

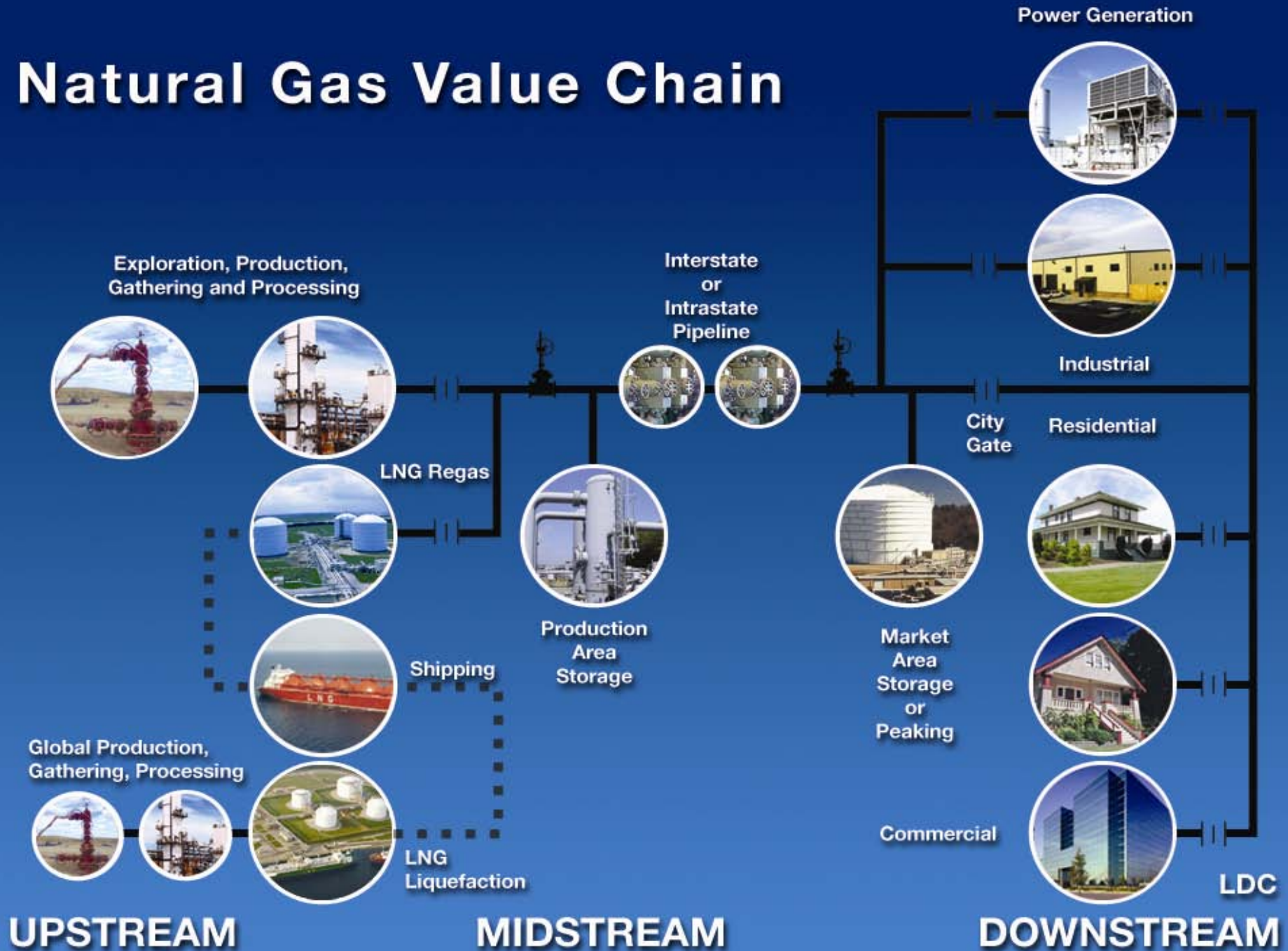
Taking in Landfill Gas *No Trivial Matter For Gas Utilities*

AGL's perspective based on involvement in several landfill development initiatives....

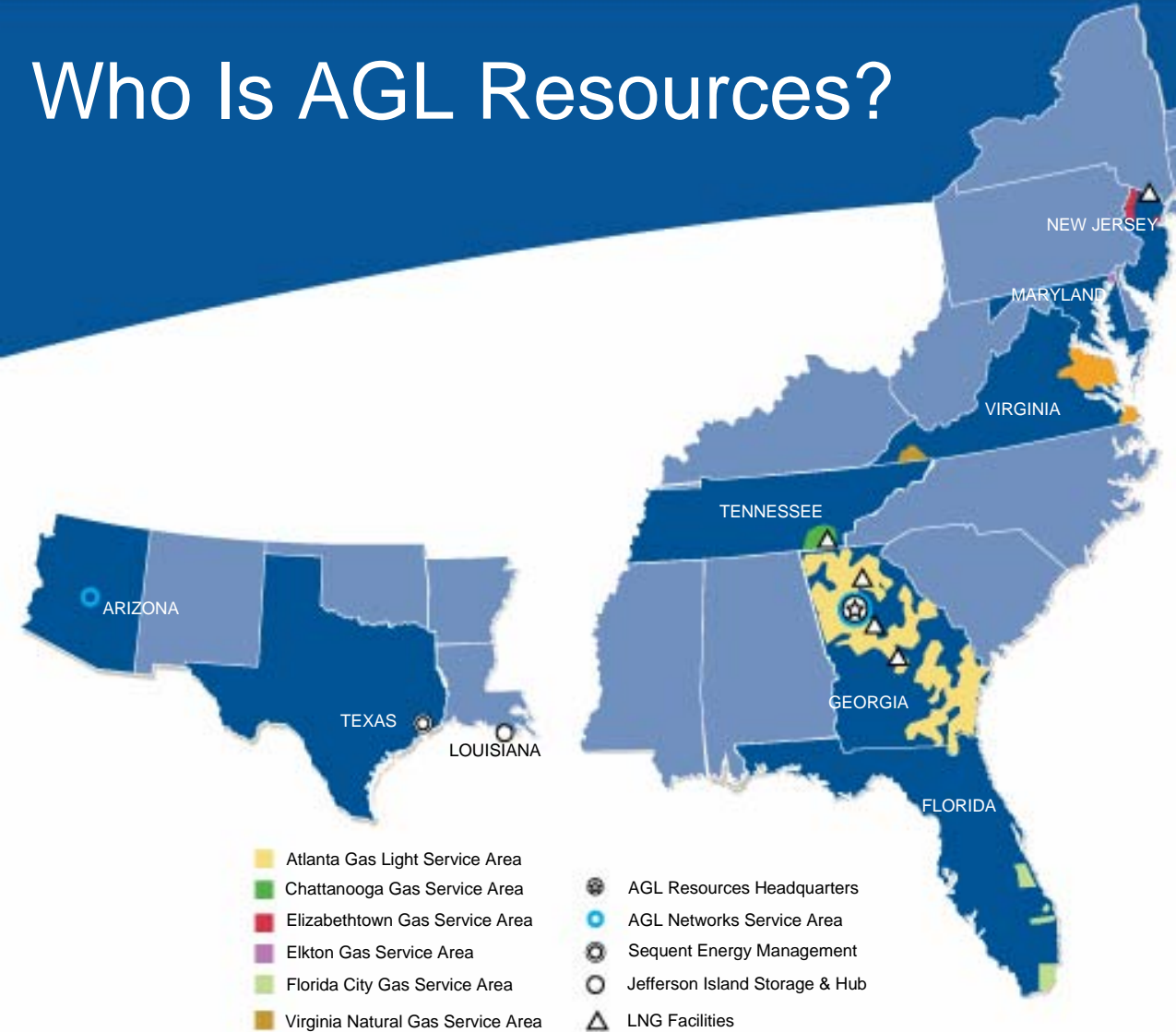
Agenda

- **The natural gas (NG) industry**
- **AGL, its NG and landfill gas (LFG) experience**
- **Gas industry's take on LFG usage**
- **Opportunities & Challenges for “Growing” LFG use**
- **Mitigating Risks**
- **Getting Over Hurdles of Reaching Agreements**
- **AGL's Plan for Landfill Gas**
- **Q&A**

Natural Gas Value Chain



Who Is AGL Resources?



- **One of the largest natural gas distribution companies in Eastern U.S.**
- **Serves 2.3 million residential and commercial customers**
 - Six local distribution companies in 6 states
 - Wholesale energy services firm in Texas
 - LNG & Propane-Air Plants
 - Gas storage facility in Louisiana
 - Future gas storage in Texas
 - Small telecommunications niche company (GA, AZ)
- **Fortune 1000 Company**
- **Founded in 1856**
- **Delivers 238 BCF/yr gas**
- **Own 29,000 miles pipe**
- **www.atlantagaslight.com**

- **LDC's Take on LFG Projects**

- Interesting & Good Public Relations
- Risky
- Time Consuming
- Conflicting Objectives btw LDC and Developer
- Profitability

- **Current Perspective Based On:**

- Rocky “History” with LFG suppliers
- Different Expectations by LDC & Developer
- Gap in Knowledge & Understanding of Operations

- **AGL's Perspective**

- Hi-BTU LFGTE is lowest risk for landfill owner
- LDC can play valuable marketing, regulatory & legislative role
- Landfill and NG business share mutual interest in Carbon Legislation



LDC Opportunities & Challenges

- **Opportunities**

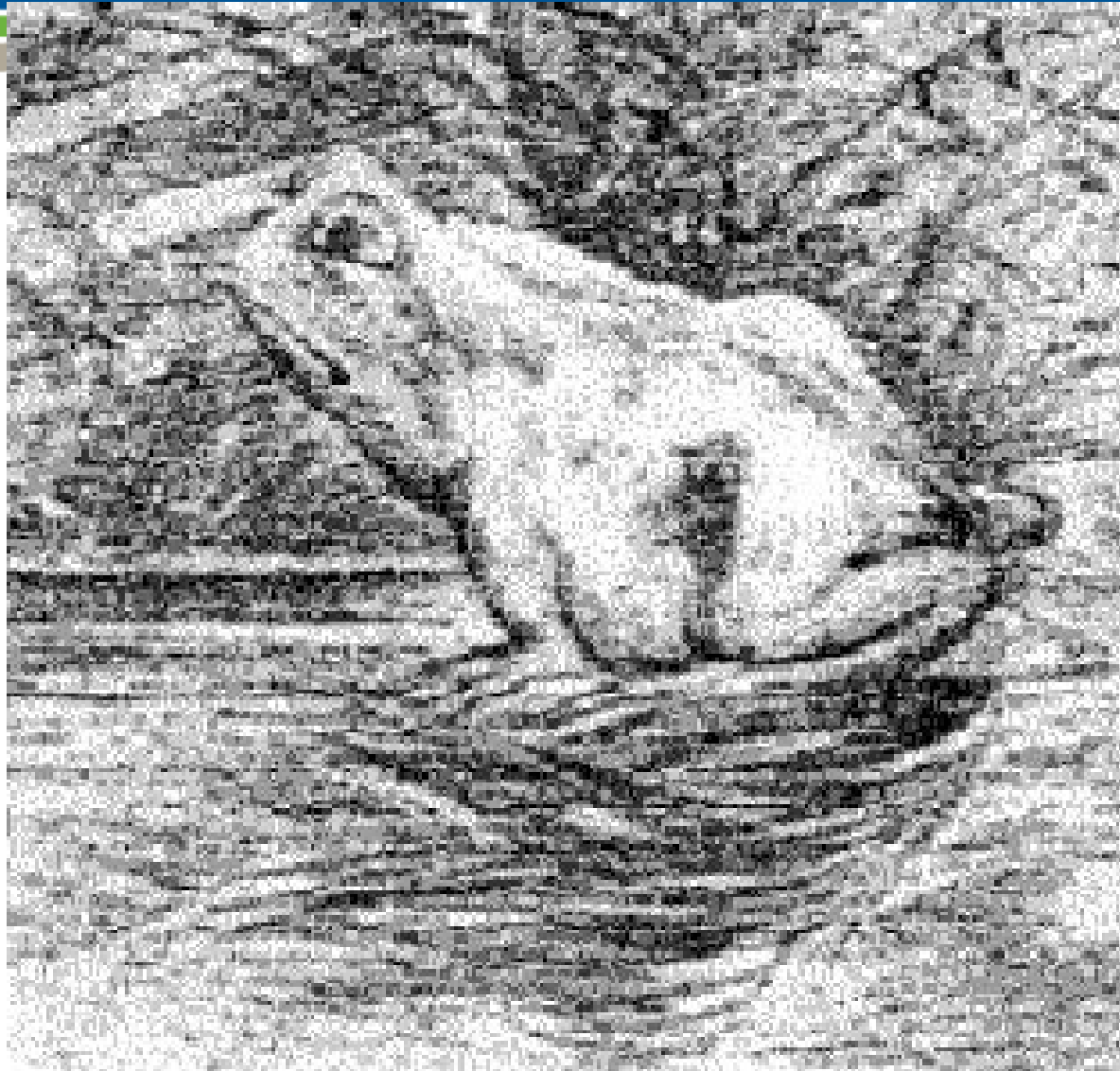
- Promote/Participate in Reducing GHG Emissions
- Diverse/Strategic Gas Supply
- Potential Revenue & Green Credits Source
- Improve Community & Governmental Relations

- **Challenges**

- Lack of Knowledge About LFG and Cleaning Process
- Less Experienced Developers
- Relatively High Risk vs Benefit of Participation



Landfill Gas vs Natural Gas



Landfill Gas vs Natural Gas



IDENTIFYING and MITIGATING RISKS

- **PRIMARY RISKS**

- Technical (supply & quality)
- Safety (construction & quality)
- Regulatory (new rules & review)
- Public Relations (stigma)
- Financial (LDC & Developer)

- **Risk Mitigation**

- Utility Champion
- Education (business & process)
- Set Realistic Expectations

AGL OBJECTIVE

Deliver Gas – Safely, Reliably,
and Affordably

AGL Serves over 2.3 million customers



Reaching LDC/Developer Agreement Getting over Hurdles

- Don't Sweat the Small Stuff
- Seek Win – Win Situations Early
- Listen, Learn, & Be Responsive
- Share Benefits & Risks

Safety – LDCs are sensitive to contractors in the ROW who are not familiar with gas regulations, practices, and materials . Developer should partner with LDC on pipeline construction!



AGL's Plan For Landfill Gas

- **Promote LFG Use Consistent with Mission**
- **Develop Expertise in LFG Processing**
- **Establish Relationships with Savvy LFG Industry Leaders**
- **Expand Role in LFG Development**
- **Pursue Regulatory & Legislative Objectives**

Questions?