

Jefferson Island Storage & Hub Expansion Project Fact Sheet

The growth in peak demand and price volatility is spurring the need and value of increasing natural gas storage capabilities in the United States. Storage of natural gas in salt domes is one of the best methods to protect against supply interruptions, mitigate high natural gas prices, and accommodate production and liquid natural gas (LNG) receipts in the Gulf Coast. Today, salt domes supply eight percent of natural gas storage in the United States. To meet the increased demand for natural gas storage, AGL Resources, through Pivotal Energy Development (Pivotal), a business unit, plans to expand its storage facility at Jefferson Island Storage & Hub (JISH), a natural gas salt-dome storage facility located near the Henry Hub at Erath, Louisiana in Vermillion and Iberia Parishes. AGL Resources purchased JISH in 2004.

The expansion project will:

- Add two new caverns to the two already operating at JISH, expanding existing working gas capacity from 7.2 MMDth to 19.8 MMDth in 2011.
- Improve deliverability through header expansion and pipeline interconnects.
- Improve operational efficiency, resulting in less noise.

Project Approval

Pivotal has filed applications for permits for the expansion with the US Army Corps of Engineers and the Louisiana Department of Natural Resources to drill two new brine extraction caverns in Lake Peigneur and three brine disposal wells on the existing JISH property. Pivotal will also submit permit applications with the Louisiana Department of Natural Resources to install pipelines from the plant to the new wells.

Project Construction

To complete this project, JISH will contract with a highly skilled and experienced specialty contractor to perform the work necessary to construct the caverns and related facilities. Work will commence upon receipt of the approved permits.

Once underway, expansion of the caverns in Lake Peigneur is expected to be completed in approximately six months. The remainder of work on this project, most of which will take place away from Lake Peigneur, could take up to five-years.

Construction phases are projected as follows with approved permits by April 2006:

Site preparation and dredging	May – June 2006
Drilling and dredging of new storage wells	June – December 2006
Installation of pipeline to wellhead	June – August 2006
Plant construction	May – November 2006
Leaching and dewatering	September 2006 – July 2011

This expansion is anticipated to cost \$100 million.

Project Benefits

- During expansion construction, the surrounding area will benefit from increased temporary employment opportunities and service sector (hotels, restaurants, etc.) use.
- In addition, the project will rely upon the local area to provide goods and services to support various aspects of the expansion.

Who We Are

Pivotal is a division of AGL Services Company, an AGL Resources non-utility subsidiary. AGL Resources (NYSE: ATG) is an Atlanta-based energy services holding company serving 2.2million customers in six states (Georgia, Tennessee, Florida, New Jersey, Virginia, and Maryland).

Pivotal's mission is to acquire, improve and operate natural gas assets. Pivotal takes a long-term view of acquisitions and works to improve those facilities to provide long-term value to customers and the communities in which AGL Resources' operates.

Additionally, AGL Resources gives back to the community. In 2005, Pivotal donated \$60,000 to help rebuild three schools in Erath, LA following hurricanes Katrina and Rita. In all, AGL Resources, its employees and retirees contributed \$450,000 to hurricane relief efforts.

For more information contact:

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