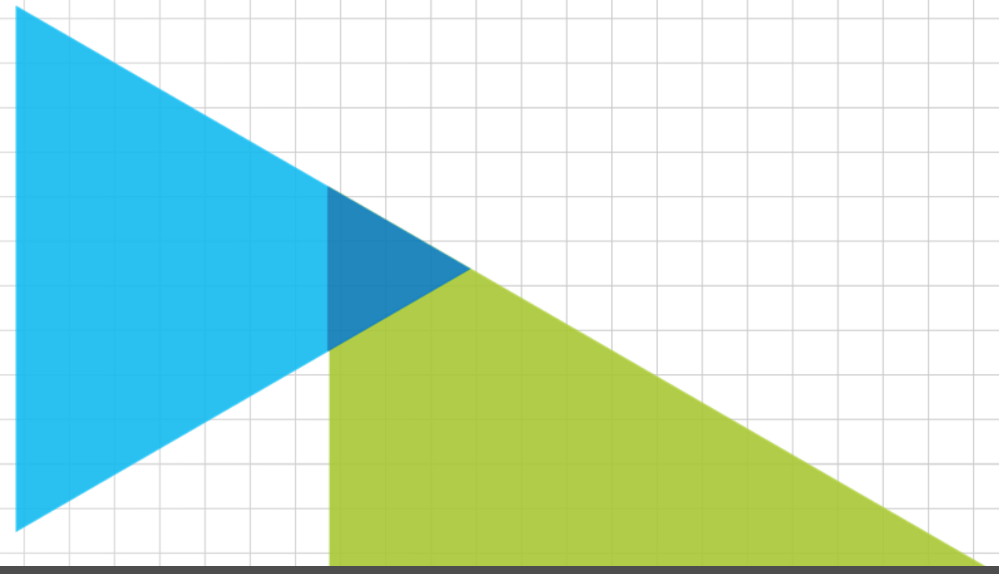
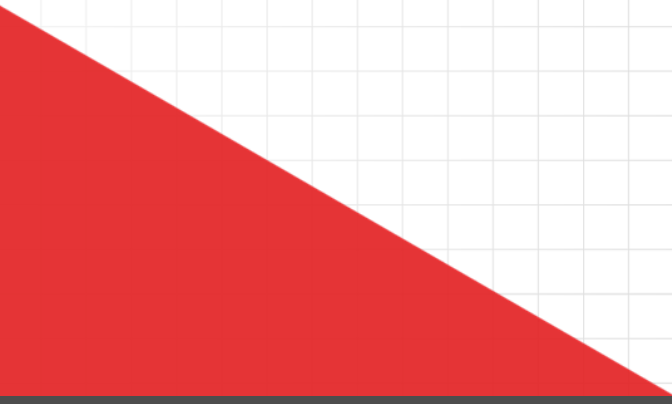


Earnings Conference Call

Third Quarter

November 1, 2017



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 ongoing proceedings with the Mississippi Public Service Commission (PSC) and the Georgia PSC related to the construction of the Kemper integrated coal gasification combined cycle facility (Kemper IGCC) and Plant Vogtle Units 3 and 4, respectively, 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, 2016, 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 environmental laws regulating emissions, discharges, and disposal to air, water, and land, and also changes in tax and other laws and regulations to which Southern Company and its subsidiaries are subject, including potential tax reform legislation, as well as changes in application of existing laws and regulations; current and future litigation, regulatory investigations, proceedings, or inquiries; the effects, extent, and timing of the entry of additional competition in the markets in which Southern Company's subsidiaries operate; variations in demand for electricity and natural gas, including those relating to weather, the general economy and recovery from the last recession, population and business growth (and declines), the effects of energy conservation and efficiency measures, including from the development and deployment of alternative energy sources such as self-generation and distributed generation technologies, and any potential economic impacts resulting from federal fiscal decisions; available sources and costs of natural gas and other fuels; limits on pipeline capacity; effects of inflation; the ability to control costs and avoid cost overruns during the development, construction, and operation of facilities, which include the development and construction of generating facilities with designs that have not been finalized or previously constructed, including changes in labor costs and productivity, adverse weather conditions, shortages and inconsistent quality of equipment, materials, and labor, contractor or supplier delay, non-performance under construction, operating, or other agreements, operational readiness, including specialized operator training and required site safety programs, unforeseen engineering or design problems, start-up activities (including major equipment failure and system integration), and/or operational performance (including additional costs to satisfy any operational parameters ultimately adopted by any PSC); the impact of inability or other failure of Toshiba Corporation to perform its obligations pursuant to the guarantee settlement agreement, including any effect on the construction of Plant Vogtle Units 3 and 4; the ability to construct facilities in accordance with the requirements of permits and licenses, 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 Southern Company system's 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 fuel and other cost recovery mechanisms; legal proceedings and regulatory approvals and actions related to Plant Vogtle Units 3 and 4, including Georgia PSC approvals and Nuclear Regulatory Commission actions; actions related to cost recovery for the Kemper IGCC, including ongoing settlement discussions, Mississippi PSC review of the prudence of Kemper IGCC costs and approval of further permanent rate recovery plans, and related legal or regulatory proceedings; 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; the inherent risks involved in operating and constructing nuclear generating facilities, including environmental, health, regulatory, natural disaster, terrorism, and financial risks; 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 by a wholly-owned subsidiary of Southern Company Gas of the Elizabethtown Gas and Elton Gas businesses, which cannot be assured to be completed or beneficial to Southern Company or its subsidiaries; the possibility that the anticipated benefits from the acquisition of Southern Company Gas cannot be fully realized or may take longer to realize than expected, the possibility that costs related to the integration of Southern Company and Southern Company Gas will be greater than expected, the ability to retain and hire key personnel and maintain relationships with customers, suppliers, or other business partners, and the diversion of management time on integration-related issues; 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 terrorist incidents and the threat of terrorist incidents; interest rate fluctuations and financial market conditions and the results of financing efforts; changes in Southern Company's and any of its subsidiaries' credit ratings, including impacts on interest rates, access to capital markets, and collateral requirements; the impacts of any sovereign financial issues, including impacts on interest rates, access to capital markets, impacts on foreign currency exchange rates, counterparty performance, and the economy in general, as well as potential impacts on the benefits of the Department of Energy loan guarantees; 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 such as influenzas, 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; 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) estimated losses relating to Mississippi Power's integrated coal gasification combined cycle construction project in Kemper County, Mississippi (Kemper IGCC); (2) write-down of Gulf Power's ownership of Plant Scherer Unit 3 as a result of a retail rate case settlement approved by the Florida Public Service Commission; (3) costs related to the acquisition and integration of Southern Company Gas; (4) the Wholesale Gas Services business of Southern Company Gas; and (5) additional allowance for funds used during construction (AFUDC) equity as a result of extending the schedule for the Kemper IGCC.

The estimated losses relating to the Kemper IGCC significantly impacted the periods presented and further charges of uncertain amounts may occur in future periods in connection with the resolution of the Mississippi PSC's Kemper Settlement Docket. Further charges related to Plant Scherer Unit 3 are not expected to recur. Further costs related to the Southern Company Gas acquisition are expected to occur in connection with related integration activities; however, the amount and duration of such expenditures is uncertain.

Earnings for the nine months ended September 30, 2017 and the three and nine months ended September 30, 2016 include additional AFUDC equity as a result of extending the schedule for the Kemper IGCC. AFUDC equity ceased in connection with the project's suspension in June 2017. Southern Company's 2017 earnings guidance, initially presented in October 2016, assumed construction would be complete and AFUDC equity would cease by November 30, 2016. Southern Company's 2016 earnings guidance, initially presented in February 2016, assumed construction would be complete and AFUDC equity would cease by August 31, 2016. As a result, Southern Company believes a presentation of EPS excluding these items provides investors with information comparable to the 2017 guidance. Management also uses such measures to evaluate Southern Company's performance in 2017 and 2016.

This presentation also includes projected adjusted EPS for future periods excluding costs for acquisitions, the Wholesale Gas Services business of Southern Company Gas, and any additional estimated losses associated with the Kemper IGCC. The amount and duration of costs related to acquisitions and additional estimated losses associated with the Kemper IGCC are uncertain. 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. Management uses earnings and EPS excluding these items to evaluate Southern Company's performance.



Southern Company Update

- State-regulated electric and gas utilities and Southern Power continue to perform as expected for this year
- Vogtle 3&4 regulatory process evaluating request to continue construction is scheduled to be complete by February 2018
- Equity needs continue to evolve, with several new potential sources



Vogtle 3&4: August 31 Recommendation to the Georgia PSC

- Georgia Power filed a recommendation to continue construction for both units
- Robust process led up to this joint recommendation
- Completing Vogtle 3&4 was the most economic choice
- Asking the Georgia PSC to explicitly approve that:
 - Revised schedule and cost of \$8.8 billion are reasonable
 - Current prudence stipulation remains in effect
 - GPC is not a guarantor of the Toshiba parent guarantee
 - The certified cost is not a cap
- Final order expected in February 2018

Schedule and Capital Cost

Estimated in-service dates

Unit 3: November 2021 / Unit 4: November 2022

(in billions)

Estimated cost to complete \$4.2

CWIP as of September 30, 2017 4.6

Total construction & capital costs \$8.8

Guarantee Obligations (1.7)

**Estimated capital costs
(net of Guarantee) \$7.1**

Vogtle 2016 Cost Settlement Agreement (5.7)

Revised Forecast

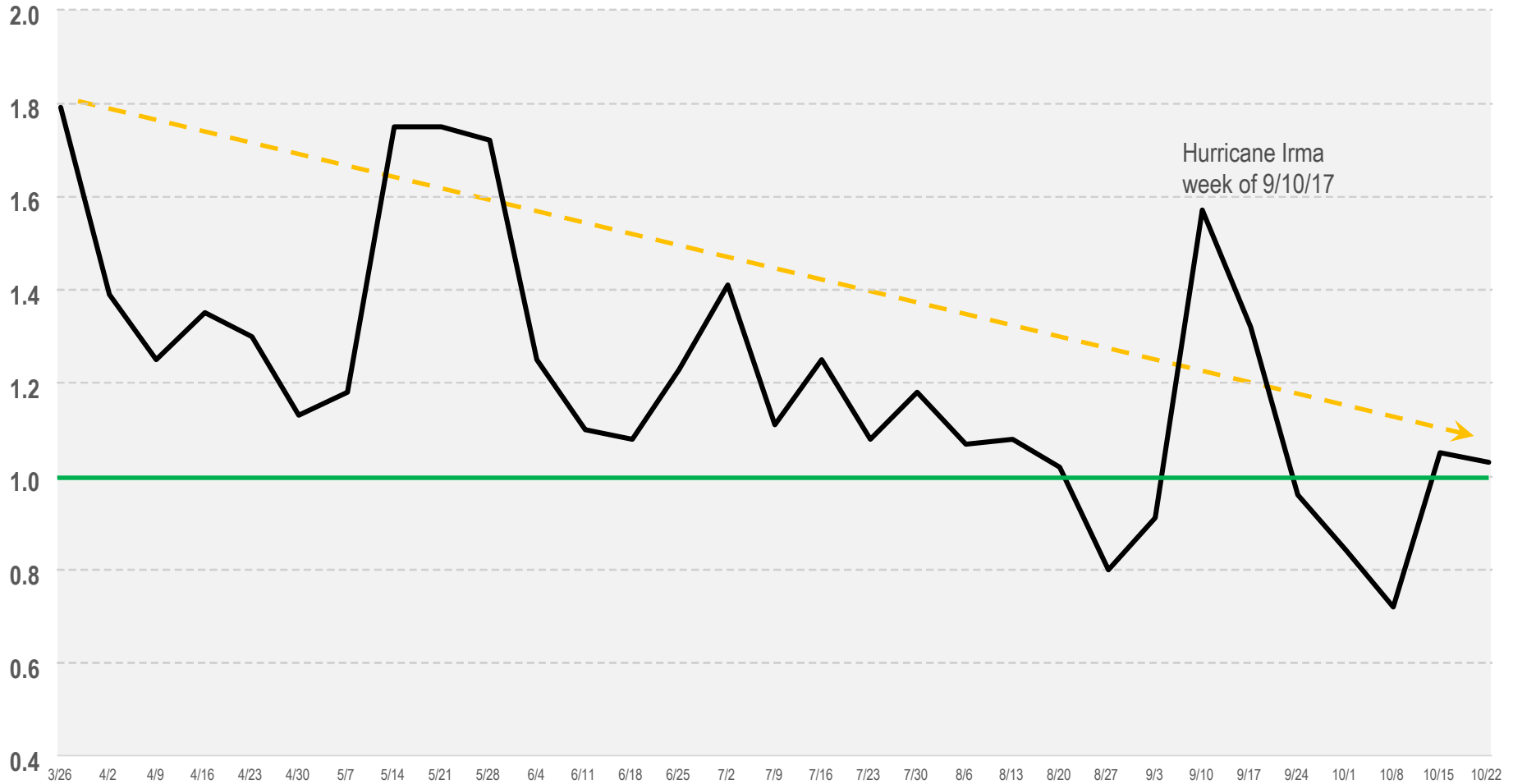
Estimated net additional capital costs \$1.4

- Added 29 months to latest approved schedule
- Expected customer rate impact remains less than the original estimate
- \$5.68 billion was presumed prudent with the 2016 Settlement Agreement

Note: See 10-Q for more details, including financing costs

Vogtle 3&4: Productivity Trends

Since the end of March, productivity at the site has been trending in a positive direction.



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



2017 Q3 Earnings Results

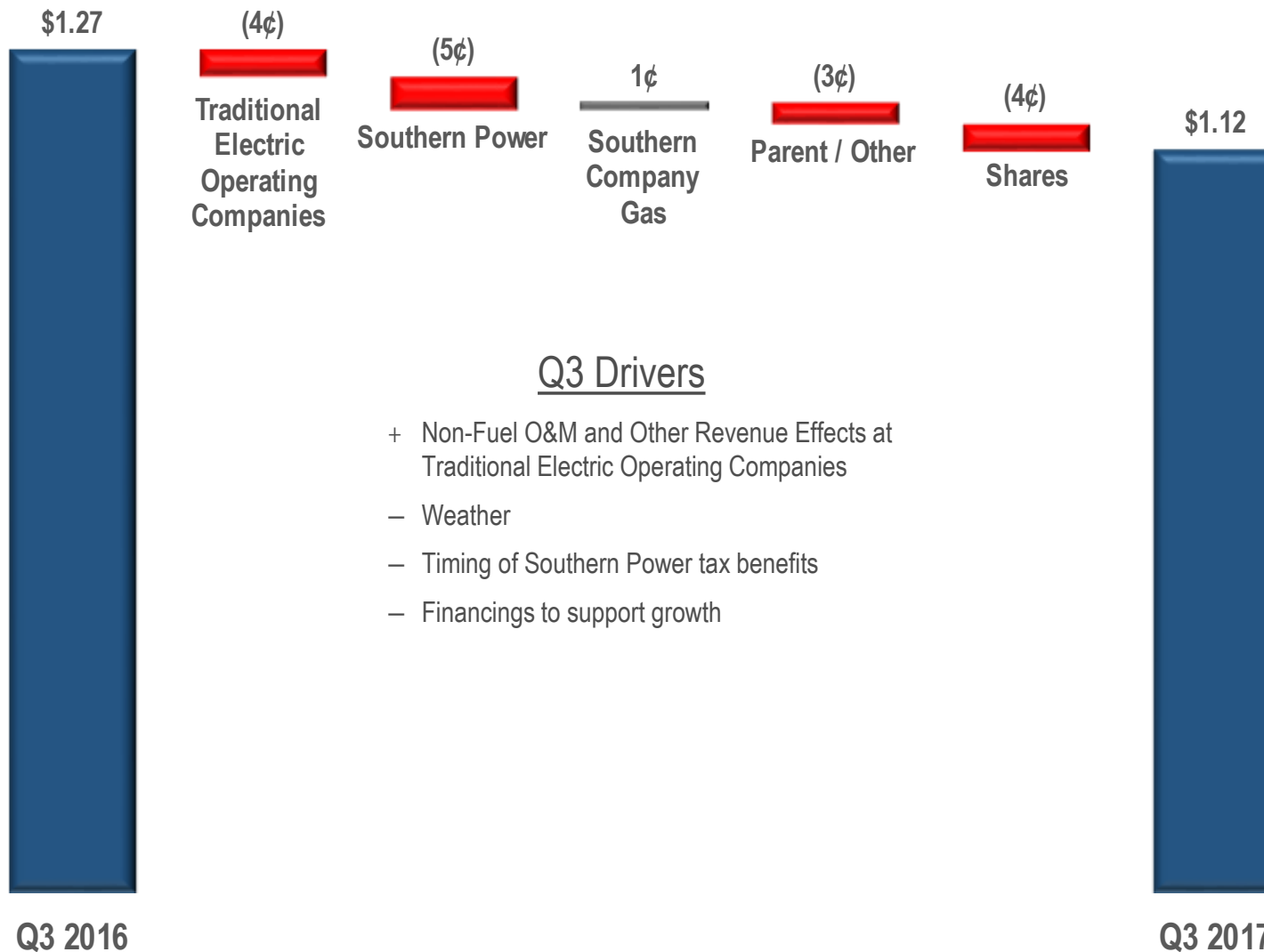
	Q3	
	2017	2016
Earnings Per Share As Reported	\$1.07	\$1.18
Kemper IGCC Impacts ¹	\$0.02	\$0.05
Acquisition and Integration Costs ²	\$0.01	\$0.03
Wholesale Gas Services	\$0.02	\$0.01
Earnings Per Share Excluding Items	\$1.12	\$1.27

1. Kemper IGCC impacts for Q3 2017 represent estimated probable losses relating to Mississippi Power's construction of the Kemper IGCC. Kemper IGCC impacts for Q3 2016 include \$0.05 for estimated losses, partially offset by less than \$0.01 for additional AFUDC equity as a result of extending the schedule for the Kemper IGCC.

2. Q3 2016 does not reflect any adjustments to exclude (1) \$0.04 for Southern Company Gas earnings, net of acquisition and integration costs and Wholesale Gas Services, (2) \$0.05 of acquisition debt financing costs related to the acquisition of Southern Company Gas, and (3) \$0.02 impact of additional shares of common stock issued to finance a portion of the purchase price of the 50% interest in Southern Natural Gas Company, L.L.C.. These items were not contemplated in Southern Company's February 2016 earnings guidance and were excluded in previously reported Q3 2016 adjusted earnings.



Q3 2017 vs. Q3 2016 Adjusted EPS Drivers



Q3 Drivers

- + Non-Fuel O&M and Other Revenue Effects at Traditional Electric Operating Companies
- Weather
- Timing of Southern Power tax benefits
- Financings to support growth

Excluding

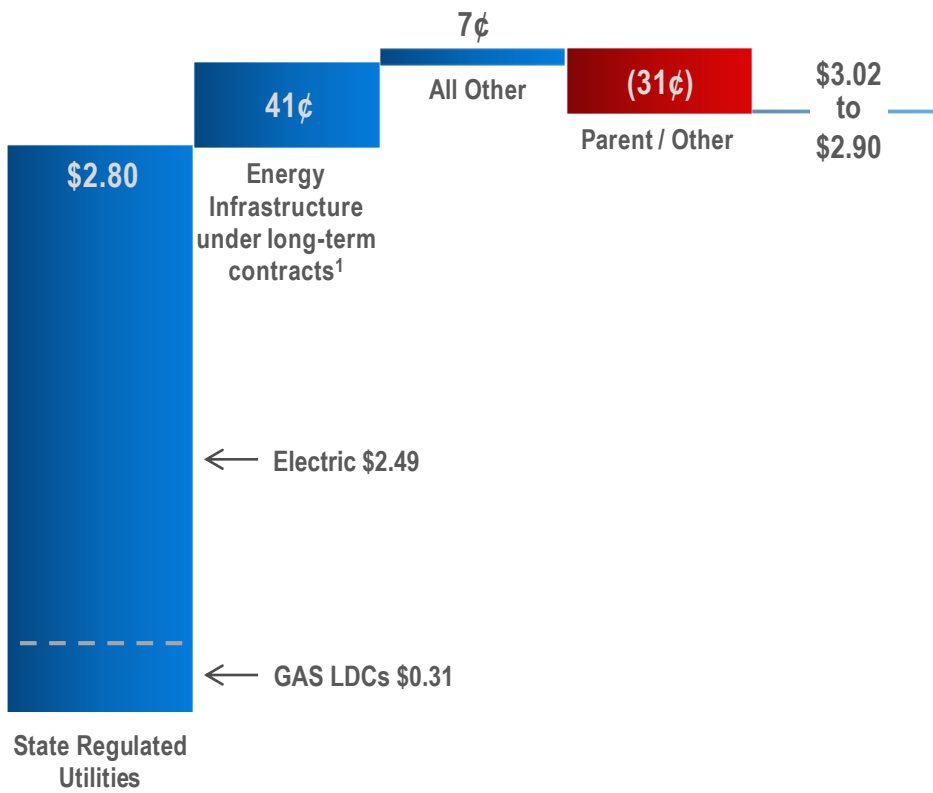
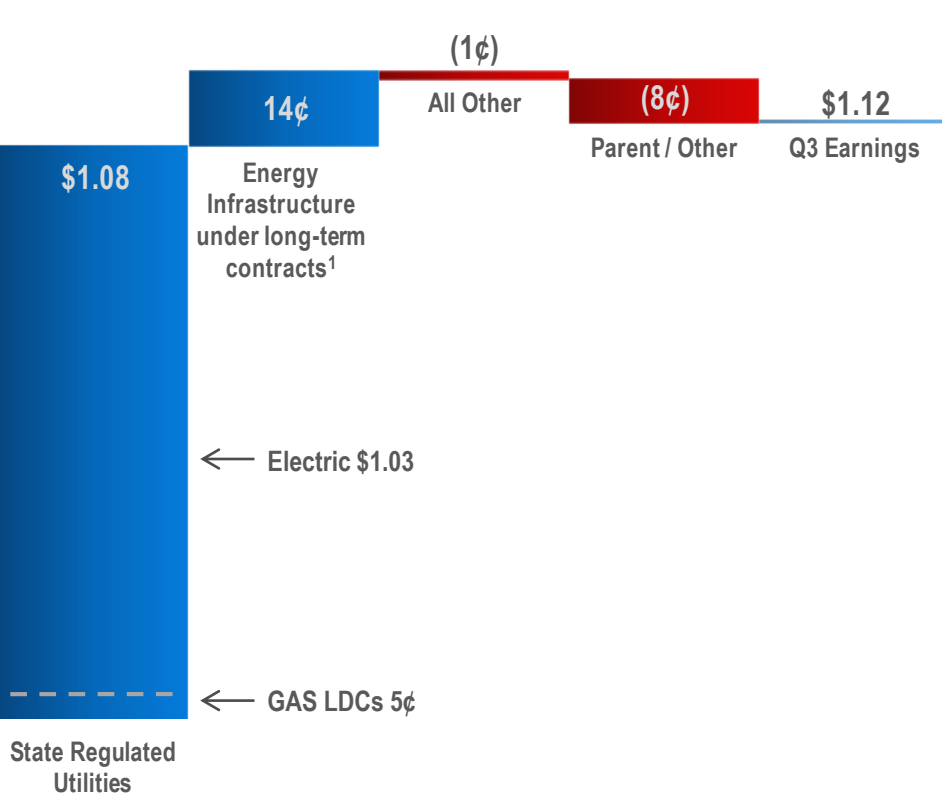
Estimated losses associated with the Kemper IGCC project and additional AFUDC equity as a result of extending the schedule for the Kemper IGCC, acquisition and integration expenses, as well as earnings from Wholesale Gas Services



2017 Q3 and Projected Full Year Adjusted EPS

2017 Q3 Adjusted EPS

2017 Projected Full Year Adjusted EPS



2017 Q4 Estimate = \$0.46 per share

Notes

- 2017 Q3 average shares outstanding = 1,003M
- Estimated average shares outstanding for Full Year 2017 = 1,001M
- Excludes projected merger-related expenses and earnings from Wholesale Gas Services
- Excludes any additional estimated losses associated with the Kemper County energy facility
- Full year guidance provided as of February 22, 2017

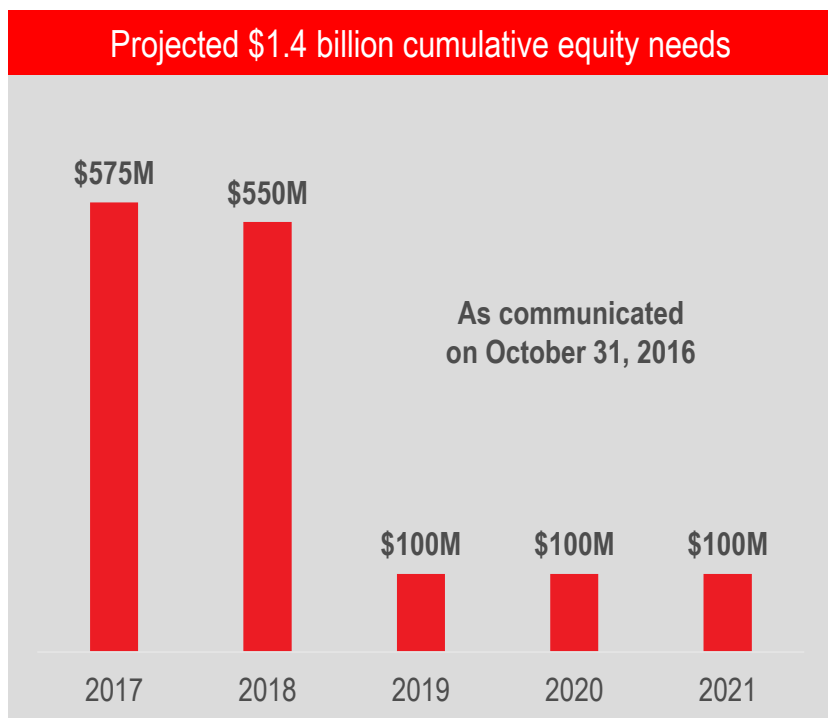
1. Includes Southern Power, interstate natural gas pipelines and company-owned distributed energy resources



Equity Needs Will Continue to Evolve

Several factors are driving changes in long-term equity needs, while our near-term needs have been greatly mitigated.

October 2016 Analyst Day



Equity Drivers Since October 2016 Analyst Day

Potential Equity Need Increases

Kemper write-offs

Updated Vogtle 3&4 estimates

Business Modernization

Potential Equity Need Decreases

Sale of Elizabethtown Gas and Elkton Gas

Southern Power use of third party tax equity

Sale of minority interest in Southern Power solar portfolio

Timing Only / No Long-term Impact

Potential monetization of remaining Toshiba obligation



Appendix

2017 Q3 Earnings Results Reconciliation

(millions)	Q3	
	2017	2016
Net Income As Reported	\$1,069	\$1,139
Estimated Loss on Kemper IGCC	34	88
Tax Impact	(13)	(34)
Acquisition and Integration Costs	6	43
Tax Impact	7	(14)
Wholesale Gas Services	38	18
Tax Impact	(15)	(7)
Earnings Guidance Comparability Item:		
Equity Return Related to Kemper IGCC Schedule Extension	-	(7)
Tax Impact	-	(1)
Net Income Excluding Items	\$1,126	\$1,225
Average Shares Outstanding	1,003	968
Earnings Per Share – Excluding Items	\$1.12	\$1.27

Note: Refer to the footnotes accompanying the financial highlights page of Southern Company's earnings package for the third quarter 2017 for further description of these reconciling items



Vogtle 3&4: Construction Update

Unit 3

Progress

- ✓ Steam Generator A & B set inside Unit 3 Containment vessel
- ✓ Accumulator Tank B set inside the Unit 3 Containment vessel
- ✓ Regulating transformer equipment for EDS-04 installed in Unit 3 Annex building battery room
- ✓ Placed concrete in four critical areas of containment – the refueling cavity, the bottom of the in-containment refueling water storage tank, the west steam generator cubicle walls and the pressurizer cubicle walls

Near term

- Install pressurizer in Unit 3 Containment building
- Place concrete slab at elevation 107'2" inside Containment building

On the horizon

- Set Passive Residual Heat Removal Heat Exchanger



First steam generator placed inside Unit 3 containment vessel

Unit 4

Progress

- ✓ CA01 pressurizer compartment set inside Unit 4 Containment vessel
- ✓ Concrete placed on the east side of Unit 4 Containment vessel to elevation 87'6"
- ✓ Mechanical module R151 set in Unit 4 Auxiliary Building at elevation 66'6"
- ✓ Unit 4 deaerator placed inside turbine building
- ✓ Set CA03 inside containment

Near term

- Set CA02 inside Unit 4 Containment building
- Install Radioactive Waste Drain System Sump Module

On the horizon

- Place concrete under Containment vessel to elevation 100'



Placement of CA03 module on Unit 4 has been completed

17th Vogtle Construction Monitoring (VCM) Schedule

October 6, 2017: Georgia Power testimony filed

November 6-9, 2017: Hearings on Georgia Power testimony

November 27, 2017: Staff and Intervener testimony filed

December 11-14, 2017: Hearings on Staff and Intervener testimony

December 29, 2017: Georgia Power rebuttal testimony filed

January 8-10, 2018: Hearings on Georgia Power rebuttal testimony

February 6, 2018: PSC decision



Kemper Settlement Docket Schedule

October 23, 2017: Direct testimony filed by all parties

November 4, 2017: Rebuttal testimony filed by all parties

December 4, 2017: Hearings begin and will go day-by-day until complete

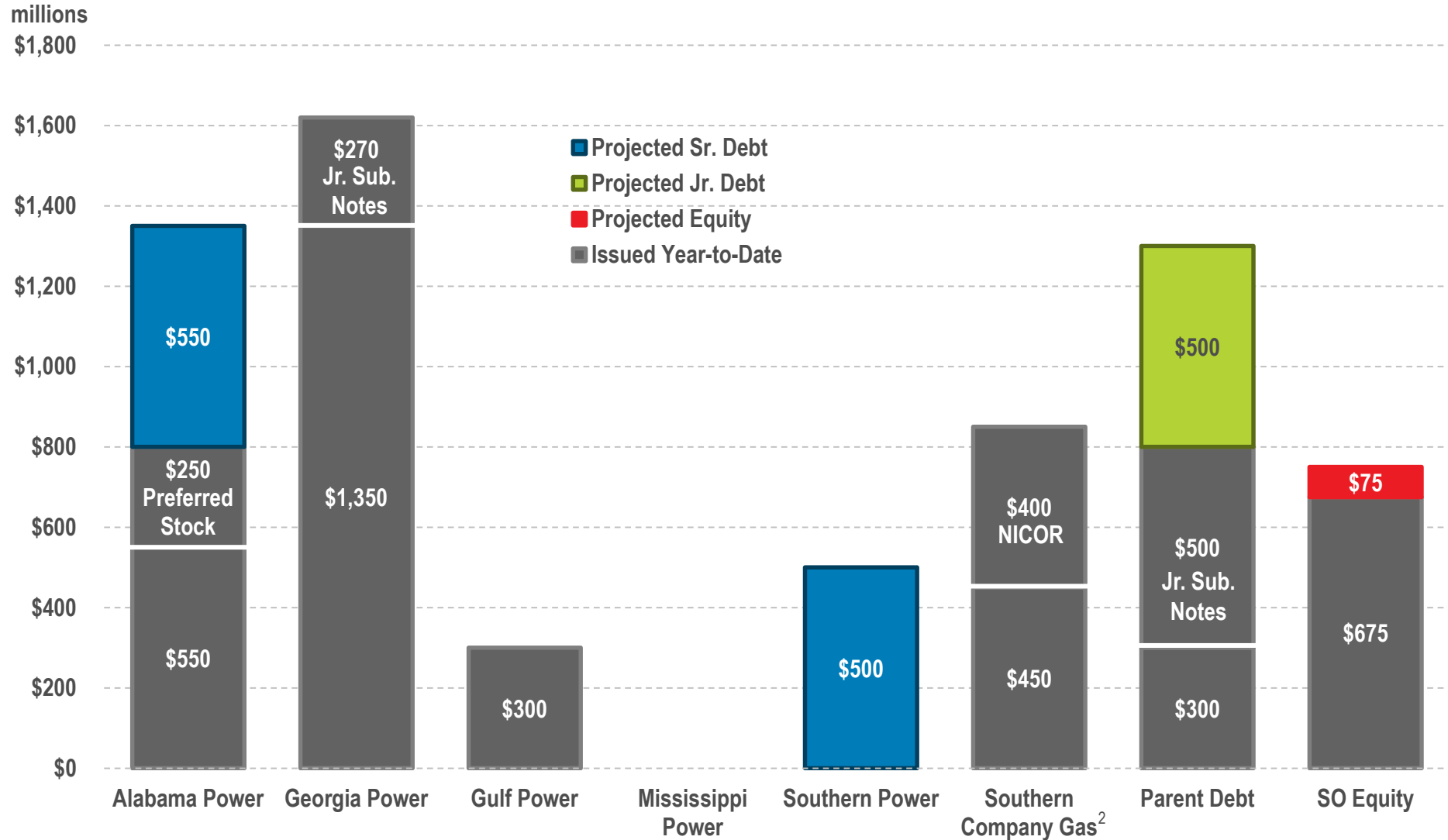
January 2018: PSC decision expected



Southern Company 2017 Financings¹

As of October 31, 2017

\$5 billion long-term capital issued year-to-date / \$1.6 billion remaining in 2017



1. Amount and timing of financings are subject to change based upon numerous factors, including market conditions, regulatory approvals, the Southern Company system's capital requirements and available investment opportunities

2. Includes \$400M of Nicor Gas First Mortgage Bonds, of which \$200M was drawn in August 2017 and \$200M will be drawn in November 2017

Southern Company Liquidity and Credit

As of September 30, 2017

Over \$8.1 billion in combined committed credit facilities and available liquidity of over \$6.6 billion

(in millions)	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2022</u>	<u>Total</u>
Consolidated Credit Facilities Expirations	\$130	\$260	\$25	\$530	\$7,200	\$8,145

	<u>Alabama</u> <u>Power</u>	<u>Georgia</u> <u>Power</u>	<u>Gulf</u> <u>Power</u>	<u>Mississippi</u> <u>Power</u>	<u>SEGCO</u>	<u>Southern</u> <u>Company Gas</u>	<u>Southern</u> <u>Power</u>	<u>Parent</u>	<u>Consolidated</u>
Unused Credit Lines	\$1,335	\$1,732	\$280	\$100	\$30	\$1,861	\$728	\$2,000	\$8,066
Cash ¹	953	266	37	231	-	21	178	25	1,841
Total	2,288	1,998	317	331	30	1,882	905	2,025	9,907
Less: Outstanding CP	-	-	-	-	12	934	120	659	1,725
Less: PCBs Floaters ²	854	550	82	40	-	-	-	-	1,527
Net Available Liquidity	\$1,434	\$1,448	\$234	\$291	\$19	\$948	\$785	\$1,366	\$6,655

Totals may not sum due to rounding

1. Consolidated cash balance includes amounts from non-SEC reporting subsidiaries including PowerSecure, Southern Nuclear, SouthernLINC and others

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

Long-term Debt Maturity Schedule

As of September 30, 2017

(in millions)	<u>Remaining 2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>5Y Total</u>
Alabama Power	\$325	-	\$200	\$250	\$310	\$1,085
Georgia Power	-	850	500	994	369	2,613
Gulf Power	-	-	-	175	-	175
Mississippi Power	35	900	125	7	270	1,337
Southern Power	500	770	600	300	300	2,470
GAS Consolidated	-	155	350	-	330	835
Parent	-	1,000	1,350	900	1,500	4,750
SO Consolidated	\$860	\$3,775	\$3,150	\$2,625	\$3,079	\$13,489

Totals may not sum due to rounding

Excludes capital leases; SO Consolidated includes SEGCO maturities. Does not include fixed rate pollution control bonds subject to remarketing.

SO Long-term Debt
Maturities 2017-2021
\$13.5B

SO Long-term Debt Maturity Profile

