



Second Quarter 2019 Earnings Conference Call

July 31, 2019



Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this presentation is forward-looking information based on current expectations and plans that involve risks and uncertainties. Forward-looking information includes, among other things, statements concerning Plant Vogtle Units 3 and 4, including cost and schedule estimates, earnings per share guidance, financial objectives and expected financing plans. 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 and its subsidiaries; 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 and its subsidiaries' Annual Reports on Form 10-K for the year ended December 31, 2018, 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 and environmental laws and regulations 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 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, including Plant Vogtle Units 3 and 4, which includes components based on new technology that only recently began initial operation in the global nuclear industry at this scale, and including changes in labor costs, availability and productivity; challenges with management of contractors, subcontractors or vendors; adverse weather conditions; shortages, delays, increased costs or inconsistent quality of equipment, materials, and labor; contractor or supplier delay; nonperformance under construction, operating, or other agreements; operational readiness, including specialized operator training and required site safety programs; engineering or design problems; design and other licensing-based compliance matters, including the timely submittal by Southern Nuclear of the Inspections, Tests, Analyses, and Acceptance Criteria documentation for each unit and the related 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, system integration or regional transmission upgrades; and/or operational performance; 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; 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 and fuel and other cost recovery mechanisms; the ability to successfully operate the electric utilities' generating, transmission, and distribution facilities and Southern Company Gas' natural gas distribution and storage facilities and the successful performance of necessary corporate functions; legal proceedings and regulatory approvals and actions related to construction projects, such as Plant Vogtle Units 3 and 4 and pipeline projects, 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 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, including the proposed disposition of Plant Mankato, 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 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 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 and its subsidiaries expressly disclaim any obligation to update any forward-looking information.

Non-GAAP Financial Measures

In addition to including earnings in accordance with generally accepted accounting principles (GAAP), this presentation also includes historical adjusted earnings and earnings per share (EPS) excluding: (1) impacts related to (a) the sale of Gulf Power Company, (b) the sale of Pivotal Home Solutions, (c) the sales of Southern Power Company's Plants Stanton, Oleander, and Nacogdoches, (d) the sale of PowerSecure, Inc.'s utility infrastructure services business, and (e) other acquisition, disposition, and integration activities; (2) a charge related to Georgia Power Company's construction of Plant Vogtle Units 3 and 4; (3) charges related to Mississippi Power Company's integrated coal gasification combined cycle project in Kemper County, Mississippi (Kemper IGCC); (4) earnings from the Wholesale Gas Services business of Southern Company Gas; (5) earnings from the settlement proceeds of Mississippi Power Company's 2010 Deepwater Horizon oil spill claim; and (6) net tax benefits as a result of implementing federal tax reform legislation.

The impacts of acquisitions, dispositions, and integration significantly impacted earnings and earnings per share for the three and six months ended June 30, 2019 and 2018. Further impacts are expected to be recorded in 2019 in connection with the sale of Gulf Power and Plant Nacogdoches, as well as in connection with Southern Power Company's announced sale of Plant Mankato. Further costs related to the Southern Company Gas acquisition are expected to occur in connection with integration activities; however, the amount and duration of such expenditures are uncertain.

The charges relating to the Kemper IGCC also significantly impacted earnings and earnings per share for the three and six months ended June 30, 2019 and for the six months ended June 30, 2018. Additional pre-tax closure costs, including mine reclamation, of up to \$25 million for the Kemper IGCC may occur through 2020. Mississippi Power is also currently evaluating its options regarding the final disposition of the carbon dioxide pipeline and is in discussions with the Department of Energy regarding property closeout and disposition, for which the related costs could be material.

The charge relating to Georgia Power Company's construction of Plant Vogtle Units 3 and 4 also significantly impacted earnings and earnings per share for the three and six months ended June 30, 2018. Further charges may occur; however, the amount and timing of any such charges is uncertain.

Southern Company's earnings for the three and six months ended June 30, 2018 include settlement proceeds of Mississippi Power Company's 2019 Deepwater Horizon oil spill claim. Further proceeds are not expected.

Southern Company's earnings for the six months ended June 30, 2018 include net tax benefits as a result of implementing federal tax reform legislation. Additional adjustments are not expected.

For all periods, presenting earnings and EPS excluding Wholesale Gas Services provides investors with an additional measure of operating performance that excludes the volatility that results from mark-to-market and lower of weighted average cost or current market price accounting adjustments.

This presentation also includes projected adjusted EPS for future periods excluding: additional acquisition, integration and disposition impacts, any additional charges associated with the Kemper IGCC and/or the construction of Plant Vogtle Units 3 and 4, and additional earnings of the Wholesale Gas Services business of Southern Company Gas. Information concerning the magnitude of the impacts, if any, from these items on EPS is not available at this time. Accordingly, this presentation does not include a quantitative reconciliation of projected adjusted EPS (which is a forward-looking non-GAAP financial measure) because doing so would involve unreasonable efforts.

Southern Company believes presentation of EPS excluding the items described above provides investors with information comparable to guidance. Management also uses such measures to evaluate Southern Company's performance.

Vogtle 3 & 4 Update

- Aggressive site workplan currently expected to provide approximately six months of margin to regulatory approved in-service dates of November 2021 and 2022
- No change in total estimated cost of project
 - No allocation of contingency to date; continually assessing risks and will likely utilize this reserve
 - Q2 2019 estimate to complete: \$3.2 billion
- Completed activities:
 - Unit 3 initial energization (*major milestone*)
 - Unit 4 middle containment vessel ring set
 - Unit 3 generator rotor set
- Next major milestone: Begin integrated flush



Vogle 3 & 4 Update

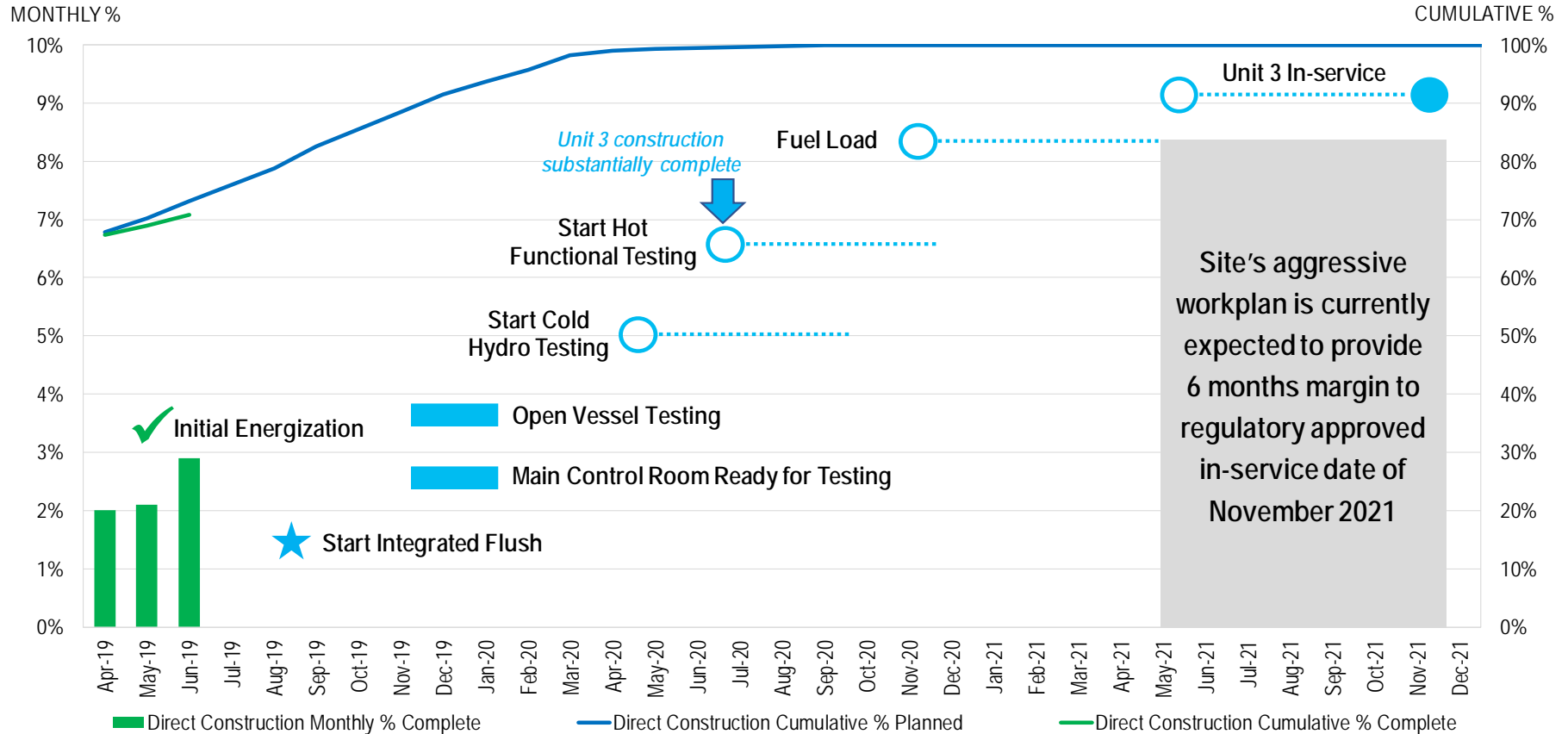
- Total project is ~79% complete
- Unit 3 direct construction is ~71% complete
 - Expect Unit 3 direct construction to approach 90% complete by year-end
- Earned hours above 100,000 per week should provide margin to regulatory approved in-service dates
 - Site has averaged ~145,000 earned hours over the past three weeks, with a year-to-date average of 133,000 earned hours through July
 - Objective is to achieve 160,000 hour average later in 2019 and into next year to meet aggressive site work plan

Vogle 3 & 4 Update

- Craft resource hiring is meeting expectations
 - >8,000 employees currently on-site
 - Construction's weekly production capability has increased over the past 3 months
 - Will need to sustain and improve to meet aggressive schedule
- Cumulative project direct construction CPI of 1.18
 - New resources take time to get productive at site
 - System turnover and testing activities are increasing
 - Future increases in craft staffing along with system turnover and testing activities may result in fluctuations in CPI
- Cumulative project direct construction SPI of 1.00

Vogle Unit 3 Direct Construction & Major Milestones¹

(Direct Construction is Bechtel's Scope of Work)



¹ Project milestone definitions included on slides 20 and 21 of the appendix

Q2 2019 Earnings Results

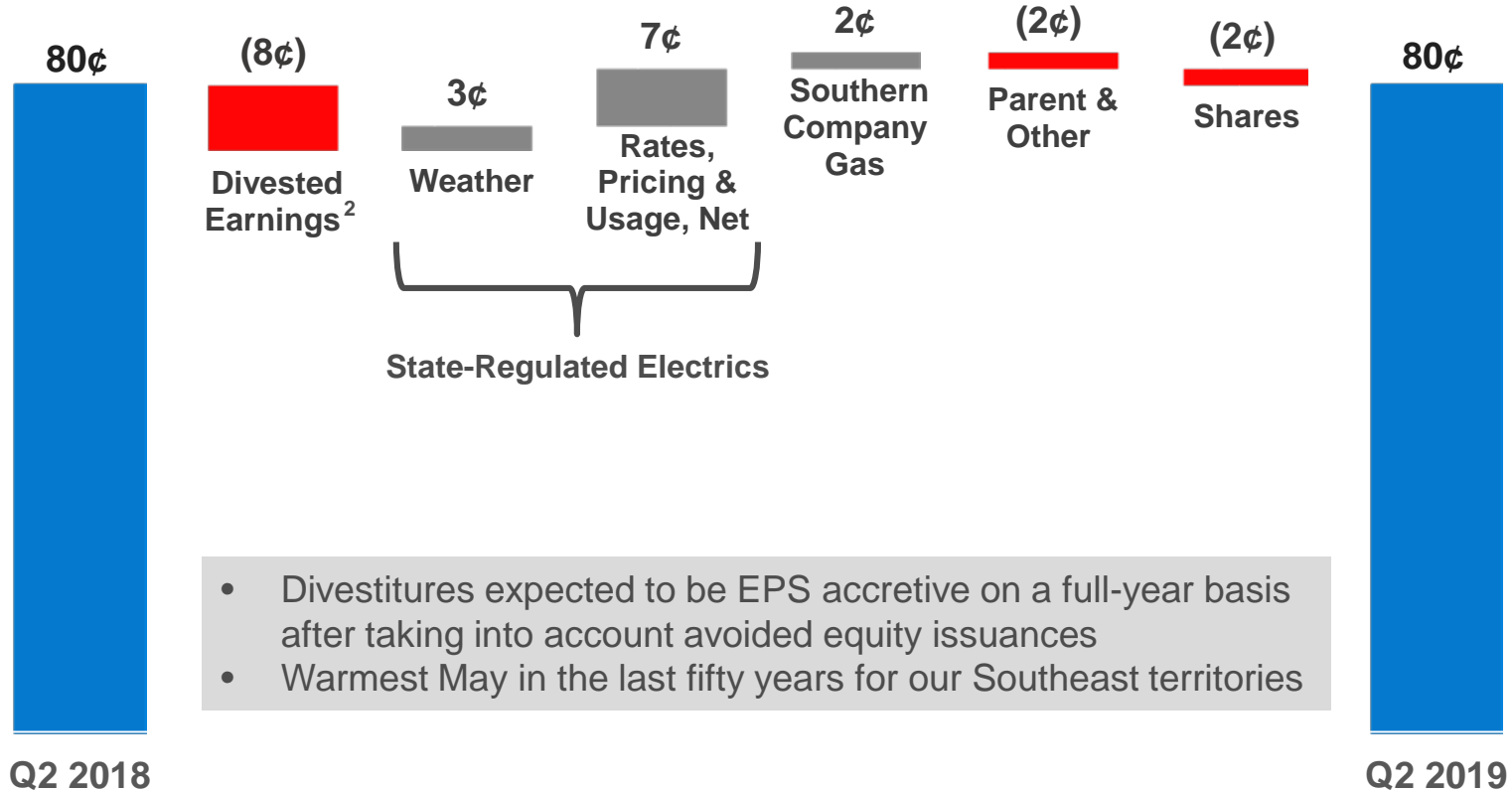
	Q2		YTD	
	2019	2018	2019	2018
Earnings Per Share As Reported	\$0.86	(\$0.15)	\$2.86	\$0.77
Acquisition, Disposition & Integration Impacts ¹	(\$0.05)	\$0.17	(\$1.30)	\$0.23
Estimated Loss on Plants Under Construction ²	\$0.01	\$0.78	\$0.01	\$0.82
Wholesale Gas Services	(\$0.02)	\$0.02	(\$0.07)	(\$0.08)
Litigation Settlement ³	-	(\$0.02)	-	(\$0.02)
Adoption of Tax Reform	-	-	-	(\$0.03)
Earnings Per Share Excluding Items	\$0.80	\$0.80	\$1.50	\$1.69

¹ Represents impacts related to the sales of Gulf Power Company, Pivotal Home Solutions, Plants Nacogdoches, Oleander and Stanton, and PowerSecure's utility infrastructure business and other impacts related to completed and pending dispositions.

² Includes a \$0.78 charge related to Georgia Power Company's construction of Plant Vogtle Units 3 and 4 for the three and six months ended June 30, 2018. All periods also include charges resulting from the abandonment and closure activities associated with the mine and gasifier-related portions of the Kemper IGCC.

³ Represents settlement proceeds of Mississippi Power Company's claim for lost revenue resulting from the 2010 Deepwater Horizon oil spill in the Gulf of Mexico.

Q2 2019 Year-Over-Year Adjusted EPS Drivers¹



¹Excludes charges related to the Kemper IGCC and to Plant Vogtle Units 3 and 4; acquisition, disposition, and integration impacts; settlement proceeds from the 2010 Deepwater Horizon spill; and earnings from Wholesale Gas Services.

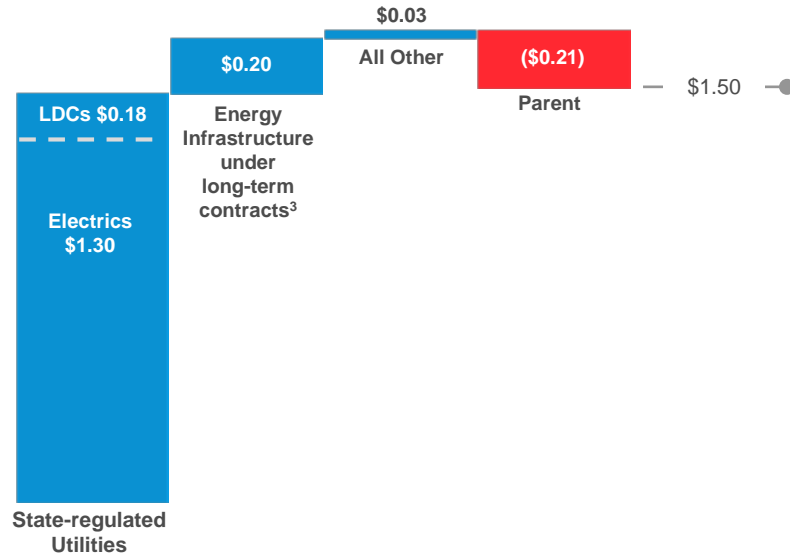
²Divested earnings category includes (4¢) from Gulf Power Company, (1¢) from Southern Company Gas, and (3¢) from Southern Power Company.

Service Territory Economic Update

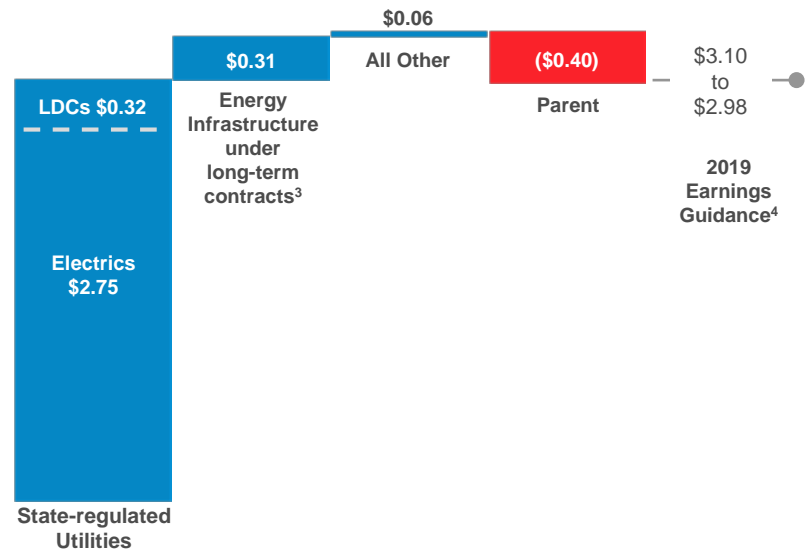
- 23,000 residential electric and 14,000 residential gas customers added in 2019
 - In line with full-year expected residential customer additions across electric and gas franchises
- Customer growth driven by strong job and population growth in Southeast territory
- Weather-normalized retail electric sales are down ~1% year-to-date 2019
 - Continued energy efficiency across all customer segments
 - Industrial sales impacted by global trade concerns and changes in production levels

Q2 YTD 2019 and Projected Full Year Adjusted EPS¹

Q2 YTD 2019 Adjusted EPS²



2019 Projected Full Year Adjusted EPS



2019 Earnings Guidance⁴

Q3 2019 Estimate = \$1.10 per share

1. Q2 2019 Adjusted EPS excludes charges resulting from abandonment and closure activities associated with the mine and gasifier-related portions of the Kemper IGCC, acquisition, disposition, and integration impacts, and earnings from the Wholesale Gas Services business of Southern Company Gas. Projected full year adjusted EPS also excludes any additional acquisition, disposition, and integration impacts, any additional charges associated with the Kemper IGCC and/or the construction of Plant Vogtle Units 3 and 4, and additional earnings from the Wholesale Gas Services business.
2. Q2 YTD 2019 average shares outstanding = 1,041M
3. Includes Southern Power, interstate natural gas pipelines and Southern Company system-owned distributed energy resources
4. Guidance provided as of February 20, 2019

Capital Requirements Update

- Nacogdoches biomass facility sale to Austin Energy closed in June
- Plant Mankato sale to Xcel expected to close in fall 2019
- Higher than expected year-to-date equity issuances through June 30, 2019 of ~\$450 million
- Expected remaining equity need through 2023 of ~\$2 billion
- Continue to evaluate all options to efficiently source equity

2019 Expected Regulatory Activity

	Georgia Power	Atlanta Gas Light	Nicor Gas	Mississippi Power
Rate Case Filing	6/28/19	6/3/19	11/9/18	November 2019
Expected Commission Vote	12/17/19	12/19/19	By 10/2/19	2020

- Georgia Power Integrated Resource Plan approved July 16, 2019
 - Unanimous 5-0 Commission vote
 - 2,260 megawatts of new renewable generation
 - ~1,000 megawatts of coal retirements
 - 80 megawatts of rate base battery energy storage systems
 - Approval of ash pond closure strategy

Appendix



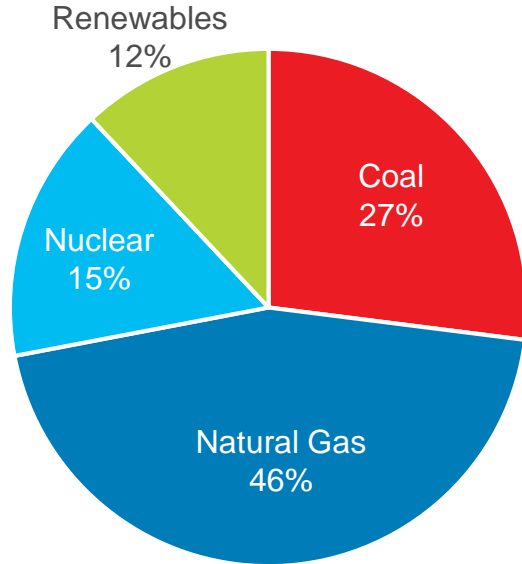
2019 Expected Regulatory Activity

	Georgia Power	Atlanta Gas Light	Nicor Gas
Rate Case Filing	6/28/19	6/3/19	11/9/18
Company Direct Testimony Filed	6/28/19	6/3/19	11/9/18
Company Direct Hearings	9/30/19 to 10/2/19	9/10/19 to 9/12/19	5/29/19 to 5/30/19 ¹
Staff & Intervenor Testimony Filed	10/17/19	9/20/19	3/12/19
Staff & Intervenor Hearings	11/4/19 to 11/6/19	10/23/19 to 10/24/19	5/29/19 to 5/30/19 ¹
Company Rebuttal Testimony Filed	11/15/19	11/2/19	4/16/19
Company Rebuttal Hearings	11/25/19 to 11/26/19	11/21/19 to 11/22/19	-
Expected Commission Vote	12/17/19	12/19/19	By 10/2/19

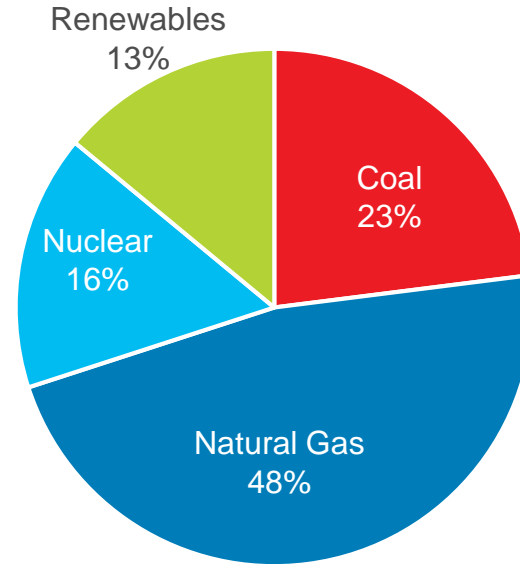
¹Evidentiary hearings. Initial briefs and reply briefs for all parties took place on 6/12/19 and 6/26/19, respectively.

Year-to-Date 2019 Energy Mix

YTD 2018 Total Generation Mix



YTD 2019 Total Generation Mix



Vogle 3 & 4

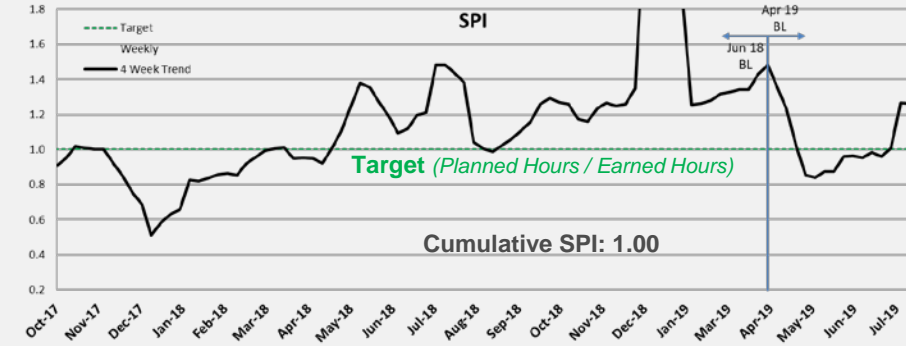


Vogtle 3&4: Direct Construction Schedule and Cost Performance

(Bechtel Scope of Work)

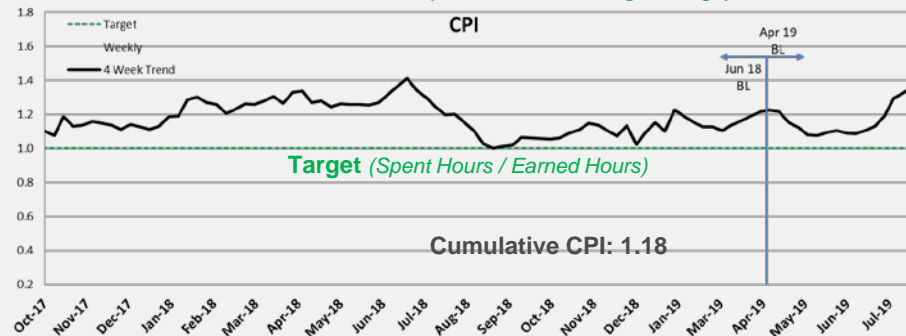
Working towards an accelerated workplan supports our primary objective of successful completion by November 2021 and November 2022

Direct Schedule Performance Index (SPI - 4 week rolling average)



- Cumulative SPI reset to 1.0 in April 2019 with re-baseline for aggressive site workplan
- Unit 3 SPI of 1.5+ over the next 9 months would support regulatory approved in-service date for Unit 3 for the Bechtel scope of work

Direct Cost Performance Index (CPI - 4 week rolling average)



- Recent CPI results impacted by increased levels of craft labor and continued shift to more system focused activities
- Could see periods of elevated CPI in the future as craft headcount increases and additional systems turnover to testing
- CPI “to-go” could average 1.4 and remain consistent with our current base cost estimate to complete

Note: Graphs depict site-wide aggregate index for schedule and cost performance that sets 1.0 as the goal. Above 1.0 is not meeting the goal, and below 1.0 is exceeding the goal.

Vogle 3 & 4 Schedule Performance Index (SPI) & Cost Performance Index (CPI)

What They Are

- There are a fixed number of direct construction hours assumed to complete the entire project in the current schedule
- The project schedule is broken down into planned activities which are designed to earn the direct construction hours needed to complete the project
- Each week, we measure:
 1. how many direct construction hours were **planned versus** how many were **earned** (SPI)
 2. how many actual direct construction hours are **spent** to complete work **versus** how many hours were **earned** (CPI)

Why They Are Important

- The productivity and efficiency (SPI and CPI) of direct construction labor are the key indicators of performance versus current projections
- Indirect costs (e.g. oversight, cranes, scaffolding, etc.) have a significant correlation to direct construction

Vogtle 3 & 4 Major Milestone Definitions

Integrated Flush-

To clean and remove any foreign material that could potentially impact operation of equipment, all system piping and mechanical components that feed into the reactor vessel or coolant loops will be flushed. This flush will be performed utilizing permanent plant pumps and clean water, hydrolasing, air flushing, and some hand cleaning. Integrated flushing ensures systems can be tested without concern for damage from debris to meet the cleanliness and chemistry requirements necessary to operate systems per design.

Open Vessel Testing-

Verifies the water flows between the primary systems and the reactor vessel and that the pumps, motors, valves, pipes and other system components function as designed.

Main Control Room Ready for Testing-

To prepare for testing, the main control room must be able to be safely staffed by plant operators, which includes complete lighting, ventilation, fire protection and communication capabilities. From the main control room, operators monitor and control equipment essential for safely starting and operating the plant. Having the equipment installed and operable in the main control room is a necessary step for completion of testing and start-up.

Vogtle 3 & 4 Major Milestone Definitions

Cold Hydro Test-

Cold Hydro Testing contains several separate tests in different areas of the plant to verify that welds, joints, pipes, and other components of the reactor coolant system, steam-supply system and associated high pressure systems do not leak and will hold pressure. To accomplish these tests, internals will be installed in the reactor vessel and the integrated head package will be installed with all head bolts tensioned. The reactor coolant system will be filled and pressurized above normal operating conditions, backed down to normal design pressure, and held there while the comprehensive inspection is conducted.

Hot Functional Test-

Hot Functional Testing will demonstrate the integrated operation of the primary coolant system and steam supply system at design temperature and pressure with no fuel in the reactor. Operators use the heat generated by plant equipment to raise the temperature and pressure of plant systems to normal operating levels. The unit's main turbine will be raised to normal operating speed using the plant's steam. This test is the first time components and systems are operated together, allowing operators to exercise and validate procedures and is required before fuel is loaded into the reactor. Completion of the test marks the end of major construction.

Fuel Load-

Operators load nuclear fuel into the reactor for the first time in preparation for start-up testing and, ultimately, commercial operation. Completion of fuel load marks the end of major testing.

Financing



Year-to-Date 2019 Financing Activities

- In March 2019, Georgia Power borrowed \$835 million under existing DOE loan guarantee program and closed on \$1.67 billion of additional DOE loan guarantees
- Equity issuances through internal plans total ~\$450 million through June 30, 2019

Long-term Debt Maturity Schedule¹

<u>Long-term Debt (in millions)</u>	<u>Remaining 2019</u>	<u>2020</u>	<u>2021</u>	<u>2019-2021</u>
Alabama Power	\$0	\$250	\$310	\$560
Georgia Power	500	1,008	383	1,891
Mississippi Power	0	307	270	577
State-regulated Electrics	\$500	\$1,565	\$963	\$3,028
Southern Power	600	825	300	1,725
Southern Company Gas	300	0	330	630
Parent Company	0	900	1,500	2,400
Total Long-term Debt Maturities¹	\$1,400	\$3,290	\$3,193	\$7,883

1. Excludes leases and fixed rate pollution control bonds subject to remarketing; 2021 Total Long-term Debt Maturities includes \$100M SEGCO maturities

Liquidity and Credit

Over \$7.5 billion in committed credit facilities and available liquidity of \$6.3 billion

<i>(in millions)</i>	2019	2020	2021	2022	2023	2024	Total
Credit Facility Expirations	\$3	\$530	-	\$150	-	\$6,900	\$7,583

<i>(in millions)</i>	Alabama Power	Georgia Power	Mississippi Power	Southern Company Gas	Southern Power	Parent	Other ¹	Consolidated
Unused Credit Lines	\$1,303	\$1,736	\$150	\$1,745	\$561	\$1,999	\$30	\$7,524
Cash	623	10	199	56	370	9	116	1,383
Total	\$1,926	\$1,746	\$349	\$1,801	\$931	\$2,008	\$146	\$8,907
Less: Outstanding CP	-	305	-	492	-	324	26	1,147
Less: PCB Floaters ²	854	550	40	-	-	-	-	1,444
Net Available Liquidity	\$1,072	\$891	\$309	\$1,309	\$931	\$1,684	\$120	\$6,316

1. Other includes amounts from non-SEC reporting subsidiaries including SEGCO, Power Secure, Southern Nuclear, Southern LINC and others

2. PCB Floaters include all variable rate demand note pollution control revenue bonds outstanding