

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 16, 2023

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	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
Georgia Power Company	Series 2017A 5.00% Junior Subordinated Notes due 2077	GPJA	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 16, 2023, The Southern Company (“Southern Company”) issued a press release regarding its earnings for the three-month and twelve-month periods ended December 31, 2022. 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, 2022 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, 2022 and 2021. These exhibits also include earnings and earnings per share (1) for the three-month and twelve-month periods ended December 31, 2022 and 2021, excluding (a) charges and credits (net of salvage proceeds), associated legal expenses (net of insurance recoveries), and tax impacts related to plants under construction and (b) acquisition and disposition impacts, (2) for the three-month and twelve-month periods ended December 31, 2022 and for the twelve-month period ended December 31, 2021, excluding impairment charges associated with goodwill and investments in a gas pipeline project and leveraged leases, (3) for the three-month and twelve-month periods ended December 31, 2021, excluding costs related to the extinguishment of debt at Southern Company, and (4) for the twelve-month period ended December 31, 2021, excluding earnings

from the Wholesale Gas Services business. 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, 2022:

Exhibit 99.01	<u>Press Release.</u>
Exhibit 99.02	<u>Financial Highlights.</u>
Exhibit 99.03	<u>Significant Factors Impacting EPS.</u>
Exhibit 99.04	<u>EPS Earnings Analysis.</u>
Exhibit 99.05	<u>Consolidated Earnings.</u>
Exhibit 99.06	<u>Kilowatt-Hour Sales and Customers.</u>
Exhibit 99.07	<u>Financial Overview.</u>
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 16, 2023

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

Investor Relations Contact:
Scott Gammill
404-506-0901
sagammil@southernco.com

February 16, 2023

Southern Company reports fourth-quarter and full-year 2022 financial results

ATLANTA – Southern Company today reported a fourth-quarter loss of \$87 million, or 8 cents per share, in 2022 compared with a loss of \$215 million, or 20 cents per share, in the fourth quarter of 2021. Southern Company also reported full-year 2022 earnings of \$3.5 billion, or \$3.28 per share, compared with \$2.4 billion, or \$2.26 per share, in 2021.

Excluding the items described under “Net Income – Excluding Items” in the table below, Southern Company earned \$285 million, or 26 cents per share, during the fourth quarter of 2022, compared with \$380 million, or 36 cents per share, during the fourth quarter of 2021. For full-year 2022, excluding these items, Southern Company earned \$3.9 billion, or \$3.60 per share, compared with \$3.6 billion, or \$3.41 per share, for 2021.

Non-GAAP Financial Measures Net Income - Excluding Items (in millions)	Three Months Ended December		Year-to-Date December	
	2022	2021	2022	2021
Net Income (Loss) - As Reported	\$ (87)	\$ (215)	\$ 3,524	\$ 2,393
Less:				
Estimated Loss on Plants Under Construction	(205)	(924)	(199)	(1,703)
Tax Impact	52	235	51	433
Acquisition and Disposition Impacts	(134)	89	(115)	209
Tax Impact	34	22	32	(90)
Wholesale Gas Services	—	—	—	18
Tax Impact	—	—	—	(3)
Impairments	(119)	—	(119)	(91)
Tax Impact	—	—	—	19
Loss on Extinguishment of Debt	—	(23)	—	(23)
Tax Impact	—	6	—	6
Net Income - Excluding Items	\$ 285	\$ 380	\$ 3,874	\$ 3,618
Average Shares Outstanding - (in millions)	1,090	1,062	1,075	1,061
Basic Earnings Per Share - Excluding Items	\$ 0.26	\$ 0.36	\$ 3.60	\$ 3.41

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 2022, as compared with 2021, were higher revenues associated with rates and pricing at the company's regulated utilities, warmer weather, customer growth and increased usage, partially offset by higher non-fuel operations and maintenance costs, reflecting a rising cost environment and long-term commitments to reliability and resilience, along with higher interest expense.

Fourth-quarter 2022 operating revenues were \$7.0 billion, compared with \$5.8 billion for the fourth quarter of 2021, an increase of 22.2 percent. Operating revenues for the full year were \$29.3 billion, compared with \$23.1 billion in 2021, an increase of 26.7 percent. These increases were primarily due to higher fuel costs.

"Southern Company enjoyed another successful year in 2022," declared Chairman, President and CEO, Thomas A. Fanning. "This is due in no small part to the hard work of employees on a daily basis to provide customers with clean, safe, reliable and affordable energy."

"Significantly, our Operations team, generation fleet and power delivery system performed exceedingly well in 2022," added Fanning. "This included meeting an all-time peak load of over 41,000 megawatts in June, and an extremely frigid Christmas weekend that pushed electric demand to a winter peak of nearly 38,000 megawatts – a December record for our service footprint."

Southern Company's fourth-quarter and full-year earnings slides with supplemental financial information, including earnings guidance, 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. Investors, media and the public may listen to a live webcast of the call and view associated slides at <http://investor.southerncompany.com>. 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 provider serving 9 million residential and commercial customers across the Southeast and beyond through its family of companies. Providing clean, safe, reliable and affordable energy with excellent service is our mission. The company has electric operating companies in three states, natural gas distribution companies in four states, a competitive generation company, a leading distributed energy distribution company with national capabilities, a fiber optics network and telecommunications services. Through an industry-leading commitment to innovation, resilience and sustainability, we are taking action to meet customers' and communities' needs while advancing our goal of net zero greenhouse gas emissions by 2050. Our uncompromising values ensure we put the needs of those we serve at the center of everything we do and are the key to our sustained success. We are transforming energy into economic, environmental and social progress for tomorrow. Our corporate culture and hiring practices have earned the company national awards and recognition from numerous organizations, including Forbes, The Military Times, DiversityInc, Black Enterprise, J.D. Power, Fortune, Human Rights Campaign and more. To learn more, visit www.southerncompany.com.

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

	Three Months Ended December		Year-To-Date December	
	2022	2021	2022	2021
Net Income (Loss)—As Reported (See Notes)				
Traditional Electric Operating Companies	\$ 62	\$ (371)	\$ 3,318	\$ 1,981
Southern Power	89	55	354	266
Southern Company Gas	56	150	572	539
Total	207	(166)	4,244	2,786
Parent Company and Other	(294)	(49)	(720)	(393)
Net Income (Loss)—As Reported	\$ (87)	\$ (215)	\$ 3,524	\$ 2,393
Basic Earnings (Loss) Per Share ¹	\$ (0.08)	\$ (0.20)	\$ 3.28	\$ 2.26
Average Shares Outstanding <i>(in millions)</i>	1,090	1,062	1,075	1,061
End of Period Shares Outstanding <i>(in millions)</i>			1,089	1,060

Non-GAAP Financial Measures	Three Months Ended December		Year-To-Date December	
	2022	2021	2022	2021
Net Income—Excluding Items (See Notes)				
Net Income (Loss)—As Reported	\$ (87)	\$ (215)	\$ 3,524	\$ 2,393
Less:				
Estimated Loss on Plants Under Construction ²	(205)	(924)	(199)	(1,703)
Tax Impact	52	235	51	433
Acquisition and Disposition Impacts ³	(134)	89	(115)	209
Tax Impact	34	22	32	(90)
Wholesale Gas Services ⁴	—	—	—	18
Tax Impact	—	—	—	(3)
Impairments ⁵	(119)	—	(119)	(91)
Tax Impact	—	—	—	19
Loss on Extinguishment of Debt ⁶	—	(23)	—	(23)
Tax Impact	—	6	—	6
Net Income—Excluding Items	\$ 285	\$ 380	\$ 3,874	\$ 3,618
Basic Earnings Per Share—Excluding Items	\$ 0.26	\$ 0.36	\$ 3.60	\$ 3.41

- 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 \$(0.08) and \$3.26 for the three and twelve months ended December 31, 2022, respectively, and was \$(0.20) and \$2.24 for the three and twelve months ended December 31, 2021, respectively.
- (2) Earnings for the three and twelve months ended December 31, 2022 include a charge of \$201 million pre tax (\$150 million after tax) and net charges of \$183 million pre tax (\$137 million after tax), respectively, and 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, for estimated probable losses on Georgia Power Company's construction of Plant Vogtle Units 3 and 4. Further charges and credits may occur; however, the amount and timing are uncertain. Earnings for the three and twelve months ended December 31, 2022 and 2021 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 approximately \$15 million annually through 2025.
- (3) Earnings for the three and twelve months ended December 31, 2022 include impairment charges totaling \$131 million pre-tax (\$99 million after-tax) and other disposition impacts associated with the sales of Southern Company Gas' natural gas storage facilities. Earnings for the twelve months ended December 31, 2022 also include a \$14 million pre-tax (\$11 million after-tax) gain as a result of the early termination of the transition services agreement related to the 2019 sale of Gulf Power. Earnings for the three and twelve months ended December 31, 2021 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 a 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 in additional tax expense resulting from the sale. Further impacts may result from future acquisition and disposition activities; however, the amount and timing of any such impacts are uncertain.
- (4) Earnings for the twelve months ended December 31, 2021 include results of the Wholesale Gas Services business. Presenting earnings and earnings per share excluding Wholesale Gas Services provided an additional measure of operating performance that excluded 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 three and twelve months ended December 31, 2022 include an impairment charge of \$119 million (pre tax and after tax) associated with goodwill at PowerSecure, Inc. Earnings for the twelve months ended December 31, 2021 include pre-tax impairment charges totaling \$84 million (\$67 million after tax), respectively, 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. 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 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		
	2022	2021	Change	2022	2021	Change
Earnings (Loss) Per Share— As Reported¹ (See Notes)	\$ (0.08)	\$ (0.20)	\$ 0.12	\$ 3.28	\$ 2.26	\$ 1.02

Significant Factors:

Traditional Electric Operating Companies			\$ 0.41			\$ 1.26
Southern Power			0.03			0.08
Southern Company Gas			(0.09)			0.03
Parent Company and Other			(0.23)			(0.31)
Increase in Shares			—			(0.04)
Total—As Reported			<u>\$ 0.12</u>			<u>\$ 1.02</u>

	Three Months Ended December			Year-To-Date December		
	2022	2021	Change	2022	2021	Change
Non-GAAP Financial Measures Earnings Per Share— Excluding Items (See Notes)	\$ 0.26	\$ 0.36	\$ (0.10)	\$ 3.60	\$ 3.41	\$ 0.19

Total—As Reported			\$ 0.12			\$ 1.02
Less:						
Estimated Loss on Plants Under Construction ²			0.51			1.05
Acquisition and Disposition Impacts ³			(0.20)			(0.19)
Wholesale Gas Services ⁴			—			(0.01)
Impairments ⁵			(0.11)			(0.04)
Loss on Extinguishment of Debt ⁶			0.02			0.02
Total—Excluding Items			<u>\$ (0.10)</u>			<u>\$ 0.19</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 \$(0.08) and \$3.26 for the three and twelve months ended December 31, 2022, respectively, and was \$(0.20) and \$2.24 for the three and twelve months ended December 31, 2021, respectively.
- (2) Earnings for the three and twelve months ended December 31, 2022 include a charge of \$201 million pre tax (\$150 million after tax) and net charges of \$183 million pre tax (\$137 million after tax), respectively, and 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, for estimated probable losses on Georgia Power Company's construction of Plant Vogtle Units 3 and 4. Further charges and credits may occur; however, the amount and timing are uncertain. Earnings for the three and twelve months ended December 31, 2022 and 2021 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 approximately \$15 million annually through 2025.
- (3) Earnings for the three and twelve months ended December 31, 2022 include impairment charges totaling \$131 million pre-tax (\$99 million after-tax) and other disposition impacts associated with the sales of Southern Company Gas' natural gas storage facilities. Earnings for the twelve months ended December 31, 2022 also include a \$14 million pre-tax (\$11 million after-tax) gain as a result of the early termination of the transition services agreement related to the 2019 sale of Gulf Power. Earnings for the three and twelve months ended December 31, 2021 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 a 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 in additional tax expense resulting from the sale. Further impacts may result from future acquisition and disposition activities; however, the amount and timing of any such impacts are uncertain.
- (4) Earnings for the twelve months ended December 31, 2021 include results of the Wholesale Gas Services business. Presenting earnings and earnings per share excluding Wholesale Gas Services provided an additional measure of operating performance that excluded 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 three and twelve months ended December 31, 2022 include an impairment charge of \$119 million (pre tax and after tax) associated with goodwill at PowerSecure, Inc. Earnings for the twelve months ended December 31, 2021 include pre-tax impairment charges totaling \$84 million (\$67 million after tax), respectively, 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. 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 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 2022 vs. 2021	Year-To-Date December 2022 vs. 2021
Retail Sales	\$—	\$0.13
Retail Revenue Impacts	—	0.32
Weather	0.04	0.17
Wholesale & Other Operating Revenues	0.02	0.04
Non-Fuel O&M ^(*)	(0.09)	(0.26)
Depreciation and Amortization, Interest Expense, Other	(0.02)	(0.09)
Income Taxes	(0.05)	(0.11)
Total Traditional Electric Operating Companies	\$(0.10)	\$0.20
Southern Power	0.03	0.08
Southern Company Gas	—	0.08
Parent and Other	(0.02)	(0.12)
Increase in Shares	(0.01)	(0.05)
Total Change in EPS (Excluding Items)	\$(0.10)	\$0.19
Estimated Loss on Plants Under Construction ¹	0.51	1.05
Acquisition and Disposition Impacts ²	(0.20)	(0.19)
Wholesale Gas Services ³	—	(0.01)
Impairments ⁴	(0.11)	(0.04)
Loss on Extinguishment of Debt ⁵	0.02	0.02
Total Change in EPS (As Reported)	\$0.12	\$1.02

(*) 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, 2022 include a charge of \$201 million pre tax (\$150 million after tax) and net charges of \$183 million pre tax (\$137 million after tax), respectively, and 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, for estimated probable losses on Georgia Power Company's construction of Plant Vogtle Units 3 and 4. Further charges and credits may occur; however, the amount and timing are uncertain. Earnings for the three and twelve months ended December 31, 2022 and 2021 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 approximately \$15 million annually through 2025.
- (2) Earnings for the three and twelve months ended December 31, 2022 include impairment charges totaling \$131 million pre-tax (\$99 million after-tax) and other disposition impacts associated with the sales of Southern Company Gas' natural gas storage facilities. Earnings for the twelve months ended December 31, 2022 also include a \$14 million pre-tax (\$11 million after-tax) gain as a result of the early termination of the transition services agreement related to the 2019 sale of Gulf Power. Earnings for the three and twelve months ended December 31, 2021 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 a 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 in additional tax expense resulting from the sale. Further impacts may result from future acquisition and disposition activities; however, the amount and timing of any such impacts are uncertain.
- (3) Earnings for the twelve months ended December 31, 2021 include results of the Wholesale Gas Services business. Presenting earnings and earnings per share excluding Wholesale Gas Services provided an additional measure of operating performance that excluded 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 three and twelve months ended December 31, 2022 include an impairment charge of \$119 million (pre tax and after tax) associated with goodwill at PowerSecure, Inc. Earnings for the twelve months ended December 31, 2021 include pre-tax impairment charges totaling \$84 million (\$67 million after tax), respectively, 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. 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 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		
	2022	2021	Change	2022	2021	Change
Retail Electric Revenues-						
Fuel	\$ 1,460	\$ 1,041	\$ 419	\$ 6,402	\$ 3,940	\$ 2,462
Non-Fuel	2,374	2,319	55	11,795	10,912	883
Wholesale Electric Revenues	843	633	210	3,641	2,455	1,186
Other Electric Revenues	193	193	—	747	718	29
Natural Gas Revenues	1,964	1,386	578	5,962	4,380	1,582
Other Revenues	213	195	18	732	708	24
Total Operating Revenues	7,047	5,767	1,280	29,279	23,113	6,166
Fuel and Purchased Power	1,894	1,346	548	8,428	4,988	3,440
Cost of Natural Gas	1,164	676	488	3,004	1,619	1,385
Cost of Other Sales	121	102	19	396	357	39
Non-Fuel O&M	2,009	1,833	176	6,630	6,088	542
Depreciation and Amortization	935	907	28	3,663	3,565	98
Taxes Other Than Income Taxes	338	321	17	1,411	1,290	121
Estimated Loss on Plant Vogtle Units 3 and 4	201	920	(719)	183	1,692	(1,509)
Impairment Charges	251	—	251	251	2	249
Gain on Dispositions, net	(4)	(7)	3	(57)	(186)	129
Total Operating Expenses	6,909	6,098	811	23,909	19,415	4,494
Operating Income (Loss)	138	(331)	469	5,370	3,698	1,672
Allowance for Equity Funds Used During Construction	61	50	11	224	190	34
Earnings from Equity Method Investments	42	41	1	151	76	75
Interest Expense, Net of Amounts Capitalized	561	485	76	2,022	1,837	185
Other Income (Expense), net	86	159	(73)	500	449	51
Income Taxes (Benefit)	(96)	(283)	187	795	267	528
Net Income (Loss)	(138)	(283)	145	3,428	2,309	1,119
Dividends on Preferred Stock of Subsidiaries	1	4	(3)	11	15	(4)
Net Loss Attributable to Noncontrolling Interests	(52)	(72)	20	(107)	(99)	(8)
NET INCOME (LOSS) ATTRIBUTABLE TO SOUTHERN COMPANY	\$ (87)	\$ (215)	\$ 128	\$ 3,524	\$ 2,393	\$ 1,131

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			
	2022	2021	Change	Weather Adjusted Change	2022	2021	Change	Weather Adjusted Change
Kilowatt-Hour Sales-								
Total Sales	47,398	46,804	1.3 %		204,273	193,380	5.6 %	
Total Retail Sales-	34,264	33,623	1.9 %	(0.1)%	147,981	143,370	3.2 %	1.2 %
Residential	11,000	10,441	5.4 %	(0.5)%	49,633	47,382	4.8 %	0.2 %
Commercial	11,219	10,938	2.6 %	2.0 %	48,279	46,639	3.5 %	2.0 %
Industrial	11,899	12,092	(1.6)%	(1.6)%	49,474	48,724	1.5 %	1.5 %
Other	146	152	(4.2)%	(4.0)%	595	625	(4.8)%	(4.8)%
Total Wholesale Sales	13,134	13,181	(0.4)%	N/A	56,292	50,010	12.6 %	N/A

(In Thousands of Customers)

	Period Ended December		
	2022	2021	Change
Regulated Utility Customers-			
Total Utility Customers-	8,795	8,722	0.8%
Total Traditional Electric	4,437	4,385	1.2%
Southern Company Gas	4,358	4,337	0.5%

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

	Three Months Ended December			Year-To-Date December		
	2022	2021	% Change	2022	2021	% Change
Southern Company –						
Operating Revenues	\$ 7,047	\$ 5,767	22.2 %	\$29,279	\$23,113	26.7 %
Earnings (Loss) Before Income Taxes	(234)	(566)	(58.7)%	4,223	2,576	63.9 %
Net Income (Loss) Available to Common	(87)	(215)	(59.5)%	3,524	2,393	47.3 %
Alabama Power –						
Operating Revenues	\$ 1,794	\$ 1,394	28.7 %	\$ 7,817	\$ 6,413	21.9 %
Earnings Before Income Taxes	114	59	93.2 %	1,774	1,625	9.2 %
Net Income Available to Common	84	49	71.4 %	1,340	1,238	8.2 %
Georgia Power –						
Operating Revenues	\$ 2,366	\$ 2,210	7.1 %	\$11,584	\$ 9,260	25.1 %
Earnings (Loss) Before Income Taxes	(89)	(695)	(87.2)%	2,183	416	N/M
Net Income (Loss) Available to Common	(38)	(446)	(91.5)%	1,813	584	N/M
Mississippi Power –						
Operating Revenues	\$ 415	\$ 334	24.3 %	\$ 1,694	\$ 1,322	28.1 %
Earnings Before Income Taxes	13	25	(48.0)%	201	180	11.7 %
Net Income Available to Common	14	26	(46.2)%	164	159	3.1 %
Southern Power –						
Operating Revenues	\$ 751	\$ 606	23.9 %	\$ 3,369	\$ 2,216	52.0 %
Earnings (Loss) Before Income Taxes	8	(27)	N/M	267	154	73.4 %
Net Income Available to Common	89	55	61.8 %	354	266	33.1 %
Southern Company Gas –						
Operating Revenues	\$ 1,964	\$ 1,386	41.7 %	\$ 5,962	\$ 4,380	36.1 %
Earnings Before Income Taxes	75	201	(62.7)%	752	814	(7.6)%
Net Income Available to Common	56	150	(62.7)%	572	539	6.1 %

N/M - Not Meaningful

Notes

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