

“We do much more than keep the lights on. We provide hope for customers—hope for a better way to meet their economic challenges, better communities in which to live and a better future for their children.”

THOMAS A. FANNING—*Chairman, President & CEO*
Southern Company



DEAR FELLOW SHAREHOLDERS,

This is such an important time in America. With a volatile global economy, challenges in the Middle East and ongoing economic uncertainty here at home, Americans are looking for hope and a way to move forward and “play offense” in this unsettled environment. Southern Company is leading our industry and, in many ways, our nation to provide real solutions to drive our economy, create jobs, grow personal incomes and make American lives better.

This past year was a memorable one in which our franchise operations continued to perform beautifully. We made significant progress with construction at Georgia Power's Plant Vogtle and Mississippi Power's Kemper facility. We continued to expand our renewable energy portfolio. We announced a merger with AGL Resources.

These are all major accomplishments of which I am quite proud. However, none is any more important than the work that is accomplished to deliver practical energy solutions that provide value for customers who must make hard “kitchen table” financial decisions each and every day. We provide hope for those customers—hope for a better way to meet their economic challenges, better communities in which to live and a better future for their children.

It is for these reasons we have selected “Real Solutions” as the theme of this year's annual report, highlighting customer solutions throughout our region.

The following are updates on our five strategic priorities and the proposed merger with AGL Resources:

EXCEL AT THE FUNDAMENTALS

Even as we lead the innovation-centered transformation of our business into the future, we remain steadfastly focused on customers. To put it another way, there is nothing more fundamental to our business than our quest to provide superior customer service.

In 2015, Southern Company earned the Edison Electric Institute's (EEI) National Key Accounts Customer Service Award for the 12th time. EEI also honored Alabama Power with its Emergency Recovery Award for going “above and beyond” to restore service after summer storms left more than 100,000 customers without electricity—the seventh time Alabama Power has received this honor.

Our traditional operating companies continue to be among the most highly rated utilities for customer satisfaction by J.D. Power, which ranks companies on the basis of power quality and reliability, price, billing and payment, corporate citizenship, communications and customer service.

Also, for the 18th consecutive year, Southern Company and its traditional operating companies ranked in the top quartile in the Customer Value Benchmark survey, our annual peer comparison of U.S. electric utilities based on residential, general business and large business customer value scores.

ACHIEVE SUCCESS WITH MAJOR CONSTRUCTION PROJECTS

The combined-cycle at Mississippi Power's Kemper County energy facility has been performing exceptionally well on natural gas for more than a year and a half, providing a third of all electricity used by Mississippi Power customers in 2015. We look forward to our first production of syngas, expected later this year.

Construction of the two new nuclear units at Georgia Power's Plant Vogtle, among the first to be built in the United States in more than three decades, is also progressing well. Current in-service dates are estimated to be 2019 for Unit 3 and 2020 for Unit 4. Once units 3 and 4 join the existing two Vogtle units already in operation, Plant Vogtle is expected to generate more electricity than any other U.S. nuclear facility, enough to power more than 1 million homes and businesses.

SUPPORT THE BUILDING OF A NATIONAL ENERGY POLICY

We continue to engage constructively on a variety of fronts to advocate for a common sense national energy policy. This includes legislation, regulatory policy and—when we deem it to be in the best interests of customers—litigation. We remain committed to energy innovation, and we are the only company in America proactively developing the full portfolio of generation resources—natural gas, 21st century coal, nuclear and renewables such as wind and solar—together with an emphasis on energy efficiency.

PROMOTE ENERGY INNOVATION

Here at Southern Company, we like to say that innovation is in our DNA. In 2015, we launched our Energy Innovation Center, a dedicated facility that will incubate new ideas in our ongoing efforts to develop the energy solutions of tomorrow. Our commitment to innovation is not confined to any particular team or facility, however, as we actively encourage a culture of innovation throughout the Southern Company system.

Our Southern Power subsidiary experienced a landmark year for growth with the acquisition of nearly five times more projects and facilities in 2015 than ever before. This includes 14 renewable projects and facilities with a combined generating capacity of more than 1,600 megawatts, 1,200 of which are owned by Southern Power, bringing its total renewable portfolio to more than 1,800 megawatts, including capacity announced, acquired or under construction.

Southern Company has been awarded up to \$40 million in grants from the U.S. Department of Energy to explore and develop advanced nuclear reactor technologies. We announced an agreement to acquire PowerSecure International in order to address a growing demand for distributed generation solutions.

Finally, we are engaged with the Pentagon and all branches of the United States military to assist the 19 military bases in our region with some very ambitious energy goals, including the development and implementation of solar projects, electric vehicles and electric vehicle charging infrastructure.

VALUE AND DEVELOP OUR PEOPLE

In 2015, we completed 426 transfers of employees between our subsidiaries, providing new opportunities for employees to expand their knowledge of our industry and business operations. We promoted 225 employees to supervisory roles for the first time.

Southern Company was named one of the 40 Best Companies for Diversity by Black Enterprise magazine, recognizing a commitment to diversity reflected in our leadership, our workforce and our suppliers, including our success in recruiting military veterans and individuals with disabilities. Southern Company was the only energy company recognized in DiversityInc's Top 10 Companies for Veterans and the highest-ranked utility in G.I. Jobs' Top 100 Military Friendly Employer® listing.

AGL RESOURCES

In August, we announced an agreement to acquire AGL Resources. The addition of AGL Resources' network of natural gas assets and businesses will provide a broader, more robust platform for long-term success, which we expect to result in increased opportunities to invest in future infrastructure and energy solutions. With the ongoing evolution of our regulatory environment and the technology revolution taking place in energy production, Southern Company should be well positioned for a future that we expect to require more natural gas infrastructure.

Our record of accomplishment in 2015 is the direct result of our focus on real solutions and the customer-centered business model that serves as the guiding principle for all we do. It's a simple business model, historically acclaimed by customers and Wall Street alike. I believe it will continue to serve us well for years to come.

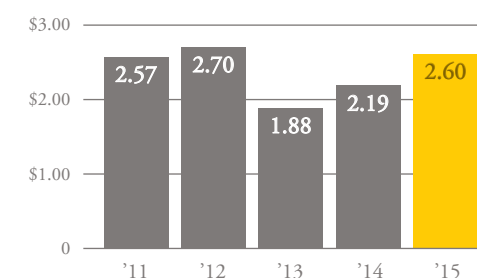
Rest assured that both our management team and the 26,000 employees across the Southern Company system remain diligent in our efforts to provide exceptional value to customers and shareholders. It is a privilege to serve you.

Sincerely,

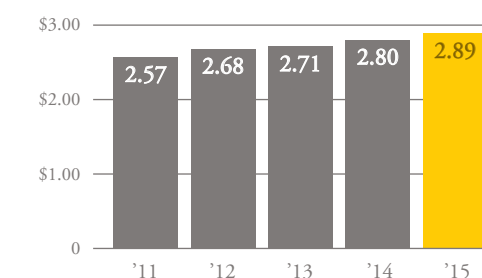


THOMAS A. FANNING
March 24, 2016

FINANCIAL HIGHLIGHTS

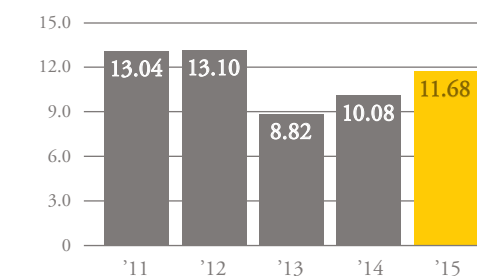


Basic Earnings Per Share
(In Dollars)

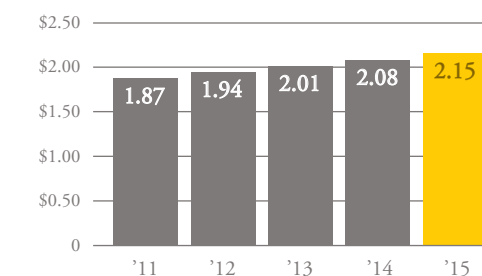


Basic Earnings Per Share Excluding Kemper IGCC Impacts, AGL Resources Acquisition Costs, Leveraged Lease Restructure Charge and MC Asset Recovery Insurance Settlements*
(In Dollars)

* Not a financial measure under generally accepted accounting principles. See Glossary on page 36 for additional information and specific adjustments made to this measure by year.



Return On Average Common Equity
(Percent)



Dividends Per Share
(In Dollars)

	2015	2014	Change
Operating Revenues (In Millions)	\$17,489	\$18,467	(5.3)%
Earnings (In Millions)	\$2,367	\$1,963	20.6 %
Basic Earnings Per Share	\$2.60	\$2.19	18.7 %
Diluted Earnings Per Share	\$2.59	\$2.18	18.8 %
Dividends Per Share (Amount Paid)	\$2.1525	\$2.0825	3.4 %
Dividend Yield (Year-End, Percent)	4.6	4.2	9.5 %
Average Shares Outstanding (In Millions)	910	897	1.4 %
Return On Average Common Equity (Percent)	11.68	10.08	15.9 %
Book Value Per Share	\$22.59	\$21.98	2.8 %
Market Price Per Share (Year-End, Closing)	\$46.79	\$49.11	(4.7)%
Total Market Value Of Common Stock (Year-End, In Millions)	\$42,659	\$44,581	(4.3)%
Total Assets (In Millions)	\$78,318	\$70,233	11.5 %
Total Kilowatt-Hour Sales (In Millions)	190,989	194,425	(1.8)%
Retail	160,484	161,639	(0.7)%
Wholesale	30,505	32,786	(7.0)%
Total Traditional Operating Company Customers (Year-End, In Thousands)	4,546	4,504	0.9 %