

AGL RESOURCES INC
Form 8-K
October 01, 2008

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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): September 30, 2008

AGL RESOURCES INC.

(Exact name of registrant as specified in its charter)

Georgia
(State or other jurisdiction of
incorporation)

1-14174
(Commission File No.)

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

Ten Peachtree Place NE, Atlanta, Georgia 30309
(Address and zip code of principal executive offices)

404-584-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

See Item 2.03

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On September 30, 2008, AGL Resources Inc. (AGL Resources) and its wholly-owned subsidiary AGL Capital Corporation (AGL Capital) entered into a Credit Agreement (Credit Agreement) among AGL Resources as guarantor, AGL Capital as borrower, Wachovia Bank, National Association, as administrative agent, Wachovia Capital Markets, LLC, as sole lead arranger and sole lead bookrunner, the several lenders named in the Credit Agreement, and SunTrust Bank, NA, The Bank of Tokyo-Mitsubishi, UFJ, Ltd., Calyon New York Branch, and The Royal Bank of Scotland PLC, as Co-Documentation Agents.

Pursuant to the Credit Agreement, AGL Capital may borrow up to \$140 million from time to time on a revolving basis (with an option to increase the credit facility to \$150 million, subject to the agreement by lenders who wish to participate in such facility increase), to be used for working capital, certain permitted acquisitions, letters of credit and general corporate purposes including commercial paper backstop and capital expenditures. The Credit Agreement includes a \$10 million subfacility for letters of credit. AGL Capital's obligations under the Credit Agreement are unconditionally guaranteed by AGL Resources. The Credit Agreement matures on September 29, 2009.

At AGL Capital's option, interest on borrowings under the Credit Agreement will be based on either the base rate or the London Inter-Bank Offered Rate (LIBOR), plus, in either case, an applicable interest margin. The base rate is the higher of (i) the prime commercial lending rate of the administrative agent and (ii) the Federal Funds Rate, as published by the Federal Reserve Bank of New York, plus 0.5%. The applicable interest margin varies from time to time based on AGL Capital's then current credit ratings for the long-term, non-credit enhanced senior unsecured debt of AGL Capital or, if no such ratings then exist for such debt of AGL Capital, the long-term non-credit enhanced senior unsecured debt of AGL Resources.

As of the closing, and based upon AGL Capital's current credit ratings, base rate borrowings, based on the prime rate, would bear interest at 5.00% per annum. Thirty-Day LIBOR-based borrowings would bear interest at 4.37%.

The Credit Agreement contains customary representations, covenants and events of default for facilities of this type. Upon an uncured event of default under the Credit Agreement, all amounts owing under the Credit Agreement, if any, depending on the nature of such event of default will automatically, or may upon notice by the administrative agent or the requisite lenders thereunder, become immediately due and payable and the lenders may terminate their commitments.

AGL Resources has ongoing relationships with all of the lenders that are parties to the Credit Agreement, for which AGL Resources has paid customary fees and expenses. AGL Resources and its affiliates have also entered into hedging arrangements with certain lenders. Affiliates of certain of the lenders under the Credit Agreement have acted as underwriters for issuances of AGL Resources' equity securities and AGL Capital's debt securities.

The preceding summary of the material terms of the Credit Agreement is qualified in its entirety by the full text of such agreement, which is filed herewith as Exhibit 10. In the event of any discrepancy between the preceding summary and the text of the Credit Agreement, the text of the Credit Agreement shall control.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Credit Agreement as of September 30, 2008, by and among AGL Resources Inc., AGL Capital Corporation, Wachovia Bank, National Association, as administrative agent, Wachovia Capital Markets, LLC, as sole lead arranger and sole lead bookrunner, and the several other banks and other financial institutions named therein, and SunTrust Bank, NA, The Bank of Tokyo-Mitsubishi, UFJ, Ltd., Calyon New York Branch, and The Royal Bank of Scotland PLC, as Co-Documentation Agents.
10.2	Guarantee, dated as of September 30, 2008, made by AGL Resources Inc., the guarantor, in favor of Wachovia Bank, National Association, as administrative agent for the lenders parties to the Credit Agreement, dated as of September 30, 2008, among Guarantor, AGL Capital Corporation, the borrower, the lenders named therein, and Wachovia Bank, National Association, as administrative agent.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AGL RESOURCES INC.
(Registrant)

Date: October 1, 2008

/s/ Andrew W. Evans
Executive Vice President and Chief Financial
Officer

Exhibit Index

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