

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 17, 2022

Commission File Number	Registrant, State of Incorporation, Address and Telephone Number	I.R.S. Employer Identification No.
1-3526	The Southern Company (A Delaware Corporation) 30 Ivan Allen Jr. Boulevard, N.W. Atlanta, Georgia 30308 (404) 506-5000	58-0690070
1-3164	Alabama Power Company (An Alabama Corporation) 600 North 18th Street Birmingham, Alabama 35203 (205) 257-1000	63-0004250
1-6468	Georgia Power Company (A Georgia Corporation) 241 Ralph McGill Boulevard, N.E. Atlanta, Georgia 30308 (404) 506-6526	58-0257110
001-11229	Mississippi Power Company (A Mississippi Corporation) 2992 West Beach Boulevard Gulfport, Mississippi 39501 (228) 864-1211	64-0205820
001-37803	Southern Power Company (A Delaware Corporation) 30 Ivan Allen Jr. Boulevard, N.W. Atlanta, Georgia 30308 (404) 506-5000	58-2598670
1-14174	Southern Company Gas (A Georgia Corporation) Ten Peachtree Place, N.E. Atlanta, Georgia 30309 (404) 584-4000	58-2210952

The names and addresses of the registrants have not changed since the last report.

This combined Form 8-K is furnished separately by six registrants: The Southern Company, Alabama Power Company, Georgia Power Company, Mississippi Power Company, Southern Power Company and Southern Company Gas. Information contained herein relating to each registrant is furnished by each registrant solely on its own behalf. Each registrant makes no representation as to information relating to the other registrants.

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrants under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Registrant	Title of each class	Trading Symbol(s)	Name of each exchange on which registered
The Southern Company	Common Stock, par value \$5 per share	SO	New York Stock Exchange
The Southern Company	Series 2017B 5.25% Junior Subordinated Notes due 2077	SOJC	New York Stock Exchange
The Southern Company	2019 Series A Corporate Units	SOLN	New York Stock Exchange
The Southern Company	Series 2020A 4.95% Junior Subordinated Notes due 2080	SOJD	New York Stock Exchange
The Southern Company	Series 2020C 4.20% Junior Subordinated Notes due 2060	SOJE	New York Stock Exchange
The Southern Company	Series 2021B 1.875% Fixed-to-Fixed Reset Rate Junior Subordinated Notes due 2081	SO 81	New York Stock Exchange
Alabama Power Company	5.00% Series Class A Preferred Stock	ALP PR Q	New York Stock Exchange
Georgia Power Company	Series 2017A 5.00% Junior Subordinated Notes due 2077	GPJA	New York Stock Exchange
Southern Power Company	Series 2016A 1.000% Senior Notes due 2022	SO/22B	New York Stock Exchange
Southern Power Company	Series 2016B 1.850% Senior Notes due 2026	SO/26A	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). (Response applicable to each registrant)

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition

The information in this Current Report on Form 8-K, including the exhibits attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities under that Section. Furthermore, such information, including the exhibits attached hereto, shall not be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

On February 17, 2022, The Southern Company (“Southern Company”) issued a press release regarding its earnings for the three-month and twelve-month periods ended December 31, 2021. A copy of this release is being furnished as Exhibit 99.01 to this Current Report on Form 8-K. In addition, certain additional information regarding the financial results for the three-month and twelve-month periods ended December 31, 2021 is being furnished as Exhibits 99.02 through 99.07 to this Current Report on Form 8-K.

Use of Non-GAAP Financial Measures

Exhibits 99.01, 99.02, 99.03 and 99.04 to this Current Report on Form 8-K include earnings and earnings per share in accordance with generally accepted accounting principles (“GAAP”) for the three-month and twelve-month periods ended December 31, 2021 and 2020. These exhibits also include earnings and earnings per share (1) for the three-month and twelve-month periods ended December 31, 2021 and 2020, excluding (a) charges (net of salvage proceeds), associated legal expenses (net of insurance recoveries), and tax impacts related to plants under construction, (b) acquisition and disposition impacts and (c) costs related to the extinguishment of debt at Southern Company and (2) for the twelve-month period ended December 31, 2021 and for the three-month and twelve-month periods ended December 31, 2020, excluding (a) earnings from the Wholesale Gas Services business and (b) impairment charges associated with investments in a gas pipeline project and leveraged leases. The attached exhibits include additional information regarding these excluded items, as well as reconciliations

of each non-GAAP financial measure to the most comparable financial measure under GAAP. Southern Company believes the presentation of earnings and earnings per share, excluding these items, is useful to investors because it provides investors with additional information to evaluate the performance of Southern Company's ongoing business activities. Southern Company management also uses earnings and earnings per share, excluding the effect of these items, to evaluate the performance of Southern Company's ongoing business activities. The presentation of this additional information is not meant to be considered a substitute for financial measures prepared in accordance with GAAP.

Exhibits

The exhibits hereto contain business segment information for Alabama Power Company, Georgia Power Company, Mississippi Power Company, Southern Power Company and Southern Company Gas. Accordingly, this report is also being furnished on behalf of each such registrant.

The following exhibits relate to the three-month and twelve-month periods ended December 31, 2021:

Exhibit 99.01	Press Release.
Exhibit 99.02	Financial Highlights.
Exhibit 99.03	Significant Factors Impacting EPS.
Exhibit 99.04	EPS Earnings Analysis.
Exhibit 99.05	Consolidated Earnings.
Exhibit 99.06	Kilowatt-Hour Sales and Customers.
Exhibit 99.07	Financial Overview.
Exhibit 104	Cover Page Interactive Data File – The cover page iXBRL tags are embedded within the inline XBRL document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each of the registrants has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 17, 2022

THE SOUTHERN COMPANY

By /s/Ann P. Daiss
Ann P. Daiss
Comptroller

ALABAMA POWER COMPANY
GEORGIA POWER COMPANY
MISSISSIPPI POWER COMPANY
SOUTHERN POWER COMPANY
SOUTHERN COMPANY GAS

By /s/Melissa K. Caen
Melissa K. Caen
Assistant Secretary

News



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404-506-5333 or 1-866-506-5333
www.southerncompany.com

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February 17, 2022

Southern Company reports fourth-quarter and full-year 2021 results

ATLANTA – Southern Company today reported a fourth-quarter 2021 loss of \$215 million, or 20 cents per share, compared with earnings of \$387 million, or 37 cents per share, in the fourth quarter of 2020. Southern Company also reported full-year 2021 earnings of \$2.39 billion, or \$2.26 per share, compared with earnings of \$3.12 billion, or \$2.95 per share, in 2020.

Excluding the items described under “Net Income – Excluding Items” in the table below, Southern Company earned \$380 million, or 36 cents per share, during the fourth quarter of 2021, compared with \$497 million, or 47 cents per share, during the fourth quarter of 2020. For the full-year 2021, excluding these items, Southern Company earned \$3.62 billion, or \$3.41 per share, compared with \$3.44 billion, or \$3.25 per share, for 2020.

Non-GAAP Financial Measures Net Income - Excluding Items (in millions)	Three Months Ended December		Year-to-Date December	
	2021	2020	2021	2020
Net Income (Loss) - As Reported	\$ (215)	\$ 387	\$ 2,393	\$ 3,119
Less:				
Estimated Loss on Plants Under Construction	(924)	(177)	(1,703)	(328)
Tax Impact	235	45	433	84
Acquisition and Disposition Impacts	89	22	209	60
Tax Impact	22	(6)	(90)	(22)
Wholesale Gas Services	—	78	18	17
Tax Impact	—	(19)	(3)	(3)
Asset Impairments	—	(52)	(91)	(206)
Tax Impact	—	21	19	101
Loss on Extinguishment of Debt	(23)	(29)	(23)	(29)
Tax Impact	6	7	6	7
Net Income - Excluding Items	\$ 380	\$ 497	\$ 3,618	\$ 3,438
Average Shares Outstanding - (in millions)	1,062	1,058	1,061	1,058
Basic Earnings Per Share - Excluding Items	\$ 0.36	\$ 0.47	\$ 3.41	\$ 3.25

NOTE: For more information regarding these non-GAAP adjustments, see the footnotes accompanying the Financial Highlights page of the earnings package.

Adjusted earnings drivers for the full year 2021, as compared with 2020, were strong customer usage, as well as robust customer growth and constructive state regulatory actions. These impacts were partially offset by higher non-fuel operations and maintenance costs as the emerging economic recovery resulted in a continuing return to more normal business operations. Additionally, as reported earnings for 2021 were also significantly impacted by after-tax charges totaling \$1.3 billion related to Georgia Power's construction of Plant Vogtle units 3 and 4.

Fourth-quarter 2021 operating revenues were \$5.8 billion, compared with \$5.1 billion for the fourth quarter of 2020, an increase of 12.7 percent. Operating revenues for the full year were \$23.1 billion, compared with \$20.4 billion in 2020, an increase of 13.4 percent. These increases were primarily due to higher fuel costs and the negative impacts of the COVID-19 pandemic on energy sales being more severe in 2020.

"2021 was an excellent year and we believe we are well-positioned to carry that momentum into 2022," said Chairman, President and CEO, Thomas A. Fanning. "We have a solid financial outlook for 2022 and beyond, driven by continued investment in our premier, state-regulated electric and gas utility franchises that continue to be among our industry's leaders for operational performance and customer satisfaction. As further evidence that we are poised for sustainable progress, we have been ranked number two in the United States in Forbes Magazine's 2022 list of America's Best Large Employers, based on input from our employees," added Fanning.

Southern Company's adjusted earnings guidance range for 2022 is \$3.50 to \$3.60 per share. In the first quarter of 2022, management estimates Southern Company adjusted earnings per share will be 90 cents. Management continues to project a long-term adjusted earnings per share growth rate for Southern Company in the 5% to 7% range, consistent with adjusted earnings in a range of \$4.00 to \$4.30 per share in 2024.

Southern Company's fourth-quarter earnings slides with supplemental financial information are available at <http://investor.southerncompany.com>.

Southern Company's financial analyst call will begin at 1 p.m. Eastern Time today, during which Fanning and Chief Financial Officer Daniel S. Tucker will discuss earnings and provide a general business update, including an update on the Vogtle units 3 and 4 construction project and earnings guidance. Investors, media and the public may listen to a live webcast of the call and view associated slides at <https://investor.southerncompany.com/events-and-presentations/default.aspx>. A replay of the webcast will be available on the site for 12 months.

About Southern Company

Southern Company (NYSE: SO) is a leading energy company serving 9 million customers through its subsidiaries. The company provides 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. Southern Company brands are known for excellent customer service, high reliability and affordable prices below the national average. For more than a century, we have been building the future of energy and developing the full portfolio of energy resources, including carbon-free nuclear, advanced carbon capture technologies, natural gas, renewables, energy efficiency and storage technology. Through an industry-leading commitment to innovation and a low-carbon future, Southern Company and its subsidiaries develop the customized energy solutions our customers and communities require to drive growth and prosperity. Our uncompromising values ensure we put the needs of those we serve at the center of everything we do and govern our business to the benefit of our world. Our corporate culture and hiring practices have been recognized nationally by the

U.S. Department of Defense, G.I. Jobs magazine, DiversityInc, Black Enterprise, Forbes and the Women's Choice Award. To learn more, visit www.southerncompany.com.

Forward-Looking Non-GAAP Financial Information

This release includes projected adjusted earnings per share for future periods excluding: additional acquisition and disposition impacts, any future charges associated with Mississippi Power Company's integrated coal gasification combined cycle facility project in Kemper County, Mississippi and/or the construction of Plant Vogtle Units 3 and 4, any future asset impairment charges 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 earnings per share is not available at this time. Accordingly, this release does not include a quantitative reconciliation of projected adjusted earnings per share (which is a forward-looking non-GAAP financial measure) because doing so would involve unreasonable efforts.

Cautionary Note Regarding Forward-Looking Statements:

Certain information contained in this release is forward-looking information based on current expectations and plans that involve risks and uncertainties. Forward-looking information includes, among other things, earnings guidance and the financial outlook for 2022 and beyond. Southern Company 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; 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 Annual Reports on Form 10-K for the year ended December 31, 2021 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/or 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 or any remediation related thereto, 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 investigations, 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; the ability to overcome the

current challenges at Plant Vogtle Units 3 and 4, that could further impact the cost and schedule for the project; legal proceedings and regulatory approvals and actions related to construction projects, such as Plant Vogtle Units 3 and 4, Plant Barry Unit 8, 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, Southern Power Company’s generation 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; 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 expressly disclaims any obligation to update any forward-looking information.

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Southern Company
Financial Highlights
(In Millions of Dollars Except Earnings Per Share)

	Three Months Ended December		Year-To-Date December	
	2021	2020	2021	2020
Net Income (Loss)—As Reported (See Notes)				
Traditional Electric Operating Companies	\$ (371)	\$ 306	\$ 1,981	\$ 2,877
Southern Power	55	26	266	238
Southern Company Gas	150	230	539	590
Total	(166)	562	2,786	3,705
Parent Company and Other	(49)	(175)	(393)	(586)
Net Income (Loss)—As Reported	\$ (215)	\$ 387	\$ 2,393	\$ 3,119
Basic Earnings (Loss) Per Share ¹	\$ (0.20)	\$ 0.37	\$ 2.26	\$ 2.95
Average Shares Outstanding <i>(in millions)</i>	1,062	1,058	1,061	1,058
End of Period Shares Outstanding <i>(in millions)</i>			1,060	1,056

Non-GAAP Financial Measures	Three Months Ended December		Year-To-Date December	
	2021	2020	2021	2020
Net Income—Excluding Items (See Notes)				
Net Income (Loss)—As Reported	\$ (215)	\$ 387	\$ 2,393	\$ 3,119
Less:				
Estimated Loss on Plants Under Construction ²	(924)	(177)	(1,703)	(328)
Tax Impact	235	45	433	84
Acquisition and Disposition Impacts ³	89	22	209	60
Tax Impact	22	(6)	(90)	(22)
Wholesale Gas Services ⁴	—	78	18	17
Tax Impact	—	(19)	(3)	(3)
Asset Impairments ⁵	—	(52)	(91)	(206)
Tax Impact	—	21	19	101
Loss on Extinguishment of Debt ⁶	(23)	(29)	(23)	(29)
Tax Impact	6	7	6	7
Net Income—Excluding Items	\$ 380	\$ 497	\$ 3,618	\$ 3,438
Basic Earnings Per Share—Excluding Items	\$ 0.36	\$ 0.47	\$ 3.41	\$ 3.25

- See Notes on the following page.

Southern Company

Financial Highlights

Notes

- (1) Dilution is not material in any period presented. Diluted earnings (loss) per share was \$(0.20) and \$2.24 for the three and twelve months ended December 31, 2021, respectively, and was \$0.36 and \$2.93 for the three and twelve months ended December 31, 2020, respectively.
- (2) Earnings for the three and twelve months ended December 31, 2021 include charges of \$920 million pre tax (\$686 million after tax) and \$1.692 billion pre tax (\$1.261 billion after tax), respectively, and earnings for the three and twelve months ended December 31, 2020 include charges of \$176 million pre tax (\$131 million after tax) and \$325 million pre tax (\$242 million after tax), respectively, for estimated probable losses on Georgia Power Company's construction of Plant Vogtle Units 3 and 4. Further charges may occur; however, the amount and timing of any such charges are uncertain. Earnings for the three and twelve months ended December 31, 2021 and 2020 also include charges (net of salvage proceeds), associated legal expenses (net of insurance recoveries), and tax impacts related to Mississippi Power Company's integrated coal gasification combined cycle facility project in Kemper County, Mississippi. Mississippi Power Company expects to incur additional pre-tax period costs to complete dismantlement of the abandoned gasifier-related assets and site restoration activities, including related costs for compliance and safety, asset retirement obligation accretion, and property taxes, net of salvage, totaling \$10 million to \$20 million annually through 2025.
- (3) Earnings for the three and twelve months ended December 31, 2021 primarily include a \$93 million pre-tax (\$99 million after-tax) gain associated with the termination of a leasehold interest in assets associated with two leveraged lease projects and \$16 million of income tax benefits recognized as the result of another leveraged lease investment disposition. Earnings for the twelve months ended December 31, 2021 also include a \$121 million pre-tax (\$92 million after-tax) gain on the sale of Sequent, as well as \$85 million of additional tax expense due to the resulting changes in state apportionment rates. Earnings for the three and twelve months ended December 31, 2020 primarily include a \$22 million pre-tax (\$16 million after-tax) gain on the sale of Southern Company Gas' natural gas storage facility in Louisiana. Earnings for the twelve months ended December 31, 2020 also include a \$39 million pre-tax (\$23 million after-tax) gain on the sale of Southern Power Company's Plant Mankato. Further impacts may be recorded in future periods in connection with acquisition and disposition activity.
- (4) Earnings for the twelve months ended December 31, 2021 and earnings for the three and twelve months ended December 31, 2020 include Wholesale Gas Services business results. Presenting earnings and earnings per share excluding Wholesale Gas Services provides an additional measure of operating performance that excludes the volatility resulting from mark-to-market and lower of weighted average cost or current market price accounting adjustments. Amounts subsequent to the July 1, 2021 sale of Sequent represent final income adjustments.
- (5) Earnings for the twelve months ended December 31, 2021 include pre-tax impairment charges totaling \$84 million (\$67 million after tax) related to Southern Company Gas' investment in the PennEast Pipeline project and a pre-tax impairment charge of \$7 million (\$6 million after tax) related to a leveraged lease investment. Earnings for the three and twelve months ended December 31, 2020 include impairment charges related to two leveraged leases. Impairment charges may occur in the future; however, the amount and timing of any such charges are uncertain.
- (6) Earnings for the three and twelve months ended December 31, 2021 and 2020 include costs associated with the extinguishment of debt at Southern Company. Further costs may occur; however, the amount and timing of any such costs are uncertain.

Southern Company
Significant Factors Impacting EPS

	Three Months Ended December			Year-To-Date December		
	2021	2020	Change	2021	2020	Change
Earnings (Loss) Per Share— As Reported¹ (See Notes)	\$ (0.20)	\$ 0.37	\$ (0.57)	\$ 2.26	\$ 2.95	\$ (0.69)

Significant Factors:

Traditional Electric Operating Companies			\$ (0.64)			\$ (0.85)
Southern Power			0.03			0.03
Southern Company Gas			(0.08)			(0.05)
Parent Company and Other			0.12			0.19
Increase in Shares			—			(0.01)
Total—As Reported			<u>\$ (0.57)</u>			<u>\$ (0.69)</u>

	Three Months Ended December			Year-To-Date December		
	2021	2020	Change	2021	2020	Change
Non-GAAP Financial Measures Earnings Per Share— Excluding Items (See Notes)	\$ 0.36	\$ 0.47	\$ (0.11)	\$ 3.41	\$ 3.25	\$ 0.16

Total—As Reported			\$ (0.57)			\$ (0.69)
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Less:

Estimated Loss on Plants Under Construction ²			(0.53)			(0.96)
Acquisition and Disposition Impacts ³			0.10			0.08
Wholesale Gas Services ⁴			(0.06)			—
Asset Impairments ⁵			0.03			0.03
Loss on Extinguishment of Debt ⁶			—			—
Total—Excluding Items			<u>\$ (0.11)</u>			<u>\$ 0.16</u>

- See Notes on the following page.

Southern Company

Significant Factors Impacting EPS

Notes

- (1) Dilution is not material in any period presented. Diluted earnings (loss) per share was \$(0.20) and \$2.24 for the three and twelve months ended December 31, 2021, respectively, and was \$0.36 and \$2.93 for the three and twelve months ended December 31, 2020, respectively.
- (2) Earnings for the three and twelve months ended December 31, 2021 include charges of \$920 million pre tax (\$686 million after tax) and \$1.692 billion pre tax (\$1.261 billion after tax), respectively, and earnings for the three and twelve months ended December 31, 2020 include charges of \$176 million pre tax (\$131 million after tax) and \$325 million pre tax (\$242 million after tax), respectively, for estimated probable losses on Georgia Power Company's construction of Plant Vogtle Units 3 and 4. Further charges may occur; however, the amount and timing of any such charges are uncertain. Earnings for the three and twelve months ended December 31, 2021 and 2020 also include charges (net of salvage proceeds), associated legal expenses (net of insurance recoveries), and tax impacts related to Mississippi Power Company's integrated coal gasification combined cycle facility project in Kemper County, Mississippi. Mississippi Power Company expects to incur additional pre-tax period costs to complete dismantlement of the abandoned gasifier-related assets and site restoration activities, including related costs for compliance and safety, asset retirement obligation accretion, and property taxes, net of salvage, totaling \$10 million to \$20 million annually through 2025.
- (3) Earnings for the three and twelve months ended December 31, 2021 primarily include a \$93 million pre-tax (\$99 million after-tax) gain associated with the termination of a leasehold interest in assets associated with two leveraged lease projects and \$16 million of income tax benefits recognized as the result of another leveraged lease investment disposition. Earnings for the twelve months ended December 31, 2021 also include a \$121 million pre-tax (\$92 million after-tax) gain on the sale of Sequent, as well as \$85 million of additional tax expense due to the resulting changes in state apportionment rates. Earnings for the three and twelve months ended December 31, 2020 primarily include a \$22 million pre-tax (\$16 million after-tax) gain on the sale of Southern Company Gas' natural gas storage facility in Louisiana. Earnings for the twelve months ended December 31, 2020 also include a \$39 million pre-tax (\$23 million after-tax) gain on the sale of Southern Power Company's Plant Mankato. Further impacts may be recorded in future periods in connection with acquisition and disposition activity.
- (4) Earnings for the twelve months ended December 31, 2021 and earnings for the three and twelve months ended December 31, 2020 include Wholesale Gas Services business results. Presenting earnings and earnings per share excluding Wholesale Gas Services provides an additional measure of operating performance that excludes the volatility resulting from mark-to-market and lower of weighted average cost or current market price accounting adjustments. Amounts subsequent to the July 1, 2021 sale of Sequent represent final income adjustments.
- (5) Earnings for the twelve months ended December 31, 2021 include pre-tax impairment charges totaling \$84 million (\$67 million after tax) related to Southern Company Gas' investment in the PennEast Pipeline project and a pre-tax impairment charge of \$7 million (\$6 million after tax) related to a leveraged lease investment. Earnings for the three and twelve months ended December 31, 2020 include impairment charges related to two leveraged leases. Impairment charges may occur in the future; however, the amount and timing of any such charges are uncertain.
- (6) Earnings for the three and twelve months ended December 31, 2021 and 2020 include costs associated with the extinguishment of debt at Southern Company. Further costs may occur; however, the amount and timing of any such costs are uncertain.

Southern Company
EPS Earnings Analysis

Description	Three Months Ended December 2021 vs. 2020	Year-To-Date December 2021 vs. 2020
Retail Sales	5¢	15¢
Retail Revenue Impacts	(1)	15
Weather	(6)	(5)
Wholesale & Other Operating Revenues	(1)	10
Non-Fuel O&M ^(*)	(8)	(22)
Depreciation and Amortization, Interest Expense, Other	1	2
Income Taxes	(1)	(3)
Total Traditional Electric Operating Companies	(11)¢	12¢
Southern Power	3	5
Southern Company Gas	—	2
Parent and Other	(3)	(2)
Increase in Shares	—	(1)
Total Change in EPS (Excluding Items)	(11)¢	16¢
Estimated Loss on Plants Under Construction ¹	(53)	(96)
Acquisition and Disposition Impacts ²	10	8
Wholesale Gas Services ³	(6)	—
Asset Impairments ⁴	3	3
Loss on Extinguishment of Debt ⁵	—	—
Total Change in EPS (As Reported)	(57)¢	(69)¢

(*) Includes non-service cost-related benefits income

- See additional Notes on the following page.

Southern Company

EPS Earnings Analysis

Notes

- (1) Earnings for the three and twelve months ended December 31, 2021 include charges of \$920 million pre tax (\$686 million after tax) and \$1.692 billion pre tax (\$1.261 billion after tax), respectively, and earnings for the three and twelve months ended December 31, 2020 include charges of \$176 million pre tax (\$131 million after tax) and \$325 million pre tax (\$242 million after tax), respectively, for estimated probable losses on Georgia Power Company's construction of Plant Vogtle Units 3 and 4. Further charges may occur; however, the amount and timing of any such charges are uncertain. Earnings for the three and twelve months ended December 31, 2021 and 2020 also include charges (net of salvage proceeds), associated legal expenses (net of insurance recoveries), and tax impacts related to Mississippi Power Company's integrated coal gasification combined cycle facility project in Kemper County, Mississippi. Mississippi Power Company expects to incur additional pre-tax period costs to complete dismantlement of the abandoned gasifier-related assets and site restoration activities, including related costs for compliance and safety, asset retirement obligation accretion, and property taxes, net of salvage, totaling \$10 million to \$20 million annually through 2025.
- (2) Earnings for the three and twelve months ended December 31, 2021 primarily include a \$93 million pre-tax (\$99 million after-tax) gain associated with the termination of a leasehold interest in assets associated with two leveraged lease projects and \$16 million of income tax benefits recognized as the result of another leveraged lease investment disposition. Earnings for the twelve months ended December 31, 2021 also include a \$121 million pre-tax (\$92 million after-tax) gain on the sale of Sequent, as well as \$85 million of additional tax expense due to the resulting changes in state apportionment rates. Earnings for the three and twelve months ended December 31, 2020 primarily include a \$22 million pre-tax (\$16 million after-tax) gain on the sale of Southern Company Gas' natural gas storage facility in Louisiana. Earnings for the twelve months ended December 31, 2020 also include a \$39 million pre-tax (\$23 million after-tax) gain on the sale of Southern Power Company's Plant Mankato. Further impacts may be recorded in future periods in connection with acquisition and disposition activity.
- (3) Earnings for the twelve months ended December 31, 2021 and earnings for the three and twelve months ended December 31, 2020 include Wholesale Gas Services business results. Presenting earnings and earnings per share excluding Wholesale Gas Services provides an additional measure of operating performance that excludes the volatility resulting from mark-to-market and lower of weighted average cost or current market price accounting adjustments. Amounts subsequent to the July 1, 2021 sale of Sequent represent final income adjustments.
- (4) Earnings for the twelve months ended December 31, 2021 include pre-tax impairment charges totaling \$84 million (\$67 million after tax) related to Southern Company Gas' investment in the PennEast Pipeline project and a pre-tax impairment charge of \$7 million (\$6 million after tax) related to a leveraged lease investment. Earnings for the three and twelve months ended December 31, 2020 include impairment charges related to two leveraged leases. Impairment charges may occur in the future; however, the amount and timing of any such charges are uncertain.
- (5) Earnings for the three and twelve months ended December 31, 2021 and 2020 include costs associated with the extinguishment of debt at Southern Company. Further costs may occur; however, the amount and timing of any such costs are uncertain.

Southern Company
Consolidated Earnings
As Reported
(In Millions of Dollars)

	Three Months Ended December			Year-To-Date December		
	2021	2020	Change	2021	2020	Change
Retail Electric Revenues-						
Fuel	\$ 1,041	\$ 786	\$ 255	\$ 3,940	\$ 3,087	\$ 853
Non-Fuel	2,319	2,354	(35)	10,912	10,556	356
Wholesale Electric Revenues	633	472	161	2,455	1,945	510
Other Electric Revenues	193	188	5	718	672	46
Natural Gas Revenues	1,386	1,072	314	4,380	3,434	946
Other Revenues	195	245	(50)	708	681	27
Total Operating Revenues	5,767	5,117	650	23,113	20,375	2,738
Fuel and Purchased Power	1,346	965	381	4,988	3,766	1,222
Cost of Natural Gas	676	318	358	1,619	972	647
Cost of Other Sales	102	126	(24)	357	327	30
Non-Fuel O&M	1,833	1,628	205	6,088	5,413	675
Depreciation and Amortization	907	899	8	3,565	3,518	47
Taxes Other Than Income Taxes	321	302	19	1,290	1,234	56
Estimated Loss on Plant Vogtle Units 3 and 4	920	176	744	1,692	325	1,367
Impairment Charges	—	—	—	2	—	2
Gain on Dispositions, net	(7)	(26)	19	(186)	(65)	(121)
Total Operating Expenses	6,098	4,388	1,710	19,415	15,490	3,925
Operating Income (Loss)	(331)	729	(1,060)	3,698	4,885	(1,187)
Allowance for Equity Funds Used During Construction	50	43	7	190	149	41
Earnings from Equity Method Investments	41	48	(7)	76	153	(77)
Interest Expense, Net of Amounts Capitalized	485	478	7	1,837	1,821	16
Impairment of Leveraged Leases	—	52	(52)	7	206	(199)
Other Income (Expense), net	159	17	142	456	336	120
Income Taxes (Benefit)	(283)	(50)	(233)	267	393	(126)
Net Income (Loss)	(283)	357	(640)	2,309	3,103	(794)
Dividends on Preferred Stock of Subsidiaries	4	4	—	15	15	—
Net Loss Attributable to Noncontrolling Interests	(72)	(34)	(38)	(99)	(31)	(68)
NET INCOME (LOSS) ATTRIBUTABLE TO SOUTHERN COMPANY	\$ (215)	\$ 387	\$ (602)	\$ 2,393	\$ 3,119	\$ (726)

Notes

- Certain prior year data may have been reclassified to conform with current year presentation.

Southern Company
Kilowatt-Hour Sales and Customers
(In Millions of KWHs)

	Three Months Ended December				Year-To-Date December			
	2021	2020	Change	Weather Adjusted Change	2021	2020	Change	Weather Adjusted Change
Kilowatt-Hour Sales-								
Total Sales	46,804	45,315	3.3 %		193,380	186,225	3.8 %	
Total Retail Sales-	33,623	33,823	(0.6)%	2.5 %	143,370	140,546	2.0 %	2.4 %
Residential	10,441	10,987	(5.0)%	2.6 %	47,382	47,472	(0.2)%	0.5 %
Commercial	10,938	10,824	1.1 %	3.1 %	46,639	45,434	2.7 %	3.2 %
Industrial	12,092	11,853	2.0 %	2.0 %	48,724	46,982	3.7 %	3.7 %
Other	152	159	(4.6)%	(4.6)%	625	658	(5.1)%	(5.1)%
Total Wholesale Sales	13,181	11,492	14.7 %	N/A	50,010	45,679	9.5 %	N/A

(In Thousands of Customers)

	Period Ended December		
	2021	2020	Change
Regulated Utility Customers-			
Total Utility Customers-	8,722	8,630	1.1%
Total Traditional Electric	4,385	4,322	1.5%
Southern Company Gas	4,337	4,308	0.7%

Southern Company
Financial Overview
As Reported
(In Millions of Dollars)

	Three Months Ended December			Year-To-Date December		
	2021	2020	% Change	2021	2020	% Change
Southern Company –						
Operating Revenues	\$ 5,767	\$ 5,117	12.7 %	\$ 23,113	\$ 20,375	13.4 %
Earnings (Loss) Before Income Taxes	(566)	307	N/M	2,576	3,496	(26.3)%
Net Income (Loss) Available to Common	(215)	387	N/M	2,393	3,119	(23.3)%
Alabama Power –						
Operating Revenues	\$ 1,394	\$ 1,385	0.6 %	\$ 6,413	\$ 5,830	10.0 %
Earnings Before Income Taxes	59	162	(63.6)%	1,625	1,502	8.2 %
Net Income Available to Common	49	128	(61.7)%	1,238	1,150	7.7 %
Georgia Power –						
Operating Revenues	\$ 2,210	\$ 1,938	14.0 %	\$ 9,260	\$ 8,309	11.4 %
Earnings (Loss) Before Income Taxes	(695)	118	N/M	416	1,727	(75.9)%
Net Income (Loss) Available to Common	(446)	164	N/M	584	1,575	(62.9)%
Mississippi Power –						
Operating Revenues	\$ 334	\$ 277	20.6 %	\$ 1,322	\$ 1,172	12.8 %
Earnings Before Income Taxes	25	8	N/M	180	166	8.4 %
Net Income Available to Common	26	14	85.7 %	159	152	4.6 %
Southern Power –						
Operating Revenues	\$ 606	\$ 396	53.0 %	\$ 2,216	\$ 1,733	27.9 %
Earnings (Loss) Before Income Taxes	(27)	(32)	(15.6)%	154	210	(26.7)%
Net Income Available to Common	55	26	111.5 %	266	238	11.8 %
Southern Company Gas –						
Operating Revenues	\$ 1,386	\$ 1,072	29.3 %	\$ 4,380	\$ 3,434	27.5 %
Earnings Before Income Taxes	201	305	(34.1)%	814	763	6.7 %
Net Income Available to Common	150	230	(34.8)%	539	590	(8.6)%

N/M - Not Meaningful

Notes

- See Financial Highlights pages for discussion of certain significant items occurring during the periods