

★ CORPORATE *Responsibility* REPORT ★



*W*elcome to the AGL Resources
Corporate Responsibility Report.
This report outlines our performance
in 2010 on the environmental and
social issues most relevant to our
company and its operations.

We believe that it is not enough that we are a provider
of the most efficient, environmentally friendly fossil fuel –
natural gas. Our actions must demonstrate our commitment
to making and leaving our world a better place.



★ MESSAGE FROM *John W. Somerhalder II* ★

Dear Friends,

AGL Resources has been providing reliable natural gas service to customers since the 1850s. Our company has prospered by committing to sustainable business practices, focusing on the fundamentals, hiring great people and treating others as we wish to be treated.

Today, our responsibilities are even greater: not only does environmentally friendly, domestically abundant natural gas play an important role in our nation's focus on clean energy and the environment, but we also consider it our responsibility to reduce our own environmental footprint while helping our customers and communities decrease theirs.

In order to meet those responsibilities, the Office of Technology and Environmental Sustainability at AGL Resources directs and coordinates corporate greenhouse gas and climate change strategies and provides support for our environmental and sustainability initiatives. This team also assesses the feasibility of business opportunities central to renewable natural gas production and new technologies associated with high-efficiency applications for natural gas. In this report you'll see the team's initial results.

This report also shares our extensive commitment to all of our stakeholders – our people, customers, communities, shareholders, regulators and suppliers. We believe that by working together, we can address the economic, environmental and social issues facing our country.

I hope you find this report helpful and informative. Please share with us any comments you have about this report or our company by e-mailing us at responsibility@aglresources.com.

Sincerely,

John W. Somerhalder II

Chairman, President and Chief Executive Officer

Domestically abundant natural gas uniquely answers the concerns of Americans for a environmentally friendly, reliable solution to the nation's energy needs.

Increasingly, consumers – industrial, commercial and residential – are considering efficiency and environmental impact as they make vital energy decisions. Natural gas is the cleanest-burning fossil fuel – by far. When carbon footprints are compared, the results are compelling: a home using natural gas appliances has a carbon footprint that is, on average, 46 percent smaller than a comparable total electric home on a full-fuel cycle basis.

Natural gas produces 44 percent fewer carbon emissions than coal, 27 percent fewer than fuel oil and 16 percent fewer than propane. And its delivery to your home or business via underground pipeline is also environmentally friendly.

Unsurpassed energy efficiency: According to the U.S. Department of Energy, 92 to 95 percent of the natural gas delivered to your home or business is useful energy. By contrast, only 30 to 33 percent of electricity is delivered as useful energy.

Highly reliable and versatile: Natural gas serves 24 percent of U.S. energy needs and can be used to generate electricity, perform industrial processes, keep homes and businesses comfortable, and fuel motor vehicles.

Domestically abundant: Due to continued discoveries and improved extraction technologies, domestic reserves of natural gas in the United States are estimated at 237 trillion cubic feet, an on-the-shelf inventory 50 percent larger than just 10 years ago. Our total natural gas resources are estimated to be enough to last more than 100 years at current consumption levels.

Economic engine: According to the American Gas Association, the natural gas industry supports approximately 2.8 million jobs.

Track record of safety: The AGA reports that natural gas utilities safely and reliably deliver natural gas to 69 million U.S. customers per year.

SPREADING THE WORD ABOUT NATURAL GAS

At AGL Resources, we feel so strongly about the importance of natural gas that we were a founding member of two new industry sustainability organizations: The Council for Responsible Energy (in 2008) and Clean America Transportation Alliance (in 2010). The council, currently with approximately 190 member companies, advocates the environmental benefits of natural gas to consumers. The alliance promotes natural gas as a solution for the nation's transportation industry.



★ OUR *Commitment* ★

At AGL Resources, our values underscore everything that we do. They guide us in our relationships with customers, shareholders, regulators, each other and the people who live and work in the communities we serve.

OUR VALUES

Honesty, Integrity and Respect

We strive to treat others as we wish to be treated: with honesty, integrity, respect and fairness.

Honesty: We are truthful, forthright and sincere in all of our relationships, conversations and actions. We value and strive to preserve our good reputation.

Integrity: We adhere to our Code of Conduct's principles, performing our work in compliance with applicable laws and regulations, and assuming responsibility and accountability for our actions and inactions. We want our customers, shareholders, communities, regulators and legislators to have unwavering trust and confidence in our leaders and employees.

Respect and Fairness: We value the richness that diversity brings to our workforce and communities. We are committed to cultivating an environment where the contributions of every employee, customer and supplier are respected, and all are treated fairly.

Stewardship

As employees and leaders, we have responsibility and accountability to be diligent caretakers of our businesses and assets, and to serve our customers, shareholders, other important stakeholders and each other.

Value Seeking

We are a public company, answerable to our shareholders, customers, communities, regulators and legislators. By doing our best each day, by examining each operational and financial decision, AGL Resources' employees find value where others don't.

Generosity of Spirit

AGL Resources supports and encourages both individual and corporate efforts to give back to the communities we live in and serve. Writing a check is nice, but giving our time and effort reflects the spirit of the gift, not just the end result.





Atlanta

Golden Triangle Storage

Houston

Jefferson Island Storage & Hub

-  Corporate Headquarters
 -  Headquarters for Sequent Energy Management and Our Natural Gas Storage Facilities
-  Natural Gas Storage Facilities
 -  Distribution Operations Service Territory
-  Sequent Energy Management Geographic Reach
 -  SouthStar Energy Services Market Area

AGL Resources, an energy services-holding company headquartered in Atlanta, has served customers with safe, efficient, reliable natural gas for more than 150 years. Today, we continue to build upon our reputation as one of the nation's preeminent operators of natural gas distribution systems.

Our business segments consist of natural gas distribution operations, retail energy operations, wholesale services and energy investments. Our operations in eight states are supported by more than 2,600 employees. We are traded publicly on the New York Stock Exchange under the ticker symbol AGL.

Our portfolio of regulated and unregulated natural gas companies, described below, is well positioned to reap the full benefits – environmental-friendliness, efficiency and versatility – of this abundant, affordable and domestic energy resource for generations to come.

DISTRIBUTION OPERATIONS

Our distribution operations – Atlanta Gas Light, Chattanooga Gas, Elizabethtown Gas, Elkton Gas, Florida City Gas and Virginia Natural Gas – supply natural gas to approximately 2.3 million natural gas customers in six states. We build and maintain the local pipelines that connect our customers to the major transmission lines crossing the United States.

Our markets are regulated, and we sell natural gas to our customers at cost in Florida, Maryland, New Jersey, Tennessee and Virginia. In Georgia, a deregulated market, Atlanta Gas Light is a “pipes only” delivery company. End-use customers in Georgia purchase gas from certified marketers.

Our distribution operations make sure our customers have all the safe,

reliable natural gas they need, when they need it.

RETAIL ENERGY OPERATIONS

AGL Resources owns 85 percent of **SouthStar Energy Services**, a natural gas marketer operating in Georgia under the trade name Georgia Natural Gas. The business sells natural gas to approximately 496,000 customers in Georgia and approximately 77,000 customers in Ohio and Florida.

WHOLESALE SERVICES

Sequent Energy Management, our Houston-based subsidiary, helps wholesale customers throughout the United States and in Canada purchase, move and store natural gas. We focus on the physical part of the natural gas business, optimizing our customers' natural gas asset portfolios and increasing cost effectiveness from wellhead to burner tip. Our services include natural gas asset management, producer and storage services, full-requirements supply and peaking needs.

ENERGY INVESTMENTS

Our ownership of two natural gas storage facilities near the Gulf of Mexico adds diversity to our existing portfolio of natural gas distribution and other energy services, positioning us to take advantage of market conditions. Stored natural gas balances changes in market demand and provides a buffer against supply disruptions such as hurricanes.

Jefferson Island Storage & Hub operates a natural gas storage facility in Louisiana that has access to eight interstate transmission lines. The facility consists of two salt-dome storage caverns with 10 billion cubic feet of total capacity and approximately 7.5 billion cubic feet of working gas capacity.

Golden Triangle Storage is developing a high-deliverability natural gas storage facility in Texas that has access to six interstate transmission lines. The project initially will consist of two underground salt-dome storage caverns that will hold approximately 18 billion cubic feet of total capacity and approximately 12 billion cubic feet of working gas capacity. Cavern 1 entered commercial operation in September 2010, and Cavern 2 is on schedule to begin service in 2012.

AGL Resources is partnering with **Keystone Energy**, which has more than 30 years experience in solid waste management and landfill gas collection system design, in a joint venture, **Renewco LLC**, to turn a waste byproduct, landfill gas, into marketable natural gas. The conversion of landfill gas to high BTU pipeline-quality natural gas using membrane technology is an opportunity to make use of a significant energy source while preventing the gas from being released into the atmosphere. **Renewco's** first project is at the **Meadow Branch Landfill** in **McMinn County, Tennessee**.

Our Mission defines how we engage with our stakeholders.

We will provide reliable, safe and affordable natural gas services in an environmentally friendly manner.

- For customers, we will provide outstanding service.
- For employees, we will offer rewarding career opportunities and provide a great place to work.
- For shareholders, we will deliver a superior return on investment.
- For communities, we will give our time, resources and energy.
- For elected and appointed officials, we will serve as responsible corporate citizens.

By consistently providing economical and reliable service to our customers, AGL Resources serves all of our stakeholders: customers, employees and shareholders, communities and regulators.



★ ENGAGING OUR *Customers* ★

Our customers depend on reliable natural gas to fuel their way of life. They want to know that their house will be warm, the stove will light and their water will be hot. Our core mission is and always has been to safely provide clean, reliable, efficient natural gas to the homes and businesses of our customers. Today, our stakeholders expect more.

So we also develop new services and deploy technologies that increase the efficient use of natural gas or enable our customers to conserve energy. As energy experts, we can help our customers achieve their own environmental goals. For example:

EXPANDING THE USE OF NATURAL GAS VEHICLES TO REDUCE CARBON EMISSIONS

Atlanta Gas Light owns and maintains nine compressed natural gas (CNG) stations for various governmental and private fleets in Georgia and helps maintain an additional 30 stations. One of our largest customers is the Metropolitan Atlanta Rapid Transit Authority (MARTA), with approximately 350 natural gas-powered buses. According to NGV America, the pollution reductions are so great that converting one bus from diesel to natural gas is the equivalent of taking as many as 325 cars off the road, so our impact is the equivalent of parking more than 100,000 cars.



Virginia Natural Gas maintains five fueling stations in its service territory for customers such as the Norfolk Naval Air Station and Colonial Williamsburg Foundation.

Much more can be done beyond servicing governmental and private fleets. The environmental and efficiency advantages of using natural gas for transportation have prompted AGL Resources to make bold moves to solve the “chicken or egg” challenge of developing infrastructure to service CNG vehicles. In September 2010, Atlanta Gas Light filed a proposal with the Georgia Public Service Commission to promote a new compressed natural gas transportation marketplace in Georgia.

Our plan would encourage private investment in a system of CNG filling stations strategically located throughout Georgia as well as investment in new CNG cars, trucks and buses. Investing in environmentally friendly natural gas transportation will provide

job growth and create a greener, more efficient economy while improving the nation’s energy security by displacing expensive imported oil with an abundant domestic fuel.

ENERGYSMART CONSERVATION PROGRAMS FOR CONSUMERS

We are dedicated to helping our customers save energy and have embarked on a major educational conservation campaign through our energySMART programs. Our innovative energySMART programs were approved by regulators in Virginia and New Jersey, aligning our interests with those of our customers.

When the Tennessee Regulatory Authority approved a new rate structure proposed by our Chattanooga Gas franchise in mid-2010, Tennessee became the 21st state to approve a methodology that encourages customers to pursue energy efficiency and resource conservation while also

allowing the utility to earn its authorized rate of return.

Each energySMART campaign is different, designed to meet the needs of customers in that state. energySMART programs include conservation education and various incentives such as rebates for home energy-efficient natural gas appliances and home energy audits. In many of our service areas customers may also receive free programmable thermostats, which help them manage their energy usage.



Not only do the ongoing savings for monthly energy use provide a tangible benefit for household budgets, but switching to high-efficiency gas appliances also helps our environment by reducing a home’s carbon footprint by as much as 46 percent.

At AGL Resources, our efforts are driven by a corporate-wide philosophy that there is more than just a good way to do business: there is a right way. This philosophy helped us earn recognition from The Atlanta Business Chronicle as one of the “Top 10 Best Places to Work in Atlanta” in 2009 and 2010.

OUR FOCUS ON SAFETY

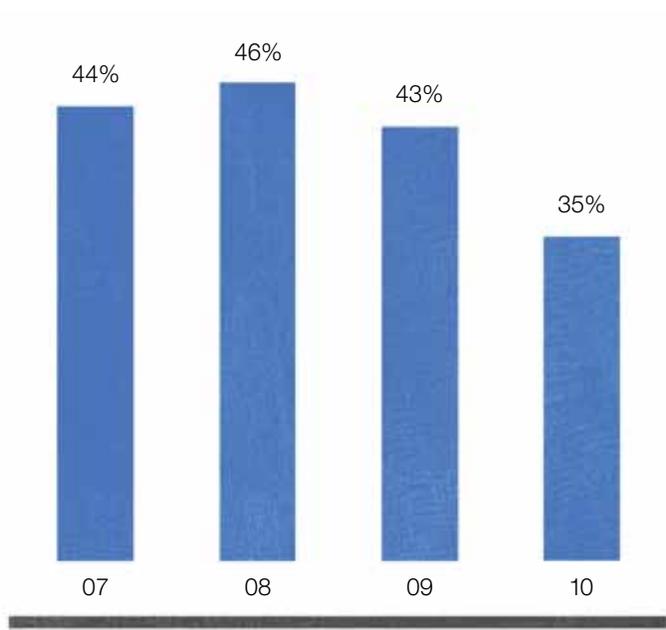
Employee and public safety are our highest priority at AGL Resources.

During the past three years, we have implemented many safety-awareness and training programs that have enabled the company to minimize the number of workplace injuries. The American Gas Association (AGA) ranked AGL Resources “Very Best” in class among 10 of our peer companies for our low on-the-job incident rates of 1.6 and 1.7 injuries per 100 employees in 2008 and 2009. (AGA’s 2010 rankings were not available at press time.)

Recognizing that 14 percent of our on-the-job incidents are due to motor vehicle accidents, we instituted an Operations Committee in 2010 to address such issues as distracted driving and complacency during the first and last five minutes of driving.

This heightened awareness – coupled with practices that include Smith System driver training, in-vehicle video cameras and a mandatory “circle of safety” walk around a vehicle prior to driving – resulted in a 23 percent reduction of our “at-fault” accidents from 2009 to 2010, our lowest number of accidents since 2004.

PERCENTAGE OF AT-FAULT MOTOR VEHICLE COLLISIONS TO TOTAL MOTOR VEHICLE COLLISIONS



AGL Resources At-Fault (Preventable) Motor Vehicle Collisions vs. the Total Motor Vehicle Collisions as a percentage

VALUING OUR PEOPLE: PASSING THE TORCH

One reason we have endured as the oldest corporation in Georgia is our commitment to hiring talented people and providing them with opportunities to learn and expand their capabilities. Of the 2,600 employees at AGL Resources at the end of 2010, 907 (35 percent) had more than 20 years of service with the company. We believe that length of service is evidence of the growth opportunities and the positive work environment offered by our company.

Given the long tenure of many of our employees, we are preparing for the inevitable loss of talent as members of the aging workforce retire. At AGL Resources, we work with local colleges, trade and technical schools, high schools and even middle schools to ensure that tomorrow's employees are gaining the experience they will need for a successful career in the natural gas industry. We encourage our seasoned employees to share their institutional knowledge with new hires and interns through job shadowing and mentoring.

RESPONDING TO OUR EMPLOYEES

Soliciting feedback from our people – then acting on it – is another important practice at AGL Resources. In 2010, 90 percent of our workforce responded to our Voice of the Employee engagement survey. As a result, we have made improvements in a number of areas such as benefits communications, healthcare and career development.

Benefits Resource Team: In 2009, after concerns were raised by employees and retirees about how benefits-related issues were handled by an outsourced firm, we re-established that service in-house. The response to BeRT (Benefits Resource Team) has been both positive and overwhelming. In its first year of operation, BeRT answered 15,604 calls – approximately 30 percent more than the former vendor handled during the previous 12 months. In 2010, BeRT members assisted employees and retirees on 9,488 calls. While service and technology improvements are still being developed, employees and retirees rate the services provided by BeRT very highly.

Wellness Partner: In 2010, we launched “The Prevention Plan” to encourage our people and their families to be more engaged in managing their health. First-year participation is more than 85 percent.

This initiative:

- makes it easy for participants to learn about personal preventative care and key health indicators.
- helps and rewards participants who create an action plan based on their medical history and current health information.
- provides support to lose weight, quit smoking, get fit or achieve other important health goals.
- offers telephone or e-mail access to a health coaching team led by registered nurses.

Opportunities and Development

for All: Our Diversity Council consists of leaders from across the corporation and is charged with cultivating an environment that positions us to attract, retain and grow a diverse workforce.

The council's focus includes:

- promoting a culture where individual differences are respected.
- ensuring that all of our people as well as customers, suppliers and community members are able to fully contribute to our organizational goals.
- holding each other accountable to continually examine the processes and systems in place to ensure the attraction, development and retention of a diverse workforce.
- ensuring that all our people are valued for the skills and contributions they bring to our business.

In 2009, we expanded our commitment by implementing companywide diversity and inclusion training. All of our employees will have completed that training by the end of 2011.

AGL Resources is committed to corporate governance policies and principles that help ensure honesty and integrity in everything we do.

At AGL Resources, our Code of Conduct and Ethics helps guarantee that we comply with laws and regulations that apply to the company. In cases where a clear governing law or regulation does not exist, our code guides each of us in making good decisions and sets the standard for appropriate behavior.

Each year, employees complete training on the company's Code of Conduct and all employees must affirm annually their acceptance of the Code of Conduct. The company's Ethics and Compliance Helpline is available around the clock for employees, customers and others to anonymously and confidentially report any questionable practices, actions or activities at the company. The company investigates every report of a potential Code of Conduct violation and takes appropriate action in response to violations.

BOARD OF DIRECTORS

All of our board members (with the exception of Chairman, President and CEO John W. Somerhalder II) are independent of the company and its management.

To ensure proper corporate governance:

- the board and management operate under a set of Guidelines on Significant Corporate Governance Issues that is reviewed regularly.
- the board, along with all employees, operates in compliance with the company's Code of Conduct and Ethics.
- the board of directors has implemented policies consistent with corporate reform laws that inform stakeholders and other interested parties as to how they may communicate directly with the Audit Committee or with the company's independent directors.
- the independent members of the board meet regularly without the presence of management.
- the charters of each of our board committees clearly establish their respective roles and responsibilities.
- PricewaterhouseCoopers LLP, our independent auditor, reports directly to the Audit Committee.
- key members of management regularly report to, and meet in executive session with, certain board committees.

ECONOMIC RESULTS: STEADY, RELIABLE FINANCIAL PERFORMANCE

Our shareholders count on us to deliver consistent results, even in a challenging economy.

We grew net income attributable to AGL Resources Inc. from \$222 million in 2009 to \$234 million in 2010 and increased basic earnings per share from \$2.89 (\$2.88 per diluted share) in 2009 to a record \$3.02 per basic share (\$3.00 per diluted share). In addition, in February 2011, we announced the payment of our 253rd consecutive quarterly dividend and the ninth dividend increase for AGL Resources shareholders since 2002.

DILUTED EARNINGS PER SHARE



ANNUAL DIVIDEND PER SHARE



INVESTING IN BUSINESSES AND PARTNERSHIPS FOR LONG-TERM GROWTH

While strict fiscal discipline has contributed to much of our success at AGL Resources – even in the toughest economic times – we seek new ways to leverage opportunities for continued growth.

As a publicly held company, we have a fiscal responsibility to make prudent investments that create shareholder value. We also strive to ensure that our investments provide positive benefits to our other stakeholders – the communities where we operate and natural gas users across the country.

In October 2009, the Georgia Public Service Commission approved Atlanta Gas Light's STRIDE (Strategic Infrastructure Development and Enhancement) program. This investment in new transmission infrastructure is vital to meeting future demand for our product and ensuring reliability and integrity, particularly in north metro Atlanta and during peak demand periods. Under STRIDE, Atlanta Gas Light is also investing in new pipelines to serve homes and businesses currently without gas service, which supports local economic development.

Virginia Natural Gas put our Hampton Roads Crossing pipeline into service in 2010, linking two areas separated by the Chesapeake Bay and James River. This investment in infrastructure brought additional capacity and system reliability to the region.





BUILDING STORAGE CAPABILITY

The importance of natural gas storage was demonstrated in early 2010, when a cold snap blanketed much of the nation. In addition to helping meet spikes in demand for home heating, the availability of stored natural gas also minimizes price swings that typically accompany rapid increases in demand that result from events such as unusually cold weather, hurricanes and tropical storms.

In 2010, Jefferson Island Storage & Hub in Louisiana applied for federal and state permits to expand the facility by adding two caverns. Pending approval and market conditions, the new caverns could enter commercial operation within five years, more than doubling JISH's working gas capacity to 19.5 billion cubic feet.

In September 2010, we began commercial service of the first cavern at our Golden Triangle Storage facility, deep in the historic Spindletop Dome near Beaumont, Texas. The second cavern is expected to be in service in 2012.

ADDING RENEWABLE ENERGY CAPABILITY

Atlanta Gas Light collaborated with Jacoby Energy Development and Georgia's DeKalb County in 2009 to

develop a landfill gas-to-energy project. Renewable methane that previously would have been flared off or burned, contributing to greenhouse gas emissions, is now collected at the county's Live Oak Landfill, processed and then distributed through Atlanta Gas Light's pipeline system. This gas is marketed by our subsidiary, Georgia Natural Gas – the first and only gas marketer in the state to provide renewable gas to its customers. The project produces enough renewable gas to supply at least 10,000 homes annually.



Renewco's Meadow Branch Landfill project

To capitalize on other landfill gas opportunities, we formed a joint venture, Renewco LLC, with Keystone Renewable Energy LLC in 2010. The company's first project at the Meadow Branch Landfill near Athens, Tenn., is expected to begin producing renewable gas in the second half of 2011. We expect to produce as much as 3,000 MMBtu of gas per day over the 20-year life of the project.

We have several other landfill gas projects in our development pipeline and look forward to reporting on those in the future.

DEVELOPING NEW APPLICATIONS FOR NATURAL GAS

One attribute of natural gas is its versatility. Serving 24 percent of U.S. energy needs, natural gas can be used to generate electricity, perform industrial processes, keep homes and businesses comfortable and fuel motor vehicles.

In mid-2010, we formed a joint venture called Southeast LNG Distribution Company with El Paso Corp. to supply liquefied natural gas across the southeastern United States to the transportation market, which includes heavy-duty trucks, buses and waste haulers. Approximately 25 percent of the nation's tractor-trailer traffic occurs in six southeastern states; the availability of LNG for this market will provide a clean-burning, low-cost alternative to diesel fuel for heavy-duty fleet use.

To leverage the benefits of natural gas, we also have intensified collaborative efforts with leading equipment manufacturers to re-engineer traditional electric appliances so they can run on cleaner, more efficient natural gas. One example is a natural gas-fueled heat pump that is three times more energy efficient than its electric-powered counterparts on a source-to-site basis. We also teamed up with a manufacturer to introduce a gas-fired desiccant-based dehumidifier for the residential and small commercial markets. We believe that natural gas heat pumps and dehumidifiers will be successfully competing with traditional electric models within the next five years.

Our businesses and our employees touch millions of people – customers we serve and communities where we operate. Our interactions with our communities encompass many areas: safety, helping communities with energy conservation, connecting with social needs and programs, and providing opportunities for employment and diverse suppliers. We extend our commitment to our communities with our leadership in many community and industry organizations.

Safety for Our Communities

Utilities like ours must meet rigorous federal and state requirements to ensure that natural gas is delivered safely and efficiently. But more than that, we hold ourselves accountable to our own stringent internal controls to help ensure the safety of our people and the public. Our outstanding safety record bears out our commitment. But we must be constantly vigilant.

PIPELINE REPLACEMENT EQUALS METHANE REDUCTIONS

We are engaged in multi-year programs to upgrade and replace our older pipelines in Florida, Georgia, New Jersey, Tennessee and Virginia – replacing a total of more than 2,300 miles of aging, uncoated bare steel and cast-iron pipe with plastic and corrosion-protected, coated-steel pipe at a cost of almost \$708 million. (These programs do not apply to our Maryland operations, where the last of the bare steel and cast-iron pipe was removed before 2000.)

In 2010 alone, we replaced more than 160 miles of this antiquated pipe. In addition to improving safety and reliability, the new protected steel and polyethylene pipes have reduced methane emissions by preventing minute portions of gas from escaping, an issue with the outmoded pipe. The updated pipe offers a significant environmental benefit since methane has a greenhouse gas effect that is more than 20 times greater than carbon dioxide.

In addition to upgrades and maintaining the safe condition of our pipelines through regular inspections, we use state-of-the-art technology to ensure the integrity of our system. Our Gas Control Operations Center in Atlanta monitors the flow of natural gas through our pipelines in six states 24 hours a day, every day. Our gas controllers have the ability to adjust flows and operation pressures remotely and to shut off natural gas flowing in some transmission lines.

We actively promote “Call Before You Dig” programs in each state to ensure that the public calls 811 prior to conducting excavation and underground construction so that the location of utility lines can be marked. According to the U.S. Department of Transportation, almost 42 percent of broken pipelines in densely



*The watchful eye of Senior Gas Controller
Glen Murphy*

populated areas are caused by improper excavation. In our service territories, approximately 90 percent of the cut lines are caused by third-party damage.

We also work closely with police, fire and rescue personnel to update them on our safety procedures and to ensure a safe and coordinated response in the event of a natural gas-related incident.



Virginia Natural Gas Project Coordinator Pete Powles and local firefighters during training for natural gas emergencies

CRISIS PREPAREDNESS AND MANAGEMENT

AGL Resources' crisis management plan supports all areas of our company to help ensure that we respond rapidly and safely to emergencies. Central to the plan is our cross-functional Incident Support Team, which is always on call, day or night.

The team conducts semi-annual exercises to prepare for such events as weather-related gas outages, major pipeline damages and gas-related injuries and fatalities. The team has been activated three times in the past 12 months to provide mutual aid to other natural gas companies dealing with mass outages.

Energy Conservation in Our Communities

CARBON SEQUESTRATION AND RESTORATION SMALL GRANT PROGRAM

In 2009, Elizabethtown Gas announced a partnership with Conservation Resources Inc., a non-profit organization that supports the conservation community in New Jersey, to provide funding to non-profit organizations and local governments to undertake land restoration projects related to carbon sequestration and greenhouse gas emissions avoidance.

In early 2010, the Carbon Sequestration and Restoration Small Grant Program took root – literally – with the planting of 2,400 trees in the Pin Oak Forest, a formerly polluted area that has been reclaimed and turned into a 97-acre nature preserve. This project supports New Jersey's Global Warming Response Act.



GEORGIA SEED

In 2009, Atlanta Gas Light launched a five-year experimental program to attract and retain jobs and to support projects that result in energy conservation and environmental benefits, including reductions in greenhouse gas emissions. Georgia SEED (Sustainable Environmental Economic Development) offers assistance to private and public partners in two areas: implementing energy conservation and renewable projects, and facilitating gas infrastructure extensions. The company's first project will replace outdated electrical equipment at the Boisfeuillet Jones Atlanta Civic Center, pending approval from the Georgia Public Service Commission.



David Bacastow of Chattanooga Gas delivering food

Through Georgia SEED, Atlanta Gas Light can provide concept-to-completion expertise to support energy conservation projects, with funding if needed, in Georgia communities. The cost of the conservation projects are anticipated to be offset by future savings on utility bills.

For the Good of the Community

Each community in which we operate has different needs. Our team of employee volunteers – called the V-Force – helps meet those needs.

At AGL Resources, our core value, “generosity of spirit,” guides our business and personal decisions as we strive to support and encourage individual and corporate efforts to give back to the communities we live in and serve. Financial contributions continue to be extremely important, but we also believe that giving our time and effort truly reflects the spirit of the gift.

Our AGL Resources Private Foundation leads our philanthropic activities, which concentrate on education, environmental stewardship, organizational and supplier diversity, community enrichment and energy assistance. We strive to maintain a keen sensitivity to issues affecting our communities and our business. We show our dedication and corporate citizenship through our various foundation grants, community outreach programs and other corporate charitable giving programs.



Our generosity of spirit philosophy is embodied by our V-Force employees who are generous with their time and their treasure. Here is a sampling of some of the community activities in which our businesses have been involved in 2010:

ALL LOCATIONS

AGL Resources and our employees wholeheartedly support **United Way** in each of our locations. Many offices have 100 percent participation in the annual fundraising campaign, and employees participate in other United Way activities such as the Shoebox Project for homeless women throughout the year.

Corporate contributions to United Way in 2010 totaled \$572,000, but our people also were generous through payroll deductions and special fundraising events. For the first time in company history, the 2010 Metro Atlanta United Way campaign surpassed a half million dollars in employee contributions. Our combined corporate and employee contributions exceeded \$1 million companywide.

ABBEVILLE, LOUISIANA

In 2010, Jefferson Island Storage and Hub made a \$75,000 commitment to the **Palmetto Island State Park**, contributing the first of three annual \$25,000 donations. State funding issues had delayed the opening of the park, and JISH has joined the community in contributing to its support. Located on the Vermillion River, the park will help the local economy by bringing tourists to Abbeville.

ATLANTA, GEORGIA

From 2005 through 2010, Atlanta Gas Light has partnered with non-profit agencies in Georgia to provide energy-saving weatherization services

and natural gas equipment repair or replacement for qualified senior and low-income households through the **Home and Heartwarming** program. We contributed \$1 million a year, which helped provide much-needed home improvements for more than 2,200 Georgia residents.

ATLANTA, GEORGIA

In 2010, AGL Resources employees participated in the construction of our 13th **Atlanta Habitat for Humanity** home. A year earlier, we were proud to be involved in the completion of the organization's 1,000th home-building project in our headquarters city – an event celebrated by former president and long-time Habitat for Humanity supporter Jimmy Carter.



Senior Vice President Melanie Platt and Chairman, President and CEO John W. Somerhalder II at Habitat for Humanity groundbreaking

2010 also marked the groundbreaking for Verbena Place, Atlanta Habitat's first mixed income community using environmentally sensitive design and building techniques. This new "green" neighborhood of 52 homes, 16 townhomes and 3.5 acres of

greenspace is being constructed on 11 acres donated by AGL Resources.

ELIZABETH, NEW JERSEY

Elizabethtown Gas has developed a successful high school and middle school site-based mentoring program that not only encourages students to graduate from high school but also stimulates them to consider college. **The Elizabethtown Gas Leadership Academic Mentoring Program, or LAMP**, has been adopted by Leadership New Jersey and expanded. In the 2009/2010 school year, 10 Elizabethtown Gas employees and 25 volunteers from Leadership New Jersey mentored 120 students in six schools in five districts around the state. We also developed a LAMP speaker's bureau of community leaders for students, and our summer internships expose students to the corporate environment.

HOUSTON, TEXAS

In 2010, Sequent Energy Management helped the **Gulf Coast Chapter of Juvenile Diabetes Research Fund (JDRF)** set records in fundraising. We contributed \$50,000 and acted as presenting sponsor for the annual Walk to Cure Diabetes, which raised \$1.7 million and attracted 15,000 participants, the most successful walk in the Gulf Coast Chapter's history. Our people also participated enthusiastically. Although Sequent has only 150 employees, Team Sequent was 300 strong – employees, friends and family members – who raised more than \$45,000, making our total 2010 contributions to JDRF nearly \$100,000.

VIRGINIA BEACH, VIRGINIA

Since 2000, Virginia Natural Gas employees have played a leading role in what is billed as the "coolest" event in the state – the annual **Polar Plunge**.

In early 2010, 90 VNG employees, family members and friends raised more than \$23,000 to support Special Olympics Virginia by braving the frigid waters of the Atlantic Ocean in swimsuits and creative costumes. VNG received three first-place awards for having the largest team, raising the most money and raising the most money online.

Providing Economic Opportunity in Our Communities

LOCAL, DIVERSE SUPPLIERS

At AGL Resources, our Supplier Diversity Program helps ensure that small businesses owned by minorities, women and veterans are included in our procurement activities. This effort provides suppliers with development opportunities that would help establish them as viable providers to our businesses.

In 2010, we demonstrated our commitments to providing meaningful contracting opportunities to these diverse small businesses by increasing our utilization to 18 percent of our managed spend. This brought our overall Supplier Diversity procurement for 2010 to \$114 million. Our policies continue to encourage our internal users and contractors to utilize these businesses.



Customer Experience Vice President Connie McIntyre, standing, with Customer Care Center employees Erika Wright, Irma Marion and Keith Blake

CONTRIBUTING JOBS

At a time when many companies were laying off employees, AGL Resources was hiring them. In 2010, the company expanded its Customer Care Center in Riverdale, Ga., creating 74 new jobs. The expanded center serves the company's customer footprint across several states including Georgia, Florida, Maryland, Tennessee and Virginia. New Jersey customers are served by a call center that opened in October 2009 in Union, N.J., creating more than 50 jobs.

Providing Leadership in Our Communities and Our Industry

Whether in our industry or in our communities, AGL Resources believes in playing a part in making things happen. Employees at all levels within our company are encouraged to take leadership roles in professional and civic organizations, and we are proud to say that 32 top-tier AGL Resources executives serve on boards, where they can use their expertise for the benefit of the natural gas industry and the communities where we do business.

This commitment begins at the top. John W. Somerhalder II has set a shining example of community service and professional leadership. A member of the board of the United Way of Metropolitan Atlanta, he successfully chaired the 2009-2010 United Way Campaign for metro Atlanta during difficult economic times and is currently serving an unprecedented second term as chair of the 2010-2011 campaign. Mr. Somerhalder also chairs the board of the Atlanta BeltLine Partnership, the private fundraising arm of the \$2.8 billion Atlanta BeltLine. The largest economic development effort ever undertaken in the City of Atlanta, the BeltLine will be a network of public parks, multi-use trails and transit along a historic railroad corridor circling downtown and connecting 45 neighborhoods.

Mr. Somerhalder serves as the 2011 chairman of the American Gas Association, which represents 199 local energy companies. In addition to advocating the interests of its members and their customers, the AGA provides information and services promoting efficient demand, supply growth and operational excellence in the safe, reliable and efficient delivery of natural gas.

Here is a sampling of organizations where our executives take leadership roles as board members:

COMMUNITIES

AMERICAN RED CROSS – <i>Georgia, New Jersey and Virginia</i>	GIRL SCOUTS OF GREATER ATLANTA – <i>Georgia</i>	SALVATION ARMY – <i>Virginia</i>
ATLANTA BELTLINE – <i>Georgia</i>	GOVERNOR’S ENERGY POLICY COUNCIL – <i>Georgia</i>	SOUTHFACE – <i>Georgia</i>
BOY SCOUTS OF AMERICA – <i>Georgia</i>	HABITAT FOR HUMANITY – <i>Georgia</i>	SUSTAINABLE ATLANTA – <i>Georgia</i>
BOYS AND GIRLS CLUBS – <i>New Jersey</i>	JUNIOR ACHIEVEMENT – <i>Georgia</i>	TREES ATLANTA – <i>Georgia</i>
BUSINESS CONSORTIUM FOR ARTS SUPPORT – <i>Virginia</i>	JUVENILE DIABETES RESEARCH FOUNDATION – <i>Georgia and Texas</i>	THE TRUST FOR PUBLIC LAND – <i>Georgia</i>
THE CARTER CENTER – <i>Georgia</i>	METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT GOVERNING BOARD – <i>Georgia</i>	UNITED WAY – <i>Georgia, New Jersey and Virginia</i>
CHATTAHOOCHEE NATURE CENTER – <i>Georgia</i>	THE NATURE CONSERVANCY – <i>Georgia</i>	VIRGINIA CHAMBER OF COMMERCE – <i>Virginia</i>
THE CLEAN AIR CAMPAIGN – <i>Georgia</i>	PIEDMONT PARK CONSERVANCY – <i>Georgia</i>	VIRGINIA EARLY CHILDHOOD FOUNDATION – <i>Virginia</i>
GEORGIA CHAMBER OF COMMERCE – <i>Georgia</i>		
THE GEORGIA CONSERVANCY – <i>Georgia</i>		

INDUSTRY

AMERICAN ASSOCIATION OF BLACKS IN ENERGY	CLEAN AMERICA TRANSPORTATION ALLIANCE	ENERGY SOLUTIONS CENTER NGVAMERICA
AMERICAN GAS ASSOCIATION	CORPORATE VOLUNTEER COUNCIL OF ATLANTA	SOUTHEASTERN ENERGY EFFICIENCY ALLIANCE
AMERICAN INSTITUTE FOR MANAGING DIVERSITY	COUNCIL FOR RESPONSIBLE ENERGY	SOUTHERN GAS ASSOCIATION

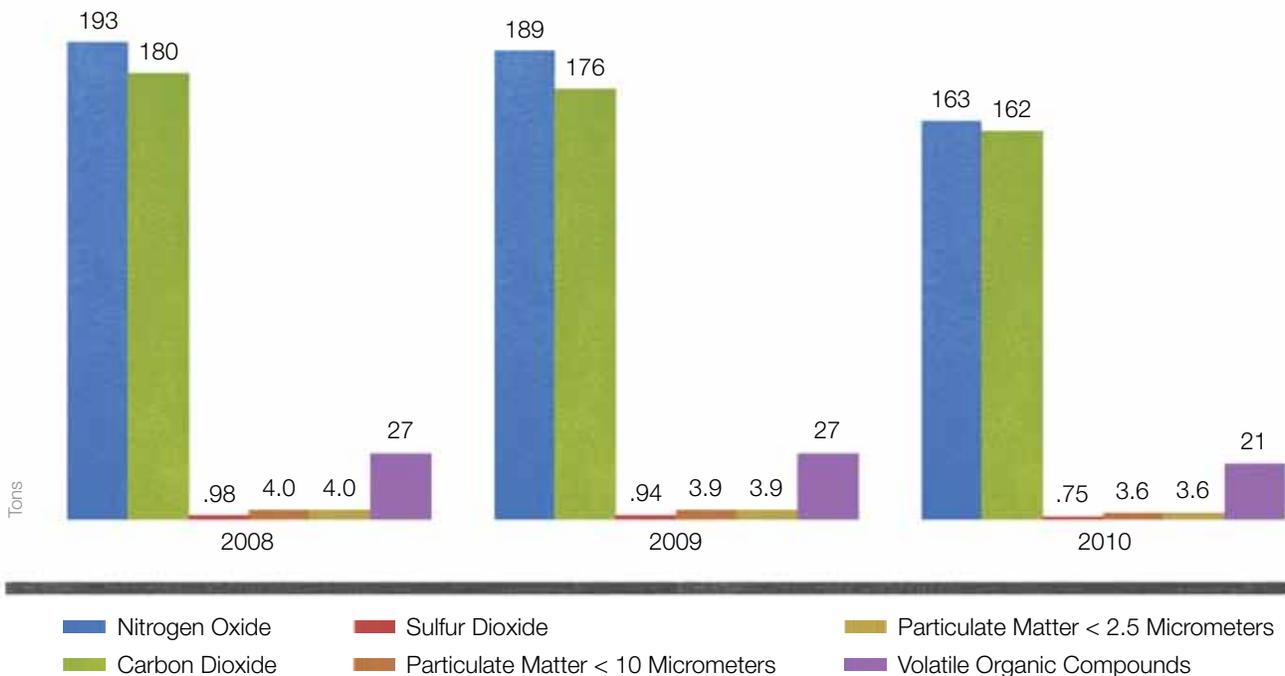
As the cleanest-burning fossil fuel, natural gas is one of America’s most sustainable energy resources. Beyond leveraging the benefits of this vital energy source, we strive to minimize the environmental impacts of our daily activities on the planet.

Our policies and procedures encourage our people to operate in an efficient and environmentally sensitive manner. AGL Resources and our family of businesses have engaged in a number of specific actions to minimize our impact on the planet and improve the quality of life in the communities where we operate. Here are some of the significant initiatives that we have worked on in the past two years.

Environmental Results

While AGL Resources has tracked our environmental results for internal use for some time, this is the first time that we have publicly reported results other than greenhouse gases. We expect that we will refine and enhance our reporting procedures in future years.

CRITERIA POLLUTANT EMISSIONS

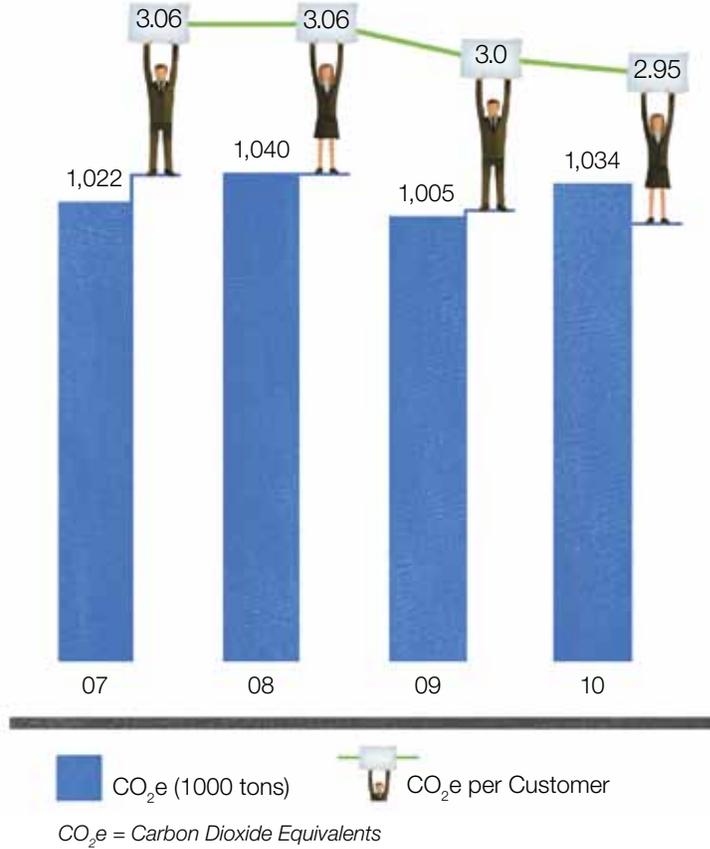


Over the past three years, our emissions from each of the six criteria pollutants have declined. We determined the emissions primarily from the stationary engines that are used to power our natural gas distribution system in six states. Emissions are driven by the amount of fuel that is used and the efficiency of the engines.

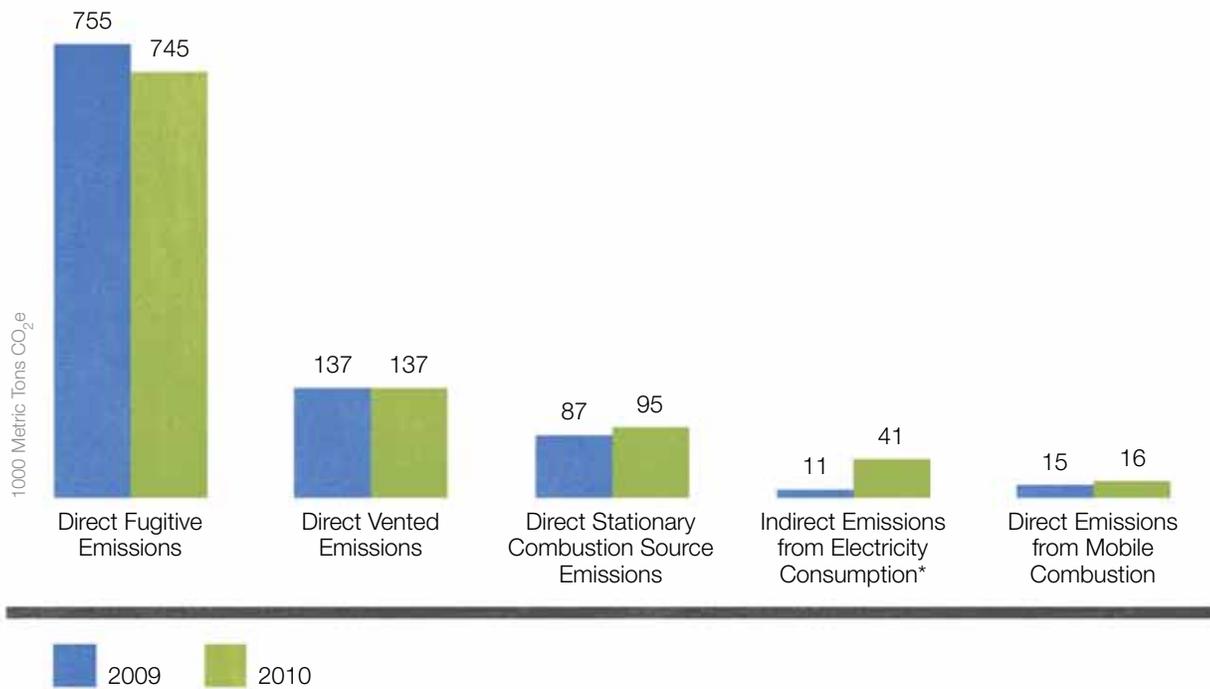
From 2009 to 2010, AGL Resources' total carbon dioxide equivalent emissions increased by 3 percent. This is due largely to an increase in electricity usage during construction operations at Golden Triangle Storage. Our CO₂ equivalent emissions from operations (with construction projects removed), normalized per number of customers, decreased slightly from 2009 to 2010. It should be noted that since Golden Triangle Storage and Jefferson Island Storage Hub are storage operations, they do not have customers and therefore are not included in the normalized data set.

From 2009 to 2010, our direct fugitive emissions decreased by approximately 10,000 metric tons of CO₂ equivalents. This is due to our program to replace outdated bare steel and cast iron pipes, which have a large emission factor, with new steel and plastic pipes, which have a significantly lower emission factor.

TOTAL CO₂e EMISSIONS

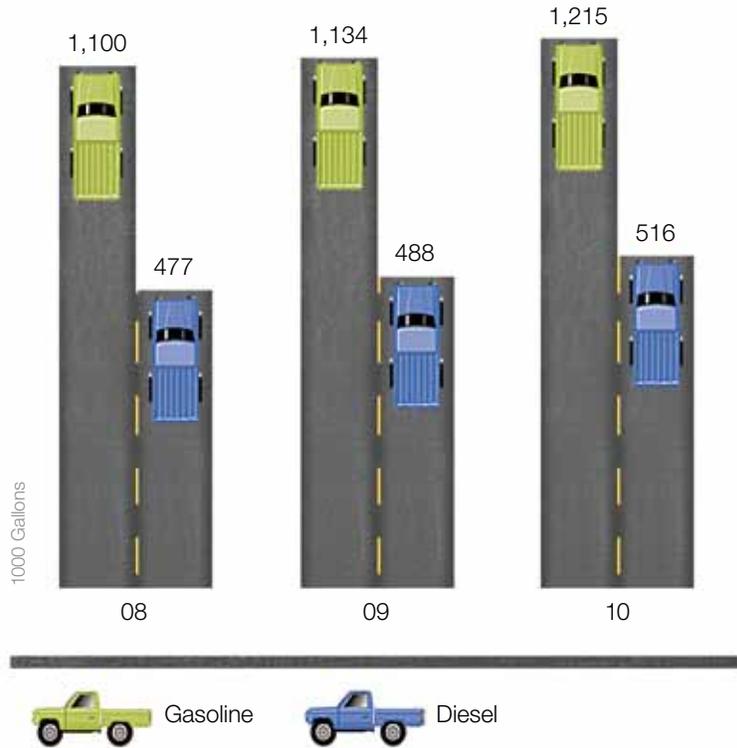


GREENHOUSE GAS EMISSIONS SUMMARY



*Increase due to construction at Golden Triangle Storage

FUEL USAGE



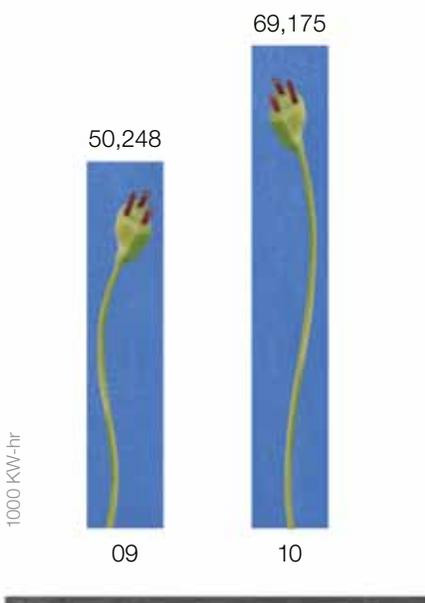
The components of AGL Resources' CO₂ emissions include our direct and indirect energy usage. A majority of our direct fuel usage comes from operating our fleet of nearly 1,700 vehicles. Our fuel usage increased in 2010 due to more miles driven and the replacement of light-duty trucks with heavier-duty vehicles for our field service personnel, in order to maximize their safety due to the amount of equipment that employees need to service our customers' homes. We continue to make improvements to our routes and plan additional conversions of our fleet to CNG in future years that will help us minimize our direct fuel usage.

Our indirect energy comes from purchased electricity and natural gas used at all of our facilities.

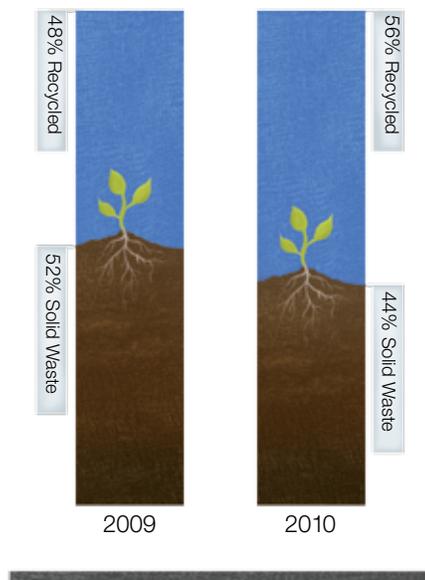
Electricity: When compared to 2009, our indirect energy usage of electricity increased. Our electricity results are inclusive of a major construction project at Golden Triangle Storage involving the construction of an underground salt dome storage cavern that produced numbers which are not indicative of typical storage operations. Similar construction projects are expected to take place in the future, and we will continue to include them as part of our overall footprint.

Natural Gas: Concurrent methodologies do not support validation of our indirect energy usage of natural gas. We anticipate more detailed reporting on natural gas usage in 2011.

ELECTRICITY USAGE



**RECYCLING DIVERSION RATE AT
AGL RESOURCES HEADQUARTERS**



Water: In 2010, we used nearly 50 million gallons of water. Of that total, almost half – or about 70,000 gallons a day – was consumed in typical operations. The other 52 percent of our consumption was related to the construction of the Golden Triangle Storage salt dome storage caverns. Accurate comparison to previous years cannot be made due to difficulty of gathering water usage data prior to 2010. Improvements in gathering this data are being made, and we will begin more detailed reporting on water usage in 2011.

Waste: In 2010, hazardous waste was generated at three of our local distribution companies. Our hazardous waste is primarily made up of degreasing solvents, paints and pipeline liquids. We properly disposed of approximately 5,000 pounds of hazardous waste in accordance with regulatory requirements.

We instigated a pilot recycling project at our headquarters building in Atlanta in 2008 and began tracking our recycled materials in 2009. From 2009 to 2010, we improved the amount of recycled materials diverted from the solid waste landfill by eight percentage points. We plan to have an office waste recycling program implemented at all of our facilities by 2012 and will begin more detailed reporting on recycling and waste at all facilities in 2011.

Environmental Initiatives

Sustainable Development and Construction: Replacing and installing new pipelines to transport natural gas to our customers often requires us to dig in neighborhoods and near ecologically sensitive areas. Our construction procedures allow us to make these infrastructure improvements with minimal environmental impact. Here are recent examples:

Hampton Roads Harbor and James River Crossing: In early 2010, our new 21-mile Hampton Roads Crossing pipeline went into service, linking two important territories in Virginia previously separated by the confluence of the James River, Hampton Roads Harbor and Chesapeake Bay. The project required permits from 22 different agencies.

After consulting with biologists, marine experts and environmental engineers, the route was carefully planned to minimize disruptions to area residents and to avoid environmentally sensitive areas. Nineteen miles of the pipeline followed existing utility and municipal rights-of-way. We also voluntarily routed the line to avoid a historic neighborhood in Newport News and employed a mile of directional drilling to protect the Salters Creek tidal wetlands area. The pipeline construction was modified to directionally drill 8,000 feet more than originally planned (as opposed to trenching) to minimize the impact to environmentally sensitive areas and a ship anchorage zone in the Hampton Roads Harbor.



Horizontal directional drilling at Hampton Roads Crossing pipeline

Care of the Chicot Aquifer: In Louisiana, we are in the process of gaining the necessary permits to expand a natural gas storage facility at Jefferson Island Storage and Hub.

We have voluntarily agreed to limit the amount of potable groundwater that we would use to create the caverns deep in the Jefferson Island salt dome.

In our operating agreement with the Louisiana Department of Natural Resources, we committed to limit the withdrawal of water from the Upper Chicot aquifer to 3 million gallons per day during the cavern-creation process. Our agreed-upon water usage from the Upper Chicot amounts to less than one-half of one percent of the 800 million gallons of water that are withdrawn from the aquifer each day for household needs, agriculture and other uses. The balance of the water needed during the project will come from non-potable water in the otherwise-unused Lower Chicot aquifer.

Riverkeeper Partnership: In 2010, Atlanta Gas Light launched the first phase of our 10-year Georgia STRIDE program to enhance system reliability during peak demand in suburban Atlanta and to extend our pipelines to serve new growth areas. Part of the project involves boring under the Chattahoochee River and crossing its tributaries. We have engaged in an ongoing conversation with the Upper Chattahoochee Riverkeeper to review our projects and water-crossing techniques. At the same time, the Upper Chattahoochee Riverkeeper technical staff is providing recommendations to our personnel to minimize erosion and sedimentation on these projects.



Trustees Garden manufactured gas plant site in Savannah in historic photo and after remediation



BROWNFIELD REDEVELOPMENT

Before pipelines brought natural gas to homes and businesses in the 1930s, utilities manufactured gas from coal and wood at facilities located near customers. While those plants were marvels of technology at the time – going back as far as the mid-1800s – their operations left behind byproducts and residues at the sites that require environmental cleanup activities. A century ago, these byproducts were not considered hazardous. Today, however, we understand the need to protect groundwater and restore these sites so they can be returned to the public for other uses.

Through 2010, our utilities have invested approximately \$229 million in site remediation and monitoring at 20 former manufactured gas plants (MGPs) in Georgia, Florida, New Jersey and North Carolina. By the end of 2010, AGL Resources had completed soil and sediment remediation at most of its MGP sites in Florida and Georgia.

Our project in Sanford, Fla., recently received a 2010 Project Merit Award by the Environmental Business Journal for the sustainable remediation approach we used, which substantially reduced the pollution emissions and environmental impact of the project.

We have worked with each community to ensure that the former plant sites can be put to productive uses that benefit the local economy and citizens. For example, the Trustees Garden site in Savannah, Ga., has been revitalized as a special events facility, and the remediated site in Athens, Ga., has been added to the city's riverfront park system. We will continue to monitor groundwater at these sites well into the future to ensure that no residual materials affect people or the environment.



LEED-Certified headquarters of Virginia Natural Gas

SUSTAINABLE FACILITIES

In 2010, Virginia Natural Gas moved into a headquarters building that is a visible sign of our company's commitment to sustainability and helping the environment.

The Virginia Natural Gas building in Lakeview Corporate Park is a LEED-certified building. Approximately 31,500 square feet, the two-story office building is estimated to be 24 percent more energy efficient than a similar building in this area. It has excelled in categories defined by the LEED program, and its conservation features include low-flow water fixtures, energy-efficient lighting, water-efficient landscaping, recycling and a white roof that reflects heat. One of the most innovative features is a heating and air conditioning system comprised of natural gas heat pumps.

Going forward, we are assessing the feasibility of LEED certification in our new or renovated facilities.

RECYCLING AND CONSERVATION IN OUR DAILY OPERATIONS

In our more than 65 locations, our 2,600 employees engage in recycling and conservation programs that reduce our impact on the environment. We are diligently working to recycle our work-related materials and purchase recycled or sustainable products whenever possible.

Other sustainable practices include:

- recycling tires and motor oil from our fleet vehicles. We annually recycle 5,600 gallons of engine oil.
- recycling 600 pounds of lithium batteries annually.
- printing our annual reports and this Corporate Responsibility Report on paper certified by the Sustainable

Forests Council and Forest Stewardship Council.

- making our annual reports available to the public online and reducing the print quantity from 50,000 to 20,000 for 2008 and 2009.
- sharing tips and ideas with our Chattanooga Gas, Elizabethtown Gas, Florida City Gas and Virginia Natural Gas customers through a monthly newsletter that's electronic instead of published on paper.
- purchasing energy-efficient ENERGY STAR-rated electronics and low-energy compact fluorescent light bulbs for our facilities.
- deploying 478 energy-saving "virtual servers" since 2008 to host company computer network applications, reducing our electricity consumption by more than 1 million kilowatt hours since they were introduced.
- replacing CRT monitors with flat-panel monitors that consume less than half of the energy.
- programming shared printers to automatically produce double-sided printouts, reducing our paper consumption.
- reducing the frequency of our office supply deliveries from next-day to bi-weekly, helping our vendors cut their fuel consumption and greenhouse gas emissions.
- upgrading our video-conferencing capabilities in order to reduce our travel.



MANAGING FUEL USAGE THROUGH FLEET VEHICLES

Overall, our company fleet consists of about 1,700 pieces of equipment: both on-road vehicles and off-road units such as backhoes, trailers, forklifts, compressors, welders and even a few ATVs.

Most of these vehicles are used by our local distribution companies. Our field service representatives (FSRs) drive more than 7 million miles in an average calendar year to serve our customers at their homes and businesses. In 2010, our FSRs traveled 7,548,853 miles, a 2 percent increase from 2009, when total miles traveled were 7,394,570.

Our fuel consumption by FSRs also increased in 2010, to 618,196 gallons of gasoline and diesel, up from 591,177 gallons in 2009. This 5 percent increase can be attributed to the 2 percent increase in mileage and to the fact that we replaced light-duty trucks with heavier-duty vehicles required by our FSRs to assure their safety and efficiency. In order to offset the lower fuel efficiency of these trucks, we have looked for opportunities to downsize to lighter, more fuel-efficient vehicles for other uses wherever we could.



'Little Blue,' our customized natural gas Honda Civic

Although our miles have gone up as a function of our business, we have looked for resourceful ways to create efficiencies. Since 2006, our FSRs have been home-based, no longer needing to travel to a central service center before starting their daily routes. We also upgraded our dispatch technology to software that optimizes routes for our field employees, thereby reducing their miles traveled en route to customer

locations. The technology also helps the FSRs avoid congested areas, where traffic may be idling.

According to NGVAmerica, vehicles powered by compressed natural gas (CNG) produce 93-95 percent fewer toxic emissions compared with gasoline and diesel vehicles, and reduce greenhouse gas emissions by 20-30 percent compared with diesel- and gasoline-fueled vehicles.

Since 2008, AGL Resources has added natural gas-powered vehicles to its fleet. Residents in Atlanta, Miami and the Tidewater area of Virginia are familiar with "Little Blue" – our customized Honda Civics that run on compressed natural gas. Our introductory fleet of these three low-emission, energy-efficient vehicles has been so well-received by our sales force and the public that, in 2010, we added nine natural gas-powered Ford Focus sedans for our account executives at Atlanta Gas Light, Chattanooga Gas, Elizabethtown Gas and Virginia Natural Gas.

In 2010, we also added two natural gas-powered Toyota forklifts.



MARTA bus powered by efficient compressed natural gas

We continue to make improvements to our routes and plan additional conversions of our fleet to CNG in future years, which will help us minimize our direct fuel usage.

TELEWORKING AND SUBSIDIZED PUBLIC TRANSPORTATION TO REDUCE FUEL AND EMISSIONS

AGL Resources and our Atlanta Gas Light business have instituted a formal teleworking program that allows certain employees to perform their jobs at home. The program reduces the number of cars on the road, reduces the pollution in Atlanta and increases the morale of those employees whose job functions allow them to work remotely. In 2010, 57 employees logged 9,747 teleworking hours. See chart for the impact on the environment.

VEHICLE EMISSIONS AVOIDED BY TELECOMMUTING

Car	22	avg MPG
Light Truck	17	avg MPG
AGL Teleworking hours	9747	teleworking hours logged
	1218	days (assuming 8 hour work day)
Average Commute (per DOT)	39	miles/day
	47517	miles avoided by teleworking

Total vehicle emissions saved	26	Tons total air pollution avoided
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Source: U.S. EPA: Emission Facts: Average Annual Emissions and Fuel Consumption for Passenger Cars and Light Trucks. <http://www.epa.gov/oms/consumer/f00013.htm>

According to the American Lung Association's "State of the Air 2010 Report," Atlanta is rated the 19th worst city in the nation for ozone and the 16th worst for particle pollution. By encouraging our employees to take mass transit, our company is helping improve Atlanta's air quality and relieve its traffic congestion. In 2010, our Atlanta headquarters subsidized monthly MARTA bus and rail passes for 107 employees, or 18 percent of employees based there. See chart for our impact on the environment.

VEHICLE EMISSIONS AVOIDED BY MASS TRANSIT

Average Commute (per Georgia DOT)	39	miles/day
Five days per week	1,084,980	miles/year

Total vehicle emissions saved	595	Tons total air pollution avoided
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Source: U.S. EPA: Emission Facts: Average Annual Emissions and Fuel Consumption for Passenger Cars and Light Trucks. <http://www.epa.gov/oms/consumer/f00013.htm>

★ HONORS AND *Awards* ★

We don't do the right thing to get awards, but it's always nice to be recognized for significant positive impacts on the environment and in the communities where we operate. Here are a few of the awards we've received.

NATURAL GAS STAR CONTINUING EXCELLENCE AWARD

AGL Resources' commitment to reducing methane emissions helped the company earn the Environmental Protection Agency's Natural Gas STAR Continuing Excellence award in 2009. During the 2006-2008 timeframe, AGL Resources' pipeline replacement program resulted in reduced greenhouse gas emissions of nearly 3 percent, based on carbon dioxide equivalent emissions per mile of gas main. The company also reduced automobile-related greenhouse gas emissions by more than 26 percent during that same period through a combination of more energy-efficient company vehicles, home-basing of some employees and improved route-optimization software for field personnel.



SAFETY ACHIEVEMENT AWARD

The American Gas Association recognized AGL Resources' record of employee safety in 2009 with the Safety Achievement Award. The award honored AGL Resources' DART (Days Away, Restricted or Transferred) Rate, which was the lowest among the 11 mega-size distribution companies that report to the AGA. Although 2010 rankings had not been announced by press time, our DART rate of 1.4 provides us with another strong performance measured against our peer companies.

ENPACT ENVIRONMENTAL AWARD

AGL Resources and Atlanta Gas Light received the Atlanta Business Chronicle's 2010 Enpact Environmental Award in recognition of our efforts to mitigate and reduce pollution in metro Atlanta.



Georgia environmentalist John Sibley and AGL Resources Vice President Ira Pearl at Atlanta Business Chronicle Environmental Awards ceremony

TOP 10 PLACES TO WORK IN ATLANTA

The Atlanta Business Chronicle named AGL Resources one of the “Top 10 Places to Work in Atlanta” in 2009 and 2010.

AWARD FOR EXCELLENCE FOR PUBLIC SERVICE

Employees who volunteer their time to participate in the Elizabethtown Gas Leadership Academic Mentoring Program (LAMP) that focuses on at-risk students received the 2009 Award for Excellence for Public Service from the N.J. Business & Industry Association. The award recognizes leadership in finding solutions to pressing social or economic problems.



Elizabethtown Gas Operations Supervisor Janet Papciak and student in the Leadership Academic Mentoring Program.

TORCH AWARD FOR COMMUNITY SERVICE

The Better Business Bureau serving metro Atlanta, Athens and Northeast Georgia named Georgia Natural Gas as the 2010 winner of its Torch Award for Community Service – the third consecutive year that the company received this recognition in the category of businesses with fewer than 100 employees.

COMMUNITY IMPACT AWARD

Atlanta Gas Light’s partnership with Cool Girls, Inc. – an early-intervention program dedicated to the empowerment of at-risk girls – earned company employees the 2009 Community Impact Award from the Corporate Volunteer Council of Atlanta.



★ LOOKING *Forward* ★

Every day, our mission at AGL Resources is to safely deliver environmentally friendly, efficient, reliable natural gas to our customers. As a corporate citizen, we have responsibilities well beyond our product delivery – in our daily operations and in our interactions with every stakeholder.

In 2011, our team will continue our investments in utility infrastructure for safety, quality and reliability for our customers and communities. We remain focused on identifying, developing and promoting technologies that allow us and our stakeholders to reduce carbon emissions. In particular, we are evaluating additional investments in landfill gas and continuing to develop new applications for natural gas and creative ways to conserve energy.

We are also taking additional steps to enhance our sustainability program. We're calling it Sustainability 2.0. It will build on our past achievements and drive new programs and goals on a corporate, departmental and individual level. A series of initiatives will extend pilot projects more broadly throughout the company; identify additional op-

portunities to reduce energy, materials and waste; and more widely engage our people and all of our stakeholders in our environmental stewardship efforts.

As we approach our corporate responsibilities in 2011, we are making greater efforts to measure and report our results, which will allow us to intensify our reporting transparency in future years. We plan to report our results annually.

Continuous improvement is an ongoing focus at AGL Resources. We continue to explore new avenues to make effective use of our resources every day. Through our new technology development, internal environmental stewardship efforts, participation in public policy and outreach to our stakeholders, we remain dedicated to global sustainability.

