

## **Southern Company-AGL Resources Merger: New Jersey**

On Aug. 24, 2015, Southern Company and AGL Resources announced an agreement to combine two U.S. electric and gas industry leaders, which when completed, would create America's second-largest utility company by customer base and will better position the companies to meet customers' growing energy needs.

The merger is expected to create a larger, more diverse, and financially stronger combined company positioned to ensure the highest quality of service at affordable rates and to support continued economic development. The merger will be seamless to customers, with Elizabethtown Gas' day-to-day operations expected to remain unchanged. Elizabethtown Gas staffing levels are expected to remain at current levels, with continued headquarters in Union, New Jersey.

Southern Company believes that being a public utility is both a privilege and an obligation. The company understands that the vital service utilities provide affects the lives of customers and their communities. As an example of that commitment, following Hurricane Sandy, more than 1,000 men and women from Southern Company participated in the storm recovery effort in the Northeast, including New Jersey. Southern Company is proud to help neighboring utilities in their time of need.

### Additional expected benefits include:

- The Southern Company system's long history of successful operations providing safe, reliable, affordable service for millions of customers.
- A company philosophy aimed at creating an environment for achieving and sustaining safety excellence, with a goal to complete "every day, every job, safely."
- Continued level of company support for local New Jersey community programs/charities. Southern Company is always a "citizen wherever we serve." Community involvement is one of the cornerstones of Southern Company's culture as we strive to improve the lives of the individuals and communities we are privileged to serve.

## Quick Facts: Southern Company-AGL Resources

### *The Transaction*

- *Approximately \$12 billion transaction value, including a total equity value of approximately \$8 billion*
- *Anticipated completion: Second half of 2016*

### *The Combined Company*

Operations across America	Approximately 46,000 MW of generating capacity
Eleven electric and gas utilities	Nearly 200,000 miles of power lines
31,000 total employees	More than 80,000 miles of natural gas pipelines/distribution facilities
Approximately 9 million utility customers, and more than 1 million retail customers	190 Bcf of natural gas storage capacity

### **Cautionary Statements Regarding Forward-Looking Information**

*This communication contains forward-looking statements which are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements, among other things, concerning the expected benefits of the proposed transaction, such as growth potential, market profile and financial strength. These forward-looking statements are often characterized by the use of words such as "expect," "anticipate," "plan," "believe," "may," "should," "will," "could," "continue" and the negative or plural of these words and other comparable terminology. Although Southern Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, including, but not limited to, factors and assumptions regarding the items outlined above. Actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things, the following: the failure to receive, on a timely basis or otherwise, the required approvals by AGL Resources shareholders and government or regulatory agencies (including the terms of such approvals); the possibility that long-term financing for the transaction may not be put in place prior to the closing; the risk that a condition to closing of the merger or the committed financing may not be satisfied; the possibility that the anticipated benefits from the proposed merger cannot be fully realized or may take longer to realize than expected; the credit ratings of the combined company or its subsidiaries may be different from what the parties expect; the ability to retain and hire key personnel and maintain relationships with customers, suppliers or other business partners; the diversion of management time on merger-related issues; the impact of legislative, regulatory and competitive changes; and other risk factors relating to the energy industry, as detailed from time to time in Southern*

*Company's reports filed with the Securities and Exchange Commission. There can be no assurance that the proposed transaction will in fact be consummated.*

*Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found in the body of this release, as well as under Item 1A. in Southern Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and Item 1A. in Southern Company's most recent Quarterly Report on Form 10-Q for the quarter ended June 30, 2015. Southern Company cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on forward-looking statements to make decisions with respect to Southern Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to Southern Company or any other person acting on its behalf are expressly qualified in their entirety by the cautionary statements referenced above. The forward-looking statements contained herein speak only as of the date of this release. Southern Company does not undertake any obligation to update or revise any forward-looking statement, except as may be required by law.*