

February
2012

A MONTHLY SUMMARY
OF HIGH-LEVEL
SOUTHERN COMPANY INFO

SO To Go



With 4.4 million customers and nearly 43,000 megawatts of generating capacity, Atlanta-based Southern Company is the premier energy company serving the Southeast. A leading U.S. producer of electricity, Southern Company owns electric utilities in four states and a growing competitive generation company, as well as fiber optics and wireless communications. Southern Company brands are known for excellent customer service, high reliability and retail electric prices that are below the national average. Southern Company was named the World's Most Admired Electric and Gas Utility by Fortune magazine in 2011, and is consistently listed among the top-ranking U.S. electric service providers in customer satisfaction by the American Customer Satisfaction Index (ACSI).

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www.southerncompany.com



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Southern Company Reports 2011 Fourth Quarter and Full-Year Earnings

Southern Company reported fourth quarter 2011 earnings of \$261 million, or 30 cents a share, compared with earnings of \$153 million, or 18 cents a share, in the fourth quarter of 2010. Southern Company also reported full-year 2011 earnings of \$2.20 billion, or \$2.57 a share, compared with earnings for 2010 of \$1.97 billion, or \$2.37 a share.

Earnings for the quarter and the full year were positively influenced by regulatory actions -- primarily at subsidiary Georgia Power -- that became effective in 2011, as well as operating results at Southern Power, Southern Company's competitive generation subsidiary. Earnings were negatively affected by weather that was closer to normal in 2011 than it had been in 2010.

"In a year filled with challenges, our employees continued to deliver results on behalf of the customers and communities we serve," said Thomas A. Fanning, Southern Company chairman, president and chief executive officer. "They are helping to fulfill Southern Company's \$20 billion commitment to build the energy future of the Southeast, a process that is expected to grow more than 250,000 jobs, according to analysis by the University of West Georgia."

Fanning noted that economic conditions in the region are improving, albeit slowly. "We see a still-challenged economy that is exhibiting sustained industrial growth alongside flat commercial and residential growth," he said. "In recent weeks, positive signs have emerged in the form of job growth and lower unemployment rates. Meanwhile, the future looks bright, as companies continue to show avid interest in locating and expanding their businesses here in the Southeast."

Revenues for the full year were \$17.66 billion, compared with \$17.46 billion in 2010, a 1.2 percent increase. Fourth quarter revenues were \$3.70 billion, compared with \$3.77 billion for the same period in 2010, a decrease of 2.0 percent.

Kilowatt-hour sales to retail customers in Southern Company's four-state service area decreased 2.7 percent in 2011, compared with 2010. Residential energy sales decreased 7.7 percent, commercial energy sales decreased 2.9 percent and industrial energy sales increased 3.2 percent.

Total energy sales to Southern Company's customers in the Southeast, including wholesale sales, decreased 3.4 percent in 2011 compared with 2010.

Southern Company has also posted on its website detailed financial information on its fourth quarter and full-year performance. These materials are available at www.southerncompany.com.

Environmental Leadership through Technology and Innovation

Emission Reduction

also see: www.southerncompany.com/corporateresponsibility/environment/

- Invested \$8.1 billion in environmental controls since 1990 and plans to invest at least an additional \$1.2 billion through 2013 to further reduce emissions of nitrogen oxides (NOx), sulfur dioxide (SO₂) and mercury.
- Since 1990, emissions of NOx and SO₂ down 70 percent while generation of electricity has increased more than 40 percent to serve the growing need for electricity.
- Managed more than \$500 million in environmental research and development over the past decade.
- Plant McDonough-Atkinson, near Atlanta, converting from coal to natural gas.

Climate Change

also see: www.southerncompany.com/corporateresponsibility/environment/climateChange.aspx

- Managing the U.S. Department of Energy's National Carbon Capture Center in Alabama, testing the next generation of technologies to capture CO₂ emissions.
- Demonstrating carbon capture and storage on an existing unit of Plant Barry in Alabama. The project is currently capturing CO₂ and ramping up to 150,000 tons per year for permanent underground storage.
- Building a commercial-scale, 582-MW generating plant in Kemper County, Miss., using locally-mined lignite and the company's Transport Integrated Gasification (TRIG™) technology, with 65 percent carbon capture and re-use.
- Plant Daniel in Mississippi hosted a U.S. Department of Energy carbon storage demonstration project. About 3,000 tons of CO₂ were successfully injected in an underground geologic formation.
- Successfully captured carbon dioxide in a demonstration project at Plant Yates in Georgia.

New Nuclear

also see: <http://www.southerncompany.com/nuclearenergy/>

- Nuclear generation is carbon-free. Southern Company has a 30-year-plus record of safely operating nuclear plants.
- Nuclear power plants are among the safest and most secure industrial facilities in the United States and have operated throughout the United States for decades.
- Plans are to add two 1,100 megawatt units at Plant Vogtle in Georgia in 2016 and 2017.
- New units employ the latest design in nuclear technology – Westinghouse's AP1000, which employs a passive safety system that relies on gravity, natural circulation and other features to maintain safe operation and shut down safely, if needed.
- The AP1000 design greatly exceeds NRC requirements related to earthquakes and other natural disasters for the Vogtle site.
- Nuclear power plants produce uninterrupted electricity for extended periods of time — for as long as 24 months.

Renewables

also see: www.southerncompany.com/corporateresponsibility/electricity/building.aspx

- Hydroelectric: 33 facilities with total of 2,820 MW
- 30 MW solar PV plant operating in New Mexico in partnership with Turner Renewable Energy
- Biomass: constructing a 100 MW biomass unit in Texas
- Georgia Power seeking proposals to purchase additional solar energy
- Landfill gas: DeKalb County, Ga. -- 3.2 MW; Perdido, Fla. – 3.2 MW; Savannah, Ga. – 6.4 MW
- Solar panels and wind micro-turbines on billboards; Thin-film and concentrating solar PV installation at Georgia Power headquarters and solar panels at Alabama Power headquarters
- Solid waste generation – purchasing power from refuse-fired generators, Bay County, Fla. – 11 MW
- Offshore wind turbine studies – Georgia and Florida
- Geothermal: 30 MW project in Hawaii

Smart Grid

also see: www.southerncompany.com/corporateresponsibility/electricity/

- Southern Company has responsibility for approximately \$5.5 billion in transmission assets, including more than 27,000 miles of transmission lines, 3,300 substations, 154,000 miles of distribution lines, 3.6 million poles and more than 300,000 acres of right of way.
- Southern Company plans, designs, builds, operates and maintains the transmission system to meet growing demand and has budgeted \$4 billion in new capital expenditures over the next three years.
- Installing more than 4 million "smart meters" by 2012, which will help us lower costs and customers manage energy use.

Energy Efficiency

also see: www.southerncompany.com/corporateresponsibility/electricity/championing.aspx

- Southern Company energy efficiency programs have reduced peak demand for electricity by 3,400 megawatts. That's enough energy to power nearly half a million homes.
- Between now and 2020, Southern Company plans to spend \$1 billion on energy efficiency and demand-control programs, reducing peak demand by an additional 1,000 megawatts.
- When comparing companies with peak demand of 2,000 megawatts and greater, the average reduction reported to EIA from demand-side management is 4.35 percent. We have reduced our peak demand by 9.8 percent through 2009, and we've saved more than 1 billion kilowatt hours since 2000 (0.7%).



SOUTHERN COMPANY

2011 revenues:
\$17.66 Billion

2011 net income:
\$2.20 Billion

2011 total assets:
\$59.0 Billion

Diversified sources of energy (2010):

- 58% coal
- 25% gas
- 15% nuclear
- 2% hydro

Electric generating capacity: 42,962 MW

Financial summary:

- Stable A credit rating
- Dividends – 257 consecutive quarters dating to 1948; 10 consecutive years of increases represent 41% growth; 4% increase in 2011

Operations summary:

- Safety – Goal is zero; dominated top quartile in safety as measured by Southeastern Electric Exchange
- Reliability – plant performance among best in industry; top quartile in forced outage rate
- Prices – below national average
- Customer Satisfaction – consistently ranked one of nation's best