

Overview of Southern Company Policies and Practices For Lobbying-Related Activities

Engagement in legislative and regulatory proceedings at the federal, state and local levels of government is crucial to the success of Southern Company. The Company and its subsidiaries devote substantial attention and resources to interaction with government officials as public policy is debated and laws and regulations are developed. Before Congress, state legislatures, local governments and federal and state regulatory agencies, the Company and its subsidiaries have built a reputation for being trusted sources of helpful information and effective advocates for the interests of their customers and shareholders.

Corporate Governance Processes

Southern Company and its subsidiaries have put in place decision-making and oversight processes for these governmental relations activities so as to ensure that they are conducted in accordance with all applicable laws and regulations as well as the Company's commitment to act with integrity in all of its activities.

Both management and the Board of Directors play important roles in these governance processes.

Lobbying

The Company has engaged registered lobbyists, both federal and state, to support its legislative and regulatory activities.

These lobbyists are carefully selected following a due diligence review and are engaged only with the approval of the senior External Affairs Officer and Compliance Officer of the Southern Company entity (or entities) involved, with federal lobbyists also requiring the approval of Southern Company's senior External Affairs Officer and Compliance Officer. Contracts with lobbyists and other governmental affairs consultants must include provisions specifically designed to require compliance with applicable legal requirements and restrictions as well as company policies and procedures.

Management provides regular updates on lobbyists and lobbying activities to the CEO of the entity or entities involved, to the Southern Company Management Council and to the Southern Company Board of Directors.

Southern Company and its subsidiaries and their lobbyists are required to file lobbying reports with the Congress and with state ethics agencies disclosing information about their lobbying activities. The Congressional reports -- which include information on the issues lobbied, the agencies contacted and the expenditures made -- are available for public review on the websites of the U.S. House (www.house.gov) and the U.S. Senate (www.senate.gov). State reports are made available for review by the state ethics agencies.

Trade Associations and Coalitions

Southern Company works closely with trade associations and industry coalitions in its government relations activities.

Depending on their roles, these organizations also can be subject to lobbyist registration and disclosure reporting obligations, with reports made available to the public by the federal and state agencies overseeing lobbyist activities.

Southern Company will disclose on its website the trade associations and coalitions engaged in lobbying to which it makes yearly payments of \$50,000 or more.

Legal Compliance

Southern Company and its subsidiaries undertake extensive activities on an ongoing basis to ensure that their employees and consultants abide by the many federal, state and local laws that are applicable to their governmental relations activities. These legal requirements and restrictions relate primarily to lobbyist registration and reporting and to expenditures made in connection with governmental relations activities.

The applicable rules are the subject of numerous policies and procedures, guidance documents, and employee training sessions. See, for example, Southern Company's Code of Ethics at www.southernco.com.

Governmental relations compliance is a major focus of Southern Company's general ethics and compliance program. Representatives from the Company's major subsidiaries and business units have been appointed to a Governmental Relations Compliance Team that is devoted to the development, assessment and documentation of government relations compliance activities.

On an annual basis, governmental relations compliance risks are assessed (with consideration of options for mitigating the risks) as part of Southern Company's risk analysis process.

Internal Auditing

The Southern Company Internal Auditing organization reviews as a routine matter governmental relations activities to assess their compliance with applicable laws, regulations, and Company policies and procedures.

Internal Auditing's findings are reported to the Southern Company Board of Directors.

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