Southern Company

Fourth Quarter 2020 Earnings Conference Call

February 18, 2021

Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this presentation is forward-looking information based on current expectations and plans that involve risks and uncertainties. Forward-looking information includes, among other things, financial objectives, earnings guidance, statements concerning cost and schedule for completion of ongoing construction projects, expected impacts of the COVID-19 pandemic, emission reduction goals, and planned financing activities. Southern Company and its subsidiaries caution 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 and its subsidiaries; accordingly, there can be no assurance that such suggested results will be realized. The following factors, in addition to those discussed in Southern Company's and its subsidiaries' Annual Reports 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, including tax, environmental and other laws and regulations to which Southern Company and its subsidiaries are subject, as well as changes in application of existing laws and regulations; the potential effects of the continued COVID-19 pandemic; the extent and timing of costs and legal requirements related to coal combustion residuals; current and future litigation or regulatory investigations, proceedings, or inquiries, including litigation and other disputes related to the Kemper County energy facility; the effects, extent, and timing of the entry of additional competition in the markets in which Southern Company's subsidiaries operate, including from the development and deployment of alternative energy sources; variations in demand for electricity and natural gas; 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; effects of inflation; the ability to control costs and avoid cost and schedule overruns during the development, construction, and operation of facilities or other projects, including Plant Vogtle Units 3 and 4 (which includes components based on new technology that only within the last few years began initial operation in the global nuclear industry at this scale) and Plant Barry Unit 8 due to current and future challenges which include but are not limited to, changes in labor costs, availability and productivity, challenges with management of contractors or vendors, subcontractor performance, adverse weather conditions, shortages, delays, increased costs, or inconsistent quality of equipment, materials, and labor, contractor or supplier delay, delays due to judicial or regulatory action, nonperformance under construction, operating, or other agreements, operational readiness, including specialized operator training and required site safety programs, engineering or design problems, design and other licensing-based compliance matters, including, for nuclear units, inspections and the timely submittal by Southern Nuclear of the Inspections, Tests, Analyses, and Acceptance Criteria documentation for each unit and the related reviews and approvals by the U.S. Nuclear Regulatory Commission ("NRC") necessary to support NRC authorization to load fuel, challenges with start-up activities, including major equipment failure or system integration, and/or operational performance; and challenges related to the COVID-19 pandemic; legal proceedings and regulatory approvals and actions related to construction projects, such as Plant Vogtle Units 3 and 4 and pipeline projects, including Public Service Commission approvals and Federal Energy Regulatory Commission and NRC actions; under certain specified circumstances, a decision by holders of more than 10% of the ownership interests of Plant Vogtle Units 3 and 4 not to proceed with construction and the ability of other Vogtle owners to tender a portion of their ownership interests to Georgia Power following certain construction cost increases; in the event Georgia Power becomes obligated to provide funding to Municipal Electric Authority of Georgia ("MEAG") with respect to the portion of MEAG's ownership interest in Plant Vogtle Units 3 and 4 involving Jacksonville Electric Authority, any inability of Georgia Power to receive repayment of such funding; the ability to construct facilities in accordance with the requirements of permits and licenses (including satisfaction of NRC requirements), 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; investment performance of the employee and retiree benefit plans and nuclear decommissioning trust funds; advances in technology, including the pace and extent of development of low- to no-carbon energy technologies and negative carbon concepts; performance of counterparties under ongoing renewable energy partnerships and development agreements; state and federal rate regulations and the impact of pending and future rate cases and negotiations, including rate actions relating to return on equity, equity ratios, additional generating capacity and fuel and other cost recovery mechanisms; the ability to successfully operate the electric utilities' generating, transmission, and distribution facilities and Southern Company Gas' natural gas distribution and storage facilities and the successful performance of necessary corporate functions; the inherent risks involved in operating and constructing nuclear generating facilities; the inherent risks involved in transporting and storing natural gas; the performance of projects undertaken by the non-utility businesses and the success of efforts to invest in and develop new opportunities; internal restructuring or other restructuring options that may be pursued; potential business strategies, including acquisitions or dispositions of assets or businesses, which cannot be assured to be completed or beneficial to Southern Company or its subsidiaries; the ability of counterparties of Southern Company and its subsidiaries to make payments as and when due and to perform as required; the ability to obtain new short- and long-term contracts with wholesale customers; the direct or indirect effect on the Southern Company system's business resulting from cyber intrusion or physical attack and the threat of physical attacks; interest rate fluctuations and financial market conditions and the results of financing efforts; access to capital markets and other financing sources; changes in Southern Company's and any of its subsidiaries' credit ratings; changes in the method of determining LIBOR or the replacement of LIBOR with an alternative reference rate; the ability of Southern Company's electric utilities to obtain additional generating capacity (or sell excess generating capacity) at competitive prices; catastrophic events such as fires, earthquakes, explosions, floods, tornadoes, hurricanes and other storms, droughts, pandemic health events, political unrest or other similar occurrences; the direct or indirect effects on the Southern Company system's business resulting from incidents affecting the U.S. electric grid, natural gas pipeline infrastructure, or operation of generating or storage resources; impairments of goodwill or long-lived assets; and the effect of accounting pronouncements issued periodically by standard-setting bodies. Southern Company and its subsidiaries expressly disclaim any obligation to update any forward-looking information.

Non-GAAP Financial Measures

In addition to including earnings in accordance with generally accepted accounting principles (GAAP), this presentation also includes historical adjusted earnings and earnings per share (EPS) excluding: (1) impacts related to (a) the sale of Gulf Power, (b) the sales of Plants Nacogdoches and Mankato, (c) the sale of a natural gas storage facility, (d) the sale of Pivotal LNG and Atlantic Coast Pipeline, (e) the sales of PowerSecure's utility infrastructure services and lighting businesses, and (f) other acquisition and disposition activities; (2) charges related to Georgia Power's construction of Plant Vogtle Units 3 and 4; (3) charges (net of salvage proceeds), associated legal expenses (net of insurance recoveries), and tax impacts related to Mississippi Power's integrated coal gasification combined cycle project in Kemper County, Mississippi (Kemper IGCC); (4) earnings from the Wholesale Gas Services business; (5) impairment charges related a natural gas storage facility at Southern Company Gas and leveraged leases; and (6) costs associated with the extinguishment of debt at Southern Company.

The impacts of acquisitions and dispositions impacted earnings and earnings per share for the three and twelve months ended December 31, 2020 and 2019.

Mississippi Power expects to incur additional pre-tax period costs to complete dismantlement of the abandoned gasifier-related assets and site restoration activities by 2026. The additional pre-tax period costs associated with these activities, including related costs for compliance and safety, asset retirement obligation accretion, and property taxes, are estimated to total $10 million to $20 million annually through 2025.

The charges related to Georgia Power's construction of Plant Vogtle Units 3 and 4 impacted earnings per share for the three and twelve months ended December 31, 2020. Further charges may occur; however, the amount and timing of any such chargers are uncertain.

The impairment charges associated with leveraged leases impacted earnings per share for the three and twelve months ended December 31, 2020 and 2019 and the impairment charge associated with Southern Company Gas' natural gas storage facility impacted earnings per share for the three and twelve months ended December 31, 2019. Further impairment charges related to this natural gas storage facility and these leveraged leases are not expected.

The costs associated with the extinguishment of debt at Southern Company impacted earnings per share for the three and twelve months ended December 31, 2020.

For all periods, presenting earnings and EPS excluding Wholesale Gas Services provides investors with an additional measure of operating performance that excludes the volatility that results from mark-to-market and lower of weighted average cost or current market price accounting adjustments.

This presentation also includes projected adjusted EPS for future periods excluding: additional acquisition and disposition impacts, any future charges associated with the Kemper IGCC and/or the construction of Plant Vogtle Units 3 and 4, additional earnings of the Wholesale Gas Services business, and additional costs associated with the extinguishment of debt at Southern Company and its non-state regulated subsidiaries. Information concerning the magnitude of the impacts, if any, from these items on EPS is not available at this time. Accordingly, this presentation does not include a quantitative reconciliation of projected adjusted EPS (which is a forward-looking non-GAAP financial measure) because doing so would involve unreasonable efforts.

Southern Company believes presentation of EPS excluding the items described above provides investors with information comparable to guidance. Management also uses such measures to evaluate Southern Company's performance.

Highlights

- Adjusted full-year earnings of $3.25 per share exceeded guidance range
- Continued progress on Vogtle 3 & 4 including reaching several major milestones
- Demonstrated excellence and resilience throughout four pandemics: COVID-19, economic, social and political
- Continued decarbonization of energy mix:
  - Coal generation dropped to 17% of energy mix
  - Nearly 1/3 of energy mix from carbon-free generation resources
  - Achieved 52% GHG emissions reduction relative to 2007 baseline
- Raising adjusted long-term earnings per share growth estimate to 5% to 7% consistent with adjusted earnings of $4.00 to $4.30 per share in 2024

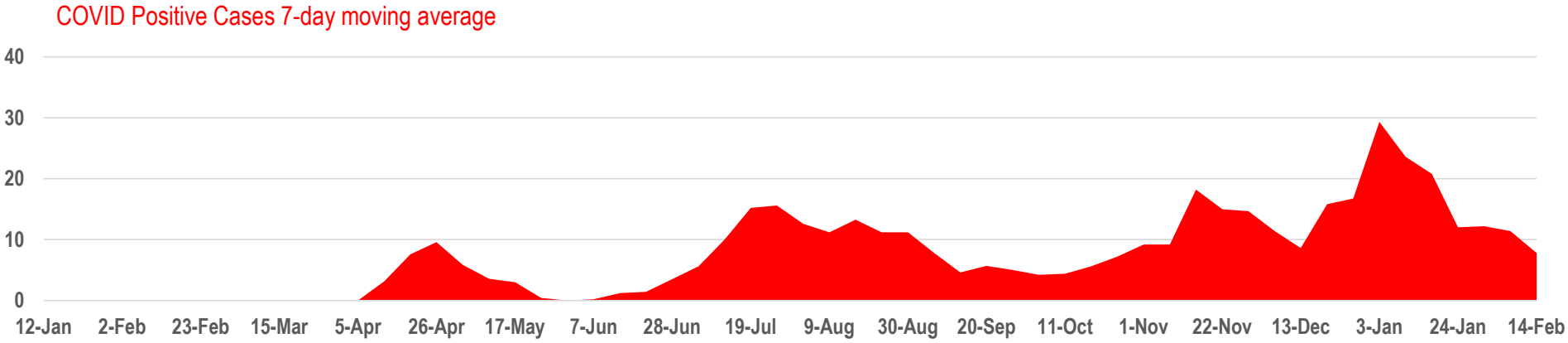
Vogtle 3 & 4

- We are focused on meeting November 2021 and 2022 regulatory-approved in-service dates
  - Unit 3: Working towards a projected November completion timeline
  - Unit 4: Utilizing an aggressive site workplan targeting a 3Q 2022 in-service with projected margin to the regulatory-approved in-service date of November 2022

- Georgia Power's share of total capital cost forecast increased $176 million to $8.7 billion, due to COVID-19 impacts, and to fund expected future risks including lower than expected productivity and increased support costs
  - Georgia Power's cost contingency replenished to $171 million
  - Recorded after-tax charge of $131 million in Q4 2020

Vogtle 3 & 4: COVID-19 Impacts

- 3 to 4 month estimated schedule impact from the COVID-19 pandemic
- Georgia Power's estimated cost is $150 million to $190 million embedded in Project's total cost estimate
- Impacts have included higher than normal absenteeism and disruptions to planned and ongoing work
- Beginning to see a downward trend of positive cases at the site and surrounding states
- Site continues to reinforce mitigation protocols

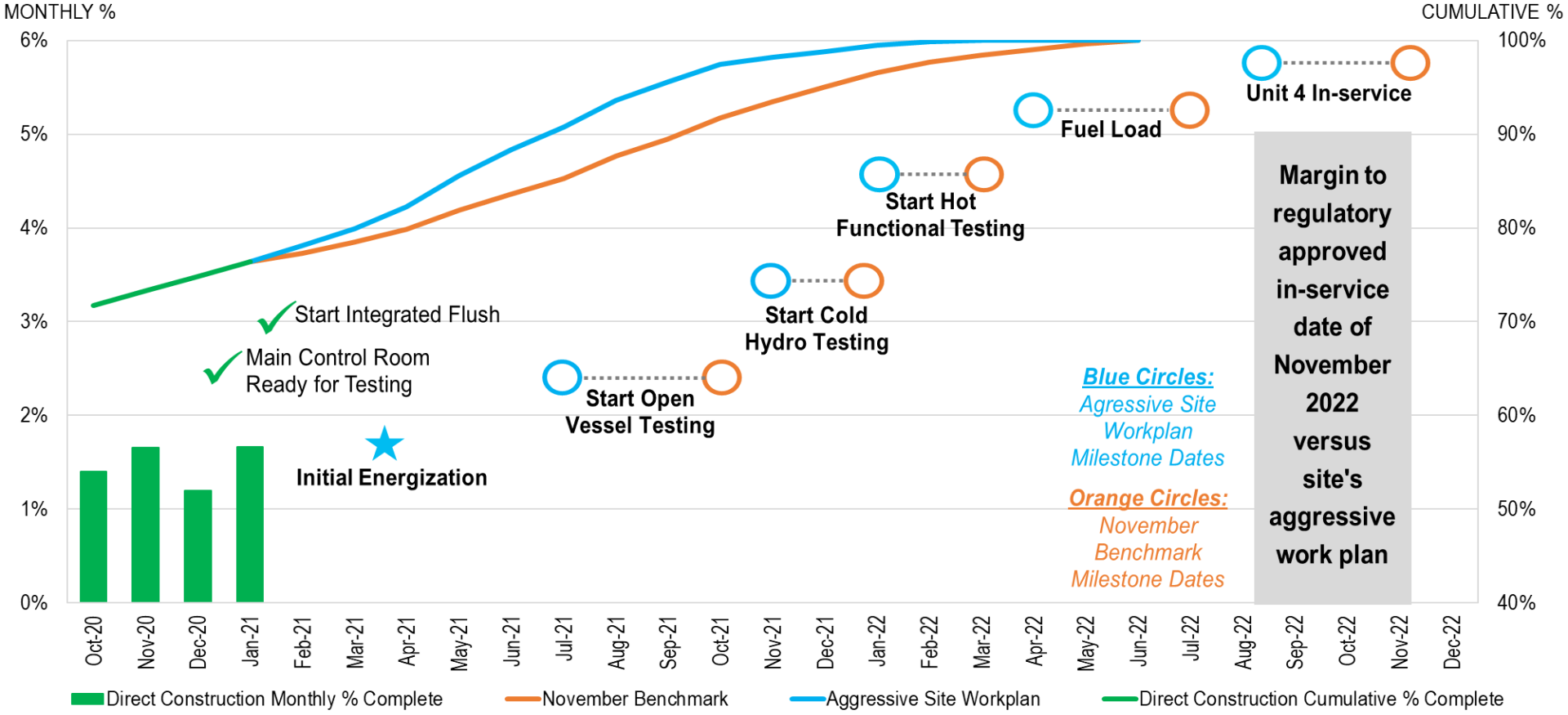


Vogtle Unit 3

- Continued progress at the site with several milestones reached in 2020:
  - Structural Integrity Test
  - Integrated Leak Rate Test
  - Closed Vessel Testing
  - Cold Hydro Testing
- Direct construction is approximately 98% complete
- Working to a projected November 2021 completion, with up to a month of schedule flexibility
- Risks to schedule remain, including:
  - Completion of system turnovers up to start HFT and Fuel Load
  - Successful completion of HFT
  - Orderly transition from operations to Fuel Load
  - Efficient start-up of the Unit

Vogtle Unit 4 Direct Construction & Major Milestones

(Direct Construction is Bechtel's Scope of Work)



Milestone bars and lines represent the range of potential start dates for each milestone with the left side of each indicating currently expected start dates under the site work plan and the right side indicating expected start dates for November benchmark

Vogtle 3 & 4 Cost Estimate

Total contingency and schedule cost margin of $235 million

Projected Estimated Cost of Project ($M) (Georgia Power's 45.7% share)	
Base project capital cost forecast through October '21 / August '22	$7,770
Schedule cost margin to November utilized	183
Schedule cost margin to November remaining	64
Total base project capital cost forecast to November	$8,017
Cost contingency allocated to date	519
Cost contingency remaining replenishment	171
Total project capital cost forecast	$8,707
Net Investment as of December 31, 2020	(7,246)
Remaining estimate to complete	$1,461

=$235M

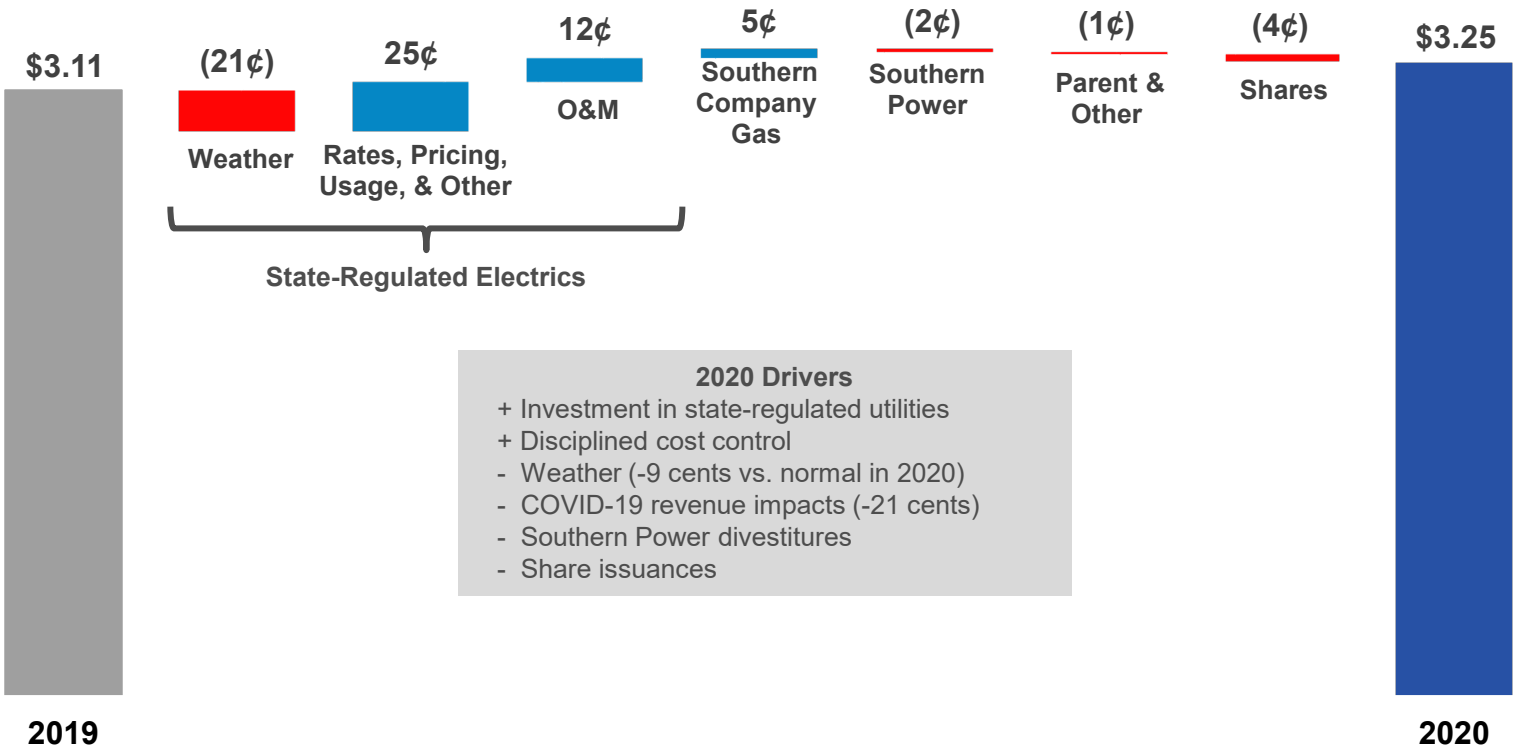
Estimated COVID-19 related costs $150 million to $190 million

2020 Earnings Results

	4Q		Full Year	
	2020	2019	2020	2019
Earnings Per Share As Reported	**$0.37**	**$0.42**	**$2.95**	**$4.53**
Less:				
Acquisition and Disposition Impacts[1]	$0.01	$0.08	$0.04	$1.37
Estimated Loss on Plants Under Construction[2]	($0.12)	($0.01)	($0.23)	($0.03)
Asset Impairments[3]	($0.03)	($0.02)	($0.10)	($0.08)
Wholesale Gas Services	$0.06	$0.10	$0.01	$0.16
Loss on Extinguishment of Debt[4]	($0.02)	-	($0.02)	-
Earnings Per Share Excluding Items	**$0.47**	**$0.27**	**$3.25**	**$3.11**

[1] Represents impacts related to the sales of Gulf Power, Plants Mankato and Nacogdoches, PowerSecure's utility infrastructure and lighting businesses, Pivotal LNG and Atlantic Coast Pipeline, a natural gas storage facility, and other impacts related to completed dispositions.
[2]Includes charges of $0.12 and $0.23 related to Georgia Power's construction of Plant Vogtle Units 3 and 4 for the three and twelve months ended December 31, 2020, respectively. All periods include charges (net of salvage proceeds), associated legal expenses (net of insurance recoveries), and tax impacts resulting from the abandonment and closure activities associated with the mine and gasifier-related portions of the Kemper IGCC.
[3]Represents impairment charges related to leveraged leases for the three and twelve months ended December 31, 2019 and 2020 and an impairment charge related to a natural gas storage facility at Southern Company Gas for the three and twelve months ended December 31, 2019.
[4]Represents costs associated with the extinguishment of debt at Southern Company.

2020 Year-Over-Year Adjusted Drivers [1]

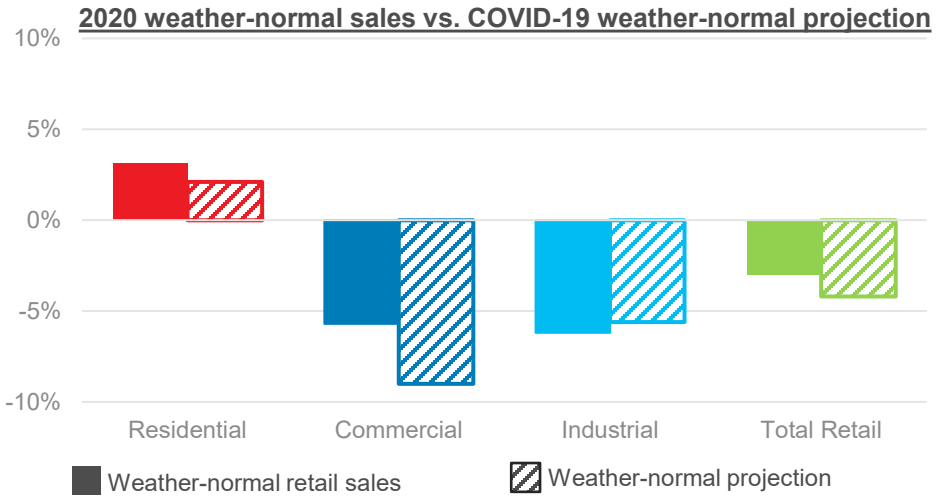


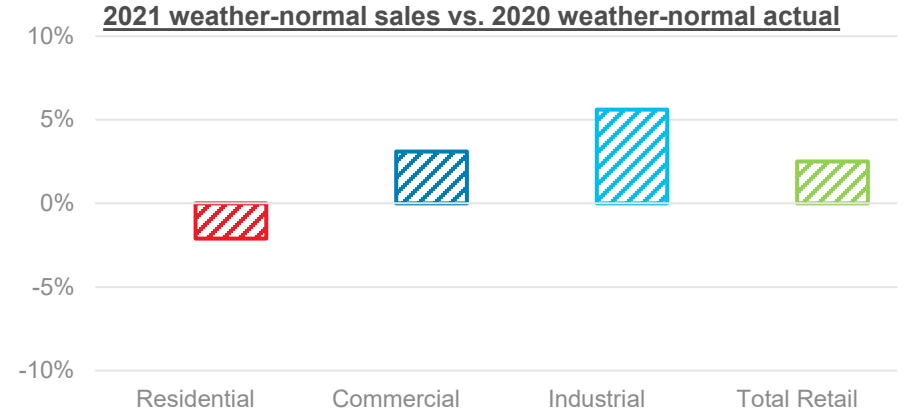
2020 Drivers

+ Investment in state-regulated utilities
+ Disciplined cost control
- Weather (-9 cents vs. normal in 2020)
- COVID-19 revenue impacts (-21 cents)
- Southern Power divestitures
- Share issuances

[1]Excludes charges (net of salvage proceeds), associated legal expenses (net of insurance recoveries), and tax impacts related to the Kemper IGCC, charges associated with the construction of Plant Vogtle Units 3 and 4, acquisition and disposition impacts, impairment charges related to leveraged leases and a natural gas storage facility, costs associated with the extinguishment of debt at Southern Company, and earnings from Wholesale Gas Services.

COVID-19 Sales Impacts and 2021 Outlook





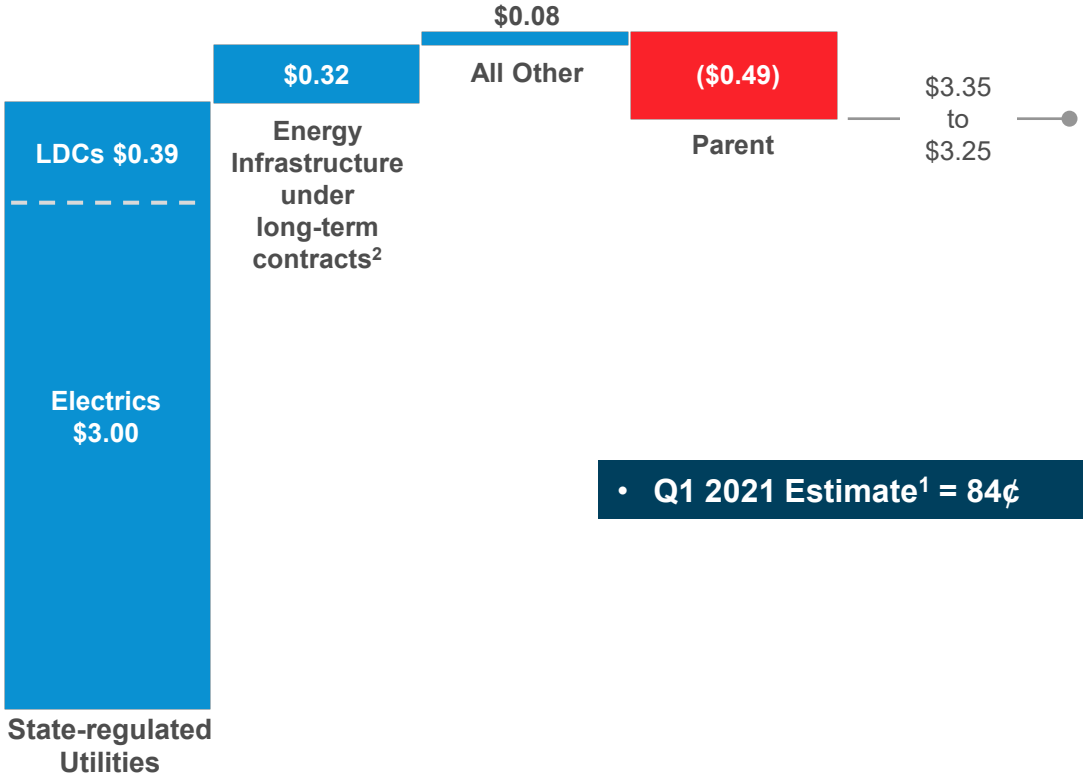
- 2020 weather-normal total retail kilowatt hour sales were slightly better than expected
  - Weather-normal kilowatt hour sales declined by ~3% versus our initial expectation of ~4%
  - Across all customer classes, non-fuel revenues declined by ~$300 million compared to our original forecast of $250 million to $400 million
- Estimated 2021 weather-normal total retail kilowatt hour sales are expected to increase 2% to 3% compared to 2020

Service Territory Economic Update

- The Southeast is leading the US in job recovery with positive growth over the last three months
  - Georgia was #2 in the nation for job growth in December
- Service territory continues to benefit from strong economic development
  - Over 24,000 jobs added in 2020 (a 32% increase over 2019)
  - $5.7 billion in economic development capital investment announced in 2020
  - Economic development pipeline remains robust
- Customer growth exceeded expectations
  - Continued net in-migration to the Southeast drove 5,000 new electric customer connects in 2020 versus 2019
  - Reflects our actions to work with customers through disconnect suspensions and extended payment plans during the COVID-19 pandemic

2021 Guidance[1] = $3.25 to $3.35

~90% of Projected Earnings from Premier State-Regulated Electric and Gas Franchises



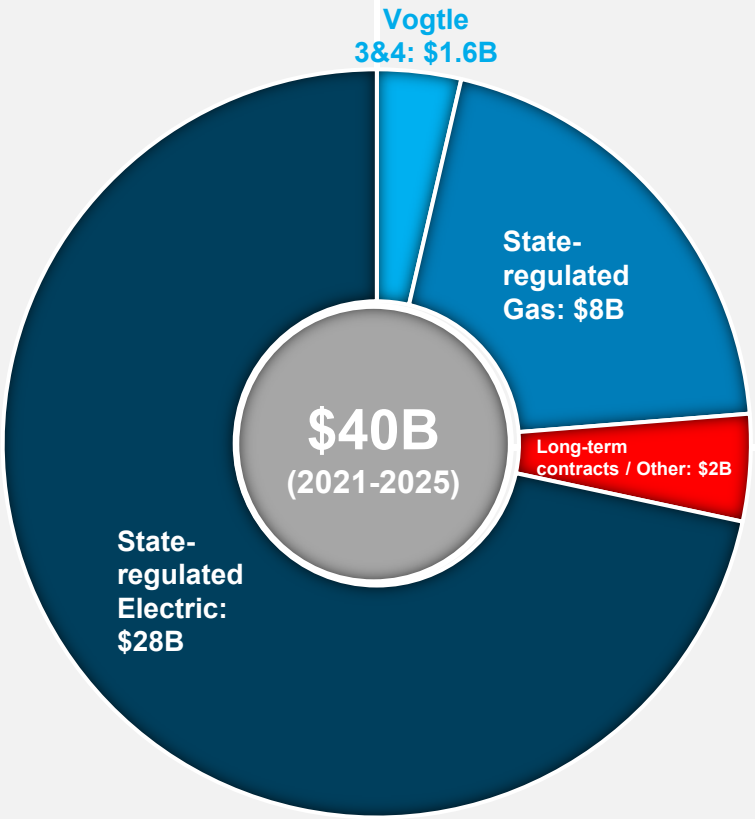
- **Q1 2021 Estimate[1] = 84¢**

1. *Excludes wholesale gas services business, any further charges associated with construction projects, further acquisition and disposition impacts, and any additional costs associated with the extinguishment of debt at Southern Company and its non-state regulated subsidiaries.*
2. *Includes Southern Power, interstate natural gas pipelines, and Southern Company system-owned distributed energy resources*

95% of Projected Capital Investment in State-Regulated Electric and Gas Utilities

State-Regulated Electric

- 51% wires, including resilience and smart grid investments
- 18% environmental, including ash pond closure costs



State-Regulated Gas

- 67% in pipeline replacement and improvement investments
- Additional investment driven by customer growth, compliance, and maintenance

Energy Infrastructure Under Long-term Contracts

- Southern Power renewables investments and gas maintenance
- Interstate natural gas pipelines

Greenhouse Gas Emissions Reductions Goals

2007 → **2020** → **2030** → **2050** →

Baseline

Reduced[1] 52%

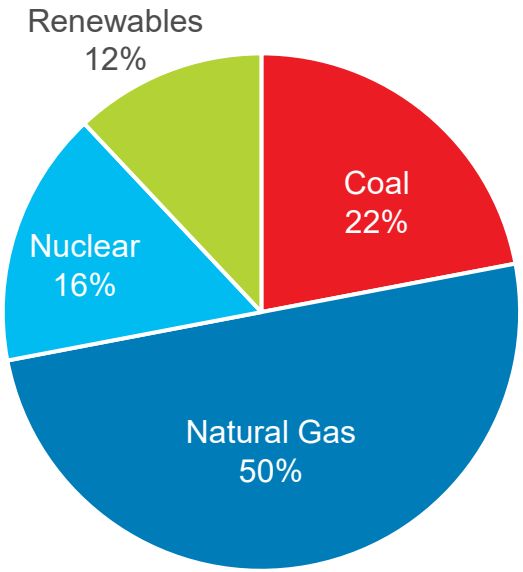
50% Reduction Goal

Net Zero Goal

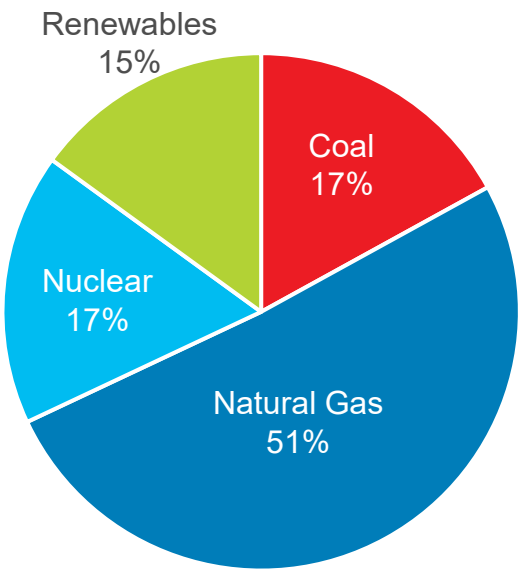
[1] The reduction in GHG emissions from 2019 to 2020 was primarily driven by milder weather, decreased customer energy usage resulting from the COVID-19 pandemic, and the continued transition to lower- and non-emitting resources. Expect to achieve sustainable reduction of at least 50% in 2025, if not earlier.

Significant Year-Over-Year Decrease in Coal Generation[1]

2019 Total Energy Mix



2020 Total Energy Mix



[1]Energy mix represents all of the energy used to serve retail and wholesale customers. This energy mix includes resources under the direct financial control of Southern Company subsidiaries, as well as energy purchased from others. It is not meant to represent delivered energy mix to any particular retail customer or class of customers. The renewables category represented in the charts above includes wind, solar, hydro, biomass and landfill gas facilities, whether owned by Southern Company and its subsidiaries or by third parties and whether Southern Company or its subsidiaries have the rights to the renewable energy credits (RECs) associated with energy from those facilities. To the extent Southern Company subsidiaries or affiliates retain or receive the RECs associated with energy from the facilities, they generally reserve the right to use those RECs to serve customers with renewable energy or to sell the RECs, either bundled with energy or separately to third parties.

Southern Company Accolades

2020 Edison Award, Edison Electric Institute – for energy storage initiative

2020 Top 50 Companies for Diversity, *DiversityInc* (5th consecutive year)

2020 America's Best Large Employers, *Forbes* magazine – Ranked No. 14 nationally (3rd consecutive year)

2020 Best Places to Work for Disability Inclusion, The Disability Equality Index – 100% score (4th consecutive year)

2021 World's Most Admired Companies, *Fortune* magazine

A- Score, CDP Climate Change Disclosure for transparency and leadership within the thermal power generation sector

2020 Top U.S. Utility for Economic Development, *Site Selection* Magazine – Alabama Power & Georgia Power (2nd consecutive year for each)

2020 Top 100 Military-Friendly Employer, *GI Jobs* magazine – No. 2 overall company, top-ranked utility for 14th consecutive year and the 3rd consecutive year in the Gold Top 10

2020 Military-Friendly Spouse Employer, *GI Jobs* magazine

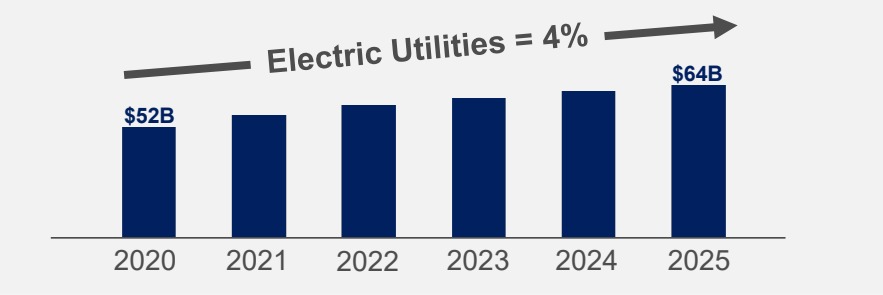
2021 Perfect Corporate Equality Index Score, Human Rights Campaign (5th consecutive year)

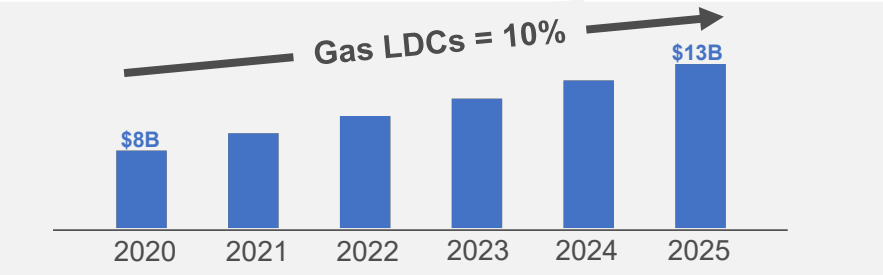
Appendix

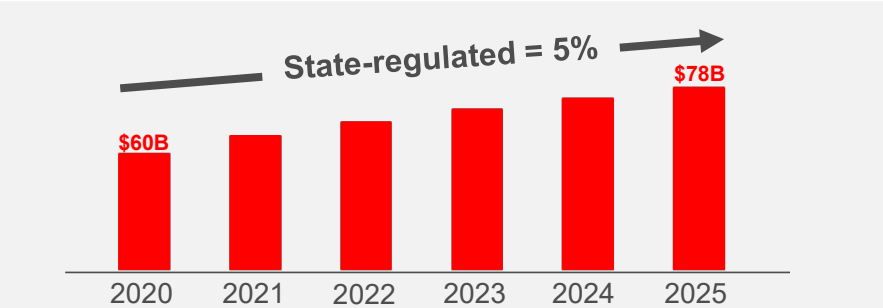
Capital Investment Plan

Strong Projected State-Regulated Utility Rate Base Growth

INVESTED CAPITAL



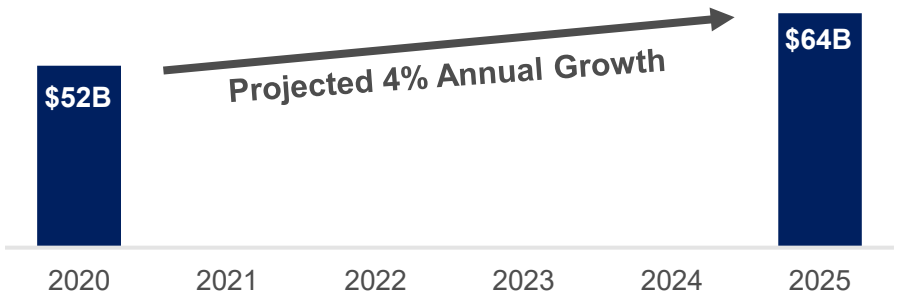




- Modernization and resilience initiatives continue to drive the growth profile of our electric utilities
- Safety-related pipeline replacement programs continue to provide strong projected growth for the Gas LDCs
- Updated state-regulated capital investment plan reflects a $1.3 billion increase over last year's plan

State-Regulated Electric Utilities Overview

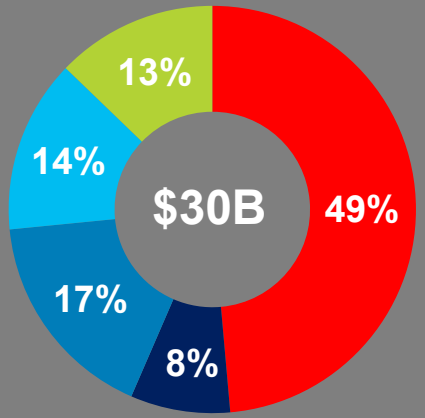
Strong projected invested capital growth driven by modernization and resilience initiatives



	2020 Customers	2020 Invested Capital[1]	Allowed Retail Equity Ratio
Georgia Power	2.6M	$29.8B	56%[2]
Alabama Power	1.5M	$19.0B	55%[3]
Mississippi Power	0.2M	$3.2B	55%[4]

- Projected retail electric sales growth flat to slightly positive with projected customer growth of ~1%
- Focused on mitigating inflation of O&M over time as part of overall business modernization initiatives

Projected Capital Investment Composition 2021 - 2025

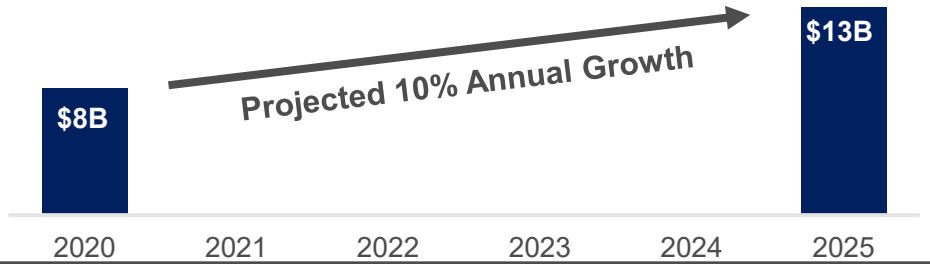


- Transmission & Distribution
- New Generation
- Environmental / Ash Pond Closures
- Generation Maintenance
- Nuclear Fuel & Other

[1] *Invested capital amounts based on year-end 2020*
[2] *Approximately 56% at end of 2020*
[3] *Approximately 52% at end of 2020, plan to achieve 55% by end of 2025*
[4] *Approximately 55% at end of 2020*

State-Regulated Gas LDCs Overview

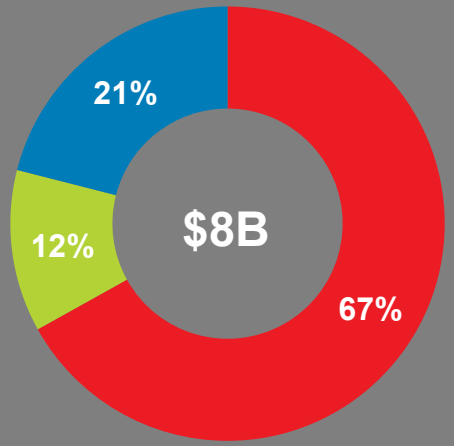
Strong projected rate base growth driven by substantial pipeline replacement



	2020 Customers	2020 Rate Base[1]	Allowed Equity Ratio	Allowed ROE
Nicor Gas (IL)	2.3M	$3.8B	54%	9.73%
Atlanta Gas Light (GA)	1.7M	$3.3B	56%	10.25%[2]
Virginia Natural Gas (VA)	309K	$1.0B	49%	9.5%[3]
Chattanooga Gas (TN)	69K	$0.2B	49%	9.8%

- Expect to average $1.6 billion capital investment annually
- Regulatory lag minimized through rider and mechanism recovery
- Recover costs through primarily fixed-rate design
- On-going base rate cases in Virginia and Illinois

Projected Capital Investment Composition 2021 - 2025



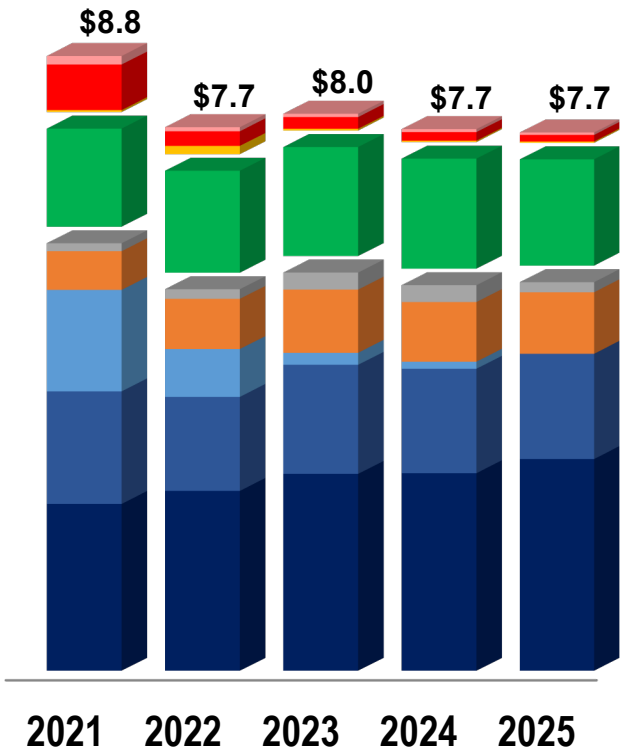
- Pipeline Replacement & Improvement
- Customer Growth
- Maintenance & Other

[1]Rate base amounts for AGL, CGC and VNG calculated using 13-month average, and for Nicor using two-point annual average of beginning and end of year balances.
[2]Allowed ROE range of 10.05%-10.45%
[3]Allowed ROE range of 9.00%-10.00%

Projected Capital Investment of $40 billion through 2025

95% to be Deployed to State-Regulated Utilities

(in $ billions)	'21-'25
Other	0.3
Southern Power	1.3
Gas Pipelines & Other	0.3
LDCs	8.0
Environmental	0.9
Ash Ponds	4.1
New Generation[1]	2.5
Base Electric	8.0
Transmission & Distribution	14.5
State Reg Capital Investment	38.1
Total Capital Investment	**39.9**



Due to rounding, totals may not foot.

[1]Includes Vogtle 3 & 4 capital of $1.6B, Barry 8 combined cycle capital of $0.7B, and several small-scale renewable projects capital of $0.3B

$40 Billion in Projected Capital Investment Through 2025: Functional View

(in $ billions)	2021	2022	2023	2024	2025	Total '21-'23	Total '21-25
New Generation	0.3	0.4	0.2	0.1	-	0.8	0.9
Generation Maintenance	0.9	0.7	0.9	0.8	0.8	2.6	4.1
Environmental Compliance	0.1	0.1	0.3	0.3	0.2	0.5	0.9
Ash Pond Closures	0.6	0.8	1.0	0.9	0.9	2.3	4.1
Transmission	1.0	1.2	1.4	1.4	1.5	3.6	6.5
Distribution	1.5	1.6	1.6	1.6	1.7	4.7	8.1
Nuclear Fuel	0.2	0.2	0.3	0.3	0.3	0.7	1.3
General	0.5	0.5	0.5	0.5	0.5	1.5	2.5
State-regulated Electrics (excl Vogtle 3&4)	**5.2**	**5.4**	**6.0**	**5.9**	**5.9**	**16.7**	**28.5**
Vogtle 3&4	1.3	0.4	0.0	-	-	1.6	1.6
State Regulated Gas LDCs	1.5	1.5	1.6	1.7	1.6	4.7	8.0
Total State-Regulated Utilities	**8.0**	**7.3**	**7.7**	**7.5**	**7.5**	**23.0**	**38.1**
Southern Power	0.7	0.2	0.2	0.1	0.1	1.1	1.3
Gas Pipelines & Other	0.0	0.1	0.0	0.0	0.0	0.2	0.3
Other	0.1	0.0	0.0	0.0	0.0	0.3	0.3
Total Consolidated	**8.8**	**7.7**	**8.0**	**7.7**	**7.7**	**24.5**	**39.9**
Total Consolidated (excl Ash Pond Closures)	**8.2**	**7.0**	**7.0**	**6.8**	**6.7**	**22.2**	**35.8**

Changes in Projected Capital Investment Through 2024: Functional View

changes since 4Q19 Earnings Call

(in $ billions)	2021	2022	2023	2024	Total '21-'24
New Generation	0.0	(0.1)	(0.0)	0.1	0.0
Generation Maintenance	0.1	0.1	(0.0)	(0.1)	0.1
Environmental Compliance	(0.1)	(0.1)	0.0	0.1	(0.1)
Ash Pond Closures	0.0	0.0	0.0	(0.1)	0.0
Transmission	0.0	(0.0)	0.2	0.1	0.3
Distribution	0.0	0.1	0.1	0.1	0.2
Nuclear Fuel	(0.0)	(0.0)	(0.0)	0.0	(0.0)
General	0.1	0.0	0.0	0.1	0.2
State-regulated Electrics (excl Vogtle 3&4)	**0.2**	**(0.1)**	**0.3**	**0.4**	**0.8**
Vogtle 3&4	0.3	0.0	0.0	-	0.4
State Regulated Gas LDCs	0.0	0.1	0.1	0.1	0.3
Total State-Regulated Utilities	**0.5**	**0.1**	**0.4**	**0.5**	**1.5**
Southern Power	0.5	0.1	0.0	(0.0)	0.6
Gas Pipelines & Other	(0.1)	0.0	(0.2)	(0.0)	(0.3)
Other	0.0	0.0	0.0	0.0	0.1
Total Consolidated	**1.0**	**0.2**	**0.2**	**0.5**	**1.9**
Total Consolidated (excl Ash Pond Closures)	**0.9**	**0.2**	**0.2**	**0.6**	**1.9**

$40 Billion in Projected Capital Investment Through 2025: Company View

(in $ billions)	2021	2022	2023	2024	2025	Total '21-'23	Total '21-'25
Alabama Power	2.1	2.1	2.1	2.0	1.9	6.3	10.2
Georgia Power	4.0	3.4	3.6	3.6	3.7	11.0	18.3
Mississippi Power	0.3	0.3	0.3	0.3	0.3	0.8	1.4
State-regulated Electrics[1]	**6.5**	**5.8**	**6.0**	**5.9**	**5.9**	**18.3**	**30.1**
State-regulated Gas LDCs	1.5	1.5	1.6	1.7	1.6	4.7	8.0
Gas Pipelines & Other	0.0	0.1	0.0	0.0	0.0	0.2	0.3
Southern Company Gas	**1.5**	**1.7**	**1.7**	**1.7**	**1.6**	**4.9**	**8.2**
Southern Power	0.7	0.2	0.2	0.1	0.1	1.1	1.3
Other	0.1	0.0	0.0	0.0	0.0	0.3	0.3
Total Consolidated	**8.8**	**7.7**	**8.0**	**7.7**	**7.7**	**24.5**	**39.9**

[1]*Includes SEGCO*

Changes in Projected Capital Investment Through 2024: Company View

changes since 4Q19 Earnings Call

(in $ billions)	2021	2022	2023	2024	Total '21-'24
Alabama Power	0.1	0.0	(0.0)	(0.0)	0.1
Georgia Power	0.3	(0.1)	0.3	0.4	1.0
Mississippi Power	0.0	0.0	(0.0)	0.0	0.1
State-regulated Electrics	**0.5**	**(0.0)**	**0.3**	**0.4**	**1.2**
State-regulated Gas LDCs	0.0	0.1	0.1	0.1	0.3
Gas Pipelines & Other	(0.1)	0.0	(0.2)	(0.0)	(0.3)
Southern Company Gas	**(0.1)**	**0.1**	**(0.1)**	**0.1**	**0.1**
Southern Power	0.5	0.1	0.0	(0.0)	0.6
Other	0.0	0.0	0.0	0.0	0.1
Total Consolidated	**1.0**	**0.2**	**0.2**	**0.5**	**1.9**

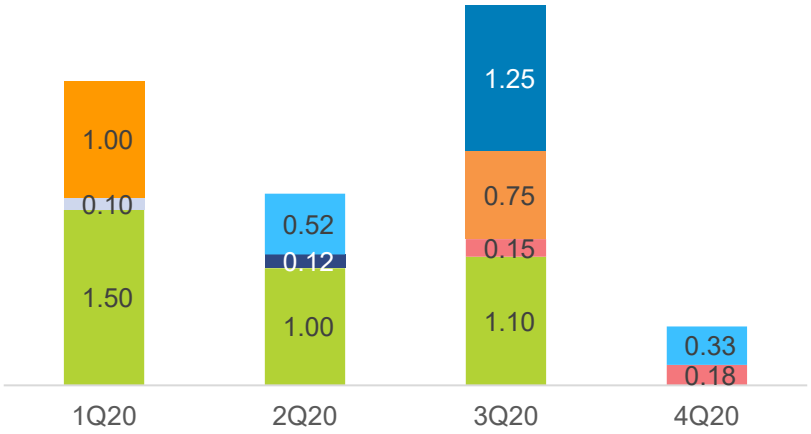
Capital Markets / Financing

2020 Financing Summary

- Approximately $8.0 billion of long-term debt financed at attractive rates via diverse market access
- Lowered the system's weighted average long-term debt cost while extending the weighted average life

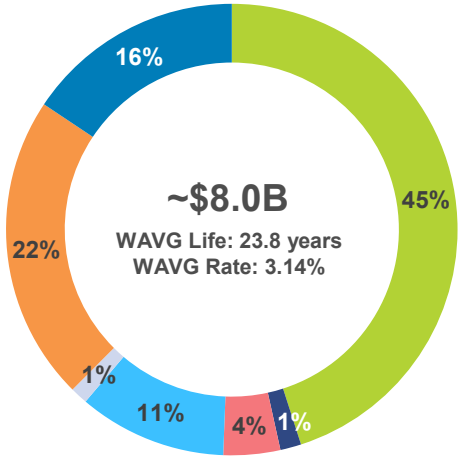
2020 Long-term Debt Financings by Quarter

$ in billions



Institutional JSN
Retail JSN
Bank Loan
DOE Draw
First Mortgage Bond
Pollution Control Bond
Sr. Notes

2020 Long-term Debt Financings by Type



Projected Long-term Debt Financings[1]

Long-term Debt ($ in millions)	2021	2022	2023	2021-2023
Alabama Power	$400	$700	$650	$1,750
Georgia Power	1,750	750	1,500	4,000
Mississippi Power	400	100	-	500
State-regulated Electrics	**$2,550**	**$1,550**	**$2,150**	**$6,250**
Southern Power[2]	400	-	-	400
Southern Company Gas	450	850	450	1,750
Nicor	200	175	225	600
Parent Company[3]	2,000	2,725	-	4,725
Total Long-term Debt Issuance	**$5,600**	**$5,300**	**$2,825**	**$13,725**

1. Amounts and timing are subject to material change based upon numerous factors, including market conditions, regulatory approvals, the Southern Company system's capital requirements and available investment opportunities. Does not include remarketing of tax-exempt securities currently held by subsidiaries.
2. Includes Southern Power's 0.90% $400M 2021A senior notes which were issued on 01/08/2021
3. 2022 includes $1,725M of junior subordinated notes (Series 2019A and Series 2019B) which are subject to a mandatory remarketing in August 2022

Long-term Debt Maturity Schedule[1,2,3]

Long-term Debt ($ in millions)	2021	2022	2023	2021-2023
Alabama Power[4]	$310	$750	$300	$1,360
Georgia Power	534	478	878	1,890
Mississippi Power	330	15	25	370
State-regulated Electrics	**$1,174**	**$1,243**	**$1,203**	**$3,620**
Southern Power	300	677	290	1,267
Southern Company Gas[5]	330	46	350	726
Nicor	-	-	50	50
Parent Company	1,500	-	1,250	2,750
Total Long-term Debt Maturities[4]	**$3,404**	**$1,966**	**$3,143**	**$8,513**

1. As of 12/31/2020
2. Due to rounding, totals may not foot
3. Excludes financing leases, as well as junior subordinated notes and fixed rate pollution control bonds subject to remarketing
4. 2021 Total Long-term Debt Maturities includes $100M SEGCO maturity
5. Includes maturities at Southern Company Gas Capital and Atlanta Gas Light

Liquidity and Credit[1]

as of 12/31/2020

Over $7.7 billion in committed credit facilities and available liquidity of $6.7 billion

(in millions)	2021	2022	2023	2024	Total
Credit Facility Expirations	$33	$675	$125	$6,900	$7,733

(in millions)	Alabama Power	Georgia Power	Mississippi Power	Southern Company Gas	Southern Power	Parent	Other[2]	Consolidated
Unused Credit Lines	$1,328	$1,728	$250	$1,745	$591	$1,999	$30	**$7,671**
Cash	530	9	39	17	182	133	155	**1,065**
Total	**$1,857**	**$1,738**	**$289**	**$1,762**	**$773**	**$2,132**	**$185**	**$8,736**
Less: Outstanding CP	-	60	25	324	175	-	25	**609**
Less: PCB Floaters[3]	854	550	34	-	-	-	-	**1,438**
Net Available Liquidity	**$1,003**	**$1,128**	**$230**	**$1,438**	**$598**	**$2,132**	**$160**	**$6,689**

1. Due to rounding, totals may not foot
2. Other represents amounts from non-SEC reporting subsidiaries, including SEGCO, PowerSecure, Southern Nuclear, Southern LINC and others
3. PCB Floaters include all variable rate demand note pollution control revenue bonds outstanding

Georgia Power DOE Loan Update

- DOE loan guarantee program provides Georgia Power ~$5.1 billion of liquidity for Vogtle Units 3&4 capital spend
  - Georgia Power has drawn $4.7 billion to date
  - Remaining ~$440 million expected to be drawn this year as eligible spend occurs
  - Final maturity in 2044

- Repayments began in February 2020; $73 million repaid in 2020
  - Expected repayments of ~$78 million[1] annually through 2035, then steps up to ~$380[1] million annually through 2044

- Borrowings priced at UST + 0.375%
  - Results in estimated savings to customers of more than $500 million compared to capital markets financings

($ in billions)	Loan Amount	Drawn Amount	Remaining
Original Loan (2014)	$3.46	$3.46	$0
New Loan (2019)	$1.67	$1.23	$0.44
Total Loans	**$5.13**	**$4.69**	**$0.44**

1. Repayments based on current outstanding draw amount of ~$4.69 billion

Internal FFO to Debt Supporting Current Credit Ratings

Numerator

(using 2020 Form 10-K Statements of Cash Flow)

- Net cash provided from operating activities
- Less: Changes in certain current assets and liabilities
- Plus: Retail fuel cost over/under recovery
- Less: Voluntary pension contributions
- Less: Settlement of asset retirement obligations
- Less: Distributions to non-controlling interests

Denominator

(using 2020 Note 8 to Financial Statements, unless noted otherwise)

- Total long-term debt (including amount due within a year)
- Plus: Notes payable (from Balance Sheet)
- Less: Junior subordinated notes x 50% (including mandatory convertible)
- Less: Unamortized fair value adjustment
- Less: Debt payable to affiliated trusts x 50%
- Plus: Redeemable preferred stock of subsidiaries x 50% (from Balance Sheet)
- Less: Cash and cash equivalents (from Balance Sheet)

Vogtle 3 & 4

Vogtle 3 & 4 Major Milestone Definitions

Initial Energization-
Energizing the main transformers to provide the initial supply of off-site power to the plant's electrical distribution system needed for testing. Individual electrical components – pumps, valve, motors - will be powered providing 'life' to the plant. Previously, plant equipment has been running on temporary power. This important milestone is needed to perform all subsequent testing.

Integrated Flush-
To clean and remove any foreign material that could potentially impact operation of equipment, all system piping and mechanical components that feed into the reactor vessel or coolant loops will be flushed. This flush will be performed utilizing permanent plant pumps and clean water, hydrolasing, air flushing, and some hand cleaning. Integrated flushing ensures systems can be tested without concern for damage from debris to meet the cleanliness and chemistry requirements necessary to operate systems per design.

Open Vessel Testing-
Verifies the water flows between the primary systems and the reactor vessel and that the pumps, motors, valves, pipes and other system components function as designed.

Main Control Room Ready for Testing-
To prepare for testing, the main control room must be able to be safely staffed by plant operators, which includes complete lighting, ventilation, fire protection and communication capabilities. Operators monitor and control equipment essential for safely starting and operating the plant. Having the equipment installed and operable in the main control room is a necessary step for completion of testing and start-up.

Vogtle 3 & 4 Major Milestone Definitions

Cold Hydro Test-
Cold Hydro Testing contains several separate tests in different areas of the plant to verify that welds, joints, pipes, and other components of the reactor coolant system, steam-supply system and associated high pressure systems do not leak and will hold pressure. To accomplish these tests, internals will be installed in the reactor vessel and the integrated head package will be installed with all head bolts tensioned. The reactor coolant system will be filled and pressurized above normal operating conditions, backed down to normal design pressure, and held there while the comprehensive inspection is conducted.

Hot Functional Test-
Hot Functional Testing will demonstrate the integrated operation of the primary coolant system and steam supply system at design temperature and pressure with no fuel in the reactor. Operators use the heat generated by plant equipment to raise the temperature and pressure of plant systems to normal operating levels. The unit's main turbine will be raised to normal operating speed using the plant's steam. This test is the first time components and systems are operated together, allowing operators to exercise and validate procedures and is required before fuel is loaded into the reactor. Completion of the test marks the end of major construction.

Fuel Load-
Operators load nuclear fuel into the reactor for the first time in preparation for start-up testing and, ultimately, commercial operation. Completion of fuel load marks the end of major testing.

Regulatory

Regulatory Mechanisms – Electric Opcos

	Alabama	Georgia	Mississippi
Base Rates	Annual base rate (Rate RSE) and clause filings	Three-year rate case cycle with annual compliance filings	Annual base rate (PEP-6) and clause filings
Other Regulatory Mechanisms			
Fuel	ECR	Fuel Rates	Fuel Rates
Purchased Power Energy	ECR	Fuel Rates	Fuel Rates
Purchased Power Capacity	CNP-B	Base Rates	Energy Cost Management Rates
Environmental	CNP-C	Base/ECCR	ECO Rates
Ash Ponds	CNP-C	Base/ECCR	ECO Rates
Energy Conservation	RSE	Base/DSM	PEP
Plant Additions	RSE[1]	Base Rates	PEP
Storm Reserve	NDR	Base Rates	SRR Rates
CWIP *(cash recovery)*		NCCR[2]	
New Plant Certification	CNP-A	Base Rates	Certification Process

Note – Georgia Power has received approval to defer certain incremental COVID-19-related costs, including incremental bad debt
Mississippi Power has received approval and is working with its commission to address certain incremental costs related to COVID-19

[1]Refers to plant additions that include ordinary extensions of existing systems in the usual course of business that are not recovered through specific regulatory mechanisms
[2]Cash recovery of CWIP for Vogtle Units 3 & 4

Regulatory Mechanisms - LDCs

Utility	Rate Decoupling	Weather Normalization	Bad Debt Recovery[2]	Energy Efficiency Plan Recovery	Annual Base Rate Adjustment Mechanisms	Infrastructure Programs	COVID Cost Recovery
Nicor Gas	✔ (Revenue Normalization)[1]		✔	✔		✔ (Investing in Illinois)	✔
Atlanta Gas Light *(AGL)*	✔ (Straight –Fixed -Variable)	**N/A**	**N/A**		✔ (GRAM)	✔ (GRAM)	*Addressed through GRAM*
Virginia Natural Gas *(VNG)*	✔ (Revenue Normalization)[1]	✔	✔	✔		✔ (SAVE)	✔
Chattanooga Gas *(CGC)*		✔	✔		✔ (ARM)		*Addressed through ARM*

[1]Revenue Normalization tariff applies only to residential customers
[2]Nicor Gas has recovery riders for both the non-gas and gas portion of bad debt expense. VNG and CGC have non-gas cost bad debt recovery, while the gas portion of bad debt is recovered through purchased gas adjustment mechanisms.

Southern Company

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January 4, 2021

The Honorable Joseph R. Biden Jr.
President-elect of the United States

Dear Mr. President-elect,

Congratulations on your election as the next President of the United States. As you, Vice President-elect Harris and the Biden-Harris Administration prepare for the opportunities and challenges ahead—including the coronavirus pandemic, economic recovery, climate change, cybersecurity and racial equity—please consider Southern Company, our subsidiaries and our 28,000 employees as a partner and resource.

Southern Company is a leading energy company serving 9 million customers with clean, safe, reliable and affordable energy through electric operating companies in three states, natural gas distribution companies in four states, a competitive generation company serving wholesale customers across America, a leading distributed energy infrastructure company, a fiber optics network and telecommunications services.

Despite the pandemic, we never stopped working to address the health and safety needs of our customers, communities and employees. We recognize the extraordinary burden many are facing, and we continue to provide support through special payment arrangements, substantial charitable contributions and sustained advocacy for important governmental assistance programs, including the Low Income Home Energy Assistance Program (LIHEAP).

Southern Company also is committed to a leadership role in finding solutions to climate change. Working closely with our customers and regulators, we were one of the first U.S. utilities to set a bold, industry-leading goal of achieving net zero emissions by 2050. Current projections indicate we could achieve a 50% reduction as early as 2025—five years earlier than our original goal.

We expect our path to net zero to be comprised of several key elements, including continued coal transition enabled by the utilization of natural gas, renewables and energy storage. Since 2007, we have significantly transformed our generation mix, with coal decreasing from 69% to 22%. We have retired or converted to natural gas 73% of our coal units while retaining all employees operating these units who desired to stay.

Given its domestic abundance, affordability and relative carbon footprint, we believe natural gas will continue to play a foundational role in securing America's energy future. As a result, we are focused on opportunities to lead the industry in the use of renewable natural gas, while reducing emissions across our entire supply chain and customer base. As just one example, under Southern Company's management, the National Carbon Capture Center has expanded its testing efforts to include a greater focus on carbon capture technologies for natural gas power plants.

Our transition to net zero also will include the expansion of our fleet of zero-carbon resources, including nuclear, solar, wind, storage and hydroelectric facilities. Across our system, we have more than 18,000 MW of carbon-free resources currently operating, approved or under construction, and expect to add approximately 14,000 MW of renewable resources by 2024.

We welcome your support for advanced nuclear energy. Emission-free nuclear increases America's fuel diversity using an abundant, low-cost, reliable, 24/7 resource. In addition to six operating units, we are currently working to complete construction of the first new nuclear units built in the United States in the last three decades: Plant Vogtle Units 3 and 4. This groundbreaking project would not have been possible without constructive partnerships and bipartisan support at the federal and state government levels.

Your plan to establish an Advanced Research Projects Agency focused on climate (ARPA-C) is consistent with Southern Company's longstanding, industry-leading investments in the research, development, demonstration and deployment (RDD&D) of innovative clean energy technologies. Decarbonization—including carbon capture, use and storage (CCUS), negative carbon solutions, enhanced energy efficiency and transportation electrification—will continue to be the major focus of our RDD&D efforts.

As we make meaningful shifts to decarbonize our economy, we are mindful of the impact these changes can have on our customers, communities and employees. In order to ensure a just transition, we will continue to prioritize putting customers at the center of everything we do, building a sustainable workforce and ensuring the communities we serve are better because we are there.

In addition to making our nation's infrastructure more sustainable and efficient, we also must work together to make it more resilient against the growing threat of cyber attacks. I am proud to serve on the bipartisan U.S. Cyberspace Solarium Commission, which has provided more than 80 recommendations for both government and the private sector to improve our nation's defenses against this existential threat. These recommendations were informed by my personal experience as a chief executive officer, former chief information officer, former chairman of the Federal Reserve Bank of Atlanta and current co-chair of the Electricity Subsector Coordinating Council (ESCC) and the Tri-Sector Working Group comprised of executives from the energy, finance and communications industries.

Finally, Southern Company is committed to standing with you to advance racial equity. We support the intentional, continual practice of evaluating and instituting polices, practices, systems and structures—across industry and government—that prioritize measurable change in the lives of people of color, and as a result, benefit all Americans. We also are aligning our volunteer, giving and community investment strategies, including a $200 million commitment over the next five years to advance racial equity and social justice through education, criminal justice reform and economic empowerment.

Our continued success in each of these areas will require the support of policies that encourage and advance clean energy innovation; protect the affordability, reliability and resilience of service to customers; and fully embrace, respect and value our differences. We appreciate your strong commitment to each of these objectives, and we look forward to working with you and your administration to meet these shared goals.

I wish you and your loved ones all the best in the new year, with gratitude for your lifetime of continued leadership, service and dedication to our nation and its citizens.

Sincerely,

Thomas A. Fanning
Chairman, President and Chief Executive Officer

Cc: The Honorable Jennifer Granholm
The Honorable Gina McCarthy