



 Southern Company Gas
SouthernCompanyGas.com



Ingenuity

Fueling a Sustainable Future



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We hold ourselves accountable to our customers first and foremost. To that end, we're committed to delivering clean, safe, reliable and affordable energy for our customers, our neighbors and our communities.



Southern Company Gas is a dedicated team of innovators, engineers, thinkers and creators. Driven by ingenuity, we fuel the possibilities necessary for building a sustainable future of energy.

In the following pages you will learn how we are working to support a net-zero greenhouse gas emissions future. Southern Company Gas is taking a portfolio approach toward decarbonization, both in terms of the clean technologies we pursue and the value chain avenues we impact.

A letter from Kim Greene

Welcome to the inaugural issue of *Ingenuity – Fueling a Sustainable Future*, Southern Company Gas' new publication that discusses our legacy of protecting the environment and clean energy innovation as well as our current and future path toward net-zero greenhouse gas emissions and other sustainability initiatives.

We are proud of our history of environmental leadership over the past several decades, and we remain at the forefront of sustainable energy today – driving change through the development and implementation of new technologies and techniques that reduce emissions, improve system performance and enhance safety.

We are making these investments because, in the face of so much uncertainty – a global pandemic, record unemployment and income disparity, racial injustice and climate change – our customers are relying on us to provide them not only with clean fuel, but with fuel they can afford. We are firm believers that gas can be both.

In this issue, we will demonstrate how clean, safe, reliable, affordable natural gas is foundational to the future of energy. Because our fuel has contributed significantly to global emissions reductions, we are confident that natural gas will continue to work hand-in-hand with renewables to drive even greater reductions in economy-wide GHG emissions.

You also will learn how Southern Company Gas has evolved to be structured for sustainability. Our portfolio supports Southern Company's ambitious goal to reach net-zero GHG emissions in its enterprise operations by 2050. In addition, Southern Company Gas is deploying a wide range of initiatives like infrastructure modernization, implementation of renewable natural gas and hydrogen, cutting-edge research and development projects and programs that empower customers to reduce their own emissions.

We are influencing the entire natural gas value chain through our involvement in industry-wide initiatives to explore aggressive emissions reduction opportunities. We are firm believers that emissions reductions not only improve environmental performance, but also make good business sense. We are committed to achieving our nation's climate goals, and we are confident that we can work together to provide a sustainable, reliable energy source for our customers now and in the future.

Sincerely,



Kim Greene

*Chairman, President and CEO
Southern Company Gas*



Kim Greene
*Chairman, President and CEO
Southern Company Gas*

Natural gas is a foundational fuel

Natural gas has made the U.S. an environmental leader in a global context. Between 2005 and 2019, clean, affordable natural gas contributed to a **33% reduction in carbon dioxide emissions** in the U.S. electric sector while helping the U.S. economy thrive.¹ Methane emissions from the U.S. natural gas distribution system have declined 73% since 1990, according to the American Gas Association.²

Today, residential natural gas accounts for only 4.6% of total U.S. greenhouse gas emissions and carbon emissions from the average natural gas home continue to decline 1.2% per year.² Our fuel will continue to be critical to ongoing emissions reductions and economic stability.

As we look to the future, natural gas will work in partnership with renewable energy sources, providing a solid foundation for bringing more renewables online. Natural gas is a great fuel for flexible, fast-ramping generation and reliable energy storage to help minimize the risk of power disruptions during periods of peak demand. Our pipeline infrastructure is also critical to supporting the deployment of low-carbon fuels like renewable natural gas (RNG) and hydrogen.

We are investing in innovation that will facilitate a clean energy future, supporting projects to deliver technologies that decrease the carbon intensity of our fuel while increasing customer value and providing affordable energy. We are studying hydrogen, advancing appliance technology and exploring other opportunities for natural gas to support renewable energy while we continue to make operational changes that increase efficiencies and emissions reductions.

Natural gas, coupled with our natural gas infrastructure, is an important part of the effort to achieve economy-wide net-zero GHG emissions.



Trending in the right direction in the U.S.



86%

increase in residential natural gas customers over the last 40 years



50%

reduction in residential emissions per customer since 1970, due to continued improvements in gas efficiency



73%

decline in methane emissions from local distribution systems since 1990, even as natural gas systems expanded



Natural gas is key to the clean energy transition

Natural gas has replaced more carbon intensive sources of power. Expanded use of natural gas will continue helping to improve air quality and reduce GHG emissions.

For the past 40 years, the number of residential natural gas customers in the U.S. has grown by 86%, but overall residential natural gas demand has remained steady. Additionally, carbon emissions from the average natural gas home have declined 1.2% per year, resulting in a 50% reduction in residential emissions per customer since 1970, due to continued improvements in gas efficiency.²

These residential customers today are using half the volume of natural gas that they used in 1970, despite consistent growth in the average home size.² In fact, total CO₂ emissions from the residential, commercial and industrial sectors have been virtually unchanged, thanks to vast improvements in energy efficiency.³

Since 1990, methane emissions from local distribution systems have declined 73%, even as natural gas systems expanded, due to smart investments in modernizing natural gas infrastructure.²

Today, Southern Company Gas continues to demonstrate leadership in the gas industry by supporting best practices all along our gas supply chain, including infrastructure modernization and implementation of advanced leak-detection technologies. We also are working with natural gas suppliers committed to emissions reductions in their own businesses.

Natural gas is safe

Safety is our No. 1 value. American utilities collectively invest \$91 million every day in enhancing the safety of natural gas networks for the benefit of customers and communities.²

Southern Company Gas is engaging continuously with customers, regulators, safety advocates and policymakers at every level to improve our long-standing record of safety.

We share information among emergency responders to enhance our safety measures, advocate for the effective enforcement of safe digging practices and go beyond regulatory requirements to reach the public with safety messages.

Our pipeline safety culture promotes non-punitive reporting and consistent self-evaluation techniques to identify risks and take steps to reduce risks.

During the COVID-19 pandemic, we have innovated to enhance safety. Working with predictive-analytics firm Urbint, we determined at-risk work sites near hospitals, nursing homes and other critical facilities, ultimately deploying additional resources to ensure safe continuity of service in those areas (see page 39).

Natural gas is reliable and resilient

Natural gas is critical to America's energy mix. It directly supports the increased use of renewables by providing quick and reliable back-up power.

Maintaining natural gas as an end-use fuel offers flexibility, optionality and energy security. Natural gas is domestically abundant and secure, and with its unique ability to store and deliver energy reliably through underground infrastructure, it helps to ensure a continued energy supply even during extremely challenging circumstances. This is particularly important in frigid areas like Illinois, where during a recent polar vortex event, our subsidiary Nicor Gas maintained continuity of service that was critical to the safety and comfort of our customers. As we consider a sustainable energy future, it will be important to maintain a diverse mix of reliable and resilient sources of energy.

Nicor Gas breaks gas delivery records

For two days in northern Illinois, it was colder than Antarctica. On Jan. 30, 2019, after 13 consecutive days of snowfall in some areas, a state of emergency was declared as a winter storm brought a polar vortex of subzero temperatures with wind chills as low as minus 50 degrees Fahrenheit. An unprecedented number of schools and businesses closed, and mail delivery from the U.S. Postal Service, along with thousands of flights, was canceled.

At Nicor Gas, preparations for this dangerous cold began well in advance, as safety is the company's highest priority.

Before and during the polar vortex, information on natural gas safety, energy assistance programs and Nicor Gas' plans to ensure reliable service was distributed to customers through the media, company website, social media channels, e-newsletters and the company Call Center. Employees also received frequent internal safety communications and were advised to take additional safety precautions to manage operations during the extreme cold.

Only essential and emergency work was performed Jan. 30-31, and work-from-home arrangements were made for many. For essential employees who needed to be at their reporting office physically, hotel rooms or alternative sleeping arrangements were secured and food and supplies were ordered. Employees working in support of infrastructure assets were encouraged to work in pairs and take frequent breaks in a warm vehicle.

Pending appointments for customers to begin natural gas service were completed ahead of schedule, in order to make sure heat was available to everyone who needed it and to free up crews for the emergency appointments and compliance inspections that took precedence. All other appointments were rescheduled, and additional mechanics and crews were added for the week after the polar vortex.

In fact, during this record-breaking cold weather, Nicor Gas broke its own gas delivery record in output and delivered 4.8 billion cubic feet of natural gas service safely and reliably to its 2.2 million customers.



Breaking records

During this record-breaking cold weather, Nicor Gas broke its own gas delivery record in output and delivered **4.8 billion cubic feet** of natural gas service safely and reliably to its 2.2 million customers. In volume, that's equivalent to:



1,044
Titanic Ships



5,480
Olympic-sized Swimming Pools

Natural gas delivers high-impact results



\$879

Average amount saved per year by Americans using natural gas rather than electricity



3.4 million

Number of nationwide jobs supported by the natural gas industry



\$500 billion

Amount saved since 2009 by commercial and industrial customers using natural gas



Natural gas is affordable

From stable, affordable energy prices to increased tax revenue and job creation, Americans benefit from natural gas.

On average, the 179 million Americans who use natural gas in their homes save \$879 per year compared to homes using electricity for those applications.² With overall low natural gas prices and constructive state regulation to smooth out the relatively rare wholesale price fluctuations, natural gas customers generally experience stable, affordable energy prices. ² To preserve affordable energy for all consumers, it is important to keep gas in the nation’s energy portfolio – alongside renewables and emissions reduction efforts.

While many industries have experienced layoffs over the last year, the natural gas sector has remained stable. Overall, the natural gas industry supported 3.4 million jobs nationwide in 2018, and natural gas distribution companies like ours employed 138,000 people. That same year, these jobs added \$408 billion to the gross national product and paid \$152 billion in wages.⁴

Since 2009, American businesses in the commercial and industrial sectors have saved half a trillion dollars by using natural gas. With prices projected to remain stable until 2050, natural gas can help maintain economic stability and ultimately fuel growth.²

Natural gas is vital to the future of energy

As we look to the future, we believe natural gas will play a vital role in meeting climate goals for both electric generation and gas utility customers.

Natural gas will work alongside renewables as they become more abundant. It will affordably serve customers who use gas appliances as we modernize to meet increasing demand and provide greater access in underserved and unserved communities while working to reduce emissions.

We will continue to seek opportunities to expand the use of RNG and next generation natural gas that is produced with lower emissions, and we are excited about the research and development projects that we have seen exploring the long-term prospects of introducing hydrogen to our existing gas delivery system. RNG, in particular, is an immediate and essential element of our supply portfolio to achieve significant emissions reductions while keeping energy costs manageable.

Leadership in sustainability

Climate change is a global issue that will take a coordinated effort to address. Over the past several decades, we have taken significant steps to improve the sustainability of our system.

Looking to the future, Southern Company Gas is committed to advancing Southern Company's ambitious goal to reach net-zero GHG emissions in its enterprise-wide operations by 2050.

Because change starts from within, we continue to identify opportunities to reduce emissions from our own system, and we are redoubling our efforts to influence advancements throughout the entire value chain, from wellhead to burner tip. We continue to take action to provide even greater value to our customers, our stakeholders and the environment.

These efforts include investments and work in multiple areas. Our progress and perspective on each of these opportunities is outlined on the following pages.





Structured for sustainability

In 2020, we announced several new leadership positions and the creation of two new departments, Sustainability & Innovation and Renewable Gas, to support the company's continued commitment to address the issue of climate change and reinforce the importance of natural gas in a sustainable energy future.

The Sustainability & Innovation Group leads the company's sustainability strategy efforts, GHG emissions reductions initiatives, and participation in related policy engagement. It also aligns efforts conducted across the business and strengthens partnerships with industry organizations and stakeholders.

The Renewable Gas Group develops and executes our strategy for growing our RNG capabilities, which will help us further reduce our environmental impact while creating new revenue streams.

Both new Southern Company Gas departments operate under the oversight of the Senior Vice President of External Strategy and Environmental Affairs. Responsible for external engagement efforts, including the company's sustainability and environmental initiatives, the Senior Vice President reports to the Executive Vice President of External Affairs and Chief External and Public Affairs Officer.



"As a leader in emissions reductions in the natural gas industry, we are in a unique position to support our society achieving economy-wide net-zero GHG emissions. Our ongoing investment in research and development and innovative solutions will help us ensure that emissions reduction efforts are implemented across the value chain and continue to meet customers' needs and preferences."

—David Weaver

*Senior Vice President, External Strategy and Environmental Affairs
Southern Company Gas*

Infrastructure investment benefits

For decades, Southern Company Gas has been a leader in the natural gas industry by proactively improving our system and modernizing infrastructure. Our efforts to maintain safe, reliable service and surpass government standards also enable us to minimize our environmental impact.

Our emissions reductions have exceeded the pace of system expansion

Between 1998 and 2018, Southern Company Gas invested more than \$2.2 billion in pipeline infrastructure replacements and improvements. Over this time, we replaced over 6,000 miles of unprotected steel and cast-iron pipes with state-of-the-art corrosion-resistant pipe, while also replacing over 800 miles of pre-1974 plastic pipe.

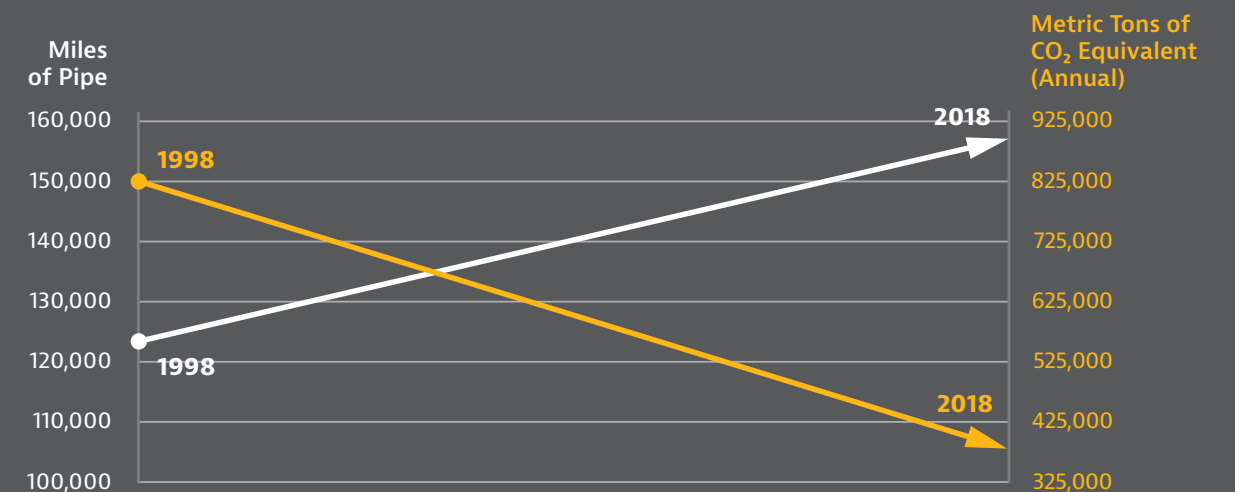
This not only provided tremendous reliability and safety benefits; it also helped us reduce annual methane emissions from our distribution system by 50% – even as the system grew by 20%.

In total, modernizing our infrastructure mitigated the equivalent of 3.3 million tons of CO₂ equivalent emissions from our natural gas distribution system during this time period, which is equivalent to removing over 700,000 cars from the road for one year*.

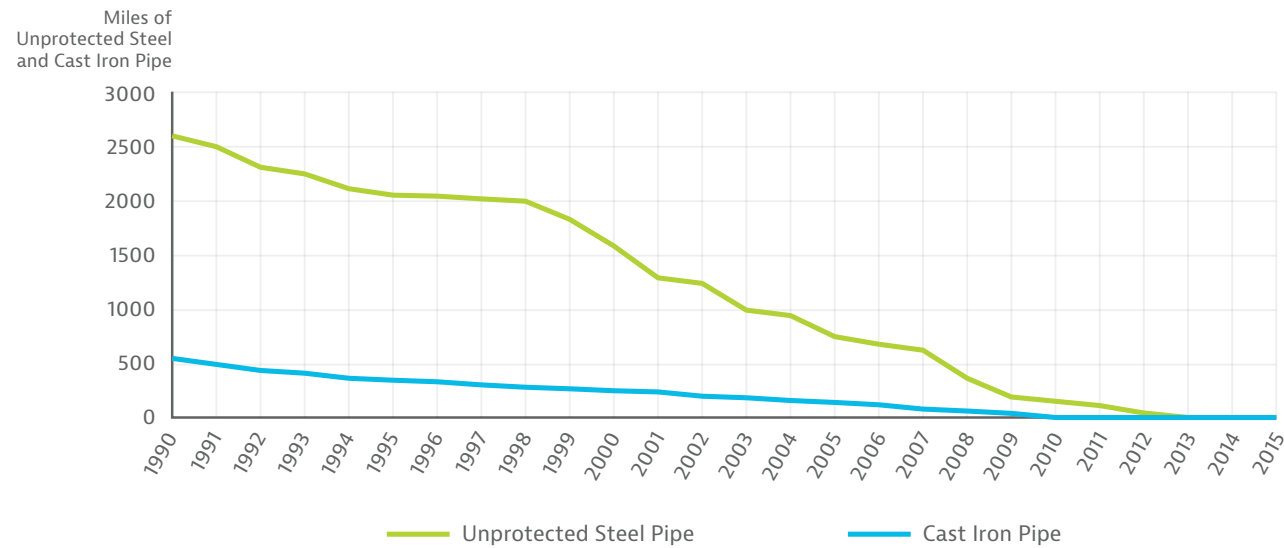
* EPA calculator, <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>



Over 20 years, we have reduced our annual methane emissions by 50%, while growing our distribution system by 20%.



Atlanta Gas Light Pipeline Inventory (1990–2015)



Atlanta Gas Light's miles of unprotected steel and cast iron mains reported to PHMSA, 1990–2015

AGL pioneered pipeline replacement

In the 1800s, natural gas infrastructure was built with cast iron or wrought iron and was replaced with bare steel in the 1930s. Today, legacy cast iron and unprotected steel pipes make up about 3% of the nearly 2 million miles of utility pipes in use, but account for a disproportionate number of leaks and failures compared to recently replaced infrastructure. Pipeline replacement is recognized today as having the single largest impact on methane emissions reductions in the industry's distribution segment.

In 2011, federal agencies issued a call to action to accelerate the replacement of the highest-risk pipeline infrastructure. But long before that mandate, Atlanta Gas Light, with the support of the Georgia Public Service Commission, had begun modernizing its system. In the 2017 analysis Natural Gas Infrastructure Modernization Programs, the U.S. Department of Energy recognized Atlanta Gas Light as having one of the earliest and most successful programs in the country.

As shown in the chart to the left, Atlanta Gas Light has been very successful at replacing aging infrastructure under this program. The company went from replacing an average of 80 miles of unprotected steel pipeline per year between 1993 and 1998 to replacing an average of 140 miles of unprotected steel pipeline per year between 1998 and 2003. Atlanta Gas Light continued replacing cast iron pipe at a rate of approximately 30 miles per year before and after the establishment of the program in 1998.

Atlanta Gas Light is one example of an operator with substantial inventories of cast iron and unprotected steel pipe that has managed to replace all pipes made of these materials. For comparison, the number of miles of unprotected steel pipe that Atlanta Gas Light replaced between 1990 and 2014 (2,605 miles) ranks as the second-greatest number of miles of unprotected steel pipe replaced by any local distribution company in the U.S. during this period. The 535 miles of cast iron pipe that Atlanta Gas Light replaced during this period ranks as the 10th highest number of miles of cast iron pipe replaced by a local distribution company in the U.S. during this time period.



Our Accomplishments



"Our customers are at the center of everything that we do. As we employ greater emissions reduction strategies across our company, our commitment to providing customers with fuel that is not only clean, but also safe, reliable and affordable, will always remain."

–Bryan Batson
Executive Vice President of External Affairs
and Chief External and Public Affairs Officer,
Southern Company Gas



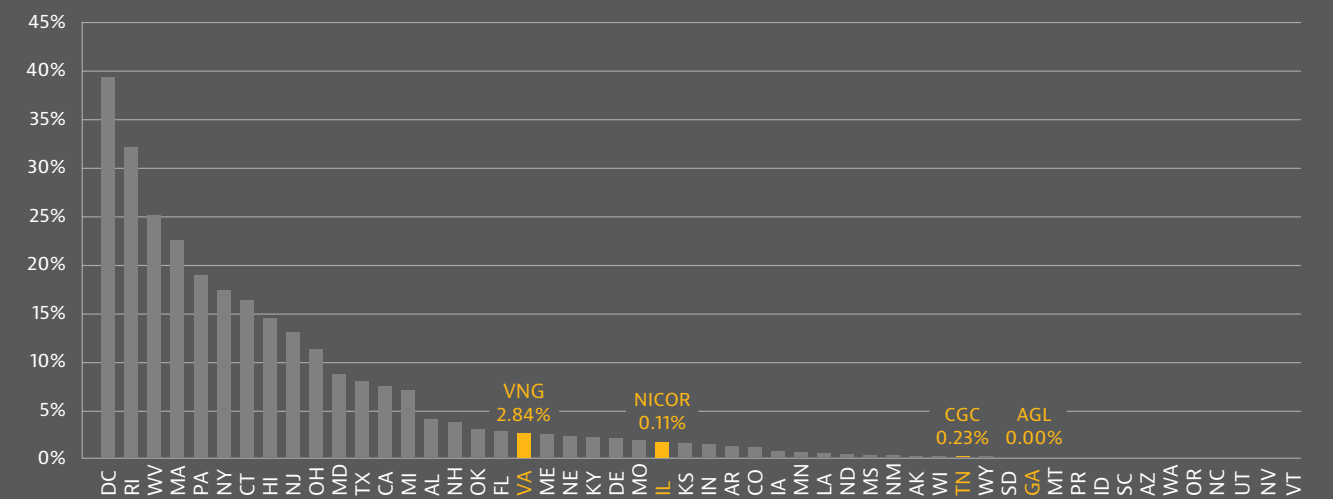
Ahead of our peer group in modernization

For every state in which we work, Southern Company Gas is making proactive system improvements to minimize methane emissions.

In the chart below, each yellow bar highlights a state in which Southern Company Gas has operating utilities. The number above each bar shows our utility's percentage of unprotected steel and cast-iron pipe for the state, while the bar represents the state's overall percentage.

Even in states with a large amount of remaining unprotected steel and cast-iron pipe, our efforts have put us well ahead of our peer group in replacing this pipe and reducing GHG emissions.

% Total Remaining Unprotected Steel and Cast-Iron Distribution Main by State—2019 Snapshot



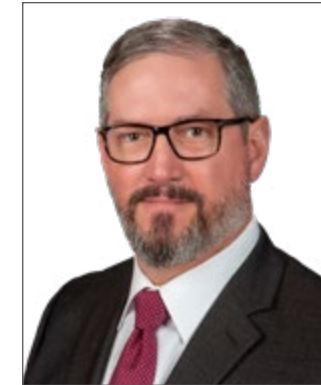
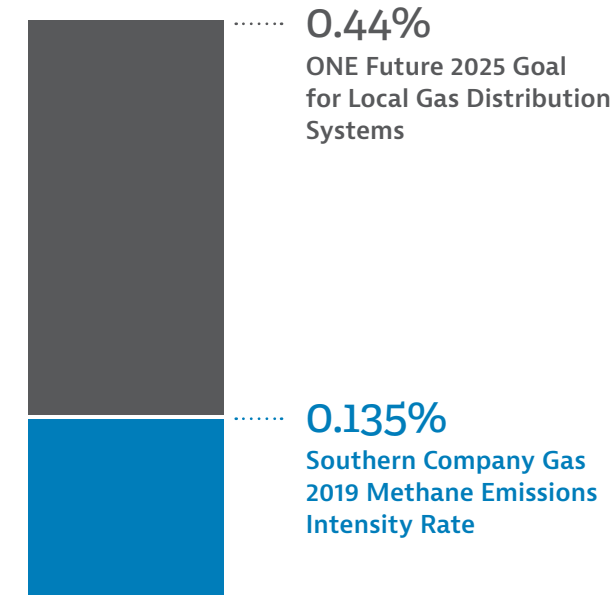
State percentages are shown as bars on the graph. Southern Company Gas local distribution company percentages are shown as numerals above respective state data.

Our system performance is best in class

Southern Company Gas was a founding participant in the U.S. EPA's Natural Gas STAR program, which promotes the use of cost-effective technologies and practices to reduce methane emissions and lessen the impact of global warming. Since the program's inception in 1993, Southern Company Gas has reported natural gas methane emissions through the EPA's voluntary reporting program. Overall, the 50 American Gas Association member companies have reduced natural gas emissions by 46.8 billion cubic feet.

In 2014, we co-founded Our Nation's Energy (ONE) Future, a coalition of natural gas companies working to achieve a rate of methane emissions across the entire natural gas supply chain of less than 1% of total production. Accordingly, we voluntarily set more aggressive goals and consider additional emissions sources beyond existing EPA requirements.

With our pipeline infrastructure investments in place, Southern Company Gas' system is now nearly 99.9% efficient, corresponding to a 0.135% methane emissions intensity rate for 2019—well below ONE Future's 2025 goal for local distribution companies of 0.44%.



"One of the benefits of engaging with ONE Future was the opportunity to develop consensus on a value-chain approach and methodology to track our progress against a 2025 methane intensity target of 1% or less."

—Greg Jones
*Director, Climate & Environmental Policy
Southern Company Gas*

Southern Company Gas' methane emissions intensity rate is one of the lowest in the industry—well below ONE Future's ambitious 2025 goal for local gas distribution systems.

Our infrastructure investments are mirrored in our safety performance

Southern Company Gas leverages best-in-class technology to help ensure the safety of its system.

We continually monitor and perform regular inspections of our system to ensure safety, security, reliability and resiliency. Leakage surveys of our pipelines are performed in accordance with Federal Pipeline Safety Regulations using a combination of aerial, vehicular and foot surveys with cutting-edge electronic leak detection equipment. Our transmission lines and business districts are surveyed annually, while remaining distribution pipelines are surveyed on a three- or five-year schedule according to the regulation.

Our two largest natural gas distribution companies, Nicor Gas and Atlanta Gas Light, also participated in the American Gas Association Peer Review Program, a voluntary safety and operational practices program that allows participants to be reviewed by their peers, share leading practices and receive valuable feedback to help enhance safety and efficiencies.

While we have already made great strides through our pipeline replacement projects, we see infrastructure investments as a continual improvement process; so we are always looking for opportunities to do more.

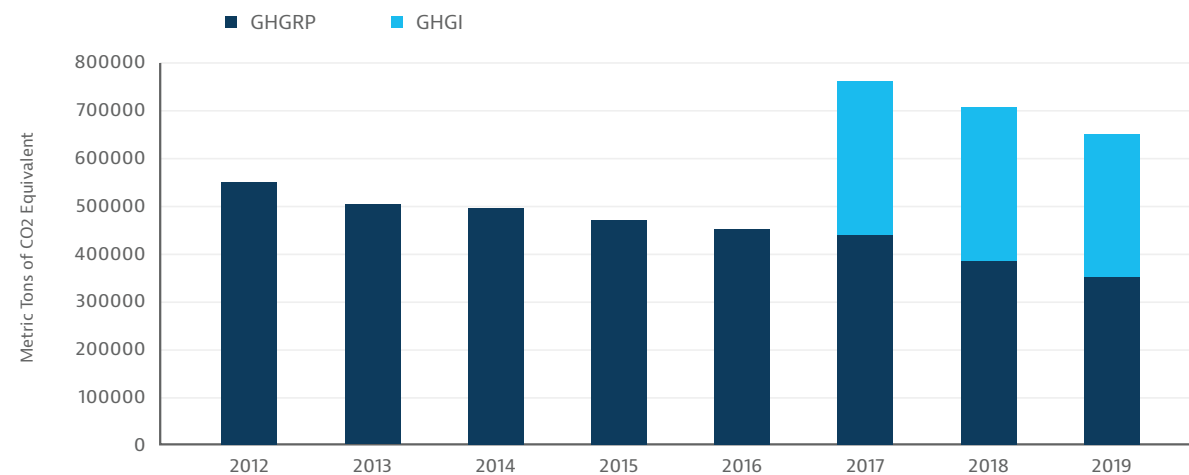
Our Accomplishments

Since 1990, the EPA has published the Inventory of GHG and Sinks (GHGI), a report containing national data listing sources of emissions in all segments of the U.S. economy. In 2010, the EPA established a mandatory Greenhouse Gas Reporting Program (GHGRP), which requires detailed reporting of emissions sources and types from individual facilities. Southern Company Gas has reported distribution emissions to that program since 2012.

However, GHGRP reporting is not inclusive of all sources listed in the EPA's GHGI. Therefore, we supported the development of a more robust voluntary reporting protocol using GHGRP plus the EPA national inventory sources, to include emissions sources from both EPA programs.

In 2017, ONE Future began utilizing this more robust methodology to develop its publicly reported collective metric as methane intensity. As we continued to reach our own milestones and surpass ONE Future's goals of emissions reductions, we began using the ONE Future methodology for developing and reporting our methane emissions.

Southern Company Gas Distribution System Methane Emissions (CO₂ Equivalent)



The figure above illustrates the limits on future methane emission reductions that can be achieved through further system improvements—we have already reduced our fugitive methane emissions rate to 0.135% of our total throughput. This demonstrates why we are actively investing in innovative, new approaches to offset and reduce greenhouse gas emissions throughout the natural gas value chain.



"Investing early in pipeline replacement has allowed us to build one of the country's most modern pipeline networks, which offers our customers multiple benefits, including safe delivery of natural gas into their homes and businesses, reliability on the coldest days of the year and meaningful reductions in our environmental footprint. And, under growth programs overseen by our Public Service Commissioners, we've boosted economic development while remaining mindful about keeping customer bills affordable."

—Jay Sutton

Senior Vice President of Operations Services and Chief Operating Officer
Southern Company Gas



Our leadership across the value chain

In addition to programs to reduce emissions within our operations, Southern Company Gas is also focused on implementing improvements beyond our system—both upstream with the gas production, distribution and transmission systems that supply our gas, and downstream with our customers. This means that our work is driving change across the entire value chain to help ensure a low-emissions gas supply chain for our customers.



This is demonstrated through our work:

- Impacting upstream production, distribution and transmission through our participation in ONE Future.
- Exploring opportunities to source next generation natural gas from natural gas suppliers committed to emissions reductions.
- Determining the opportunities to integrate renewable gas and other alternative fuels, such as hydrogen, into our system (see page 46).
- Offering programs that empower our customers to take control of their emissions footprint (see page 30).



How we're making an impact

We serve in organizations that voluntarily support fugitive emissions reduction

Fugitive methane emissions refer to emissions that escape into the atmosphere. A business's fugitive methane emission intensity rate is calculated by dividing its volume of fugitive methane emissions by its total volume of methane throughput.

ONE Future's distribution sector, which includes Southern Company Gas, has a fugitive methane emissions intensity rate goal of 0.44% by 2025. Southern Company Gas already exceeded this goal in 2019 by achieving a methane emission intensity rate of 0.135%, but we strive to keep improving.

Through leadership roles on the ONE Future Board of Directors and the coalition's technical committee, Southern Company Gas is helping to lead the way while keeping the pulse of industry goals and trends, improvement opportunities and best practices.

In 2020, Southern Company Gas joined two new organizations founded to support shared environmental efforts, including:

- The Natural Gas Supply Cooperative, a voluntary collaborative of 17 natural gas energy companies that are promoting safe and responsible practices for natural gas supply.
- The Downstream Natural Gas Initiative, a group of leading natural gas utilities collaborating to build a shared vision for the role of utilities and the gas distribution network in the transition to a low-carbon future.

Effecting change through our purchasing decisions

Both Southern Company Gas and our parent, Southern Company, have updated our natural gas bid selection processes to offer a competitive edge to natural gas suppliers committed to emissions reductions in their own businesses. We also encourage continuous improvement in upstream emissions reductions by giving preference to demonstrated environmental performance. In addition, Southern Company Gas is committed to encouraging natural gas suppliers and producers to support more robust voluntary reporting and increased transparency on environmental and social performance indicators.



Virginia Natural Gas is committed to next generation natural gas

Another example of our commitment to reducing emissions throughout the supply chain is Virginia Natural Gas' aspiration to provide customers with natural gas that is sourced, transported and distributed by companies that have pledged to reduce methane emissions to less than 1% across the natural gas value chain.

As a down payment on that pledge, in October 2019 the company began purchasing 20% of its customers' annual natural gas supply from select low-fugitive emission wells – making a "wellhead to burner tip" supply chain of low-emission gas for customers. In early 2021, Virginia Natural Gas sourced another 5% of next generation natural gas supply, bringing the purchase total up to 25%.

Helping customers reach their sustainability goals

In addition to our upstream efforts with suppliers, we also drive significant efficiency improvements through customer empowerment programs. Here are just a few examples.

Virginia Natural Gas

For over a decade, Virginia Natural Gas has offered a comprehensive energy efficiency program to its residential customers. The program includes:

Home Incentive Rebates: Virginia Natural Gas provides new high-efficiency natural gas equipment, such as furnaces, water heaters and programmable smart thermostats.

Low-income Weatherization Program: Virginia Natural Gas provides funding to community partners who use the funds to provide weatherization and equipment replacement services to eligible low-income customers.

Online Home Energy Audits: Virginia Natural Gas walks residential customers through the steps of performing an independent audit and provides targeted actions to improve home efficiency based on the results. Customers who complete the audit can receive a free energy-savings kit to implement energy-saving measures at home.

Customer Outreach and Education Program: Virginia Natural Gas provides customers with tips and tools for reducing energy usage to save on energy bills.



In 2020 alone, over 12,000 customers took the Online Home Energy Audit and over 3,200 customers received free energy-saving kits. With the launch of its online home energy audit in 2013, Virginia Natural Gas has had over 41,000 customers participate in the audit and another 27,000 participants in other parts of the energy efficiency program.

In total, this has saved over half a million therms since the program began, which is the equivalent energy of heating nearly 700 single-family homes for a year.

Nicor Gas

For nearly a decade, Nicor Gas has implemented a comprehensive energy efficiency program for residential, commercial and multi-family customers. By increasing services particularly for income qualified and public sector customers, the program has been able to expand its footprint.

Residential: Nicor Gas' residential energy efficiency program provides rebates for heating equipment, insulation, in-person and virtual home assessments and energy- and water-savings kits. Low-interest energy efficiency loans, paid off on a customer's gas bill, are also available to residential customers to finance qualifying energy-saving home upgrades.

Over 150,000 Nicor Gas residential customers are enrolled in home energy reports. Nicor Gas provides customers with an anonymous snapshot of their energy usage relative to 100 neighbors in a five-mile radius.

This allows customers to identify when their energy use is excessive and what they can do to reduce their energy usage. The home energy reports are expected to save nearly 1 million therms over three years.

Commercial: Nicor Gas' commercial energy efficiency program includes rebates for energy-efficient equipment and system improvements as well as energy efficiency assessments tailored for small, medium and large businesses.

Custom incentive programs are available that identify and promote business-specific energy efficiency opportunities, providing rebates for system modifications and upgrades.

Low Income: Nicor Gas' low-income program works with community action agencies and other organizations to provide energy-saving products, free weatherization improvements and emergency furnace replacements for those most in need.

Driving Efficiency Trends: Nicor Gas also helps drive energy efficiency innovation through its Market Transformation and Emerging Technology Programs and through collaboration with the Gas Technology Institute's various research and development initiatives.

Launched in 2018, the Market Transformation Program helps identify and overcome market barriers. Nicor Gas identifies where there are gaps in energy efficiency markets and businesses in Illinois communities and provides financial assistance to help individuals and businesses succeed.

The Emerging Technology Program helps bring new energy efficiency technologies to market. Inventors and businesses apply and pitch their technologies to help save gas. Along with GTI, Nicor Gas assesses the technologies, helps perform pilots for the technology and evaluates their energy savings potential.



ENERGY STAR® Partner: Nicor Gas was recognized as an EPA commercial and industrial Energy Star partner in Illinois in 2004. Nicor Gas and Energy Star provide financial and technical assistance, tools and information to help businesses in northern Illinois save energy, reduce operating costs and preserve the environment for future generations.

Our Accomplishments

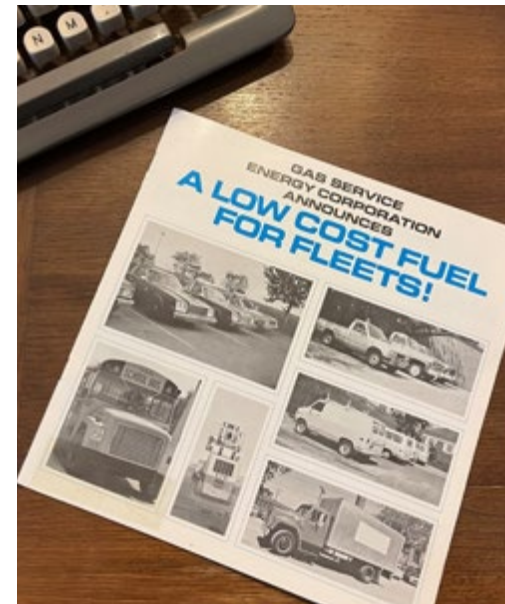
Atlanta Gas Light

Atlanta Gas Light's early success with compressed natural gas (CNG) fueled Georgia's robust alternative fuel infrastructure and easy access to RNG as a transportation fuel

During the oil shortage crisis in the 1970s, energy companies began to seek out alternatives to crude oil, and governments began to invest in the research and development of other fuel sources. During that time, Atlanta Gas Light was an early adopter in using its own fleet to demonstrate the economic and environmental value of CNG as a vehicle fuel.

In the early '90s, Atlanta Gas Light made further progress with CNG:

- Initiated a Natural Gas Vehicle program including a V-52 (Natural Gas Vehicle Service) rate to build stations for fleet customers.
- Constructed Georgia's first public access CNG station in partnership with a local fuel services provider.
- Built the first CNG station for UPS in Atlanta under the V-52 rate.
- Helped Atlanta become the nation's first designated city in the Clean Cities program.
- Enriched Atlanta's proposal that won the bid for the 1996 Summer Olympic Games.



In 2007, Atlanta Gas Light played a key role in a local energy services company's project to develop RNG at Live Oak Landfill in South Atlanta and distribute it through Atlanta Gas Light's pipeline. In 2009, Georgia Natural Gas became the first Georgia marketer to provide RNG to its customers from landfill gas.

In 2011, around the time that petroleum gasoline prices had risen to almost \$4 a gallon, the Georgia PSC approved Atlanta Gas Light to make investments of \$11.57 million in CNG fueling infrastructure for seven public access fueling stations to be constructed over several years. The following year, DeKalb County began using Atlanta Gas Light's new TS-1 (General Gas Transportation Service) rate to deliver RNG through our pipeline to their public access CNG stations from their RNG plant built at the Seminole Road Landfill.

Georgia was positioned geographically to be the hub for CNG station expansion in the Southeast, and the various rates and programs put in place over the years enabled Atlanta Gas Light to partner with customers and station developers to meet the demand for CNG.



Southern Company Gas

Natural gas vehicles

Our company began converting its own fleet to run on clean-burning compressed natural gas in the late 1970s. Then, in the 1990s, Atlanta Gas Light started a program to build stations for our customers, including MARTA, which began purchasing buses that run on CNG. MARTA now has three CNG stations and about 370 CNG buses – saving millions in fuel costs, displacing millions of gallons of diesel each year and reducing emissions by millions of pounds of pollutants. Since 2012, Atlanta Gas Light has built \$30 million worth of public and private CNG fueling stations for customers in Georgia. Overall, there are now 55 CNG stations owned by Atlanta Gas Light and others across Georgia, ranging from large transit-size stations to smaller installations for light-duty vehicles.

Beyond MARTA, Atlanta Gas Light serves other large customers like UPS, which has 605 CNG vehicles in Georgia; DeKalb County, which operates over 200 CNG refuse trucks; and the City of Augusta, which operates two CNG stations for their contract refuse haulers.

Southern Company Gas also leads the way through participation in industry groups. This includes leadership of the Clean Cities-Georgia coalition, a local organization consisting of power and gas utilities, fleet operators and other stakeholders working to advance alternative fuel vehicles and reduce dependence on petroleum. Atlanta Gas Light was among the first group of board members when Clean Cities-Georgia started as Clean Cities Atlanta – the first Clean Cities coalition in the nation, designated by the DOE in 1993.

Southern Company Gas also holds a board seat with NGV America, which actively works to further the advancement of natural gas vehicles nationwide.

Our Accomplishments

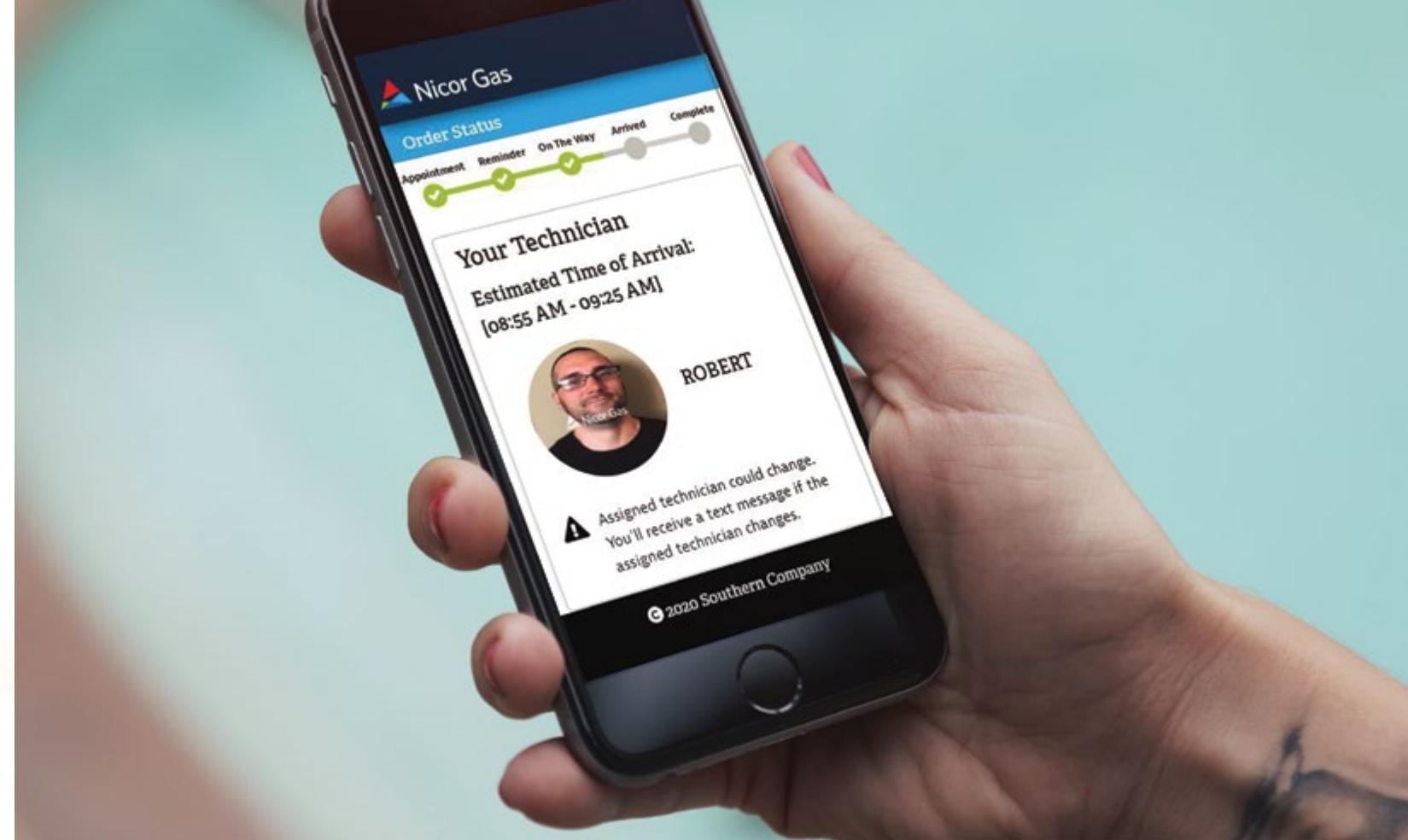
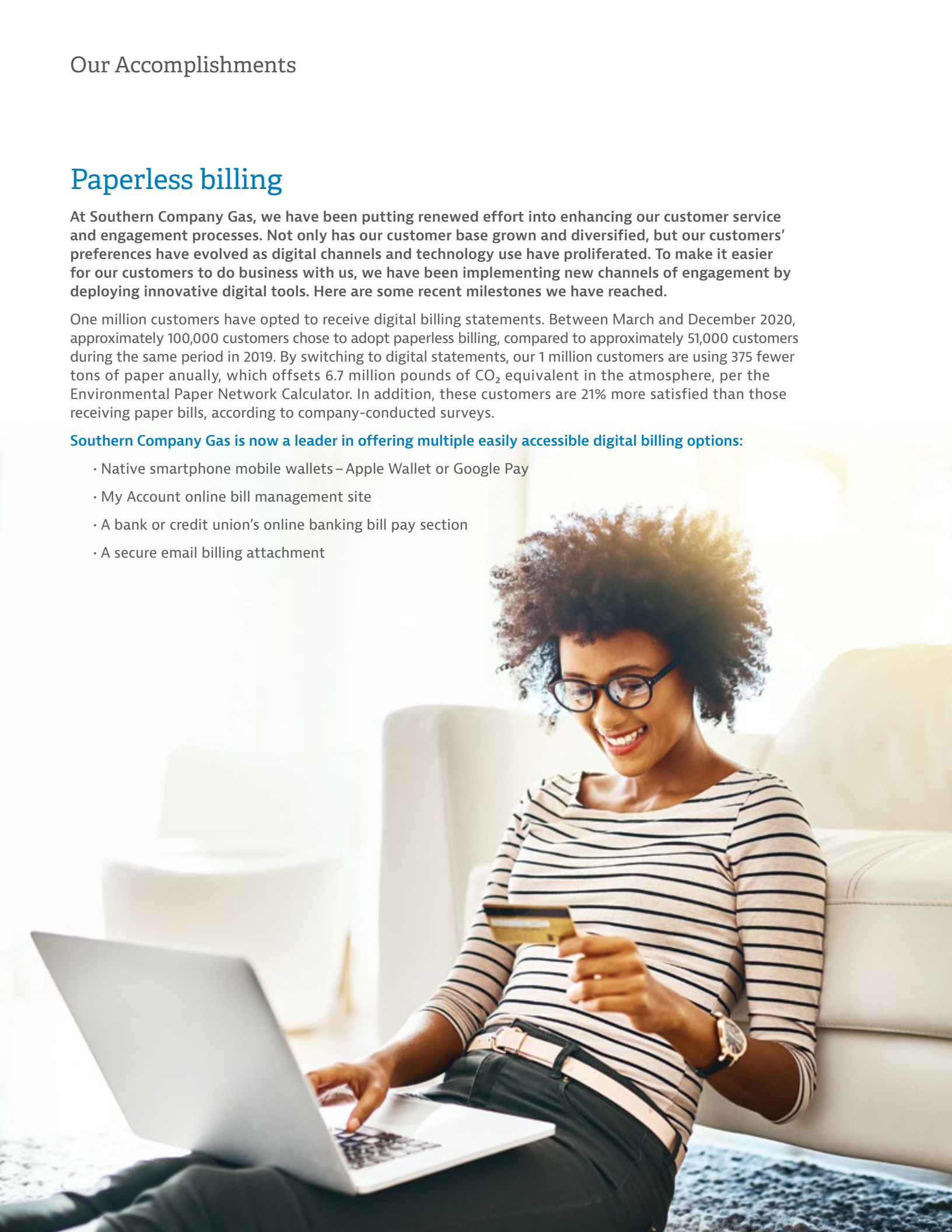
Paperless billing

At Southern Company Gas, we have been putting renewed effort into enhancing our customer service and engagement processes. Not only has our customer base grown and diversified, but our customers' preferences have evolved as digital channels and technology use have proliferated. To make it easier for our customers to do business with us, we have been implementing new channels of engagement by deploying innovative digital tools. Here are some recent milestones we have reached.

One million customers have opted to receive digital billing statements. Between March and December 2020, approximately 100,000 customers chose to adopt paperless billing, compared to approximately 51,000 customers during the same period in 2019. By switching to digital statements, our 1 million customers are using 375 fewer tons of paper annually, which offsets 6.7 million pounds of CO₂ equivalent in the atmosphere, per the Environmental Paper Network Calculator. In addition, these customers are 21% more satisfied than those receiving paper bills, according to company-conducted surveys.

Southern Company Gas is now a leader in offering multiple easily accessible digital billing options:

- Native smartphone mobile wallets – Apple Wallet or Google Pay
- My Account online bill management site
- A bank or credit union's online banking bill pay section
- A secure email billing attachment



Keep Me Informed

Keep Me Informed (KMI) is a Southern Company Gas communications platform that proactively provides status updates to residential customers about their scheduled appointments through text messages. We reached a KMI customer milestone recently when we surpassed 1 million text messages that were sent over a five-month period. These messages were sent to over 185,000 customers who have opted in for notifications since the program went live in August 2019. By deploying technology such as KMI text messaging into the company's operations, we are striving to make customer interactions with the company easier and more convenient. The service also decreases company vehicle fuel consumption and emissions due to increased appointment booking efficiencies.

Greener Life customer program

In October 2019, Southern Company Gas subsidiary Georgia Natural Gas introduced a service offering to customers called Greener Life, which empowers them to take control of their emissions footprint. Greener Life purchases and retires carbon offsets on behalf of participants to offset 100% of the GHG released by their own natural gas use.



Each quarter, Georgia Natural Gas purchases and retires enough carbon offsets to equal the amount of the greenhouse gases emitted by Greener Life participants – so participation in the voluntary program allows residential and commercial customers to be carbon neutral when using natural gas. The average customer produces a little more than 4 tons of greenhouse gas each year through natural gas use. In total, the program has the potential to offset 2,135,000 tons of GHG, or CO₂ equivalent, per year.

Participation in Greener Life funds projects that are proven to reduce greenhouse gases in the atmosphere. To date, Georgia Natural Gas has purchased 100,000 tons of carbon offsets for its customers.



Our plan to reach net-zero: A diverse portfolio approach

Southern Company's goal is to reduce its emissions enterprise-wide by 50% from 2007 levels by 2030 and to reach net-zero GHG emissions in enterprise-wide operations by 2050. This includes Southern Company Gas, where we are focused on reducing GHG emissions in our own business and beyond.

Southern Company Gas is taking a portfolio approach toward decarbonization, both in terms of the clean technologies we pursue and the value chain sectors we impact.

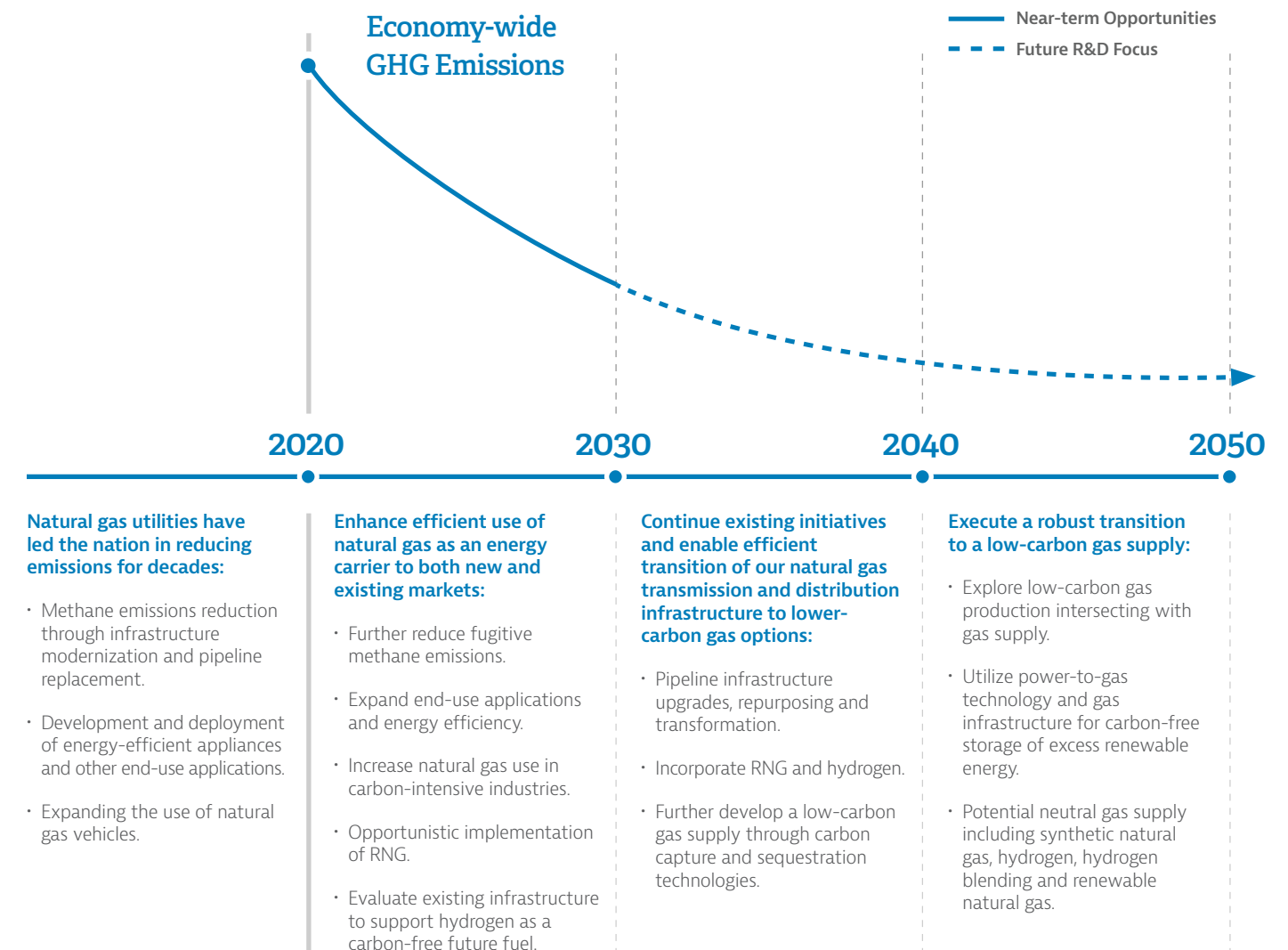


"Our commitment supports the development of transformational technology solutions and their integration throughout our business. Our focus is to deliver technologies that decrease carbon intensity and emissions while also increasing customer value and providing affordable energy."

—Joanne Mello
Director of Sustainability and Energy Policy
Southern Company Gas

We are enabling an economy-wide clean future

Natural gas distribution companies can help facilitate an economy-wide net-zero GHG emissions future. The extent of the timing and application of each of these examples is uncertain, but we believe investing in R&D and investigating the potential opportunities for natural gas infrastructure to support GHG emissions reduction goals is critical on our path to a clean future.



Innovation and R&D: Operations

Southern Company Gas is undertaking a variety of projects aimed at improving how we operate effectively, efficiently and safely. Here are a few updates from our ongoing innovation work.

Partnering with leading industry organizations

Southern Company Gas and Southern Company are partnering with the Electric Power Research Institute, the Gas Technology Institute and many other utilities on the Low-Carbon Resource Initiative—a five-year initiative to evaluate and scale cutting-edge technologies that will advance the gas and energy utility sector toward meeting ambitious 2050 emissions goals.

Evolving leak-detection methods to enhance productivity

An important part of our approach to reducing emissions is using leak-detection technologies to mitigate the unplanned release of natural gas. Many currently available technologies are only effective within three feet of a gas leak and rely on surveyors traveling by foot while using a map to determine where gas pipes are.

We are looking at emerging scanning technologies that can be mounted to vehicles and can detect all gas leaks within 300 feet of the path of travel. Other technologies detect parts per million, while this detects down to the level of parts per billion—so we can differentiate between naturally occurring gas from agriculture or sewers and pipeline gas and deploy our resources more efficiently.

“One technology we already are using that could have expanded potential is ZEVAC equipment,” said Greg Corbett, Managing Director, Environment and Sustainability and chair of the Innovation Council’s Low-to-No-Carbon Subcommittee. “This is a technology that will allow us to capture gas that escapes during controlled procedures like venting and flaring commonly associated with pipeline replacement or maintenance and repair operations.”

In addition to resources that can be used along gas distribution systems, Southern Company Gas is also helping to develop new technologies that can be deployed in homes and at other end-use locations.

We are working with NYSEARCH* on a unique project that will better detect fugitive methane leaks within structures. One of the biggest uncertainties is where to put these detectors to improve safety while avoiding false positives. This study is investigating gas dispersion inside a structure to identify the best locations for these detectors.

New leak-detection technologies will help reduce the emissions footprint of natural gas while bringing additional operational and safety benefits to our customers and employees.

* NYSEARCH is an organization of primarily gas distribution companies from around North America, along with other companies in the natural gas industry, that focuses on technology research and development. nysearch.org

Predictive analytics minimize our third-party damage rate

Because natural gas pipes are buried underground, they are at risk of being damaged during excavations. Third-party damages are those that result from individuals or organizations other than Southern Company Gas who accidentally damage our infrastructure during their excavation projects.

The number one risk to our distribution infrastructure is third-party damages. Even with the 8-1-1 underground infrastructure locator system, it’s something all gas companies need to address.

Not only are excavation damages a source of repair cost for Southern Company Gas, they also present a potential public safety concern. The potential magnitude is significant: across our operations, Southern Company Gas handles over 2 million excavation tickets each year, each posing an excavation damage threat. Excavation damages also occur from digs without accompanying 8-1-1 tickets.

To reduce these damages, in 2018 we partnered with predictive analytics firm Urbint.

The Urbint Damage Prevention Project

The goal of the Urbint project is to use machine learning to reduce our damage rate without increasing the number of damage prevention resources.

Urbint uses Artificial Intelligence machine learning to create a digital version of physical infrastructure and account for environmental risk factors that can contribute to damage—like weather, time of day, topography and excavation types.

“By predicting which tickets are high-risk, we are able to take preemptive action by reaching out to those projects,” said Emeka Igwilo, Chief Data Officer and Vice President Operations Support. “We have successfully driven down excavation damages by over 30% in selected service areas, increasing efficiency.”

“When the COVID-19 pandemic hit, we further built upon our work with Urbint to identify and prioritize at-risk sites near hospitals, nursing homes and other critical facilities and deploy additional resources to ensure safe continuity of service in those areas,” Igwilo added.



“Ultimately this model helped Southern Company Gas identify and prioritize the 1% of tickets that have historically contributed to approximately 40% to 50% of damages. It also helped identify locations where it is more common for ‘no calls’ to result in damages (from an excavator failing to call 8-1-1 before starting the digging project), so we could better target our communications.”

—Emeka Igwilo
Chief Data Officer and Vice President Operations Support
Southern Company Gas



Chattanooga Gas achieves successful reductions in third-party damages

Analytics from the Urbint Damage Prevention Project were applied to a residential public awareness campaign in our Chattanooga Gas territory in 2019.

Data was used to target residential neighborhoods with a high predictability rate for damages and share educational information about how to work safely around natural gas lines. The campaign netted a 45% month-over-month increase in 8-1-1 locator calls and a 47% reduction in damages in the first month, and the overall campaign resulted in a 10% improvement in the damage ratio metric used to calculate success. Tennessee regulators asked Chattanooga Gas to share the project as a model for other energy companies across the state and beyond.

We are fostering innovation to drive sustainability results

In 2019, Southern Company Gas founded its Innovation Council, an internal group of employees focused on fostering an innovative mindset throughout our workforce.

The council is broken into four subcommittees: operations & safety, market, customer experience and environmental. The council harvests ideas from all corners of the organization for consideration.

The goal of the council is to break down organizational barriers by fostering an innovative mindset and creating avenues for ideas to succeed.

Effective innovation, however, cannot just focus on theoretical ideas; it must also be pragmatic and drive immediate changes that help the business, better serve customers and improve environmental performance. To this end, Southern Company Gas rolled out its new innovative social media application – named FUEL – to open lines of communication further. The application enables employees to identify job-related improvement opportunities and share best practices with each other.



"Our mindset around innovation is to be very proactive in our drive to reach our emissions reduction goals. We have a real passion for innovation. We've engaged with field personnel, operations teams and others throughout our organization to identify pain points and places we can be better. Our workers have really gone above and beyond by not just identifying problems but suggesting solutions."

–Zachary Lowe
*Director of Pipeline Safety Management and R&D Program Manager
Southern Company Gas*





Nicor Gas supports entrepreneurs making a positive environmental impact through the Clean Energy Trust

Southern Company Gas subsidiary Nicor Gas has been a long-time supporter of the Midwest's clean technology innovation ecosystem through its partnership with the Clean Energy Trust. The organization supports the scouting, funding and mentoring of startups in the clean energy space that are developing not only technologies that improve the natural gas industry, but also a variety of technologies that create options to solve Illinois' biggest energy challenges.

As a sponsor of the Clean Energy Trust's Diversity, Equity and Inclusion initiative, Nicor Gas furthers a commitment to invest in clean technologies while advancing diverse businesses, creating jobs in the clean energy industry and supporting underserved communities.

Together with the Clean Energy Trust, Nicor Gas launched the Nicor Gas Multicultural Innovator Award—a \$50,000 investment in the development of an Illinois-based clean energy technology startup with a minority founder or CEO.

"Diversity, innovation and ingenuity can help accelerate the transition to a clean energy economy," said John O. Hudson III, president and CEO of Nicor Gas. "The Nicor Gas Multicultural Innovator Award is part of our ongoing commitment to grow economic opportunity in underserved communities and communities of color."

In addition to a grant, recipients of the award will receive 12 months of business mentorship and heightened exposure to investors and customers. Entrepreneurs and businesses making a positive environmental impact throughout the state will be considered.

Small Illinois businesses, or those with a substantial presence in the state, with a focus on renewable energy, energy efficiency, smart buildings and cities, energy storage, water, ag-tech, digital solutions for operational efficiencies, reduced maintenance costs, customer engagement and/or worker training and management may be eligible to apply for the award. Other company criteria include:

- Founder or CEO who identifies as Black, Indigenous and/or person of color.
- Two to 12 full-time employees.
- No more than \$3 million in funding raised; must be able to demonstrate at least three to six months of funding runway.
- Can be product- or service-based; does not need to be market-ready, but is preferred.

The application period for the Nicor Gas Multicultural Innovator Award closed on March 12, 2021. Sixteen companies meeting the eligibility criteria applied. The Clean Energy Trust will conduct due diligence on the companies to recommend finalists for Nicor Gas' review and selection of the award recipient.



When capturing organic waste, RNG also has cross-sector environmental benefits, eliminating emissions from both the waste management and natural gas industries. Because of its sustainability benefits, nationwide interest in RNG is soaring, with operating RNG facilities expected nearly to double over the next decade.

“Increased use of RNG in the clean energy future is important because it is a storable, reliable energy source that, in addition to being used as a primary fuel source, can be relied upon when other sources of fuel are inaccessible, said Bryan Batson, Executive Vice President of External Affairs and Chief External and Public Affairs Officer at Southern Company Gas. “RNG helps to diversify local energy options, especially for those living in rural areas, ensuring people always have access to clean fuel.”

According to the Coalition for Renewable Natural Gas, solid waste is expected to grow nearly 70% by 2050 as the world’s population continues to grow. RNG is the near-term solution to address this growing problem and convert the waste into fuel for everyday use.

By using the existing natural gas network to transport low-carbon fuels like RNG, this infrastructure, as well as the workforce employed to maintain it safely, can play a long-term role in enabling a carbon-neutral economy.

Our next steps with renewable gas

Southern Company Gas has been proactive when it comes to implementing RNG. Atlanta Gas Light has two interconnection tariffs for third parties to connect and transport RNG on our system, and Virginia Natural Gas and Nicor Gas are pursuing interconnection options.

Innovation and R&D: Renewable gas

Southern Company Gas supports projects to deliver technologies that will decrease the carbon intensity of our fuel while increasing customer value and providing affordable energy.

We believe a critical component of Southern Company Gas reaching net-zero GHG emissions will be renewable gas. Renewable gas is any pipeline-compatible gaseous fuel derived from biogenic or other renewable energy resources. This includes both methane-based RNG or low-carbon future fuels such as hydrogen.

Benefits of renewable gas

RNG is a renewable gas that is a sustainable and alternative fuel created by capturing methane from existing waste streams, such as those at landfills, farms and water resource recovery facilities, and redirecting it away from the environment. Renewable gas can also be derived from renewable electricity. In either form, it provides a practical, cost-efficient solution that creates a clean energy fuel for homes and businesses.

“Physically, renewable gas is a drop-in substitute for geologic natural gas, and it provides a wealth of beneficial environmental attributes,” said Robin Lanier, Renewable Gas Director. “Ultimately, renewable gas definitively shows progress toward our net-zero goals without sacrificing performance.”

RNG is considered a carbon-neutral energy source at the point of use, not a fossil fuel, although it functions just like natural gas and can be used without updating or replacing existing natural gas appliances, equipment and infrastructure.



Benefits of hydrogen

Hydrogen does not generate CO₂ or any other GHG when it burns—just water vapor—which means there is tremendous potential to reduce end-use emissions by using hydrogen as a fuel. By blending hydrogen into natural gas, we can lower the overall carbon intensity of the fuel we provide.

Our next steps with hydrogen

Incorporating hydrogen into our system has great potential, but it is not without challenges. How do we transport hydrogen from its source to our customers' doors? What is the right hydrogen blend to use, and what are the infrastructure requirements associated with it?

To answer these pressing questions and more, Southern Company Gas, along with our parent company, has taken on a leadership role in a new R&D initiative known as HyBlend. This project is addressing the technical barriers to blending hydrogen in natural gas infrastructure and studying life cycle emissions of hydrogen blends.

The HyBlend project, which will encompass more than \$15 million in hydrogen research, will utilize expertise in Southern Company's industry-leading R&D organization, along with industry partners, research consortia, academia and national laboratories. This includes six U.S. Department of Energy national laboratories—National Renewable Energy Laboratory, Sandia National Laboratories, Pacific Northwest National Laboratory, Oak Ridge National Laboratory, Argonne National Laboratory and the National Energy Technology Laboratory—and more than 20 participants from industry and academia. The two-year project was selected by the DOE Hydrogen and Fuel Cell Technologies Office in the Office of Energy Efficiency and Renewable Energy through the H2@Scale* 2020 CRADA** Call.

Beyond HyBlend, Southern Company Gas' other efforts include serving as an anchor sponsor for the Low-Carbon Resources Initiative and investigating the compatibility of hydrogen with Southern Company Gas subsidiary Atlanta Gas Light's existing infrastructure, in collaboration with four national laboratories. In addition, Southern Company is assessing metering and regulating infrastructure's hydrogen compatibility with EPRI.

Benefits of power-to-gas

Another exciting future prospect that Southern Company Gas is researching is power-to-gas technology, which converts excess renewable energy from sources like wind and solar into hydrogen gas through the process of electrolysis. The technology can also convert excess renewable energy to methane by going one step further and combining the hydrogen with a source of carbon.

By converting excess electricity into gas, it can be efficiently stored and transported over great distances to be used days, weeks or months later for power and heat.

* H2@Scale, a U.S. Department of Energy Initiative, is a concept that explores the potential for wide-scale hydrogen production and utilization in the United States to enable resiliency of the power generation and transmission sectors, while also aligning diverse multibillion dollar domestic industries, domestic competitiveness and job creation.

** CRADA (cooperative research and development agreement) projects at National Laboratories are in collaboration with industry to accelerate hydrogen research, development and demonstration activities under the H2@Scale initiative.



"We are implementing RNG to offset natural gas emissions further. It's one of our next steps to get to net-zero while continuing to provide clean, safe, reliable and affordable energy to our customers. We are engaging in our communities to support sustainable waste management as well as supporting local economy development through new jobs and revenue streams. And for the future, we are excited about the prospects for power-to-gas technology, which utilizes renewable energy to create renewable gas."

—Robin Lanier

Renewable Gas Director
Southern Company Gas





Community-driven sustainability

At Southern Company Gas, sustainability is ingrained in everything we do. Recently, we created a corporate-sponsored, employee-led grassroots organization within Southern Company Gas known as EverGreen.

With chapters planned for each of our operating areas, EverGreen aims to:

- Create opportunities to build awareness and promote conservation and biodiversity.
- Build relationships with community allies.
- Educate and inspire stakeholders to participate in events.
- Invest in local and national environmental stewardship opportunities in the communities where we live and work.

EverGreen, along with our Innovation Council and FUEL application (see page 40), will ensure that opportunities to promote sustainability permeate the organization.



“EverGreen is more than just an opportunity to volunteer and get to know coworkers. By recognizing our obligation to encourage conservation and promote biodiversity, we can inspire our customers, influence our work culture and bring everything we are learning home to share with our families and get them involved.”

—**Somali Tomczak**
*Regional Operations Director, Nicor Gas
Sustainability Stewardship & Community
Committee Co-Chair, Southern Company Gas*

Engaging in community partnerships to conserve land and water

Southern Company Gas is committed to conserving the land and waters that we and our customers depend on to survive. Working with organizations like the National Fish and Wildlife Foundation and The Nature Conservancy in states where we operate, we focus on local solutions to challenges.

Some of these activities include eliminating invasive species, climate-proofing our prairies, restoring coastal ecosystems and protecting endangered plant and animal species that are native to our customer territories.

Chattahoochee nature trails preservation

To protect the Chattahoochee Nature Center's 127 acres of forest, wetland and river habitats, Atlanta Gas Light invests annually in the Chattahoochee Nature Center. The nature center staff tends to and rehabilitates resident wildlife and hosts instructional programs and events, including online environmental education programs and virtual field trips during the pandemic. The center's community garden produces more than 2,000 pounds of vegetables each year, which are donated to North Fulton Community Charities.

Prairie restoration

Known as the Prairie State, more than 60% of Illinois was once a sweeping vista covered by wildflowers and tallgrass, but by 1900 most of the Illinois prairie was gone. Today, Nicor Gas is doing its part to restore the vast grassland ecosystem, with its native plants and animals, for future generations to enjoy. Nicor Gas has restored areas of native vegetation at its corporate headquarters in Naperville, Illinois, and along its transmission pipeline right-of-way in the village of North Aurora, Illinois.

Nicor Gas also restored several acres of unused land adjacent to its Elgin, Illinois, facility in cooperation with Openlands, a nonprofit that works with corporations to convert turf grass to native landscapes. This project received awards from the EPA, Chicago Wilderness, Clean Air Counts and Southern Gas Association.

Tennessee River Rescue

Chattanooga Gas employees and retirees volunteer each year to help keep community waterways running and clear of trash. Partnering with Tennessee River Gorge Trust, the team cleans up riverbanks and restores riverside areas. Volunteers have replaced collapsed drains with new pipes to control water runoff and reduce standing water at the entrance to trails, created well-defined trails and boardwalks, cleared walking trails, repaired boardwalks and decks and installed French drains.



Longleaf pine restoration

For the past 16 years, Southern Company and its subsidiaries have been committed to restoring the once prolific longleaf pine forests. The company has contributed \$6.3 million in grants to the National Fish and Wildlife Foundation to restore, enhance and protect longleaf pine forests in nine states across the Southeast.

Because the longleaf pine is a fire-adapted species that depends on controlled burns for survival, Virginia Natural Gas kick-started an educational program at Tidewater Community College to teach firefighters the proper way to conduct controlled burns via a \$50,000 donation through the Southern Company Gas Foundation. Virginia Natural Gas also paired with The Nature Conservancy to plant more than 600 longleaf pine seedlings in the 2,700-acre Piney Grove Preserve forest in Waverly, Virginia.



We engage in community partnerships in the cities where we operate

By 2050, two-thirds of the world's population will live in urban areas, according to the United Nations Department of Economic and Social Affairs. Southern Company Gas is committed to smart planning, innovative solutions and strong partnerships to make our cities healthy.

Elizabeth River Trail

Virginia Natural Gas helped to transform an iconic urban waterway into a community asset by donating to help connect 28 historic Norfolk neighborhoods with a single 10.5-mile trail. The Elizabeth River Trail is an urban biking, running and pedestrian trail adjacent to the Elizabeth River, stretching from Norfolk State University in eastern Norfolk to Lochhaven in the city's north. It provides scenic views as well as play and relaxation areas and showcases a slice of life in Norfolk.

Beyond entertainment value, the trail also benefits the environment with areas set aside for wildflowers, managed orchards and microfarm gardens, and opportunities for the community to come together to learn and take part actively in keeping the waterfront and community clean.

City park restoration

Atlanta Gas Light restores city parks and creates more green spaces through its partnership with Trees Atlanta. The environmental stewardship project is accomplished by renting goats to clear overgrown areas of kudzu and other invasive plants on city properties, like South Bend Park. Trees Atlanta and Atlanta Gas Light also funded native tree plantings and maintenance at the park for two years.

Transparency and reporting

You can find more details about our performance over the past few years using the QR code below, or in the reports available at the links below.

Corporate responsibility reports

2016: https://southerncompanygas.com/wp-content/uploads/2019/12/2016_Corporate_Responsibility_Report.pdf

2017: https://southerncompanygas.com/wp-content/uploads/2019/12/2017_Corporate_Responsibility_Report.pdf

2018: https://southerncompanygas.com/wp-content/uploads/2019/12/2018_Corporate_Responsibility_Report.pdf

Reducing our carbon footprint

Planning for a Low-Carbon Future: <https://www.southerncompany.com/content/dam/southern-company/pdf/corresponsibility/Planning-for-a-low-carbon-future.pdf>

Implementation and Action Toward Net-zero: <https://www.southerncompany.com/content/dam/southern-company/pdf/public/Net-zero-report.pdf>

2020 EEI ESG/Sustainability Reporting Template: <https://www.southerncompany.com/content/dam/southern-company/pdf/corresponsibility/EEI-ESG-Sustainability-Reporting-Template.pdf>

Climate and carbon disclosure reports

2017 Carbon Disclosure: https://www.southerncompany.com/content/dam/southern-company/pdf/corresponsibility/2017_Carbon%20Disclosure%20Report.pdf

2019 CDP-Climate Disclosure: <https://www.southerncompany.com/content/dam/southern-company/pdf/corresponsibility/CDP-Climate-Disclosure-2019.pdf>

2020 CDP-Climate Disclosure: <https://www.southerncompany.com/content/dam/southern-company/pdf/corresponsibility/CDP-Climate-Disclosure-2020.pdf>



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3. American Gas Association, "Climate Change Position Statement," at https://www.aga.org/globalassets/aga_climate-change-document_final.pdf
4. Tom DiChristopher, "Natural gas use supports 3.4 million US jobs, \$408B in GDP, industry report says," S&P Global Market Intelligence, July 9, 2020, at <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/natural-gas-use-supports-3-4-million-us-jobs-408b-in-gdp-industry-report-says-59380000>

Cautionary Statement Regarding Forward-Looking Information

Certain information contained in this report is forward-looking information based on current expectations and plans that involve risks and uncertainties. Forward-looking information includes, among other things, GHG emissions reduction goals, including expected timing of achievement. Southern Company Gas cautions that there are certain factors that can cause actual results to differ materially from the forward-looking information that has been provided. The reader is cautioned not to put undue reliance on this forward-looking information, which is not a guarantee of future performance and is subject to a number of uncertainties and other factors, many of which are outside the control of Southern Company Gas; accordingly, there can be no assurance that such suggested results will be realized. The following factors, in addition to those discussed in Southern Company Gas' Annual Report on Form 10-K for the year ended December 31, 2020, and subsequent securities filings, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: the impact of recent and future federal and state regulatory changes, as well as changes in application of existing laws and regulations; available sources and costs of natural gas and other fuels; the ability to complete necessary or desirable pipeline expansion or infrastructure projects, limits on pipeline capacity, and operational interruptions to natural gas distribution and transmission activities; transmission constraints; the ability to control costs and avoid cost and schedule overruns during the development, construction, and operation of facilities or other projects; legal proceedings and regulatory approvals and actions related to construction, and operation of facilities or other projects; legal proceedings and regulatory approvals and actions related to construction projects; the ability to construct facilities in accordance with the requirements of permits and licenses, to satisfy any environmental performance standards and the requirements of tax credits and other incentives, and to integrate facilities into the Southern Company system upon completion of construction; advances in technology, including the pace and extent of development of low- to no-carbon energy technologies and negative carbon concepts; state and federal rate regulations and the impact of pending and future rate cases and negotiations; and the ability to successfully operate Southern Company Gas' natural gas distribution and storage facilities and the successful performance of necessary corporate functions. Southern Company Gas expressly disclaims any obligation to update any forward-looking information.

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