

SHAREHOLDER FREQUENTLY ASKED QUESTIONS

Southern Company Acquisition of AGL Resources, Inc.

On July 1, 2016, Southern Company completed its acquisition of AGL Resources (“AGL”) in a \$12 billion transaction creating one of the nation’s leading U.S. electric and gas utilities.

What is the acquisition consideration to be paid to AGL Resources shareholders? Who is eligible to receive the acquisition consideration?

AGL shareholders of record on June 30, 2016 are entitled to the acquisition consideration of \$66.00 per share less any applicable taxes.

Can I exchange my AGL Resources shares for shares of Southern Company? I am an AGL Resources shareholder who also owns shares of Southern Company and would like to receive Southern Company shares instead of cash.

No. The transaction is an all-cash transaction. There is no option to convert AGL stock to Southern Company stock. All AGL shareholders on the June 30, 2016 record date are entitled to receive \$66 per share. For current holders of both AGL and Southern Company stock, automatic investment of the AGL proceeds into Southern Company shares is not an option.

Can I invest in Southern Company stock going forward?

Yes. The Southern Investment Plan (SIP) is a direct purchase plan with a \$250 minimum and \$15 enrollment fee. The SIP has options for dividend reinvestment, optional cash investments and sales through Wells Fargo Shareowner Services (“Wells Fargo”). [Click here](#) to view/download the SIP prospectus or call 1.800.554.7626 to have a prospectus and application mailed to you.

Am I no longer an AGL Resources shareholder at the close of the transaction?

AGL’s last trading day as a public company was June 30, 2016 as its acquisition by Southern Company became effective at 12:01 a.m. ET on July 1, 2016. At that time, your holdings converted into the entitlement to receive \$66 per share less any applicable taxes.

Will I receive a pro-rata dividend since the transaction closed prior to the next typically occurring record date?

As stated in the May 3, 2016 [press release](#), a pro-rata dividend will not be paid to AGL shareholders.

When will I receive my entitlement proceeds?

Brokerage Clients: *The payment will be made automatically to your brokerage house for credit to your account. Please contact your broker for information about the timing of the payment.*

Certificate Holders: *If you hold certificates for any of your shares, you must complete the Letter of Transmittal with respect to these certificated shares and submit both to the paying agent. The Letters of Transmittal and instructions will commence mailing on July 7, 2016. You can expect to receive payment about 10 business days after Wells Fargo Shareowner Services (“Wells Fargo”)*

receives your certificates and the properly completed transmittal form. Do not forward your certificates without the completed transmittal form. Doing so will delay your payment.

Book Entry Shareholders: Because you held shares of AGL common stock in electronic form (called book-entry) on the records of Wells Fargo, AGL's transfer agent, these shares have been automatically exchanged on your behalf. Proceeds checks will commence mailing on July 11, 2016.

Will I be taxed on the gain from the stock sale in this year?

In general, the cash payment is fully taxable to you as a sale of your AGL common stock for \$66.00 per share in the 2016 tax year and will generally result in a capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount of the cash payment with respect to such shares and your adjusted tax basis in such stock. Such capital gain or loss will be a long-term capital gain or loss if your holding period for such shares of common stock is more than one year as of July 1, 2016. You will receive an IRS Form 1099-B reporting your taxable proceeds in early 2017. Other than what has been described herein regarding the cash payment, Southern Company and Wells Fargo cannot provide any specific guidance on how to complete your individual tax returns. We recommend that you consult your own tax professional for the appropriate treatment and reporting of the Cash Payment on your individual tax returns.

Where can I find cost basis information for my stock for tax purposes?

Cost basis information for covered securities (shares acquired since 2011 through Wells Fargo) will be included on the Form 1099-B detailing the sale proceeds information that will be mailed in early 2017. Cost basis is the responsibility of the shareholder. AGL provided statements to its shareholders for each dividend reinvestment or optional cash purchase that included the share price for that transaction. If you have no record of your investments, please click [here](#) for AGL historical prices and click [here](#) for Nicor historical prices.

I have not received my Letter of Transmittal to submit with my certificates or my proceeds check for my shares in book entry. Who should I contact with my inquiry?

Contact the paying agent, Wells Fargo, at 1.866.927.1162. Representatives are available to assist you from 7 a.m. to 7 p.m. CT. You may also email Wells Fargo directly by selecting "Contact Us" on shareowneronline.com