Addressing Declining Consumption
Natural Gas Sector

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AGL Resources Overview

Key Statistics

- Largest LDC by customer count in U.S.
  - 4.5 million customers
  - Approximately 1 out of every 16 meters in U.S. served by an AGLR utility
  - LDCs in 7 States

- 80,500 miles of pipeline

- Aggregate rate base of $5.7 billion
National Trend: Growing Customers not Consumption

US Natural Gas Residential and Commercial Customers and Consumption

1% Average Annual Decline in Use Per Customer

Incentive Alignment through Rate Mechanisms

Proportion of Base Revenue Requirement Recovered
Non - Volumetric Rates

0% 100%

- Low/No Customer Charge
- Traditional Customer Charge
- Increasing Fixed Charges
- Revenue Normalization
- Straight Fixed/Variable
- Conservation Incentive w/ Rate Stabilization

Customer’s Incentive to Conserve

Company Impact From Promoting Conservation

Recovery Mechanism Reflect Economics of Providing Service

Customer and Company Incentive Aligned for Conservation
States with non-volumetric rate designs

Source: American Gas Association
As of February 2014