general economic conditions;

uncertainties about environmental issues and the related impact of such issues;

the impact of changes in weather on the temperature-sensitive portions of AGL Resources' business;

the impact of natural disasters such as hurricanes on the supply and price of natural gas;

acts of war or terrorism; and

other factors that are described in detail in AGL Resources' filings with the SEC.

We caution readers that, in addition to the important factors described elsewhere in this prospectus supplement and the accompanying prospectus, the factors set forth in "Risk Factors" in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of AGL Resources' Annual Report on Form 10-K/A for the year ended December 31, 2005, among others, could cause AGL Resources' business, results of operations or financial condition in 2006 and thereafter to differ significantly from those expressed in any forward-

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looking statements. There also may be other factors that we and AGL Resources cannot anticipate or that are not described herein or in AGL Resources Form 10-K/A that could cause results to differ significantly from our and AGL Resources expectations.

Forward-looking statements are only as of the date they are made, and we and AGL Resources do not undertake any obligation to update these statements to reflect subsequent circumstances or events.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights information contained elsewhere or incorporated by reference into this prospectus supplement and the accompanying prospectus. This summary does not contain all of the information that you should consider before deciding to purchase our senior notes. You should read this entire prospectus supplement and the accompanying prospectus carefully, as well as the information incorporated by reference into these documents, before deciding to invest in our senior notes.*

**AGL Capital Corporation**

We are a wholly owned subsidiary of AGL Resources Inc. We were established to provide for the ongoing financing needs of AGL Resources through a commercial paper program, the issuance of various debt and hybrid securities and other financing arrangements. Our senior notes are guaranteed by AGL Resources Inc.

**AGL Resources Inc.**

**Overview**

AGL Resources is an energy services holding company, headquartered in Atlanta, Georgia, whose principal business is the distribution of natural gas in six states: Florida, Georgia, Maryland, New Jersey, Tennessee and Virginia. Our six utilities serve more than 2.2 million end-use customers, making us the largest distributor of natural gas in the southeastern and mid-Atlantic regions of the United States based on customer count. We also are involved in various related businesses, including retail natural gas marketing to end-use customers primarily in Georgia; natural gas asset management and related logistics activities for our own utilities as well as for other nonaffiliated companies; natural gas storage arbitrage and related activities; operation of high-deliverability underground natural gas storage assets; and construction and operation of telecommunications conduit and fiber infrastructure within selected metropolitan areas.

We manage these businesses through four operating segments—distribution operations, retail energy operations, wholesale services and energy investments—and a non-operating corporate segment.

***Distribution Operations***

The distribution operations segment consists of six natural gas local distribution utilities: Atlanta Gas Light Company, Elizabethtown Gas, Virginia Natural Gas, Inc., Florida City Gas, Chattanooga Gas Company and Elkton Gas.



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**Atlanta Gas Light** is the largest natural gas distributor in the Southeast in terms of customers, serving 237 communities in the state of Georgia. It provides gas delivery service to approximately 1.6 million residential, commercial and industrial customers and delivers approximately 232 million dekatherms (MMDth) of gas annually. It owns and operates more than 30,000 miles of pipeline and three liquefied natural gas (LNG) plants.

**Elizabethtown Gas** provides natural gas service to approximately 269,000 residential, commercial and industrial customers in northeastern and east central New Jersey. It delivers approximately 59 MMDth of gas annually through more than 4,900 miles of pipeline.

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**Virginia Natural Gas** provides natural gas service to approximately 266,000 residential, commercial and industrial customers in southeastern Virginia. It delivers approximately 36 MMDth of gas annually through more than 5,200 miles of pipeline. It also owns and operates a 156-mile high-pressure, large-diameter transmission pipeline serving major wholesale customers.

**Florida City Gas** provides natural gas service to approximately 104,000 residential, commercial and industrial customers in southeastern and east central Florida. It delivers approximately 10 MMDth of gas annually through more than 3,100 miles of pipeline.

**Chattanooga Gas** provides retail natural gas sales and transportation services to approximately 62,000 residential, commercial and industrial customers in Hamilton County and Bradley County, Tennessee. Chattanooga Gas delivers approximately 16 MMDth of gas annually. It also owns and operates more than 1,500 miles of pipeline and one LNG plant.

**Elkton Gas** provides natural gas service to approximately 6,000 residential, commercial and industrial customers in northeastern Maryland. Elkton Gas delivers approximately 1 MMDth of gas annually through more than 80 miles of pipeline.

The following table summarizes key statistics for the distribution operations segment as of March 31, 2006.

	AGLC	E town	VNG	FCG	CGC	Elkton	Total
Utility end-users (in 000s)	1,577	269	266	104	62	6	2,284
Miles of gas pipeline	30,284	4,978	5,235	3,161	1,521	87	45,266

**Retail Energy Operations**

**SouthStar Energy Services LLC** is a joint venture operating in Georgia under the trade name Georgia Natural Gas. This business markets natural gas and related services on an unregulated basis to more than 536,000 retail and commercial customers in Georgia and 300 industrial customers throughout the Southeast and, based on market share, is the largest marketer of natural gas in Georgia. AGL Resources' wholly owned subsidiary Georgia Natural Gas Company owns a non-controlling 70% financial interest in SouthStar, and a subsidiary of Piedmont Natural Gas Company, or Piedmont, owns the remaining 30% interest. SouthStar's partnership agreement provides that SouthStar's earnings and distributions are to be allocated 75% to Georgia Natural Gas and 25% to Piedmont's subsidiary.

**Wholesale Services**

The wholesale services segment consists of **Sequent Energy Management, L.P.**, which is AGL Resources' subsidiary involved in asset management, transportation, storage, producer and peaking services and wholesale marketing. Sequent's asset management business focuses on capturing economic value from idle or underutilized natural gas assets, which are typically amassed by companies via investments in or contractual rights to natural gas transportation and storage assets. Margin is typically created in this business by participating in transactions that balance the needs of varying markets and time horizons.

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Sequent provides its customers with natural gas from the major producing regions and market hubs primarily in the eastern and mid-continental United States. Sequent also purchases transportation and storage capacity to meet its delivery requirements and customer obligations in the marketplace. Sequent's customers benefit from Sequent's logistics expertise and the ability to deliver natural gas at prices that are advantageous relative to the other alternatives available to its end-use customers.

## ***Energy Investments***

The energy investments segment consists of AGL Resources' subsidiaries Pivotal Jefferson Island Storage & Hub, LLC, Pivotal Propane of Virginia, Inc., and AGL Networks, LLC. Currently, substantially all of the revenues earned by the energy investments segment are generated by Pivotal Jefferson Island and AGL Networks.

***Pivotal Jefferson Island*** operates a storage and hub facility in Louisiana, approximately eight miles from the Henry Hub, which is the largest centralized point for natural gas spot and futures trading in the United States. Pivotal Jefferson Island's facility consists of two salt-dome gas storage caverns with approximately 10 MMDth of total capacity and approximately 7.2 MMDth of working gas capacity. The facility has approximately 720,000 dekatherms/day withdrawal capacity and 360,000 dekatherms/day injection capacity.

***AGL Networks*** leases telecommunications conduit and dark fiber to a variety of customers primarily in the Atlanta, Georgia and Phoenix, Arizona metropolitan areas. AGL Networks also offers telecommunications construction services to companies.

## ***Corporate***

The corporate segment includes AGL Resources' non-operating business units, principally AGL Services Company and AGL Capital Corporation. AGL Services Company is a service company that provides business services to AGL Resources' various operations. AGL Capital Corporation provides for AGL Resources' ongoing financing needs through a commercial paper program, the issuance of various debt and hybrid securities and other financing arrangements.

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The address of AGL Resources' principal executive offices is Ten Peachtree Place NE, Atlanta, Georgia 30309, and its telephone number is (404) 584-4000. AGL Capital Corporation's principal address is 2325-B Renaissance Drive, Las Vegas, Nevada 89119.

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**The Offering**

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the senior notes, see "Description of the Senior Notes" in this prospectus supplement.

<b>Issuer</b>	AGL Capital Corporation.
<b>Guarantor</b>	AGL Resources Inc.
<b>Aggregate Principal Amount</b>	\$ .
<b>Interest Rate</b>	% per year.
<b>Maturity Date</b>	, 20 .
<b>Interest Payment Dates</b>	and of each year, beginning , 2006.
<b>Use of Proceeds</b>	The net proceeds from the sale of the senior notes will be used to repay a portion of our existing short-term indebtedness.
<b>Record Dates</b>	and of each year.
<b>Interest Calculations</b>	Based on a 360-day year of twelve 30-day months.
<b>Ranking</b>	The senior notes will rank equally with all of our other unsecured and unsubordinated indebtedness from time to time outstanding.
<b>Sinking Fund</b>	None.
<b>Form and Denomination</b>	The senior notes initially will be issued in book-entry form and will be represented by one or more registered senior notes in global form deposited with or on behalf of, and registered in the name of, a nominee of The Depository Trust Company. The senior notes will be issued in denominations of \$1,000 and integral multiples of \$1,000.
<b>Redemption</b>	The senior notes may be redeemed, in whole or in part, at our option, at any time, at the redemption price described on page S-11.
<b>Issuance of Additional Notes</b>	We may, without the consent of the holders of the senior notes, increase the principal amount of the senior notes by issuing additional senior notes in the future on the

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same terms and conditions, except for any differences in the issue price and interest accrued prior to the issue date of the additional senior notes, and with the same CUSIP number as the senior notes offered hereby. The senior notes offered by this prospectus supplement and any additional senior notes would rank equally and ratably and would be treated as a single class for all purposes under the Indenture. No additional senior notes may be issued if any event of default has occurred with respect to the senior notes.

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Set forth in the table below are summary financial and other data about AGL Resources. We derived the data in the tables as of and for the years ended December 31, 2005, 2004 and 2003 from AGL Resources' audited financial statements, and the three-month periods ended March 31, 2006 and 2005 from AGL Resources' unaudited financial statements. The unaudited financial statements were prepared on the same basis as the audited financial statements and in management's opinion include all adjustments, consisting of normal recurring entries, which we consider necessary for a fair presentation of AGL Resources' financial position and results of operations for these periods. You should read the following financial information in conjunction with the consolidated financial statements and related notes that have been incorporated by reference in this prospectus supplement and the accompanying prospectus.

(Dollars in millions, except per share data)	Three Months Ended		Year Ended		
	March, 31		December, 31		
	2006	2005	2005	2004	2003(1)
<b>Income Statement Data:</b>					
Operating revenues	\$1,047	\$ 912	\$2,718	\$1,832	\$ 983
Operating expenses	819	731	2,276	1,500	741
One-time gain					16
Operating income	228	181	442	332	258
Equity in earnings of SouthStar					46
Other (expense) income	(2)	1	(1)		(6)
Minority interest	(19)	(13)	(22)	(18)	
Earnings before interest and taxes (EBIT) (2)	207	169	419	314	298
Interest expense	30	26	109	71	75
Income taxes	67	55	117	90	87
Income before cumulative effect of change in accounting principle	110	88	193	153	136
Cumulative effect of change in accounting principle, net of \$5 in income taxes					(8)
Net income	\$ 110	\$ 88	\$ 193	\$ 153	\$ 128
<b>Balance Sheet Data:</b>					
Total assets	\$5,736	\$5,500	\$6,313	\$5,637	\$3,972
Short-term debt (3)	472	38	522	334	383
Long-term debt	1,458	1,618	1,615	1,623	956
Total debt	\$1,930	\$1,656	\$2,137	\$1,957	\$1,340
Shareholders' equity	\$1,585	\$1,446	\$1,499	\$1,385	\$ 945
<b>Other Data:</b>					
Property, plant & equipment expenditures	\$ 47	\$ 81	\$ 267	\$ 264	\$ 158
Dividends per share	\$ 0.37	\$ 0.31	\$ 1.30	\$ 1.15	\$ 1.11
Dividend payout ratio	26%	27%	52%	50%	55%

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- (1) As of January 1, 2004, AGL Resources consolidated all of SouthStar's accounts with the accounts of AGL Resources' subsidiaries and eliminated any intercompany balances between segments in accordance with Financial Accounting Standards Board Interpretation No. 46, Consolidation of Variable Interest Entities. We record Piedmont's portion of SouthStar's earnings as a minority interest in our consolidated statements of income.
- (2) EBIT reflects a non-GAAP financial measure. As an indicator of AGL Resources' operating performance or liquidity, EBIT should not be considered as an alternative to, or more meaningful than, net income or cash flow as determined in accordance with GAAP. EBIT is reconciled to net income in the table above. AGL Resources' EBIT may not be comparable to a similarly titled measure of another company. AGL Resources believes EBIT is a useful measurement of its operating segments' performance because it provides information that can be used to evaluate the effectiveness of its businesses from an operational perspective, exclusive of costs to finance those activities and exclusive of income taxes, neither of which is directly relevant to the efficiency of those operations.
- (3) Short-term debt includes current portion of long-term debt.

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We estimate that the net proceeds to be received from the sale of the senior notes, after deducting the underwriting discount and our estimated offering expenses of \$ , will be approximately \$ million. We intend to use the net proceeds from the sale of the senior notes to repay approximately \$ million of short-term indebtedness, of which \$150 million was incurred to redeem \$150 million principal amount of notes payable to trusts plus accrued interest on May 21, 2006. As of March 31, 2006, the short-term indebtedness being repaid had an interest rate of 4.9%.

**RATIO OF EARNINGS TO FIXED CHARGES**

The following table shows AGL Resources consolidated ratio of earnings to fixed charges for the periods indicated:

	<b>Three Months Ended</b>	<b>Year Ended</b>		
		<b>December 31,</b>		
		<b>2005</b>	<b>2004</b>	<b>2003</b>
	<b>March 31, 2006</b>			
Ratio of earnings to fixed charges (1)	6.51	3.60	3.98	3.57

- (1) For purposes of computing the ratio of earnings to fixed charges, earnings consist of the sum of pretax income from continuing operations, before adjustment for minority interests in consolidated subsidiaries or income or loss from equity investees, interest expense and the portion of rent expense deemed to represent interest. Fixed charges consist of interest incurred, whether expensed or capitalized, including amortization of debt issuance costs, if applicable, and the portion of rent expense deemed to represent interest.



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The following table sets forth the consolidated capitalization of AGL Resources as of March 31, 2006:

on an actual basis;

on an as adjusted basis giving effect to the May 21, 2006 redemption of \$150 million principal amount of notes payable to trusts and the repayment of a related \$5 million note representing AGL Resources' investment in the trusts (all of which is reflected as current portion of long-term debt as of March 31, 2006) plus accrued interest in each case, all of which was funded through short-term indebtedness, as if the redemption, repayment and funding had occurred on March 31, 2006; and

on an as further adjusted basis giving effect to the application of the approximately \$ million estimated net proceeds from this offering to repay approximately \$ million of short-term indebtedness, as if the offering and debt repayment had occurred on March 31, 2006.

(Dollars in millions)

	As of March 31, 2006					
	Actual		As Adjusted		As Further Adjusted	
	Amount	Percent	Amount	Percent	Amount	Percent
Short-term debt	\$ 316(1)	9.0%	\$ 466	13.3%	\$	%
Current portion of long-term debt	156	4.4	1	0.0	1	0.0
Senior and medium term notes	1,182	33.6	1,182	33.7		
Gas facilities revenue bonds	199	5.7	199	5.7	199	5.7
Notes payable to trusts	77	2.2	77	2.2	77	2.2
Common shareholders' equity	1,585	45.1	1,585	45.1	1,585	45.1
	<u>\$ 3,515</u>	<u>100.0%</u>	<u>\$ 3,510</u>	<u>100.0%</u>	<u>\$</u>	<u>100.0%</u>

(1) Includes commercial paper of approximately \$291 million and Sequent lines of credit of \$25 million.

You should read this table in conjunction with the detailed information and financial statements appearing in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

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**DESCRIPTION OF THE SENIOR NOTES**

We will issue the senior notes under the Indenture, dated as of February 20, 2001, by and among AGL Capital Corporation, as Issuer, AGL Resources, as Guarantor, and The Bank of New York, as Trustee. The Indenture is more fully described under the caption *Description of Debt Securities* in the accompanying prospectus. The following description of the particular terms of the senior notes supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of the debt securities included in the accompanying prospectus under the caption *Description of Debt Securities*. The senior notes comprise a portion of the \$1,500,000,000 aggregate principal amount of securities registered under the Securities Act of 1933.

**General**

The senior notes will bear interest at the annual rate stated on the cover page of this prospectus supplement. Interest will be payable on \_\_\_\_\_ and \_\_\_\_\_ of each year, beginning on \_\_\_\_\_, 2006. Interest on the senior notes will accrue from \_\_\_\_\_, 2006. Interest will be paid to the person in whose name a senior note is registered at the close of business on the preceding \_\_\_\_\_ and \_\_\_\_\_, respectively, subject to certain exceptions. The senior notes will mature on \_\_\_\_\_, 20\_\_\_\_\_.

**Denominations**

The senior notes will be issued in global form in denominations of \$1,000 and integral multiples of \$1,000.

**Ranking of Senior Notes**

The senior notes will rank equally in right of payment with each other and our other unsecured and unsubordinated obligations from time to time outstanding. AGL Resources will fully and unconditionally guarantee the payment of the senior notes.

**Issuance of Additional Senior Notes**

We may, without the consent of the holders of the senior notes, increase the principal amount of the senior notes by issuing additional senior notes in the future on the same terms and conditions, except for any differences in the issue price and interest accrued prior to the issue date of the additional senior notes, and with the same CUSIP number as the senior notes offered hereby. The senior notes offered by this prospectus supplement and any additional senior notes would rank equally and ratably and would be treated as a single class for all purposes under the Indenture. No additional senior notes may be issued if any event of default has occurred with respect to the senior notes.

**Optional Redemption**

We may redeem the senior notes, in whole or in part, at our option, at any time at a redemption price equal to the greater of:

100% of the principal amount of the senior notes to be redeemed, or

as determined by a Quotation Agent (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued to the date of redemption) discounted to the redemption

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date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate, as defined below, plus           basis points;

plus, in each case, accrued and unpaid interest on the senior notes to the redemption date.

**Adjusted Treasury Rate** means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) is equal to the Comparable Treasury Price for such redemption date.

**Comparable Treasury Issue** means the United States Treasury security selected by a Quotation Agent as having a maturity comparable to the remaining term of the senior notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such senior notes.

**Comparable Treasury Price** means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (2) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

**Primary Treasury Dealer** means a primary U.S. Government securities dealer in New York City.

**Quotation Agent** means the Reference Treasury Dealer appointed by the Trustee after consultation with us.

**Reference Treasury Dealer** means each of (1) J.P. Morgan Securities Inc. and Greenwich Capital Markets, Inc. and their respective successors; provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, we shall substitute therefor another Primary Treasury Dealer; and (2) any other Primary Treasury Dealers selected by the Trustee after consultation with us.

**Reference Treasury Dealer Quotations** means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. on the third business day preceding such redemption date.

We will give notice to The Depository Trust Company, or DTC, of any redemption we propose to make at least 30 days, but not more than 60 days, before the redemption date. If we redeem only some of the senior notes, it is the practice of DTC to determine by lot the amount of senior notes to be redeemed of each of its participating institutions. Notice by DTC to these participants and by participants to street name holders of indirect interests in the senior notes will be made according to arrangements among them and may be subject to statutory or regulatory requirements.

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Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the senior notes or portions of the senior notes called for redemption.

### **Information Concerning the Trustee**

The Bank of New York is the Trustee under the Indenture and has been appointed by us as the paying agent and security registrar with regard to the senior notes.

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**Book Entry System**

The senior notes initially will be represented by one or more registered senior notes in global form. Upon issuance, each of such global notes will be deposited with the Trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in each global note will be limited to persons who have accounts with DTC, which we refer to as DTC participants, or persons who hold interests through DTC participants. We expect that under procedures established by DTC:

upon deposit of each global note with DTC's custodian, DTC will credit portions of the principal amount of the global note to the accounts of the DTC participants designated by the underwriters; and

ownership of beneficial interests in each global note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the global note).

Beneficial interests in the global notes may not be exchanged for senior notes in certificated form except in the limited circumstances described below.

All interests in the global notes will be subject to the operations and procedures of DTC. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of DTC are controlled by DTC and may be changed at any time. Neither we nor the underwriters are responsible for those operations or procedures.

DTC has advised us that it is:

a limited purpose trust company organized under the laws of the State of New York;

a banking organization within the meaning of the New York State Banking Law;

a member of the Federal Reserve System;

a clearing corporation within the meaning of the Uniform Commercial Code; and

a clearing agency registered under Section 17A of the Securities Exchange Act of 1934.

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DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC's participants include securities brokers and dealers, including the underwriters; banks and trust companies; clearing corporations and other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC's nominee is the registered owner of a global note, that nominee will be considered the sole owner or holder of the senior notes represented by that global note for all

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purposes under the indenture. Except as provided below, owners of beneficial interests in a global note:

will not be entitled to have senior notes represented by the global note registered in their names;

will not receive or be entitled to receive certificated senior notes; and

will not be considered the owners or holders of the senior notes under the Indenture for any purpose, including with respect to the giving of any direction, instruction, consent or approval to the Trustee under the Indenture.

As a result, each investor who owns a beneficial interest in a global note must rely on the procedures of DTC to exercise any rights of a holder of notes under the Indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal, premium (if any) and interest with respect to the senior notes represented by a global note will be made by the Trustee to DTC's nominee as the registered holder of the global note. Neither we nor the Trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global note, for any aspect of the records relating to or payments made on account of those interests by DTC or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a global note will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds.

A global note will be exchangeable for senior notes in registered, certificated form if:

DTC notifies us at any time that it is unwilling or unable to continue as depository for the global notes and a successor depository is not appointed within 90 days;

DTC ceases to be registered as a clearing agency under the Securities Exchange Act of 1934 and a successor depository is not appointed within 90 days;

we, at our option, notify the Trustee that we elect to cause the issuance of certificated notes; or

there shall have occurred and be continuing an event of default under the Indenture.



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Any global note that is exchangeable as described in the preceding sentence will be exchangeable in whole for certificated senior notes in registered form, of like tenor and of an equal aggregate principal amount as the global note, in denominations of \$1,000 and integral multiples of \$1,000. The Trustee or the paying agent designated for such purpose will register the certificated senior notes in the name or names instructed by DTC. We expect that those instructions will be based upon directions received by DTC from DTC participants with respect to ownership of beneficial interests in the global note.

The information in this section concerning DTC and its book-entry system has been obtained from sources that we believe to be reliable, but we do not take responsibility for its accuracy.

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**UNDERWRITING**

Subject to the terms and conditions set forth in the underwriting agreement dated \_\_\_\_\_, 2006, each of the underwriters has severally agreed to purchase, and we have agreed to sell to each underwriter, the principal amount of senior notes set forth opposite the name of each underwriter:

<b>Name</b>	<b>Principal Amount</b>
Calyon Securities (USA) Inc.	\$ _____
J.P. Morgan Securities Inc.	_____
Greenwich Capital Markets, Inc.	_____
Lazard Capital Markets LLC	_____
SunTrust Capital Markets, Inc.	_____
	<hr/>
<b>Total</b>	<b>\$ _____</b>
	<hr/>

Under the terms and conditions of the underwriting agreement, if the underwriters take any of the senior notes, then they are obligated to take and pay for all of the senior notes.

The senior notes are a new issue of securities with no established trading market and will not be listed on any national securities exchange. The underwriters have advised us that they intend to make a market for the senior notes, but they have no obligation to do so and may discontinue market making at any time without providing any notice. No assurance can be given as to the liquidity of any trading market for the senior notes.

The underwriters initially propose to offer part of the senior notes directly to the public at the offering price described on the cover page of this prospectus supplement and part to certain dealers at a price that represents a concession not in excess of \_\_\_\_\_ % of the principal amount of the senior notes. The underwriters may allow, and any such dealer may reallocate, a concession not in excess of \_\_\_\_\_ % of the principal amount of the senior notes to certain other dealers. After the initial offering of the senior notes, the underwriters may from time to time vary the offering price and other selling terms.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments that the underwriters may be required to make in respect of any such liabilities.

In connection with the offering of the senior notes, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the senior notes. Specifically, the underwriters may overallocate in connection with the offering of the senior notes, creating a short position. In addition, the underwriters may bid for, and purchase, senior notes in the open market to cover short positions or to stabilize the price of the senior notes. Any of these activities may stabilize or maintain the market price of the senior notes above independent market levels. The underwriters are not required to engage in any of these activities and may end any of them at any time.

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Our expenses associated with this offering, to be paid by us, are estimated to be \$ \_\_\_\_\_, excluding the underwriting discount.

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Lazard Capital Markets LLC has entered into an agreement with Mitsubishi UFJ Securities (USA), Inc., or MUS (USA), pursuant to which MUS (USA) provides certain advisory and/or other services to Lazard Capital Markets, including in respect of this offering. In return for the provision of such services by MUS (USA) to Lazard Capital Markets, Lazard Capital Markets will pay to MUS (USA) a mutually agreed upon fee.

Affiliates of the underwriters are currently agents and lenders under our credit facility. Specifically, JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities Inc.; Calyon New York Branch, an affiliate of Calyon Securities (USA) Inc.; Royal Bank of Scotland, an affiliate of Greenwich Capital Markets, Inc.; The Bank of Tokyo-Mitsubishi, LTD, New York Branch, an affiliate of MUS (USA); and SunTrust Bank, an affiliate of SunTrust Capital Markets, Inc.; are lenders and agents under our credit facility. The underwriters and their affiliates perform various other financial advisory, investment banking and commercial banking services for us and our affiliates from time to time, for which they have received customary fees.

## **VALIDITY OF THE SENIOR NOTES**

Legal matters regarding the validity of the senior notes offered by this prospectus supplement will be passed upon on behalf of us and AGL Resources by AGL Resources' counsel, Alston & Bird LLP, and with regard to the laws of the State of Nevada, Woodburn and Wedge. Various legal matters relating to the offering will be passed on for the underwriters by Simpson Thacher & Bartlett LLP.

## **EXPERTS**

The financial statements, financial statement schedule, and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control Over Financial Reporting) of AGL Resources incorporated in this prospectus supplement by reference from AGL Resources' Annual Report on Form 10-K/A for the year ended December 31, 2005, except as they relate to SouthStar Energy Services LLC as of and for the years ended December 31, 2004 and 2003, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Ernst & Young LLP, independent registered public accounting firm, has audited the financial statements of SouthStar Energy Services LLC as of December 31, 2004 and 2003 and for each of the two years in the period ended December 31, 2004 and management's assessment of the effectiveness of SouthStar Energy Services LLC's internal control over financial reporting as of December 31, 2004, as set forth in their reports thereon. Such financial statements, management's assessment, and reports are included or incorporated by reference in AGL Resources' Annual Report on Form 10-K/A for the year ended December 31, 2005 and are incorporated by reference herein in reliance on the reports of such firm given on the authority of such firm as experts in accounting and auditing.

**Table of Contents****WHERE YOU CAN FIND MORE INFORMATION****Available Information**

AGL Resources files reports, proxy statements and other information with the SEC. You may obtain copies of this information by mail from the Public Reference Room of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. Further information on the operation of the SEC's Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements and other information regarding registrants like AGL Resources that file electronically. Reports, proxy statements and other information concerning AGL Resources may also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. AGL Resources also maintains an Internet site at [www.aglresources.com](http://www.aglresources.com) that contains information concerning AGL Resources and its affiliates. The information at AGL Resources' Internet site is not incorporated in this prospectus supplement and the accompanying prospectus by reference, and you should not consider it a part of this prospectus supplement and the accompanying prospectus.

**Incorporation by Reference**

SEC rules allow AGL Resources to incorporate by reference information into this prospectus supplement and the accompanying prospectus, which means that AGL Resources can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement and the accompanying prospectus, and later information that AGL Resources files with the SEC will automatically update and supersede that information. This prospectus supplement and the accompanying prospectus incorporate by reference the documents set forth below that AGL Resources has previously filed with the SEC.

<b>SEC Filings (File No. 001-14174)</b>	<b>Period/Date</b>
Annual Report on Form 10-K/A	Year ended December 31, 2005
Quarterly Report on Form 10-Q	Quarter ended March 31, 2006
Current Reports on Form 8-K	January 3, February 7, February 24, March 8, and May 8, 2006 (two reports)

We are also incorporating by reference additional documents that AGL Resources files with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 between the date of this prospectus supplement and the termination of this offering of senior notes.

AGL Resources will provide without charge, to each person to whom a copy of this prospectus supplement and the accompanying prospectus has been delivered, a copy of any and all of these filings. You may request a copy of these filings by writing or telephoning AGL Resources at:

AGL Resources Inc.

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Ten Peachtree Place NE

Atlanta, Georgia 30309

Attention: Investor Relations

Telephone: (404) 584-3801

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**PROSPECTUS**

**\$1,500,000,000**

**AGL Resources Inc.**

**AGL Capital Corporation**

**AGL Capital Trust III**

**Debt Securities**

**Guarantee of Debt Securities**

**Trust Preferred Securities**

**Guarantee with respect to the Trust Preferred Securities**

**Junior Subordinated Debentures**

**Guarantee with respect to the Junior Subordinated Debentures**

**Common Stock**

## **Preferred Stock**

### **Preferred Stock Purchase Rights**

### **Purchase Contracts**

### **Guarantee of Purchase Contracts**

### **Warrants**

### **Guarantee of Warrants**

### **Units**

### **Guarantee of Units**

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We will provide the specific terms of these securities in supplements to this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you invest. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement. The securities offered in this prospectus and the applicable prospectus supplement may be offered at a fixed public offering price or at varying prices determined at the time of sale. Our common stock trades on the New York Stock Exchange under the symbol ATG. There is no established public trading market for any of the other securities offered in this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. any representation to the contrary is a criminal offense.

**The date of this Prospectus is November 9, 2004.**



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**RISK FACTORS**

Investing in our securities involves risk. Each time that we issue new securities, risk factors, if appropriate, will be included in the prospectus supplement relating to the new securities.

**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, utilizing a shelf registration process. Under this shelf process, we may, from time to time, sell any combination of the securities described in this prospectus in one or more offerings up to a total dollar amount of \$1,500,000,000. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. Material United States federal income tax considerations applicable to the offered securities will also be discussed in the applicable prospectus supplement. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the headings **Where You Can Find More Information** and **Incorporation of Certain Documents by Reference**. As used in this prospectus, the terms **we**, **our**, **ours**, **us** and similar references mean AGL Resources Inc., together with its subsidiaries, including AGL Capital Trust III and AGL Capital Corporation, or AGL Capital, unless otherwise indicated.

**PRINCIPAL EXECUTIVE OFFICES**

The address of AGL Resources' principal executive offices is Ten Peachtree Place, Atlanta, Georgia 30309, and its telephone number is (404) 584-4000. We maintain a website at <http://www.aglresources.com> where general information about us is available. We are not, however, incorporating the contents of our website into this prospectus. AGL Capital's principal address is 2325-B Renaissance Drive, Las Vegas, Nevada 89119, and its telephone number is (702) 967-2442. AGL Capital Trust III's registered office in the State of Delaware is c/o The Bank of New York (Delaware), White Clay Center, Route 273, Newark, Delaware 19711. The principal executive office of the trust is c/o AGL Resources Inc., Ten Peachtree Place, N.E., Atlanta, Georgia 30309 (telephone number 404-584-4000).

**WHERE YOU CAN FIND MORE INFORMATION**

We filed a registration statement under the Securities Act of 1933 with the SEC that registers the offer and sale of the securities described in this prospectus. The registration statement, including the attached exhibits and schedules, contains additional relevant information about us.

In addition, we file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any information we file with the SEC at its public reference facility at 450 Fifth Street, N.W., Room 1300, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facility.

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The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, who file information electronically with the SEC. The address of that site is <http://www.sec.gov>.

You can also inspect annual, quarterly and special reports, proxy statements and other information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

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**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The SEC allows us to incorporate by reference information into this prospectus. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus, except for any information that is superseded by information that is included directly in this document or in a more recent incorporated document.

This prospectus incorporates by reference the documents listed below that we (or our predecessors) have previously filed with the SEC. We do not incorporate by reference documents that have been furnished to the SEC unless we expressly state otherwise in a prospectus supplement. The incorporated documents contain important information about us and our financial condition.

Annual Report on Form 10-K for the fiscal year ended December 31, 2003 filed on February 6, 2004 (SEC File No. 001-14174);

Quarterly Report on Form 10-Q for the quarter ended March 31, 2004 filed on April 28, 2004 (SEC File No. 001-14174);

Quarterly Report on Form 10-Q for the quarter ended June 30, 2004 filed on July 29, 2004 (SEC File No. 001-14174);

Quarterly Report on Form 10-Q for the quarter ended September 30, 2004 filed on October 27, 2004 (SEC File No. 001-14174);

Current Reports on Form 8-K dated January 26, April 26, July 15, July 26, September 9, September 22, September 30, and October 26, 2004 (SEC File No. 001-14174); and

Registration Statement on Form 8-A filed on March 6, 1996 (SEC File No. 001-11659), as amended by the Form 8-A/A filed on June 5, 2002 (SEC File No. 001-14174).

We also incorporate by reference all documents that we may file with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, or the Exchange Act, after the date of this prospectus and prior to the termination of the offering. Additionally, we incorporate by reference all documents that we may file with the SEC after the date of the filing of the registration statement of which this prospectus is a part and prior to the effectiveness of the registration statement. These documents include periodic reports, such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as proxy statements.

You can obtain any of the documents incorporated by reference in this prospectus from us, or from the SEC through the SEC's Internet website at the address described above. Documents incorporated by reference are available from us without charge, excluding any exhibits to those documents, unless the exhibit is also specifically incorporated by reference in this prospectus. You can obtain documents incorporated by reference in this prospectus by requesting them in writing or by telephone from us at the following address:

Investor Relations

AGL Resources Inc.

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Ten Peachtree Place, N.E.

Atlanta, Georgia 30309

Telephone: (404) 584-3801

We have not authorized anyone to give any information or make any representation about us that is different from, or in addition to, the information and representations contained in this prospectus or in any of the materials that we have incorporated into this prospectus. If anyone does give you information of this sort, you should not rely on it. If you are in a jurisdiction where offers to sell, or solicitations of offers to purchase, the securities offered by this document are unlawful, or if you are a person to whom it is unlawful to direct these activities, then the offer presented in this document does not extend to you. The information contained in this document speaks only as of the date of this prospectus and the date of the prospectus supplement, unless the information specifically indicates that another date applies.

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**FORWARD-LOOKING STATEMENTS**

Certain statements included or incorporated by reference in this registration statement reflect assumptions, expectations, projections, intentions or beliefs about future events. These statements, which may relate to such matters as future earnings, growth, supply and demand, costs, subsidiary performance, new technologies and strategic initiatives, are forward-looking statements within the meaning of the federal securities laws. These statements do not relate strictly to historical or current facts, and you can identify certain of these statements, but not necessarily all, by the use of the words anticipate, assume, indicate, estimate, believe, predict, forecast, rely, expect, continue, grow and other similar words having that meaning. Although we believe that the expectations and assumptions reflected in these statements are reasonable in view of the information currently available, there can be no assurance that these expectations will prove to be correct. These forward-looking statements involve a number of risks and uncertainties, and actual results may differ materially from the results discussed in the forward-looking statements. In addition to the specific factors discussed in AGL Resources' reports that are incorporated by reference, the following are among the important factors that could cause actual results to differ materially from the forward-looking statements:

changes in industrial, commercial and residential growth in our service territories;

changes in price, supply and demand for natural gas and related products;

impact of changes in state and federal legislation and regulation, including orders of various state public service commissions and of the Federal Energy Regulatory Commission, or FERC, on the gas and electric industries and on us;

actions taken by government agencies, including decisions on base rate increase requests by state regulators;

the ultimate impact of the Sarbanes-Oxley Act of 2002 and any future changes in accounting regulations or practices in general with respect to public companies, the energy industry or our operations specifically;

the enactment of new accounting standards, or interpretations of existing accounting standards, by the Financial Accounting Standards Board, or FASB, or the SEC, that could impact the way we record revenues, assets and liabilities, which in turn could adversely affect reported results of operations;

the enactment of new auditing standards, or interpretations of existing auditing standards, by the Public Company Accounting Oversight Board, or PCAOB, which could adversely affect our ability to comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002.

effects and uncertainties of deregulation and competition, particularly in markets where prices and providers historically have been regulated, and unknown issues following deregulation such as the stability of the Georgia retail gas market, including risks related to energy marketing and risk management;

concentration of credit risk in marketers who are certificated by the Georgia Public Service Commission, or GPSC, to sell retail natural gas in Georgia, as well as concentration of credit risk in customers of AGL Resources' wholesale services segment;

excess high-speed network capacity and demand for dark fiber in metropolitan network areas;

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market acceptance of new technologies and products, as well as the adoption of new networking standards;

the ability to negotiate new fiber optic contracts with telecommunications providers for the provision of dark fiber services;

utility and energy industry consolidation;

performance of equity and bond markets and the impact on pension and post-retirement funding costs;

impact of acquisitions and divestitures, including:

the risk that the businesses of NUI Corporation, or NUI, and/or Jefferson Island Storage & Hub, L.L.C. will not be integrated successfully with AGL Resources or that such integrations may be more difficult, time-consuming or costly than expected;

revenues following the acquisitions may be lower than expected;

expected revenue synergies and cost savings from these two acquisitions may not be fully realized or realized within the expected time frame;



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the ability to obtain governmental approvals of the NUI acquisition on the proposed terms and schedule;

the failure of NUI's shareholders to approve the transaction;

the risk that AGL Resources may be unable to obtain financing necessary to consummate the acquisition of NUI or that the terms of such financing may be onerous; and

the risk that any financing plan may have the effect of diluting AGL Resources' shareholder value in the near term;

direct or indirect effects on AGL Resources' business, financial condition or liquidity resulting from a change in its credit rating or the credit ratings of its counterparties or competitors;

interest rate fluctuations, financial market conditions and general economic conditions;

uncertainties about environmental issues and the related impact of such issues;

impact of changes in weather upon the temperature-sensitive portions of the business;

impact of litigation;