

CREATE OPPORTUNITY FOR
LONG-TERM SUCCESS



THE PENDING ACQUISITION OF AGL RESOURCES

In August, Southern Company and AGL Resources announced an agreement to create America’s leading electric and natural gas utility company. Pending regulatory approval and completion of the transaction, the combined companies will become the second-largest utility company in the United States as measured by number of customers.

The merger will aggregate 11 regulated electric and natural gas distribution companies, serving some 9 million customers with a projected regulated rate base of approximately \$50 billion. The combined company will have a generating capacity of approximately 44,000 megawatts and operate nearly 200,000 miles of electric transmission and distribution lines and more than 80,000 miles of gas pipelines.

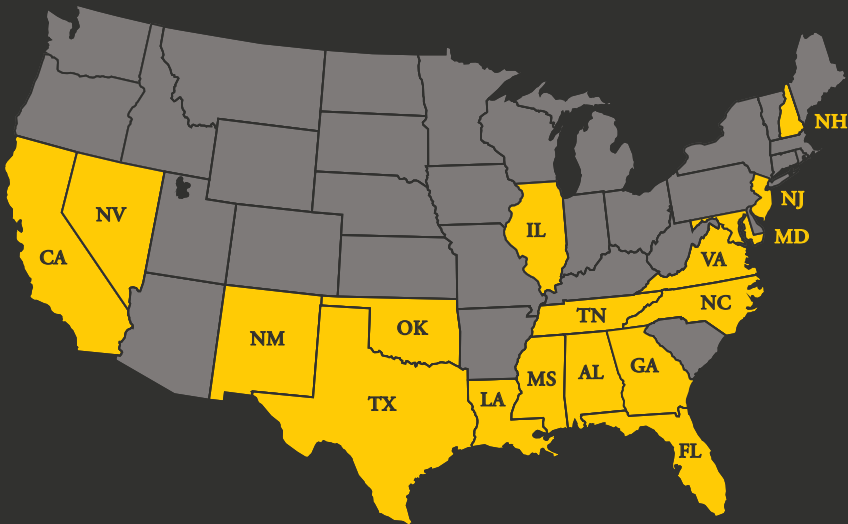
Southern Company is already one of the largest consumers of natural gas in the U.S., with natural gas accounting for nearly half of the electricity generated to serve customers’ needs. We expect the addition of AGL Resources’ network of natural gas assets and businesses to provide a more robust platform for long-term success with increased opportunities to invest in additional infrastructure and energy solutions. A natural outgrowth of our commitment to provide real solutions for America’s energy future, the merger is expected to help address one of the key challenges facing today’s energy industry—the development of infrastructure necessary to transport affordable natural gas to areas where it is increasingly needed.

Upon finalization of the merger, AGL Resources will become a new wholly owned subsidiary of Southern Company in a transaction with an enterprise value of approximately \$12 billion, including a total equity value of approximately \$8 billion. Until the transaction has received all necessary approvals and has closed, the companies will continue to operate as separate independent entities. After the transaction closes, AGL Resources will continue to maintain its own management team and board of directors.

We believe this merger will be attractive to investors because we expect it to create a leading platform that is well positioned for growth across the energy value chain. The transaction is anticipated to be accretive to Southern Company’s earnings per share in the first full year following its closing.

Likewise, we believe this merger makes sense for customers because we expect it to strengthen reliability and improve current and future energy infrastructure development. The cornerstone strength of both companies is our shared commitment to providing customers with outstanding service and innovative energy solutions. The transaction is not expected to increase electric or gas rates for any of the utilities of either Southern Company or AGL Resources.

The companies expect to complete the transaction in the second half of 2016.



OPERATIONS IN
17 STATES

11
ELECTRIC & NATURAL
GAS UTILITIES

31,000
TOTAL EMPLOYEES

9 MILLION
UTILITY CUSTOMERS

MORE THAN
1 MILLION
RETAIL CUSTOMERS

SOUTHERN COMPANY ASSETS

ALABAMA

Alabama Power
1.4 million customers
78,000 miles of power lines
13,000 MW of generating capacity

Southern Power
3,175 MW natural gas

CALIFORNIA

Southern Power
425 MW solar
(existing and announced)

FLORIDA

Gulf Power
444,000 customers
9,300 miles of power lines
2,600 MW of generating capacity

Southern Power
1,450 MW natural gas

GEORGIA

Georgia Power
2.4 million customers
87,000 miles of power lines
17,600 MW of generating capacity

Southern Power
2,900 MW natural gas and solar
(existing and announced)

MISSISSIPPI

Mississippi Power
186,000 customers
7,000 miles of power lines
3,100 MW of generating capacity

NEVADA

Southern Power
50 MW solar

NEW MEXICO

Southern Power
85 MW solar

NORTH CAROLINA

Southern Power
1,700 MW natural gas and solar

OKLAHOMA

Southern Power
299 MW wind (announced)

TEXAS

Southern Power
100 MW biomass

AGL RESOURCES ASSETS

ALABAMA

Pivotal LNG
0.4 Bcf of storage capacity

CALIFORNIA

Central Valley Gas Storage
11 Bcf of working storage capacity

FLORIDA

Florida City Gas
107,000 customers
3,600 miles of pipe

GEORGIA

Atlanta Gas Light
1.6 million customers
32,900 miles of pipe
6 Bcf of storage capacity

SouthStar Energy Services
Markets natural gas to residential,
commercial and industrial
customers in several states

ILLINOIS

Nicor Gas
2.2 million customers
34,300 miles of pipe
150 Bcf of storage capacity

Pivotal Home Solutions
Offers home protection, service
and leasing plans for systems and
appliances in several states

LOUISIANA

Jefferson Island Storage & Hub
7.3 Bcf of working storage capacity

MARYLAND

Elkton Gas
6,000 customers
100 miles of pipe

NEW HAMPSHIRE

Pivotal Home Solutions
Offers home protection, service
and leasing plans for systems and
appliances in several states

NEW JERSEY

Elizabethtown Gas
283,000 customers
3,200 miles of pipe
0.15 Bcf of storage capacity

TENNESSEE

Chattanooga Gas
64,000 customers
1,600 miles of pipe
1.2 Bcf of storage capacity

TEXAS

Golden Triangle Storage
13.5 Bcf of working storage capacity

Pivotal LNG
Produces and sells LNG in
various markets

Sequent Energy Management
Specializes in natural gas asset
portfolio optimization by selling
6.8 Bcf /day

VIRGINIA

Virginia Natural Gas
290,000 customers
5,600 miles of pipe
0.75 Bcf of storage capacity

1. Combined service territory shown is pro forma for the completion of the proposed merger.