Forward-Looking Statements

Certain expectations regarding in this press release are forward-looking statements. Forward-looking statements involve matters that are not historical facts. Forward-looking statements contained in this press release include, without limitation, the expected use of proceeds of the senior note offerings. AGL Resources’ and AGL Capital's expectations are not guarantees and are based on currently available information. While these expectations are believed to be reasonable in view of the currently available information, they are subject to future events, risks and uncertainties, and there are several factors - many beyond the control of AGL Resources and AGL Capital - that could cause results to differ significantly from these expectations. These events, risks and uncertainties include the possibility that the conditions to closing the senior note offerings or the proposed merger with Nicor will not be satisfied or waived, and unforeseen events that may necessitate the application of the net proceeds of the senior note offerings to other, more critical purposes. Events, risks and uncertainties which may cause actual events to differ materially from expectations also include, but are not limited to, changes in price, supply and demand for natural gas and related products; the impact of changes in state and federal legislation and regulation including changes related to climate change; actions taken by government agencies on rates and other matters; concentration of credit risk; utility and energy industry consolidation; the impact on cost and timeliness of construction projects by government and other approvals, development project delays, adequacy of supply of diversified vendors, unexpected change in project costs, including the cost of funds to finance these projects; the impact of acquisitions and divestitures; direct or indirect effects on AGL Resources' business, financial condition or liquidity resulting from a change in credit ratings or the credit ratings of counterparties or competitors; interest rate fluctuations; financial market conditions, including recent disruptions in the capital markets and lending environment and the current economic downturn; general economic conditions; uncertainties about environmental issues and the related impact of such issues; the impact of changes in weather, including climate change, on the temperature-sensitive portions of AGL Resources' business; the impact of natural disasters such as hurricanes on the supply and price of natural gas; acts of war or terrorism; and other factors which are provided in detail in AGL Resources' filings with the Securities and Exchange Commission, which we incorporate by reference in this press release. Forward-looking statements are only as of the date they are made, and neither AGL Resources nor AGL Capital undertakes to update these statements to reflect subsequent changes.
AGL CNG Program – Underpinnings

• National activity to spur CNG and LNG transportation marketplace
  • Corridors
  • Vehicles
  • Infrastructure and incentives

• Company seeking ways to attract new CNG investment to Georgia
  • Georgia has potential to be SE corridor “hub”
  • Federal tax incentives / NAT GAS Act
  • Significant margins between gasoline/diesel and natural gas

• Unique limitations on traditional utility investment
  – Other infrastructure programs
  – Mandatory Rate Case in 2010
CNG in Georgia

• Early 90’s: CNG rate paid for CNG equipment at customers location

• MARTA and the 1996 Olympics

• Amoco investment

• Currently:
  – 30 CNG stations (private)
  – 10 AGL maintained CNG stations (private)
  – 3 public stations
  – 4 new CNG stations under development
Atlanta Public Access CNG Stations

**Existing (5)**
- Clean Energy, College Park
- PS Energy - Whitehall St.
- PS Energy – Lithonia
- PS Energy – East Point

**Proposed (2)**
- DeKalb Co. – Ellenwood
- American Fuel Systems – Buford Hwy.
What is Atlanta Gas Light’s proposal?

Public Fueling Stations

Home Refueling Appliances

Limited Access Stations
Key: Significant Private Investment
AGL’s CNG Infrastructure
Opportunity: Home Refueling Appliances

[Image of a home refueling appliance and vehicles with CNG logo]
Key: Commercial and Municipal Anchor Fleets
AGL’s CNG Program

- One-time funding of $11.6 million from the Company’s Universal Service Fund
  - Could support 5-10 CNG stations
  - Funds come from industrial rates, asset management revenues and pipeline refunds

- Private Capital must fund the cost of the station to qualify to have USF funded fueling infrastructure
  - CNG Retailer will own station improvements and dispensers
  - Retailer can purchase AGL equipment after 5 years

- AGL will **not** provide CNG sales to public through these stations.
  - 10 Certificated Marketers will sell to CNG Retailers
AGL CNG Program

• Applicants must meet key minimum qualifying criteria, including:
  – Anchor customer(s) under contract for minimum of 5 years.
  – Must sign service agreement with AGL

• Public Access Stations
  – 30,000 GGE/year minimum throughput required
  – General public to have access to dispensers using standard credit cards at posted price

• Limited Public Access Stations
  – Must provide a public benefit
    • Municipal garbage or transit buses
  – 150,000 GGE/year minimum throughput required
AGL CNG Program

• AGL to charge tariff rate to compress natural gas and deliver into retail dispensers
  • Commercial delivery rate
  • Actual O&M cost recovery
  • Equipment Usage Fee (EUF)

• HRA Appliances and repair/replacement of major fueling equipment components comes from EUF

• No infrastructure costs in rate base

• RFP Process concluded April 16th
  • Results
Thank you!
Introduction to Plug-In Electric Vehicles

Jessica Bishop – Director of Electric Vehicle Program Development
There are several categories of Electric Vehicles:

**Hybrid Electric Vehicle (HEV)**
- Small electric battery supplements standard internal combustion engine and is charged through regenerative braking and gas engine
- *e.g.*, *Toyota Prius*

**Battery Electric Vehicle (BEV)**
- All electric – no internal combustion engine
- Battery is charged from the grid
- *e.g.*, *Nissan Leaf*

**Plug-in Hybrid Electric Vehicle (PHEV)**
- Electric battery supplements standard internal combustion engine
- Battery is charged from the grid, regenerative braking or gasoline engine
- *e.g.*, *PHEV Toyota Prius*

**Extended Range Electric Vehicle (EREV)**
- Battery charged from the grid and has an onboard gasoline generator (engine) to power the vehicle for ‘extended-range’ driving
- *e.g.*, *Chevy Volt*

“A Plug-in Electric Vehicle (PEV)” is simply an electric vehicle that plugs into an electric outlet to charge.
Electric Vehicle Charging

**Level 2 Charging**
- Basic ($500-$1500) and smart ($1500-$2000) units available
- 220/240 volt (Plugs into a typical dryer-sized outlet)
- 30 or 40 amp circuit (5-prong)
- Approx 40 mi-range battery, charging time: 3-4 hrs

**Level 1 Charging**
- Typically comes with car
- 110/120 volt (Plugs into a standard outlet)
- 15 or 20 amp wall outlet (3-prong)
- Approx 40 mi-range battery, charging time: 8-10 hrs

**DC Fast Charging**
- For commercial charging only ($30,000+)
- 480-600 volt
- DC charging standards have yet not yet been established
- Approx 40 mi-range battery, charging time: <30 minutes
All vehicles can charge at 110V (standard outlet), or 220V (Charging station or “EVSE” required)

It is expected that most charging will occur at home, followed by workplace charging, (fleet, employee and customer vehicles)
  • Estimated 90% - 95% will occur at these two locations

Public charging stations are most expensive and will likely be the least used – but a small number of stations are needed to alleviate range anxiety

Major manufacturers have entered the market which will lower costs in 2 – 3 years (GE, Siemens, Eaton, etc.)
Duke Energy supports PEVs because they …

- Save our customers money on fuel
- Play a major role in securing energy independence
- Help the environment by reducing tailpipe emissions
- Are viable commuter vehicles

---

**Average Annual PEV Savings**

<table>
<thead>
<tr>
<th>PEV</th>
<th>Miles/Day</th>
<th>Energy Use</th>
<th>Avg Rate</th>
<th>Daily Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>40</td>
<td>3.33 Mi/kWh</td>
<td>$0.11 Per kWh</td>
<td>$1.32</td>
</tr>
</tbody>
</table>

**Gas-Fueled**

<table>
<thead>
<tr>
<th>Miles/Day</th>
<th>Energy Use</th>
<th>Avg Gas</th>
<th>Daily Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>27.5 mpg</td>
<td>$3.50 Per gal</td>
<td>$5.09</td>
</tr>
</tbody>
</table>

Yearly PEV savings: over $1300
Environmental Impact

- Plug-In electric vehicles are a much cleaner vehicle choice than internal combustion vehicles. They have zero tailpipe emissions when running on electricity only.

- Emissions may be produced by the source of electrical power, such as a coal fired power plant. Electricity generation is regional, so the source of electricity must be considered.

- The Department of Energy has a tool on its website that compares electricity sources and annual vehicle emissions by zip code at:

Duke Energy Residential PEV Adoption Forecast

- PEV estimated adoption rates vary significantly – by 2021, forecasts range from 74K to more than 200K PEVs in Duke Energy territories.

### Projection of PEVS

<table>
<thead>
<tr>
<th>Year</th>
<th>Aggressive</th>
<th>Mid Range</th>
<th>Moderate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>8,373</td>
<td>4,467</td>
<td>561</td>
</tr>
<tr>
<td>2018</td>
<td>131,829</td>
<td>78,608</td>
<td>25,387</td>
</tr>
<tr>
<td>2021</td>
<td>223,720</td>
<td>148,768</td>
<td>73,815</td>
</tr>
</tbody>
</table>
Duke Energy’s Approach

• Duke Energy is not currently offering special PEV rates as there is not yet any basis for these rates.

• Currently funding pilots to collect data that will enable Duke Energy
  – To learn about grid impacts
  – To better understand customer charging behavior
  – To develop PEV-related products and services that will be most attractive to our EV owning customers while maintaining a safe, reliable and affordable grid for all customers.

• Customer pilots underway in:
  – Indiana
  – North Carolina
  – South Carolina
Road Taxes and PEVs

Kansas

- There is recently proposed legislation in Kansas that imposes a fee on the power used by EV charging stations either at home or in public to handle the road tax issue.
- The bill states that consumers who charge their electric or hybrid vehicles at home would be required to have a separate meter to track how much electricity they use. The consumer would have to pay for the additional meter and the cost to install the meter.
- Kansas is the first State to consider a tax on electricity use, while a tax on miles traveled is the popular idea in other states.
- There appears to be bipartisan skepticism regarding the viability of this bill.

Washington (Note: Proposals did not pass)

- Senate Bill 5251 proposed an additional fee of one hundred dollars at the time of initial vehicle registration and annual registration renewal for electric vehicles in order to mitigate the impacts of the diminishing motor vehicle fuel tax.
- Supporters of the bill said it would ensure that all drivers pay something to maintain state roads but opponents argued that a flat fee for all battery-powered cars was a too simplistic approach.

Texas (Note: Proposal did not pass)

- Bill "Relating to the establishment of an electric motor vehicle mileage fee pilot program by the Texas Department of Motor Vehicles" was introduced in February 2011.
- The bill would create a pilot program for testing a mile-based tax for electric cars, and says mileage could be measured either by a periodic manual check or from a device installed in the vehicle that electronically reports the number of miles traveled.

Oregon (Note: Proposal did not pass)

- House Bill 2328 requested to implement a vehicle miles traveled (VMT) system. A VMT tax system charges motorists based on their "road consumption," as measured by total miles traveled. VMT could be implemented via the use of GPS units, which records distance traveled and charges motorist accordingly.
Virginia:
• 2011 legislation passed the VA General Assembly deems EV charging service providers not to be engaged in the resale of electricity, provided they purchase 100% of the electricity used to provide EV charging services from the incumbent electric utility in the given service territory and that the electricity purchased is used solely for transportation. The law deems the provision of EV charging services to be a permitted utility activity, but it exempts EV charging service providers from being regulated as public utilities. (House Bill 2105, 2011, and Virginia Code 56-1.2 and 56-232.2)

California
• On July 28th, 2011, California regulators voted unanimously that companies providing electric vehicle charging stations and services will not be regulated as public utilities in the state.

Oregon
• On January 19th, 2012, Oregon PUC issued an order requiring utilities to file a tariff that permits a customer to re-sell electricity as motor fuel and also requires utilities to provide flat rate, whole-house TOU and an EV TOU. See full order here.

Washington
• In 2011, Washington State made the resale of power legal for EVSPs House Bill 1571

Florida
• The resale of power by EVSPs in Florida was legalized in 2012
Questions
Plug-in Electric Vehicle Resources

GENERAL INFORMATION

• Electric Drive Transportation Association (EDTA): www.goelectricdrive.com
• Plug In America: www.pluginamerica.com
• Duke Energy: www.duke-energy.com/plugin

COMMUNITY PLANNING AND EDUCATION

• Charging Station Installation Handbook: http://www.advancedenergy.org/transportation/evse/charging_station_installation_handbook.php
• Searchable Database of Charging Station (EVSE) Models: http://www.advancedenergy.org/transportation/evse/
• Education Presentations: http://www.advancedenergy.org/transportation/education_forum/
Plug-in Electric Vehicle Resources (Con’t)

SAFETY INFORMATION AND FIRST RESPONDERS GUIDELINES
• NFPA: http://www.evsafetytraining.org/
• Chevrolet Volt: https://www.gmstc.com/FirstResponder.aspx

AMERICAN DISABILITIES ACT GUIDELINES

REGIONAL EFFORTS
• Clean Fuels Ohio: http://www.cleanfuelsohio.org/index.php?option=com_content&view=article&id=117&Itemid=87
• Kentucky’s Electric Highway: http://kcdc1.msiconnect.com/Programs/CommunityDevelopment/KentuckysElectricHighway.aspx
• NC Get Ready: http://www.advancedenergy.org/transportation/programs_and_initiatives/nc_getready.php
• Plug-in Carolina: http://www.plugincarolina.org/
• Project Plug-IN: http://www.energysystemsnetwork.com/ppi-home
PEV Adoption Potential

Would you consider electric vehicles (full electric vehicles or plug-in hybrid electric vehicles) as an option for your next car purchase?

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Probably</th>
<th>Certainly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within the next 3 years</td>
<td>37%</td>
<td>24%</td>
</tr>
<tr>
<td>Between 3 and 5 years</td>
<td>45%</td>
<td>14%</td>
</tr>
<tr>
<td>Between 5 and 10 years</td>
<td>33%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Accenture 2011 study – 1,000 US customers with drivers’ licenses. (97% are car owners) Surveyed between 12/10-01/11

Base: All US respondents who expect to buy a new car in the next 10 years
### Electric Vehicle Adoption Impact – Influencers (5-10 years)

#### Vehicle Charging Technology Disruptors
- Wireless vehicle charging (Inductive charging)
- Battery Swapping Stations

#### Battery Cost / Fuel Cost Relationship
- Expect battery cost/kWh to go down by 7.5% annually from 2012 to 2020
- Cost tipping point (comparable with ICE) is $300-$400 per kWh
- Battery Costs: 10 yrs ago $1500 / kWh; Currently $650/kWh

#### Government
- Gov’t subsidies/incentives may play major role in PEV adoption
- New fuel/emission standards requiring use of electric vehicles
- New US standards requiring use of electric vehicles

#### Other Fuel Technologies
- Hydrogen Fuel Technology
- Bio fuel technology
Community Involvement – Regional Efforts

INDIANA

- *Project Plug-IN* is one of the largest collaborative demonstration projects of plug-in electric vehicles (PEVs) in the nation, putting 100+ Evs on the streets of the Indianapolis metro area and installing 400+ charging stations in government and corporate fleets as well as with select individual drivers.

- Duke Energy is also supporting *Project Plug-IN: Midwest Corridor* which is a proposal that builds on the successes of Project Plug-IN in Indianapolis and expands them to the rest of the Midwest region through the development of a deployment community “toolkit” and a series of EV deployment workshops around the region, creating a more integrated group of deployment communities and charging infrastructure.

CAROLINAS

- *NC Get Ready* efforts are underway throughout the state, supported by a consortium of cities, government officials, industry leaders, and not-for-profit organizations to facilitate the adoption of electric vehicles in NC.

- Duke Energy is a major supporter of *Plug-In Carolina*, a not-for-profit organization in South Carolina focused on electric transportation education and readiness initiatives.

- Duke Energy is also supporting Centralina Clean Fuels Coalition in its proposal to plan and implement the *NC PEV Readiness Initiative: Plugging in from Mountains to Sea*.

OHIO

- Duke Energy supports *Clean Fuels Ohio*, a Non-profit organization working to advance cleaner fuels and vehicles in the state of Ohio, in its planning and implementation work under the *OH PEV Readiness Initiative* – a statewide PEV readiness strategy and infrastructure deployment roadmap that will integrate electric vehicle and refueling infrastructure into Ohio’s existing transportation system.
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