

**Basic Earnings Per Share Excluding Kemper IGCC Impacts, Acquisition and Integration Costs, Equity Return Related to Kemper IGCC Schedule Extension, Southern Company Gas Earnings, net of Acquisition and Integration Costs, Acquisition Debt Financing Costs, Common Stock Share Issuances to Finance a Portion of Southern Natural Gas Company, L.L.C. (SNG) Acquisition, MC Asset Recovery Insurance Settlements and Leveraged Lease Restructure Charge**

Basic earnings per share in 2016 of \$2.57 plus an excluded 28-cent charge (45 cents pre-tax) related to Mississippi Power's construction and associated rate recovery of the Kemper IGCC project, plus an excluded 9 cents (13 cents pre-tax) related to the acquisition and integration of Southern Company Gas, PowerSecure International, Inc. and the 50% interest in SNG, minus 4 cents (3 cents pre-tax) related to the additional allowance for funds used during construction equity as a result of extending the schedule for the Kemper IGCC project, minus 15 cents (24 cents pre-tax) related to earnings, net of acquisition and integration costs, of Southern Company Gas since July 1, 2016 (the date of acquisition), plus 11 cents (18 cents pre-tax) related to the debt financing costs associated with the Southern Company Gas acquisition, plus 3 cents related to the impact of 22.3 million shares of common stock issued in August 2016 to finance a portion of the purchase price of the SNG acquisition. Basic earnings per share in 2015 of \$2.60 plus an excluded 25-cent charge (40 cents pre-tax) related to Mississippi Power's construction of the Kemper IGCC project, plus an excluded 3 cents (5 cents pre-tax) related to the costs of the acquisition of Southern Company Gas, plus an excluded MC Asset Recovery insurance settlement charge of 1 cent (1 cent pre-tax). Basic earnings per share in 2014 of \$2.19 plus an excluded 59-cent charge (97 cents pre-tax) related to Mississippi Power's construction of the Kemper IGCC project and plus an excluded 2 cents (3 cents pre-tax) related to the reversal of previously recognized revenues recorded in 2014 and 2013 and the recognition of carrying costs associated with the 2015 Mississippi Supreme Court decision which reversed the Mississippi Public Service Commission's March 2013 rate order related to the Kemper IGCC project. Basic earnings per share in 2013 of \$1.88 plus an excluded 83-cent charge (\$1.35 pre-tax) related to Mississippi Power's construction of the Kemper IGCC project, plus an excluded 2-cent charge (3 cents pre-tax) related to the restructuring of a leveraged lease investment and minus an excluded MC Asset Recovery insurance settlement of 2 cents (1 cent pre-tax). Basic earnings per share in 2012 of \$2.70 minus an excluded MC Asset Recovery insurance settlement of 2 cents (2 cents pre-tax).

**Beta**

A measure of the volatility of a stock in comparison to the market as a whole. Beta can be described as the tendency of a security's returns to respond to swings in the market.

**Book Value**

A company's common stock equity as it appears on a balance sheet, equal to total assets minus liabilities, preferred and preference stock and intangible assets such as goodwill. Book value per share refers to the book value of a company divided by the number of shares outstanding.

**Diluted Earnings Per Share**

A company's earnings per share calculated by using fully diluted shares outstanding, including the impact of stock option grants and convertible bonds that can be converted into shares of stock in the issuing company.

**Dividend Yield**

The annual dividend income per share received from a company divided by its current stock price.

**Earnings Per Share**

Net income divided by the average number of shares of common stock outstanding.

**Kilowatt-Hour**

A unit of electricity equal to 1,000 watt-hours, delivered by an electric utility steadily for one hour.

**mmbtu**

Abbreviation for million British thermal units.

**Megawatt (MW)**

A measurement of electricity equal to 1,000 kilowatts and typically used when describing large amounts of generating capacity.

**Microgrid**

A group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that act as a single controllable entity with respect to the electric grid. A microgrid can connect and disconnect from the grid to enable it to operate in both grid-connected or island-mode.

**Paralleling Switchgear**

In an electric power system, paralleling switchgear is used to synchronize various electrical generation resources to match voltage, frequency and phase sequence to enable them to simultaneously serve the same electric grid. Paralleling switchgear is a necessary component in microgrids for the delivery of peak performance, system reliability and operating economy.

**Power Usage Effectiveness (PUE)**

A metric used to determine the energy efficiency of a data center. PUE is determined by dividing the amount of power entering a data center by the power used to run the computer infrastructure within it. PUE is expressed as a ratio, with overall efficiency improving as the quotient decreases toward 1.

**Renewable Energy**

Energy generated directly from natural resources such as sunlight, wind, water, biomass, ocean tides and geothermal heat.

**Spinning Reserve**

In electricity networks, operating reserve is the generating capacity available to the system operator within a short interval of time in the event of a disruption to the power supply. Spinning reserve is the extra generating capacity that is available by increasing the power output of generators that are already connected to the power system.

**Synthesis Gas**

A gaseous mixture comprised of carbon monoxide, carbon dioxide and hydrogen. Synthesis gas is produced by the gasification of carbon-containing fuel to a gaseous product that has heating value.

**Total Shareholder Return**

Stock price appreciation plus reinvested dividends. (The distribution of shares of Mirant Corporation stock to Southern Company shareholders is treated as a special dividend for the purposes of calculating Southern Company shareholder return.)