

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 18, 2021

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 2016A 5.25% Junior Subordinated Notes due 2076	SOJB	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
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 18, 2021, The Southern Company (“Southern Company”) issued a press release regarding its earnings for the three-month and twelve-month periods ended December 31, 2020. 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, 2020 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, 2020 and 2019. These exhibits also include earnings and earnings per share (1) for the three-month and twelve-month periods ended December 31, 2020 and 2019, 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, (c) impairment charges and (d) earnings from the Wholesale Gas Services business and (2) for the three-month and twelve-month periods ended December 31, 2020 excluding costs related to the extinguishment of debt at Southern Company. 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, 2020:

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 18, 2021

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



Media Contact: Southern Company Media Relations
404-506-5333 or 1-866-506-5333
www.southerncompany.com

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

February 18, 2021

Southern Company reports fourth-quarter and full-year 2020 earnings

ATLANTA – Southern Company today reported fourth-quarter 2020 earnings of \$387 million, or 37 cents per share, compared with \$440 million, or 42 cents per share, in the fourth quarter of 2019. Southern Company also reported full-year 2020 earnings of \$3.12 billion, or \$2.95 per share, compared with earnings of \$4.74 billion, or \$4.53 per share, in 2019.

Excluding the items described under “Net Income – Excluding Items” in the table below, Southern Company earned \$497 million, or 47 cents per share, during the fourth quarter of 2020, compared with \$283 million, or 27 cents per share, during the fourth quarter of 2019. For the full-year 2020, excluding these items, Southern Company earned \$3.44 billion, or \$3.25 per share, compared with \$3.25 billion, or \$3.11 per share, in 2019.

Non-GAAP Financial Measures	Three Months Ended December		Year-to-Date December	
	2020	2019	2020	2019
Net Income - Excluding Items (in millions)				
Net Income - As Reported	\$ 387	\$ 440	\$ 3,119	\$ 4,739
Less:				
Acquisition and Disposition Impacts	22	39	60	2,516
Tax Impact	(6)	48	(22)	(1,081)
Estimated Loss on Plants Under Construction	(177)	(11)	(328)	(27)
Tax Impact	45	(4)	84	—
Wholesale Gas Services	78	136	17	215
Tax Impact	(19)	(34)	(3)	(52)
Asset Impairments	(52)	(16)	(206)	(108)
Tax Impact	21	(1)	101	26
Loss on Extinguishment of Debt	(29)	—	(29)	—
Tax Impact	7	—	7	—
Net Income - Excluding Items	\$ 497	\$ 283	\$ 3,438	\$ 3,250
Average Shares Outstanding - (in millions)	1,058	1,052	1,058	1,046
Basic Earnings Per Share - Excluding Items	\$ 0.47	\$ 0.27	\$ 3.25	\$ 3.11

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

Earnings drivers for the full year 2020 were positively influenced by diligent cost control and constructive state regulatory actions completed in 2019 at the company's utilities, more than offsetting the impact of a decline in sales related to the COVID-19 pandemic and milder weather.

"In a year that saw many challenges, Southern Company demonstrated significant resilience and operational excellence on multiple fronts," said Chairman, President and CEO, Thomas A. Fanning. "These efforts included prioritizing the health and safety of our workforce and communities, restoring electric service amid a record storm season and maintaining outstanding generation fleet reliability while delivering best-in-class customer service."

Fourth-quarter 2020 operating revenues were \$5.1 billion, compared with \$4.9 billion for the fourth quarter of 2019, an increase of 4.1 percent. Operating revenues for the full year were \$20.4 billion, compared with \$21.4 billion in 2019, a decrease of 4.9 percent. The full year decrease was primarily due to lower fuel costs and a sales decline resulting from milder weather and COVID-19.

Southern Company's fourth-quarter earnings slides with supplemental financial information, including earnings guidance for 2021, 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 Andrew W. Evans will discuss earnings and provide a general business update, including an update on the Vogtle units 3 and 4 construction project. Investors, media and the public may listen to a live webcast of the call and view associated slides at <http://investor.southerncompany.com/webcasts>. 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.

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

	Three Months Ended December		Year-to-Date December	
	2020	2019	2020	2019
Net Income—As Reported (See Notes)				
Traditional Electric Operating Companies	\$ 306	\$ 210	\$ 2,877	\$ 2,929
Southern Power	26	23	238	339
Southern Company Gas	230	238	590	585
Total	562	471	3,705	3,853
Parent Company and Other	(175)	(31)	(586)	886
Net Income—As Reported	\$ 387	\$ 440	\$ 3,119	\$ 4,739
Basic Earnings Per Share ¹	\$ 0.37	\$ 0.42	\$ 2.95	\$ 4.53
Average Shares Outstanding <i>(in millions)</i>	1,058	1,052	1,058	1,046
End of Period Shares Outstanding <i>(in millions)</i>			1,056	1,053

Non-GAAP Financial Measures	Three Months Ended December		Year-to-Date December	
	2020	2019	2020	2019
Net Income—Excluding Items (See Notes)				
Net Income—As Reported	\$ 387	\$ 440	\$ 3,119	\$ 4,739
Less:				
Acquisition and Disposition Impacts ²	22	39	60	2,516
Tax Impact	(6)	48	(22)	(1,081)
Estimated Loss on Plants Under Construction ³	(177)	(11)	(328)	(27)
Tax Impact	45	(4)	84	—
Wholesale Gas Services ⁴	78	136	17	215
Tax Impact	(19)	(34)	(3)	(52)
Asset Impairments ⁵	(52)	(16)	(206)	(108)
Tax Impact	21	(1)	101	26
Loss on Extinguishment of Debt ⁶	(29)	—	(29)	—
Tax Impact	7	—	7	—
Net Income—Excluding Items	\$ 497	\$ 283	\$ 3,438	\$ 3,250
Basic Earnings Per Share—Excluding Items	\$ 0.47	\$ 0.27	\$ 3.25	\$ 3.11

-See Notes on the following page.

Southern Company

Financial Highlights

Notes

- (1) Dilution is not material in any period presented. Diluted earnings per share was \$0.36 and \$2.93 for the three and twelve months ended December 31, 2020, respectively, and \$0.42 and \$4.50 for the three and twelve months ended December 31, 2019, respectively.
- (2) 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. Earnings for the three months ended December 31, 2019 include: (i) a \$70 million pre-tax (\$102 million after-tax) increase in the gain on the sale of Gulf Power Company; (ii) a \$24 million pre-tax (\$17 million after-tax) impairment charge in contemplation of the sale of Pivotal LNG and Atlantic Coast Pipeline; and (iii) a net \$7 million pre-tax reduction to earnings (net \$2 million after-tax increase to earnings) of other acquisition and disposition impacts. Earnings for the twelve months ended December 31, 2019 include: (i) a \$2.6 billion pre-tax (\$1.4 billion after-tax) gain on the sale of Gulf Power Company; (ii) a \$23 million pre-tax (\$88 million after-tax) gain on the sale of Southern Power Company's Plant Nacogdoches; and (iii) \$18 million pre tax (\$11 million after tax) of other acquisition and disposition impacts, partially offset by: (i) a \$58 million pre-tax (\$52 million after-tax) net loss, including impairment charges, associated with the sales of PowerSecure, Inc.'s utility infrastructure services and lighting businesses and (ii) a \$24 million pre-tax (\$17 million after-tax) impairment charge in contemplation of the sale of Pivotal LNG and Atlantic Coast Pipeline.
- (3) 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, 2020 and 2019 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, totaling \$10 million to \$20 million annually through 2025.
- (4) Earnings for the three and twelve months ended December 31, 2020 and 2019 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.
- (5) Earnings for the three and twelve months ended December 31, 2020 include impairment charges related to two leveraged leases. Earnings for the twelve months ended December 31, 2019 include a pre-tax impairment charge of \$91 million (\$69 million after tax) associated with a natural gas storage facility in Louisiana and earnings for the three months ended December 31, 2019 include an adjustment of \$(1) million (\$4 million after tax) of this impairment charge. Additionally, earnings for the three and twelve months ended December 31, 2019 include a pre-tax impairment charge of \$17 million (\$13 million after tax) related to a leveraged lease. Further charges associated with this natural gas storage facility and these leveraged leases are not expected.
- (6) Earnings for the three and twelve months ended December 31, 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		
	2020	2019	Change	2020	2019	Change
Earnings Per Share— As Reported¹ (See Notes)	\$ 0.37	\$ 0.42	\$ (0.05)	\$ 2.95	\$ 4.53	\$ (1.58)

Significant Factors:

Traditional Electric Operating Companies			\$ 0.09			\$ (0.05)
Southern Power			—			(0.10)
Southern Company Gas			(0.01)			0.01
Parent Company and Other			(0.13)			(1.41)
Increase in Shares			—			(0.03)
Total—As Reported			<u>\$ (0.05)</u>			<u>\$ (1.58)</u>

	Three Months Ended December			Year-to-Date December		
	2020	2019	Change	2020	2019	Change
Non-GAAP Financial Measures						
Earnings Per Share— Excluding Items (See Notes)	\$ 0.47	\$ 0.27	\$ 0.20	\$ 3.25	\$ 3.11	\$ 0.14

Total—As Reported			\$ (0.05)			\$ (1.58)
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Less:

Acquisition and Disposition Impacts ²			(0.07)			(1.33)
Estimated Loss on Plants Under Construction ³			(0.11)			(0.20)
Wholesale Gas Services ⁴			(0.04)			(0.15)
Asset Impairments ⁵			(0.01)			(0.02)
Loss on Extinguishment of Debt ⁶			\$ (0.02)			\$ (0.02)
Total—Excluding Items			<u>\$ 0.20</u>			<u>\$ 0.14</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 per share was \$0.36 and \$2.93 for the three and twelve months ended December 31, 2020, respectively, and \$0.42 and \$4.50 for the three and twelve months ended December 31, 2019, respectively.
- (2) 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. Earnings for the three months ended December 31, 2019 include: (i) a \$70 million pre-tax (\$102 million after-tax) increase in the gain on the sale of Gulf Power Company; (ii) a \$24 million pre-tax (\$17 million after-tax) impairment charge in contemplation of the sale of Pivotal LNG and Atlantic Coast Pipeline; and (iii) a net \$7 million pre-tax reduction to earnings (net \$2 million after-tax increase to earnings) of other acquisition and disposition impacts. Earnings for the twelve months ended December 31, 2019 include: (i) a \$2.6 billion pre-tax (\$1.4 billion after-tax) gain on the sale of Gulf Power Company; (ii) a \$23 million pre-tax (\$88 million after-tax) gain on the sale of Southern Power Company's Plant Nacogdoches; and (iii) \$18 million pre tax (\$11 million after tax) of other acquisition and disposition impacts, partially offset by: (i) a \$58 million pre-tax (\$52 million after-tax) net loss, including impairment charges, associated with the sales of PowerSecure, Inc.'s utility infrastructure services and lighting businesses and (ii) a \$24 million pre-tax (\$17 million after-tax) impairment charge in contemplation of the sale of Pivotal LNG and Atlantic Coast Pipeline.
- (3) 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, 2020 and 2019 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, totaling \$10 million to \$20 million annually through 2025.
- (4) Earnings for the three and twelve months ended December 31, 2020 and 2019 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.
- (5) Earnings for the three and twelve months ended December 31, 2020 include impairment charges related to two leveraged leases. Earnings for the twelve months ended December 31, 2019 include a pre-tax impairment charge of \$91 million (\$69 million after tax) associated with a natural gas storage facility in Louisiana and earnings for the three months ended December 31, 2019 include an adjustment of \$(1) million (\$4 million after tax) of this impairment charge. Additionally, earnings for the three and twelve months ended December 31, 2019 include a pre-tax impairment charge of \$17 million (\$13 million after tax) related to a leveraged lease. Further charges associated with this natural gas storage facility and these leveraged leases are not expected.
- (6) Earnings for the three and twelve months ended December 31, 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 2020 vs. 2019	Year-to-Date December 2020 vs. 2019
Retail Sales	\$(0.03)	\$(0.14)
Retail Revenue Impacts	0.15	0.39
Weather	0.01	(0.21)
Wholesale & Other Operating Revenues	0.03	0.02
Non-Fuel O&M	0.06	0.12
Depreciation and Amortization, Interest Expense, Other	(0.06)	(0.21)
Income Taxes	0.04	0.19
Total Traditional Electric Operating Companies	\$0.20	\$0.16
Southern Power	0.01	(0.02)
Southern Company Gas	—	0.05
Parent and Other	(0.01)	(0.01)
Increase in Shares	—	(0.04)
Total Change in EPS (Excluding Items)	\$0.20	\$0.14
Acquisition and Disposition Impacts ¹	(0.07)	(1.33)
Estimated Loss on Plants Under Construction ²	(0.11)	(0.20)
Wholesale Gas Services ³	(0.04)	(0.15)
Asset Impairments ⁵	(0.01)	(0.02)
Loss on Extinguishment of Debt ⁶	(0.02)	(0.02)
Total Change in EPS (As Reported)	\$(0.05)	\$(1.58)

- See Notes on the following page.

Southern Company

EPS Earnings Analysis

Notes

- (1) 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. Earnings for the three months ended December 31, 2019 include: (i) a \$70 million pre-tax (\$102 million after-tax) increase in the gain on the sale of Gulf Power Company; (ii) a \$24 million pre-tax (\$17 million after-tax) impairment charge in contemplation of the sale of Pivotal LNG and Atlantic Coast Pipeline; and (iii) a net \$7 million pre-tax reduction to earnings (net \$2 million after-tax increase to earnings) of other acquisition and disposition impacts. Earnings for the twelve months ended December 31, 2019 include: (i) a \$2.6 billion pre-tax (\$1.4 billion after-tax) gain on the sale of Gulf Power Company; (ii) a \$23 million pre-tax (\$88 million after-tax) gain on the sale of Southern Power Company's Plant Nacogdoches; and (iii) \$18 million pre tax (\$11 million after tax) of other acquisition and disposition impacts, partially offset by: (i) a \$58 million pre-tax (\$52 million after-tax) net loss, including impairment charges, associated with the sales of PowerSecure, Inc.'s utility infrastructure services and lighting businesses and (ii) a \$24 million pre-tax (\$17 million after-tax) impairment charge in contemplation of the sale of Pivotal LNG and Atlantic Coast Pipeline.
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- (3) Earnings for the three and twelve months ended December 31, 2020 and 2019 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.
- (4) Earnings for the three and twelve months ended December 31, 2020 include impairment charges related to two leveraged leases. Earnings for the twelve months ended December 31, 2019 include a pre-tax impairment charge of \$91 million (\$69 million after tax) associated with a natural gas storage facility in Louisiana and earnings for the three months ended December 31, 2019 include an adjustment of \$(1) million (\$4 million after tax) of this impairment charge. Additionally, earnings for the three and twelve months ended December 31, 2019 include a pre-tax impairment charge of \$17 million (\$13 million after tax) related to a leveraged lease. Further charges associated with this natural gas storage facility and these leveraged leases are not expected.
- (5) Earnings for the three and twelve months ended December 31, 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		
	2020	2019	Change	2020	2019	Change
Income Account-						
Retail Electric Revenues-						
Fuel	\$ 786	\$ 784	\$ 2	\$ 3,087	\$ 3,591	\$ (504)
Non-Fuel	2,354	2,164	190	10,556	10,493	63
Wholesale Electric Revenues	472	485	(13)	1,945	2,152	(207)
Other Electric Revenues	188	144	44	672	636	36
Natural Gas Revenues	1,072	1,131	(59)	3,434	3,792	(358)
Other Revenues	245	206	39	681	755	(74)
Total Revenues	5,117	4,914	203	20,375	21,419	(1,044)
Fuel and Purchased Power	965	977	(12)	3,766	4,438	(672)
Cost of Natural Gas	318	363	(45)	972	1,319	(347)
Cost of Other Sales	126	119	7	327	435	(108)
Non-Fuel O&M	1,628	1,726	(98)	5,413	5,624	(211)
Depreciation and Amortization	899	771	128	3,518	3,038	480
Taxes Other Than Income Taxes	302	299	3	1,234	1,230	4
Estimated Loss on Plant Vogtle Units 3 and 4	176	—	176	325	—	325
Impairment Charges	—	26	(26)	—	168	(168)
(Gain) Loss on Dispositions, net	(26)	(57)	31	(65)	(2,569)	2,504
Total Operating Expenses	4,388	4,224	164	15,490	13,683	1,807
Operating Income	729	690	39	4,885	7,736	(2,851)
Allowance for Equity Funds Used During Construction	43	32	11	149	128	21
Earnings from Equity Method Investments	48	42	6	153	162	(9)
Interest Expense, Net of Amounts Capitalized	478	442	36	1,821	1,736	85
Impairment of Leveraged Lease	52	—	52	206	—	206
Other Income (Expense), net	17	13	4	336	252	84
Income Taxes	(50)	(74)	24	393	1,798	(1,405)
Net Income	357	409	(52)	3,103	4,744	(1,641)
Less:						
Dividends on Preferred Stock of Subsidiaries	4	5	(1)	15	15	—
Net Income (Loss) Attributable to Noncontrolling Interests	(34)	(36)	2	(31)	(10)	(21)
NET INCOME ATTRIBUTABLE TO SOUTHERN COMPANY	\$ 387	\$ 440	\$ (53)	\$ 3,119	\$ 4,739	\$(1,620)

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			
	2020	2019	Change	Weather Adjusted Change	2020	2019	Change	Weather Adjusted Change
Kilowatt-Hour Sales-								
Total Sales	45,315	46,185	(1.9)%		186,225	196,488	(5.2)%	
Total Retail Sales-	33,823	34,254	(1.3)%	(1.7)%	140,546	148,461	(5.3)%	(3.0)%
Residential	10,987	10,738	2.3 %	1.2 %	47,472	48,528	(2.2)%	3.1 %
Commercial	10,824	11,324	(4.4)%	(5.0)%	45,434	49,101	(7.5)%	(5.7)%
Industrial	11,853	12,022	(1.4)%	(1.4)%	46,982	50,106	(6.2)%	(6.2)%
Other	159	170	(6.2)%	(6.2)%	658	726	(9.5)%	(9.3)%
Total Wholesale Sales	11,492	11,931	(3.7)%	N/A	45,679	48,027	(4.9)%	N/A

(In Thousands of Customers)

	Period Ended December		
	2020	2019	Change
Regulated Utility Customers-			
Total Utility Customers-	8,630	8,543	1.0%
Total Traditional Electric	4,322	4,266	1.3%
Southern Company Gas	4,308	4,277	0.7%

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

	Three Months Ended December			Year-to-Date December		
	2020	2019	Change	2020	2019	Change
Southern Company^{1,2} –						
Operating Revenues	\$ 5,117	\$ 4,914	4.1 %	\$ 20,375	\$ 21,419	(4.9)%
Earnings Before Income Taxes	307	335	(8.4)%	3,496	6,542	(46.6)%
Net Income Available to Common	387	440	(12.0)%	3,119	4,739	(34.2)%
Alabama Power –						
Operating Revenues	\$ 1,385	\$ 1,363	1.6 %	\$ 5,830	\$ 6,125	(4.8)%
Earnings Before Income Taxes	162	67	141.8 %	1,502	1,355	10.8 %
Net Income Available to Common	128	88	45.5 %	1,150	1,070	7.5 %
Georgia Power –						
Operating Revenues	\$ 1,938	\$ 1,703	13.8 %	\$ 8,309	\$ 8,408	(1.2)%
Earnings Before Income Taxes	118	128	(7.8)%	1,727	2,192	(21.2)%
Net Income Available to Common	164	122	34.4 %	1,575	1,720	(8.4)%
Mississippi Power –						
Operating Revenues	\$ 277	\$ 294	(5.8)%	\$ 1,172	\$ 1,264	(7.3)%
Earnings Before Income Taxes	8	3	166.7 %	166	169	(1.8)%
Net Income Available to Common	14	—	N/M	152	139	9.4 %
Southern Power² –						
Operating Revenues	\$ 396	\$ 411	(3.6)%	\$ 1,733	\$ 1,938	(10.6)%
Earnings (Loss) Before Income Taxes	(32)	(28)	14.3 %	210	273	(23.1)%
Net Income Available to Common	26	23	13.0 %	238	339	(29.8)%
Southern Company Gas –						
Operating Revenues	\$ 1,072	\$ 1,131	(5.2)%	\$ 3,434	\$ 3,792	(9.4)%
Earnings Before Income Taxes	305	307	(0.7)%	763	715	6.7 %
Net Income Available to Common	230	238	(3.4)%	590	585	0.9 %

N/M - Not meaningful

Notes

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

- (1) Earnings comparisons to the prior year were significantly impacted by the gain associated with the sale of Gulf Power Company on January 1, 2019.
- (2) Earnings and revenue comparisons to the prior year were significantly impacted by Southern Power's dispositions of Plant Nacogdoches on June 13, 2019 and Plant Mankato on January 17, 2020.