AGL RESOURCES INC
Form 424B5
May 16, 2016

FILED PURSUANT TO RULE 424(B)(5)

REGISTRATION NO: 333-190280

333-190280-02

Calculation of Registration Fee

Title of Class of Securities Offered	Amount to be Registered	Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Amount of Registration Fee
3.25% Senior Notes due 2026	$350,000,000	99.598%	$348,593,000	$35,104(1)

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933.

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Prospectus Supplement

(To Prospectus dated July 31, 2013)

$350,000,000

AGL CAPITAL CORPORATION

3.25% Senior Notes due 2026

This is a public offering by AGL Capital Corporation, a wholly owned subsidiary of AGL Resources Inc., of $350 million of its 3.25% Senior Notes due 2026. AGL Capital will pay interest on the senior notes semi-annually in arrears on June 15 and December 15 of each year, beginning December 15, 2016. The senior notes will mature on June 15, 2026. The senior notes may be redeemed, in whole or in part, at any time and from time to time, at the applicable redemption price as described under the caption Description of the Senior Notes Optional Redemption.

The senior notes will not be listed on any securities exchange or quoted on any quotation system, and we do not intend to apply for listing of the senior notes on any exchange or for inclusion of the senior notes in any automated quotation system. The senior notes initially will be issued in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

AGL Resources will fully and unconditionally guarantee payment of the senior notes. The senior notes and the guarantee will be unsecured and will rank equally with all the other unsecured and unsubordinated obligations from time to time outstanding of AGL Capital and AGL Resources, respectively.

See Risk Factors in this prospectus supplement and in AGL Resources Annual Report on Form 10-K for the year ended December 31, 2015 to read about certain factors you should consider before investing in the senior notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Senior Note	Total
Public offering price	99.598%	$ 348,593,000
Underwriting discount	0.650%	$ 2,275,000

Proceeds, before expenses, to AGL Capital	98.948%	$ 346,318,000

The public offering price set forth above does not include accrued interest. Interest will accrue from May 18, 2016 and must be paid by the purchaser if the senior notes are delivered after May 18, 2016.

The senior notes are expected to be delivered on or about May 18, 2016 through the book-entry facilities of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme, Luxembourg.

Joint Book-Running Managers

J.P. Morgan **Morgan Stanley** **US Bancorp**

Co-Managers

Loop Capital Markets **Scotiabank** **SunTrust Robinson Humphrey**

Fifth Third Securities **Goldman, Sachs & Co.** **TD Securities** **The Williams Capital Group, L.P.**

Prospectus Supplement dated May 13, 2016

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of senior notes and other matters relating to us and our financial condition. The second part is the accompanying prospectus, which contains more general information about AGL Capital and AGL Resources and the terms and conditions of securities AGL Capital and AGL Resources may offer from time to time, some of which will not apply to the senior notes.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus and any free writing prospectus we send to you or file with the Securities and Exchange Commission, referred to as the SEC. If the information in this prospectus supplement varies from the information contained or incorporated by reference in the accompanying prospectus, you should rely on the information in this prospectus supplement. No person is authorized to provide you with information that is different from the information provided or incorporated by reference in this prospectus supplement or to offer the senior notes in any jurisdiction where the offer is not permitted. It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus, including the information and documents incorporated by reference therein as well as any free writing prospectus we send to you or file with the SEC, in making your investment decision. See Where You Can Find More Information later in this prospectus supplement. You should not assume that the information provided by this prospectus supplement, the accompanying prospectus, any free writing prospectus or any document incorporated by reference is accurate as of any date other than the date of the document that contains the information.

Unless stated otherwise, references in this prospectus supplement to AGL Capital, we, us or our refer to AGL Capital Corporation. References in this prospectus supplement to AGL Resources refer to AGL Resources Inc. and its subsidiaries unless otherwise indicated or the context otherwise requires.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein contain forward-looking statements. These statements, which may relate to such matters as completion of AGL Resources proposed merger with The Southern Company, the maintenance of AGL Resources as a separate wholly owned subsidiary within The Southern Company corporate structure, AGL Resources SEC reporting practices following such merger, future earnings, growth, supply and demand, costs, subsidiary performance, new technologies and strategic initiatives, often include words such as anticipate, assume, believe, can, could, estimate, expect, forecast, future, g intend, may, outlook, plan, potential, predict, project, proposed, seek, should, target, would, or similar expressions. You place undue reliance on forward-looking statements. While AGL Resources believes that its expectations are reasonable in view of the information that it currently has, these expectations are subject to future events, risks and uncertainties, and there are numerous factors many beyond AGL Resources control that could cause actual results to vary materially from these expectations.

Such events, risks and uncertainties include, but are not limited to:

- certain risks and uncertainties associated with the proposed merger of AGL Resources with The Southern Company, including, without limitation:
  - the possibility that the proposed merger does not close due to the failure to satisfy the closing conditions, including, but not limited to, a failure to obtain the remaining required regulatory approvals;
  - delays caused by the remaining required regulatory approvals, which may delay the proposed merger or cause the companies to abandon the transaction;
  - disruption from the proposed merger making it more difficult to maintain AGL Resources business and operational relationships and the risk that unexpected costs will be incurred during this process;
  - the diversion of AGL Resources management time on merger-related issues; and
  - the timing of AGL Resources last quarterly dividend to holders of its common stock, if any, declared prior to the potential closing of the proposed merger with The Southern Company;
- changes in price, supply and demand for natural gas and related products;
- the impact of changes in state and federal legislation and regulation including any changes related to climate matters;
- 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, including AGL Resources pipeline projects, from government and other approvals, project delays, adequacy of supply of diversified vendors, and unexpected changes in project costs;

the cost of funds to finance AGL Resources construction projects and AGL Resources ability to recover certain project costs from customers;

limits on pipeline capacity;

the impact of acquisitions and divestitures;

AGL Resources ability to successfully integrate operations that it has or may acquire or develop in the future;

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- direct or indirect effects on AGL Resources business, financial condition or liquidity resulting from a change in AGL Resources credit ratings or the credit ratings of AGL Resources counterparties or competitors;
- interest rate fluctuations;
- financial market conditions, including disruptions in the capital markets and lending environment;
- general economic conditions;
- uncertainties about environmental issues and the related impact of such issues, including AGL Resources environmental remediation plans;
- the capacity of AGL Resources gas storage caverns, which are subject to natural settling and other occurrences;
- contracting rates at AGL Resources midstream operations storage business;
- the impact of weather 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;
- the outcome of litigation;
- the effect of accounting pronouncements issued by standard-setting bodies; and
- other factors discussed under Risk Factors and elsewhere herein and in AGL Resources filings with the SEC.

There also may be other factors that we do not anticipate or that we do not recognize as material that could cause results to differ materially from expectations.

Forward-looking statements speak only as of the date they are made. AGL Capital and AGL Resources expressly disclaim any obligation to update or revise any forward-looking statement, whether as a result of future events, new information or otherwise, except as required by law.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere or incorporated by reference into this prospectus supplement and the accompanying prospectus. This summary does not contain all of the information that you should consider before deciding to purchase our senior notes. You should read this entire prospectus supplement and the accompanying prospectus carefully, as well as the information incorporated by reference into these documents, before deciding to invest in our senior notes.

AGL Capital Corporation

We are a wholly owned subsidiary of AGL Resources. We provide financing to AGL Resources on an ongoing basis through a commercial paper program, the issuance of various debt and hybrid securities and other financing arrangements. Our senior notes are guaranteed by AGL Resources, but not any of its subsidiaries.

AGL Resources Inc.

Overview

AGL Resources is an energy services holding company, headquartered in Atlanta, Georgia, whose primary business is the distribution of natural gas in seven states Illinois, Georgia, Virginia, New Jersey, Florida, Tennessee and Maryland through its seven natural gas distribution utilities. At March 31, 2016, these utilities served approximately 4.6 million end-use customers.

AGL Resources also is involved in several related and complementary businesses to the distribution of natural gas, including retail natural gas marketing to end-use customers primarily in Georgia and Illinois and home equipment protection products and services through its retail operations segment; natural gas asset management and related logistics activities for its own utilities as well as for nonaffiliated companies through its wholesale operations; and the development and operation of high-deliverability underground natural gas storage assets through its midstream operations.

AGL Resources manages its businesses through four reportable segments distribution operations, retail operations, wholesale services, and midstream operations. AGL Resources non-reportable segments are combined and presented as other.

Distribution Operations

The distribution operations segment consists of seven natural gas distribution utilities: Nicor Gas, Atlanta Gas Light, Virginia Natural Gas, Elizabethtown Gas, Florida City Gas, Chattanooga Gas and Elkton Gas. These utilities construct, manage and maintain intrastate natural gas pipelines and distribution facilities. Below is a brief overview of each of these utilities as of March 31, 2016:

Nicor Gas provides natural gas service to approximately 2.2 million residential, commercial and industrial customers in northern Illinois.

Atlanta Gas Light provides gas delivery service to approximately 1.6 million residential, commercial and industrial customers in Georgia.

Virginia Natural Gas provides natural gas service to approximately 295,000 residential, commercial and industrial customers in southeastern Virginia.

Elizabethtown Gas provides natural gas service to approximately 286,000 residential, commercial and industrial customers in northwestern and east central New Jersey.

Florida City Gas provides natural gas service to approximately 108,000 residential, commercial and industrial customers in southeastern and east central Florida.

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Chattanooga Gas provides natural gas service to approximately 65,000 residential, commercial and industrial customers in southeastern Tennessee.

Elkton Gas provides natural gas service to approximately 7,000 residential, commercial and industrial customers in northeastern Maryland.

Retail Operations

The retail operations segment serves approximately 658,000 energy customers and approximately 1.2 million customer service contracts primarily in Georgia, Illinois, Indiana, Ohio and Massachusetts. The segment generates earnings through the sale of natural gas to residential, commercial and industrial customers. Additionally, the segment offers customers energy-related products that provide for natural gas price stability and utility bill management. These products mitigate or eliminate the risks to customers of colder-than-normal weather and changes in natural gas prices. AGL Resources charges a fee or premium for these services. The retail operations segment also provides warranty protection and home services that include gas and electric line repair, equipment repair, insurance and maintenance to customers pursuant to monthly service contracts or warranty products billed at a fixed monthly amount.

Wholesale Services

The wholesale services segment consists of AGL Resources wholly owned subsidiary, Sequent Energy Management, L.P. This segment engages in asset management and optimization, storage, transportation, producer and peaking services and wholesale marketing of natural gas across the United States and Canada. Additionally, it provides natural gas asset management and related logistics services for most of AGL Resources utilities, as well as for non-affiliated companies.

Midstream Operations

The midstream operations segment includes a number of businesses that are related and complementary to AGL Resources primary business. The most significant of these businesses is AGL Resources natural gas storage business, which develops, acquires and operates high-deliverability underground natural gas storage assets primarily in the Gulf Coast region of the United States and in Northern California. While this business can generate additional revenue during times of peak market demand for natural gas storage services, a portion of its natural gas storage facilities are covered under a portfolio of short, medium and long-term contracts at fixed market rates. In addition to natural gas storage, this segment also includes AGL Resources developing liquefied natural gas business and select pipeline investments.

Other

AGL Resources non-reportable segments include AGL Resources non-operating business units, principally AGL Services Company and AGL Capital. AGL Services Company provides certain centralized shared services to AGL Resources various operations. AGL Capital provides for AGL Resources ongoing financing needs through a commercial paper program, the issuance of various debt and hybrid securities and other financing arrangements. The other non-reportable segments also include AGL Resources investment in Triton Container Investment LLC which was not part of the sale of AGL Resources former cargo shipping segment that closed on September 1, 2014. In addition, the other non-reportable segments include intercompany eliminations for transactions among AGL Resources various operations.

The address of AGL Resources principal executive offices is Ten Peachtree Place NE, Atlanta, Georgia 30309, and its telephone number is (404) 584-4000. AGL Capital s principal address is 2215-B Renaissance Drive, Las Vegas, Nevada 89119, and its telephone number is (702) 967-2442.

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Recent Developments

On August 23, 2015, AGL Resources entered into an Agreement and Plan of Merger, which we refer to as the Merger Agreement, with The Southern Company, which we refer to as Southern, and a newly formed wholly owned direct subsidiary of Southern, which we refer to as Merger Sub, providing for the merger of Merger Sub with and into AGL Resources, with AGL Resources surviving as a wholly owned direct subsidiary of Southern. At the effective time of the merger, which is expected to occur in the second half of 2016, each share of AGL Resources common stock, other than certain excluded shares, will be converted into the right to receive $66 in cash, without interest, less any applicable withholding taxes. AGL Resources shareholders approved the Merger Agreement in November 2015.

AGL Resources and Southern have made joint filings seeking regulatory approval with all of the required state regulatory agencies. Completion of the merger remains subject to various closing conditions, including, among others, (1) the receipt of remaining required regulatory approvals from the Illinois Commerce Commission (which we refer to as the Illinois Commission) and the New Jersey Board of Public Utilities (which we refer to as the New Jersey BPU), and such approvals having become final orders, and (2) the absence of a judgment, order, decision, injunction, ruling or other finding or agency requirement of a governmental entity prohibiting the closing of the merger. To date, the proposed merger has been approved by the Maryland Public Service Commission, the Georgia Public Service Commission, the California Public Utilities Commission and the Virginia State Corporation Commission. Additionally, AGL Resources has received consent from the Federal Communications Commission to transfer to Southern parent company control of radio licenses held by certain of AGL Resources subsidiaries. The waiting period under the Hart-Scott-Rodino Act has expired. There is no financing condition to the merger.

On April 28, 2016, Southern, AGL Resources, Nicor Gas, and the Illinois Attorney General s Office, and the Citizens Utility Board filed a settlement agreement with the Illinois Commission that resolves all remaining contested issues with regard to the merger approval. This settlement agreement, along with the other resolved matters, is still subject to approval by the Illinois Commission.

On May 5, 2016, Southern, AGL Resources, Elizabethtown Gas and AMS Corp. filed a settlement agreement with the New Jersey BPU that resolves all remaining contested issues with regard to the merger approval. This settlement agreement, along with the other resolved matters, is still subject to approval by the New Jersey BPU.

The settlement agreement filed with the New Jersey BPU and the orders by the Virginia State Corporation Commission and the Maryland Public Service Commission contain, and we expect that any order from the Illinois Commission will contain, certain commitments and restrictions by the parties with respect to a number of matters, including maintenance of a minimum number of employees in the applicable state for a certain period following closing of the merger and maintenance of resources for capital and infrastructure. In addition, the settlement agreement with the New Jersey BPU includes a stipulation that if AGL Resources senior unsecured debt rating falls below investment grade, AGL Resources must cease paying dividends to Southern until the investment grade rating is restored.

Subject to certain limitations, either party may terminate the Merger Agreement if the merger is not completed by August 23, 2016. The outside date may be extended by either party to February 23, 2017 if, on August 23, 2016, all conditions to closing, other than those relating to (1) regulatory approvals or (2) the absence of legal restraints preventing completion of the merger (to the extent relating to regulatory approvals), have been satisfied. In addition, the Merger Agreement, in certain circumstances, provides for the payment by AGL Resources of a $201 million termination fee to Southern and, in certain circumstances, provides for the reimbursement of expenses by AGL Resources of up to $5 million upon termination of the Merger Agreement (which reimbursement would reduce on a dollar-for-dollar basis any termination fee subsequently paid by AGL Resources).

Southern has informed us that, following the effective time of the merger, it intends to maintain AGL Resources as a separate wholly owned subsidiary within the Southern corporate structure and that AGL Resources would remain an SEC registrant, which means that AGL Resources would continue to file Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K with the SEC. In addition, following the effective time of the merger, all of the shares of AGL Resources common stock will be held by Southern and will be delisted from the New York Stock Exchange. We cannot provide any assurances as to how AGL Resources will operate as a subsidiary of Southern following the effective time of the merger. There can be no guarantee that AGL Resources financial condition or results of operations or the ability of AGL Resources and AGL Capital to repay their indebtedness, including the senior notes, will not be adversely impacted as a result of AGL Resources becoming a subsidiary of Southern. Southern is not expected to guarantee or otherwise become an obligor of the notes offered hereby or any of our outstanding indebtedness. We also intend for AGL Capital s indebtedness under the Indenture, dated as of February 20, 2001, by and among AGL Capital, as issuer, AGL Resources, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee, which we refer to as the Indenture, including the senior notes, to remain outstanding in accordance with its current terms after the effective time of the merger.

The Merger Agreement is attached as an exhibit to AGL Resources Current Report on Form 8-K filed with the SEC on August 24, 2015 and is incorporated by reference into this prospectus supplement.

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The Offering

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the senior notes, see Description of the Senior Notes in this prospectus supplement.

Issuer	AGL Capital Corporation.
Guarantor	AGL Resources Inc., but not any of its subsidiaries, will fully and unconditionally guarantee the payment of the senior notes.
Securities	3.25% Senior Notes due 2026.
Aggregate Principal Amount	$350 million.
Maturity Date	June 15, 2026.
Interest Rate	3.25% per year accruing from May 18, 2016.
Interest Payment Dates	June 15 and December 15 of each year, beginning December 15, 2016.
Record Dates	June 1 and December 1 of each year.
Interest Calculations	Based on a 360-day year of twelve 30-day months.
Use of Proceeds	We expect to use approximately $300 million of the net proceeds from the sale of the senior notes to repay our 6.375% senior notes, which will mature on July 15, 2016, and the balance of the net proceeds to repay short-term indebtedness incurred under the AGL Capital commercial paper program and for other general corporate purposes.
Redemption	The senior notes may be redeemed, in whole or in part, at our option, at any time, at the redemption prices described under the caption Description of the Senior Notes Optional Redemption.
Ranking	The senior notes will rank equally in right of payment with AGL Capital s other unsecured and unsubordinated obligations outstanding from time to time. AGL Resources guarantee will similarly be an unsecured and unsubordinated obligation of AGL Resources.

Sinking Fund	None.
Issuance of Additional Notes	We may, without the consent of the holders of the senior notes, increase the principal amount of the senior notes by issuing additional senior notes in the future on the same terms and conditions (except for any differences in the price to the public, interest accrued prior to the issue date of the additional senior notes and, if applicable, the initial interest payment date), and with the same CUSIP number as the senior notes offered hereby. The senior notes offered by this

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prospectus supplement and the accompanying prospectus and any additional senior notes would rank equally and ratably and would be treated as a single class for all purposes under the Indenture. No additional senior notes may be issued if any event of default has occurred with respect to the senior notes.

Form and Denomination

The senior notes initially will be issued in book-entry form and will be represented by one or more registered senior notes in global form deposited with or on behalf of, and registered in the name of, a nominee of The Depository Trust Company. The senior notes will be initially issued in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

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Summary Financial Information

Set forth in the tables below are summary historical financial and other data about AGL Resources. We derived the summary historical financial and other data in the tables as of and for the years ended December 31, 2015, 2014 and 2013 from AGL Resources audited financial statements and as of and for the three-month periods ended March 31, 2016 and 2015 from AGL Resources unaudited financial statements. The unaudited financial statements were prepared on the same basis as the audited financial statements and in management s opinion include all adjustments, consisting of normal recurring entries, which we consider necessary for a fair presentation of AGL Resources financial position and results of operations as of these dates and for these periods. You should read the data below in conjunction with AGL Resources financial statements and related notes and the Management s Discussion and Analysis of Financial Condition and Results of Operations sections that have been incorporated by reference in this prospectus supplement and the accompanying prospectus from AGL Resources Annual Report on Form 10-K for the year ended December 31, 2015 and Quarterly Report on Form 10-Q for the period ended March 31, 2016.

(In millions, except per share data)	Three Months Ended March 31, (Unaudited)		Year Ended December 31,		
	2016	2015	2015	2014	2013
Statements of Income Data:					
Operating revenues	$ 1,334	$ 1,721	$ 3,941	$ 5,385	$ 4,209
Operating expenses	(986)	(1,357)	(3,195)	(4,292)	(3,581)
Gain on disposition of assets				2	11
Operating income	348	364	746	1,095	639
Other income	3	3	13	14	16
Interest expense, net	(47)	(44)	(173)	(179)	(170)
Earnings before income taxes	304	323	586	930	485
Income tax expense	(111)	(118)	(213)	(350)	(177)
Income from continuing operations	193	205	373	580	308
(Loss) income from discontinued operations, net of tax				(80)	5