

The *energy* to lead

2016 Summary Annual Report



Contents

2	Chairman's Message
5	Financial Highlights
6	Advancing New Technologies
8	Developing Behind-The-Meter Solutions
10	Improving Our Infrastructure
12	Fueling Growing Demand
14	Harnessing Renewable Resources
16	Delivering Customer Solutions
18	Renewing Our Rivers
20	Serving Our Communities
22	Competing For Our Country
24	Shareholder Value
26	Summary Financials
32	Board of Directors
34	Management Council
36	Glossary

Southern Company System Footprint

On the cover: Located south of Atlanta, Riverdale LNG (liquefied natural gas) is one of Southern Company Gas' largest LNG facilities with a storage capacity of 31 million gallons or 2.56 billion cubic feet (Bcf) of natural gas.

“The energy to lead.” A play on words, to be sure, but one that is grounded in the certainty that Southern Company has the will, the resolve, the talent and the commitment to lead the way in creating America’s energy future. From the advancement of critical technologies that produce cleaner energy to new energy solutions that originate “on the other side of the meter,” Southern Company remains committed to a singular defining mission—to provide clean, safe, reliable and affordable energy to the customers and communities we are privileged to serve, and to make life better for them because we are there.

Thomas A. Fanning

Chairman, President & CEO, Southern Company

Dear fellow shareholders,

One of the hallmarks of Southern Company has always been innovation. From our earliest days when James Mitchell lobbied London investors to secure the capital to build hydroelectric dams and transmission infrastructure in the state of Alabama at a time when electricity was not yet widely available in much of the southeastern United States, innovation has been a fundamental part of our company's DNA.

Fast forward to the present, where we once again find ourselves in a period of great change and opportunity. We live in an increasingly sophisticated digital age, where technology affects virtually everything we do, from how we manage our business operations to how we live our personal lives. At Southern Company, we are not merely adapting to this changing environment—we have the energy to *lead* the change.

As a company, we are committed to "play offense" in this changing environment. We honor our past by pushing forward to build the future of energy. That's why I'm so pleased with our historic growth in 2016. We proudly welcomed more than 6,000 new team members with the additions of AGL Resources (now Southern Company Gas) and PowerSecure. Our wholesale subsidiary, Southern Power, continued to acquire solar, wind and natural gas generation facilities. Southern Company Gas acquired a 50 percent equity interest in the Southern Natural Gas pipeline system. And we announced a strategic alliance between Bloom Energy and PowerSecure for the deployment of fuel cell and battery storage technologies.

Considered collectively, these moves are ultimately expected to provide new opportunities for growth beyond our traditional retail and wholesale business models. They are designed to help meet customers' current and expected future energy needs while diversifying revenue streams and supporting earnings growth. Just as Southern Company has historically embraced the full portfolio strategy with respect to power generation, the company has likewise embraced a strategy of diversification with respect to our portfolio of businesses, with the ultimate objective of supporting the long-term health and prosperity of the enterprise.

With the emergence of natural gas and renewables as increasingly dominant energy solutions—and with the prospect of distributed generation, new technologies and new strategic alliances—we recognize and value the changing energy landscape. Southern Company is committed to placing itself at the forefront of a rapidly evolving energy industry. The events of this past year underscore the fact that we are doing more than simply preparing for America's energy future. We are *creating* it.

The following is a brief synopsis of progress achieved during the past year with respect to our five strategic priorities:

Excel at the Fundamentals

Our traditional electric 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. Southern Company was named to *Fortune* magazine's World's Most Admired Electric and Gas Utilities—one of only two companies to rank in the top three for each of the past seven years.

2016 was another outstanding year for our generating fleet, as well as our transmission and distribution systems. The system-wide equivalent forced outage rate (EFOR) for the combined winter and summer peak seasons—a major industry measure of reliability—was 1.76 percent, significantly better than our industry peers' 2.27 percent, an average of our best peers' EFOR for 2012-2014.

Achieve Success with Major Construction Projects

This past year saw significant milestones associated with our major construction projects, the Kemper County Energy Facility in Mississippi, and Plant Vogtle units 3 and 4 near Augusta, Georgia, both of which are at the forefront of innovation.

When placed in service, the Kemper County Energy Facility will be the first electric generation facility to utilize Transport

Integrated Gasification (TRIG™) technology at commercial scale, deploying low-grade lignite coal to generate electricity from synthesis gas. The facility has been designed to produce electricity as cleanly as a natural gas facility while capturing 65 percent of the carbon dioxide emissions produced.

Progress also continues at our other major construction project, the building of new nuclear units 3 and 4 at Georgia Power's Plant Vogtle. In November, workers placed the first nuclear reactor vessel in the state of Georgia in more than 30 years. When completed, these new units will generate electricity for homes and businesses throughout the state of Georgia.

Support the Building of a National Energy Policy

We continue our leadership role to support a comprehensive national energy policy through active engagement in public policy debate, working constructively with legislators and regulators to support energy policy that develops the full portfolio of generation sources, embraces innovation and promotes America's financial integrity.

The company is working with lawmakers on both sides of the aisle to advance the North American Energy Security and Infrastructure Act—a bipartisan effort that would help modernize our nation's energy infrastructure, protect the power grid, strengthen energy security and improve energy efficiency.

Promote Energy Innovation

Our team at the Energy Innovation Center is busy evaluating ideas and opportunities and developing new products and services to deliver tomorrow's energy solutions, today. From indoor agriculture to electric transportation options and the charging infrastructure to support them, we are inventing the future of energy.

And because no one has a monopoly on good ideas, we are engaged in various partnerships with both the public and private sectors, engaging some of the finest minds and creative resources available. In October, for example, we announced a strategic alliance between Bloom Energy and our subsidiary, PowerSecure, which will include project investment and joint technology development to provide behind-the-meter energy solutions. Together, Bloom and PowerSecure are delivering

reliable on-site generation solutions tuned to the customer's precise power requirements that can flexibly adapt to changing conditions, allowing for intelligent optimization of their energy usage while driving cost savings and long-term cost certainty.

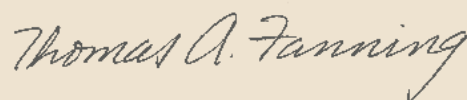
Value and Develop Our People

I am proud to report that in 2016 Southern Company was recognized by DiversityInc as one of the "Top 50 Companies for Diversity." DiversityInc also ranked Southern Company number one on its list of "Top 10 Companies for Opportunity." This is especially meaningful because it testifies that we were recognized not only for cultivating a diverse workplace, but that we are also considered the number one company in America in which the individuals who comprise that diverse workforce are afforded the opportunity to advance their careers. In addition, we earned a perfect score from the Human Rights Campaign on their Corporate Equality Index for 2017.

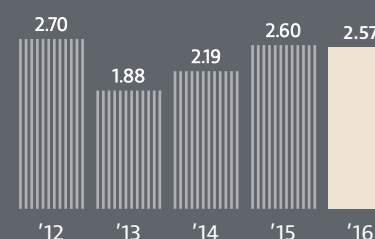
Studies show that diverse environments not only increase overall business performance, but also provide a space where employee differences foster innovation and true inclusiveness. At Southern Company, we are committed to the notion that true diversity refers not only to diversity of human attributes, but also diversity of thought. As a result, I've challenged our leadership with increasing our cultural bandwidth to breed creative disruption as we look for ways to shape energy policy and business strategy.

In closing, I would like to emphasize that I have never been more enthusiastic about the future. Rest assured, we remain committed to the ideals that have characterized our company for more than 100 years. James Mitchell's original vision and purpose is not forgotten. Customers remain at the center of all we do, and our mission continues to be bigger than our bottom line. On behalf of our management and employees, I want to thank you for your continued support.

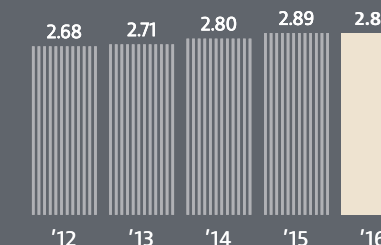
Sincerely,



Thomas A. Fanning
March 20, 2017

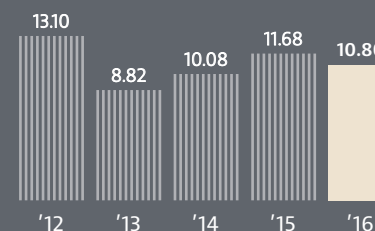


Basic Earnings Per Share
(in dollars)

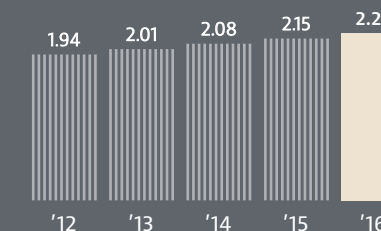


Basic Earnings Per Share Excluding Kemper IGCC Impacts, Acquisition and Integration Costs, Equity Return Related to Kemper IGCC Schedule Extension, Southern Company Gas Earnings, net of Acquisition and Integration Costs, Acquisition Debt Financing Costs, Common Stock Share Issuances to Finance a Portion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

	2016	2015	Change
Operating Revenues (in millions)	\$19,896	\$17,489	13.8 %
Earnings (in millions)	\$2,448	\$2,367	3.4 %
Basic Earnings Per Share	\$2.57	\$2.60	(1.2)%
Diluted Earnings Per Share	\$2.55	\$2.59	(1.5)%
Dividends Per Share (amount paid)	\$2.2225	\$2.1525	3.3 %
Dividend Yield (year-end, percent)	4.5	4.6	(2.2)%
Average Shares Outstanding (in millions)	951	910	4.5 %
Return On Average Common Equity (percent)	10.80	11.68	(7.5)%
Book Value Per Share	\$25.00	\$22.59	10.7 %
Market Price Per Share (year-end, closing)	\$49.19	\$46.79	5.1 %
Total Market Value Of Common Stock (year-end, in millions)	\$48,717	\$42,659	14.2 %
Total Assets (in millions)	\$109,697	\$78,318	40.1 %
Total Kilowatt-Hour Sales (in millions)	195,641	190,989	2.4 %
Retail	160,745	160,484	0.2 %
Wholesale	34,896	30,505	14.4 %
Total mMBtu Sales (in millions)	349	—	—
Total Utility Customers* (year-end, in thousands)	9,179	4,546	101.9 %

* 2016 total utility customers now includes customers of Southern Company Gas. These customers were not previously included in this reporting category prior to Southern Company's acquisition of Southern Company Gas.



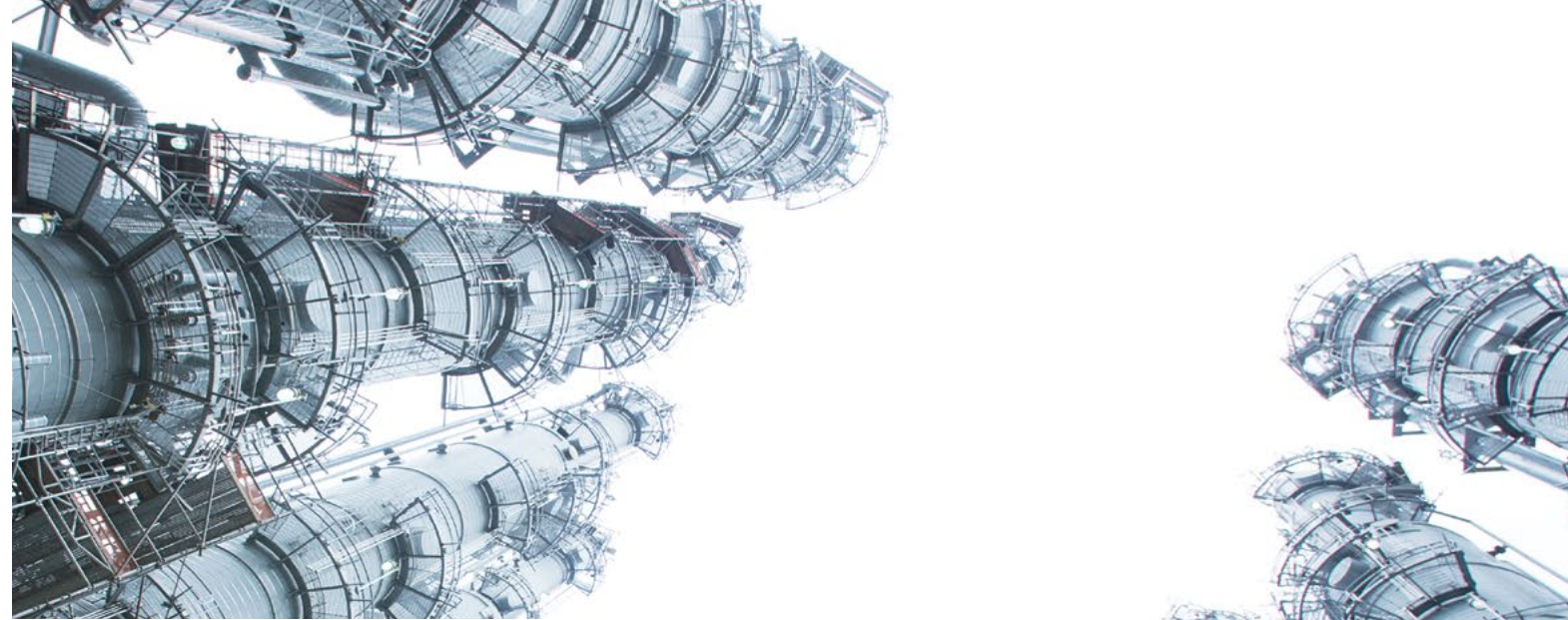
Bird's-eye view of Unit 3 nuclear island under construction at Georgia Power's Plant Vogtle, near Augusta, Georgia

582 MW

Expected generating capacity of Mississippi Power's Kemper County Energy Facility

60 Stories

Height of Plant Vogtle units 3 and 4 cooling towers, taller than any building in 26 states



Bruce Harrington, plant manager (left) and Jeff Parsley, general manager observe the gasifiers at Mississippi Power's Kemper County Energy Facility in Kemper County, Mississippi.



The *energy* to advance new technologies

At both Mississippi Power's Kemper County Energy Facility and new nuclear units 3 and 4 at Georgia Power's Plant Vogtle, Southern Company and its subsidiaries are inventing the future of energy by advancing clean coal technology and next generation nuclear solutions that are expected to deliver clean, safe, reliable and affordable energy to customers for decades to come.

2016 saw significant milestones at Southern Company's two major construction projects, Mississippi Power's Kemper County Energy Facility, and Georgia Power's Plant Vogtle units 3 and 4 near Augusta, Georgia.

Kemper County Energy Facility

Mississippi Power's state-of-the-art Kemper County Energy Facility has been running on natural gas since August of 2014, supplying a significant portion of the electricity used by Mississippi Power customers, and operating approximately four times more efficiently than the industry average for combined cycled plants.

This integrated gasification combined cycle design employs a technology called TRIG™, or Transport Integrated Gasification. TRIG was developed at the Power Systems Development Facility at the National Carbon Capture Center in Wilsonville, Alabama—a research facility operated by the Southern Company system on behalf of the United States Department of Energy.

With TRIG, the Kemper County Energy Facility will be able to convert native Mississippi lignite coal into clean-burning synthesis gas while reducing emissions of sulfur dioxide, nitrogen oxides, carbon dioxide and mercury. The technology is designed to capture some 65 percent of the carbon dioxide emissions produced on-site. The facility is also a zero liquid discharge facility which means that none of the water used in generating electricity is released into surrounding rivers and streams.

Plant Vogtle Units 3 and 4

In November of 2016, workers placed the first new nuclear reactor vessel in the state of Georgia in more than 30 years. The 306-ton reactor vessel was lifted into its permanent location inside the Unit 3 nuclear island using one of the largest cranes in the world—a heavy-lift derrick with a 560-foot front boom. The reactor vessel will function as a heat source from the nuclear fission process to produce steam that will generate electricity for homes and businesses throughout Georgia.

Also in November, workers safely placed the CA-01 module for Unit 4—the project's second heaviest lift. This module, made entirely of steel, will house two steam generators for Unit 4, in addition to other equipment.



PowerSecure staff inspect a PowerBlock® generation unit in the equipment yard at Aligned Data Center's Plano, Texas facility.

1,600+

The number of generation systems installed in the U.S. by PowerSecure.

1,000 MW

The amount of clean diesel and natural gas dispatchable load owned or operated by PowerSecure.

The *energy* to develop behind-the-meter solutions

When Aligned Data Centers (ADC) designed their state-of-the-art data center in Plano, Texas, they turned to Southern Company subsidiary PowerSecure for help in creating one of the most reliable, sustainable and cost-effective data centers commercially available. PowerSecure has become an integral part of the ADC team and is currently working with the company to develop data centers in Arizona, Virginia and California.

Completed in April 2016, ADC's new Plano, Texas facility incorporates mission critical power systems and microgrid technologies developed by PowerSecure. PowerSecure provided all electrical systems from the utility substation to the wiring that serves the data servers. The backbone of this mission-critical electrical system is a 12.5 megawatt microgrid that not only provides 100 percent standby power with N+4 redundancy, but also parallels with the local utility grid to enhance grid stability and provide peak load management. The system includes five integrated 2.5-megawatt Tier 4 PowerBlock® generation systems, including all medium and low-voltage NexGear® advanced paralleling switchgear.

Reliability

In addition to providing standby power to the Plano facility, the microgrid's revolutionary configuration also dramatically increases the reliability of the data center. "Industry-leading sustainability and reliability are key elements in our company's mission," remarks Aligned Data Centers CEO Jacob Carnemark. "An independent study indicated that our Plano data center is 2.5 times less likely to fail than our competitors' facilities, thanks to the PowerSecure microgrid. We also appreciate PowerSecure's 24/7 remote monitoring system, PowerControl®, which continuously monitors the grid for potential instability and further enhances our ability to provide high value to our customers."

Efficiency and Carbon Reduction

ADC's Plano data center is highly energy efficient. ADC guarantees a power usage effectiveness (PUE) rating of 1.25, the lowest in the industry.

ADC utilizes a patented cooling system which uses 80 percent less electricity and 85 percent less water than systems at many data centers. ADC's goal of industry-leading sustainability is further enhanced by PowerSecure's microgrid. "Our microgrid serves as a non-spinning substitute for utility spinning reserve," says Mark Martyak, chief of sales for PowerSecure's distributed generation business. "Being truly carbon-neutral or carbon-negative can only be accomplished by looking at the impact of a data center on the entire grid, not just on the facility site."



Aligned Data Center CEO Jacob Carnemark (left) and PowerSecure chief of sales for distributed generation Mark Martyak in the UPS 1 switchgear room at ADC's Plano, Texas data center.

Christa Markgraff, vice president, operations, Nicor Gas (foreground), Aurelio Mendez, construction supervisor, Nicor Gas (middle) and Joe Wagner, public works superintendent, Village of Berkeley, Illinois (right) observe the installation of new residential natural gas pipelines, part of the *Investing in Illinois* infrastructure project.



The *energy* to improve our infrastructure

Through an accelerated improvement initiative called *Investing in Illinois*, Nicor Gas is upgrading and modernizing its infrastructure, replacing hundreds of miles of aging natural gas pipeline and underground storage systems and refurbishing regulator stations that control natural gas pressure. *Investing in Illinois* is designed to help ensure the continued safe and reliable delivery of natural gas in the state of Illinois for years to come.

In 2013, the Illinois Natural Gas Consumer, Safety and Reliability Act established a mechanism for advancing the modernization of natural gas infrastructure in the state of Illinois. Not long thereafter, Nicor Gas—the largest natural gas distribution company in Illinois and a subsidiary of Southern Company Gas (formerly AGL Resources)—introduced *Investing in Illinois*, a multi-year, multi-million dollar construction initiative designed to accelerate the replacement of aging infrastructure. This important work continues today.

Safety, Reliability and Superior Customer Experience

The customers and communities served by Nicor Gas stand to benefit from enhanced safety and reliability. In addition, customers can expect an improved customer service experience with the anticipated reduction in the need for future repairs. Indoor gas meters are also being relocated outdoors, resulting in additional customer convenience.

“Essentially, what we do is replace aging cast iron and bare steel gas distribution pipelines with modern, state-of-the-art plastic pipes,” says Christa Markgraff, vice president, operations. “We’ve also replaced dozens of natural gas pressure regulating stations, as well as facilities that compress, withdraw and treat natural gas stored underground.”

Economic Benefits

Investing in Illinois is not only an investment in continued safety and reliability, but an investment in the regional economy. The program has served to strengthen the Illinois economy by creating new jobs, spurring economic development and increasing the demand for goods and services.

A stable, modern infrastructure is the foundation of a strong business environment in the state. Upgrading the natural gas system allows Nicor Gas to continue to meet the demands of current customers looking to expand their businesses, as well as potential customers looking to locate in the company’s service area.

Increased business activity has generated a higher demand for goods and services. For example, Nicor Gas is ordering more pipe, fittings and other materials to support the ongoing improvements. Bringing more work, more jobs and more income injects more spending back into the economy.



320 Miles

The equivalent distance of natural gas main placed into service through *Investing in Illinois*

\$548 Million

invested in infrastructure placed into service since the inception of the program



Randy Johnson, Southern Company's director of transportation development, charges an electric vehicle at one of Georgia Power's convenient charging stations in metro Atlanta.

The *energy* to fuel growing demand

With numerous automakers planning to introduce new plug-in electric vehicles, the future of electric transportation looks bright. With growing demand and the advent of more consumer choices, Southern Company's subsidiaries are poised to serve this expanding market.

20%

The U.S. government has mandated that 20 percent of its vehicle fleet be electrified by 2025.

40+

models of plug-in electric vehicles are expected to be on the road by 2019.

Southern Company continues to advance electric transportation through innovative programs that make driving a plug-in electric vehicle (PEV) more convenient than ever. For example, to accommodate the growing number of PEVs on Georgia roadways, Georgia Power installed 36 new public charging locations in 2016 in cities across the state, with more to come in 2017. Since launching its *Get Current, Drive Electric™* initiative in 2015, Georgia Power estimates that approximately 2,500 PEV chargers have been installed statewide by the company and its customers.

Plug-In Electric Vehicle Choices Expected to Grow

"With more automakers introducing new PEVs—and with battery ranges increasing—my colleagues at Georgia Power have really stepped up with the implementation of new charging infrastructure, customer education and special rate plans" says Southern Company's director of transportation development, Randy Johnson.

Georgia Power public charging islands feature multiple options for PEV drivers including a DC fast charger as well as a dual port Level 2, 208/240-volt charger.

Georgia Power has also issued more than 2,100 rebates to residential and business customers through the *Get Current, Drive Electric™* program. In addition, the company offers a plug-in electric vehicle charging rate, which helps customers save even more just by taking simple actions like setting a timer to charge their PEV at night and shifting electricity usage as seasons and demand times change.



The *energy* to harness renewable resources

\$2 Billion

Southern Power investment in
wind projects in 2016

1,400+ MW

Southern Power wind generating
capacity nationwide

Wholesale energy subsidiary Southern Power helps Southern Company build the future of energy by investing in clean energy solutions. Southern Power is an advocate for the full portfolio of energy resources and its renewable assets—including wind, solar and biomass facilities—account for more than half of the Southern Company system’s renewable generation capacity.

As Southern Company’s wholesale energy subsidiary, Southern Power helps meet the electricity needs of municipalities, electric cooperatives, investor-owned utilities and other energy customers throughout the nation. Southern Power and its subsidiaries own or have the rights to more than 45 facilities operating or under construction, representing more than 12,500 megawatts of generating capacity in 11 states. This includes over 3,000 megawatts of renewable generation, including solar, wind and biomass generation facilities. That diversity of geography and sources of power generation have helped Southern Power earn its reputation as America’s premier wholesale energy partner.

Wind Energy

In 2015, due to an improved earnings profile for wind energy, Southern Power began looking to invest in wind projects that included long-term power purchase agreements with creditworthy counterparties. By the close of 2016, Southern Power had established itself as a leader in wind generation, investing approximately \$2 billion to acquire five wind projects, more than tripling the size of its operating wind fleet in the process. Today, Southern Power owns more than 1,400 megawatts of wind generating capacity at facilities operating or under development in Oklahoma, Texas and Maine.

“2016 saw a greater emphasis on wind energy for Southern Power with the acquisition of five new wind facilities,” said Southern Power General Manager of Project Implementation Edgar Nunez. “Customers’ appetite for renewable energy solutions continues to grow, and wind has become an increasingly attractive option. Wind is a mature technology that has a strong economic profile.”

Future Growth Opportunities

The future of wind energy at Southern Power looks promising. The company recently entered into a joint development agreement that is expected to create growth opportunities over the next five years. That partnership has already identified 10 potential wind projects that would be incremental to the existing fleet and provide approximately 3,000 megawatts of additional renewable generation upon completion.

Edgar Nunez, general manager of project implementation for Southern Power, inspects wind turbines at the company’s Salt Fork Wind Facility near Amarillo, Texas.





Gulf Power's Energy Checkup program provides homeowners with a free analysis of their home's energy use and a custom recommendation to save energy and money.

90,000

free Energy Checkups conducted by Gulf Power since 2000

2 billion kWh

energy use avoided through energy-efficiency efforts across the Southern Company system since 2000

The *energy* to deliver customer solutions

Throughout the Southern Company system, customers are at the center of all we do. In Mary Esther, Florida, Gulf Power Residential Energy Consultant Carl Jackson is a familiar face in the community, functioning as an advocate and problem solver for customers, providing answers to energy-related questions and assisting with the installation of cost-saving, energy-efficient systems and appliances.

Throughout its long and rich history, Southern Company has maintained a steadfast commitment to keep customers at the center of everything we do. It's a simple business model that has served as our guiding principal for more than 100 years. In that same vein, the company and its subsidiaries have embraced the concept of community involvement with a pledge to be "a citizen wherever we serve." In Mary Esther, Florida, Gulf Power Residential Energy Consultant Carl Jackson also "serves where he is a citizen."

Community Connections

Born and raised in Mary Esther, Carl is passionate about serving customers in his local community. Because his customers are also his neighbors, Carl shares a special bond with the community that affords him the opportunity to provide uniquely personalized service. A Gulf Power employee for more than 25 years, Carl currently serves as a residential energy consultant, where he works with customers in the greater Fort Walton Beach area to improve their daily lives through energy education.

"Working with Gulf Power allows me to be a blessing to others right here in the community where I live," Carl explains. "I couldn't ask for a better job."

Energy Savings for Customers

Carl is one of several Gulf Power representatives who help facilitate the Energy Checkup program, which helps customers find ways to conserve energy and save money on their bill, including low-cost and no-cost recommendations. Customers may choose an online checkup or an in-home checkup with an energy expert like Carl for a personalized analysis of their energy consumption, including energy-saving tips and information about energy-efficiency programs.

When Carter Gray reached out to Carl for help with his newly purchased home, Carl provided a personalized inspection of the house, including the attic, insulation, HVAC units and other appliances. After his inspection, Carl worked with Mr. Gray to create an energy savings action plan. The first step was to install a new electric water heater.

"We have seen a nice savings on our monthly power bill since installing our electric water heater," Mr. Gray describes. "It's a big improvement for our family."



Customer Carter Gray (left) converses with Gulf Power Residential Energy Consultant Carl Jackson on the front porch of his home in Mary Esther, Florida.

The *energy* to renew our rivers

When Gene Phifer saw that parts of the Coosa River near his community had become filled with debris, he organized a small volunteer group to remove the garbage from those waters. Now, 17 years later, more than 100,000 volunteers have removed over 14 million pounds of debris from southeastern waterways through what is now known as the Renew Our Rivers program.

Renew Our Rivers is a company-sponsored volunteer effort that aims to keep waterways throughout the Southeast healthy through regular cleanups. The award-winning environmental stewardship program is a collaborative partnership between Southern Company subsidiaries and communities throughout the Southeast.

"Renew Our Rivers is a unique partnership that includes businesses, federal and state agencies and community residents united by a common cause – the preservation of our waterways," says founder and Alabama Power retiree Gene Phifer. "Through the coordinated efforts of those people and entities, we have accomplished a lot."

While the program is improving rivers and waterways for future generations to enjoy, it is also educating communities on the impact of litter and the importance of conservation efforts. "We remove stoves, ovens, gasoline containers – you name it," explains Gene. "Volunteers can't believe some of the things they are finding in the very sources of the water they drink."

100,000+

volunteers have participated in Renew Our Rivers since its inception

14.2 Million

pounds of trash and debris removed from waterways in four states

Expanding Reach

Today, Renew Our Rivers touches almost every major river system in Alabama, Florida, Georgia and Mississippi, with company coordinators in each state facilitating volunteer cleanup efforts. Mike Clelland, Alabama Power environmental specialist, works closely with colleagues across the system to ensure the program's continued success.

"As the Southern Company footprint expands, so does the impact of Renew Our Rivers," remarks Mike. "We have covered thousands of miles of shoreline and we continue to grow. This program is making a tremendous difference for our local communities."



Renew Our Rivers founder Gene Phifer (left) and Alabama Power Environmental Specialist Mike Clelland enjoy the pristine waters of Turkey Creek, near Pinson, Alabama.

Dan Fritts (right), founder of Camp Eagle Ridge, and Tommy Jackson, area manager at Mississippi Power, have a shared vision for helping the kids who attend the camp.



The *energy* to serve our communities

When Dan Fritts, a physical therapist in Collinsville, Mississippi, imagined starting a camp for at-risk youth, Mississippi Power was there to help. Camp Eagle Ridge was the result, and Mississippi Power's support for the camp continues.

Camp Eagle Ridge, founded in 2010 by Dan Fritts in Collinsville, Mississippi, is a summer camp where children of all ages can enjoy constructive activities while building character and learning leadership skills. Its mission is to teach campers that with vision, determination, persistence and courage they can attend college and earn a degree. The camp aims to improve high school graduation rates, provide the community with volunteer opportunities and offer scholarships to high school senior volunteers.

"We have kids coming from a variety of different backgrounds and their minds are often set in terms of their limitations," explains Dan. "Our goal is to open up these kids' minds to the possibilities of what their lives can be."

Committed to Community

The success of Camp Eagle Ridge would not be possible without the support of the community, including Mississippi Power volunteers. Through Mississippi Power's Community Connection volunteer program, employees volunteering at the camp can witness the impact they're making firsthand. Early on, Mississippi Power linemen from the immediate area pitched in with time and materials to build a high ropes course, which remains one of the most popular features with campers.

"Giving back to our community is very important at Mississippi Power. Not just with our funds, but also with our time," says Tommy Jackson, area manager for Mississippi Power. "This is the community we live and work in. It only makes sense that we take part in making it better."

"For Mississippi Power to rally around a small and largely unknown camp has made a tremendous difference," adds Dan. "It made this camp possible."

The Future Generation

More than 500 students attend Camp Eagle Ridge each summer and leave feeling confident and empowered to achieve their dreams. Tommy hopes campers are forever changed by their experience and are encouraged to give back to their communities in the future.

"Imagine if just one of those 500 campers decides to pay it forward in the future," says Tommy. "What an incredible opportunity."



Mississippi Power linemen provided the manpower and materials to build a high ropes course at Camp Eagle Ridge.

500+
children enjoy Camp Eagle Ridge
each summer

6 Years
of helping children discover their
full potential

The *energy* to compete for our country

On the job, Khadijah Diggs is helping Southern Company build the future of energy. Off the clock, she is a Team USA triathlete in training for this year's world championships. Khadijah approaches her role with Southern Company Services' program management office with commitment and determination. She applies that same energy and discipline as she prepares to compete for her country.

As part of the program management team at Southern Company Services, Khadijah Diggs helps organizations within the Southern Company system bring their ideas to fruition through organizational project and program management. She focuses primarily on information technology projects, but lends her expertise to other functional areas. Khadijah is currently managing a power plant implementation project, a lease accounting program and an integration project with Southern Company Gas—all key initiatives that require focus and skill.

Committed to Compete

Competing in triathlons didn't always come naturally for Khadijah. She competed in her first triathlon—the Iron Girl Atlanta Women's Triathlon at Lake Lanier, Georgia—as part of a sorority event. When she finished third from last she wasn't discouraged, Khadijah was energized. Before long, she had signed up to compete in two more triathlons.

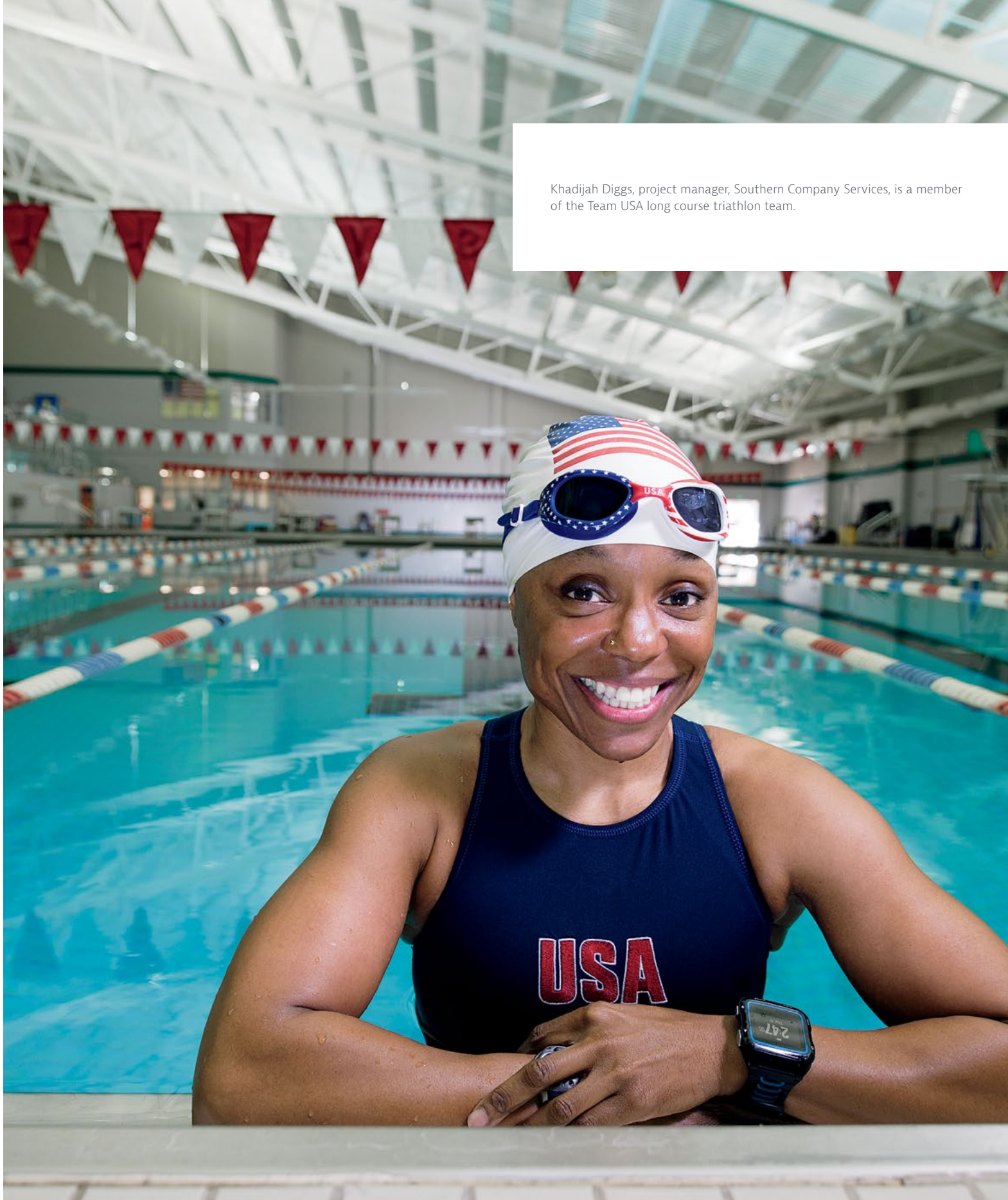
"I just went on like that for about two years, competing in random triathlons," says Khadijah. "When I realized I had the potential to compete at a higher level, I started training in earnest and made it a goal to represent the United States in the long course triathlon."

A Team USA Triathlete

On November 13, 2016, Khadijah participated in the United States long course national championship in Miami, Florida. As Khadijah crossed the finish line among the top 18 finishers, she had achieved her goal—she was officially a member of Team USA.

"I just ran. I didn't think about anything. When I crossed the line my run coach ran to me, grabbed me and said 'you did it!'" describes Khadijah. "It was pretty emotional."

Khadijah is currently training for the world championships which will take place in Penticton, British Columbia, Canada later this year. As preparation, Khadijah trains six days a week averaging more than 200 miles a week swimming, running and biking. Khadijah explains, "When everybody else is watching TV and resting, I am training."



Khadijah Diggs, project manager, Southern Company Services, is a member of the Team USA long course triathlon team.



Khadijah plans to ride her faithful bike, The Green Machine, in the world championships later this year.

237

The approximate number of miles Khadijah bikes, swims and runs each week while in training.

The *energy* to build shareholder value

Throughout Southern Company's history, an unwavering commitment to customers has been a cornerstone of our business. We believe keeping customers at the center of all we do ultimately translates to value creation for investors, and this has been borne out in the results we've delivered year after year.

Over the long term, Southern Company has proved to be a solid investment, outperforming the S&P 500 over the 10-, 20- and 30-year periods ended December 31, 2016. Our dividend—an important part of that performance—increased for the 15th consecutive year in 2016, and we have paid shareholder dividends every quarter since 1948.

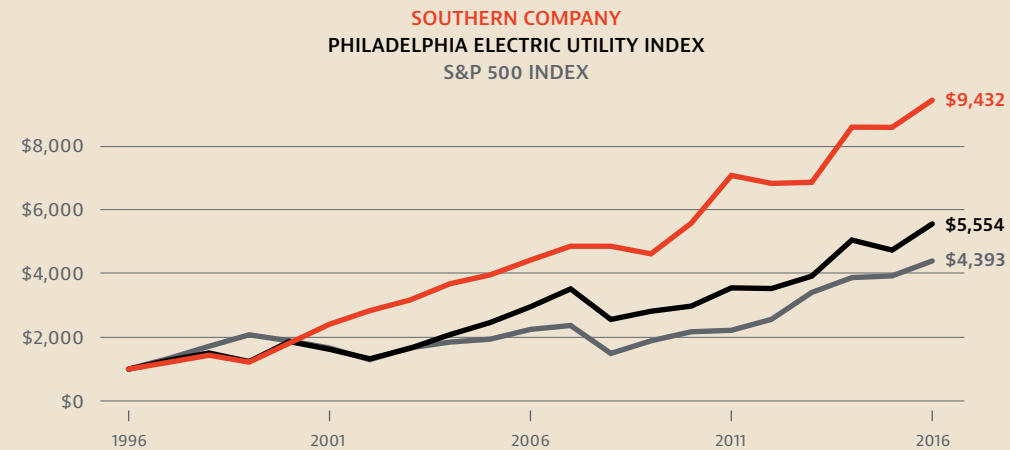
At year-end, Southern Company's dividend yield was 4.5 percent, compared with approximately 2.0 percent for the S&P 500. Over the past 20 years, dividends and dividend reinvestment have

accounted for approximately 69 percent of the increase in our shareholder value, compared with approximately 40 percent of the increase in shareholder value for the S&P 500.

Of course, dividends do more than simply provide cash to shareholders; they help shape a company's approach to risk. Once again, the proof is in the numbers. In 2016, Southern Company was the second-least volatile stock in the Philadelphia Electric Utility Index. Stocks with low volatility are often less prone to price swings during times of market stress, and are therefore considered more stable.

Keeping customers first—along with stellar reliability and prices below the national average—has enabled us to sustain operational success, reinforcing our reputation for delivering exceptional long-term shareholder value.

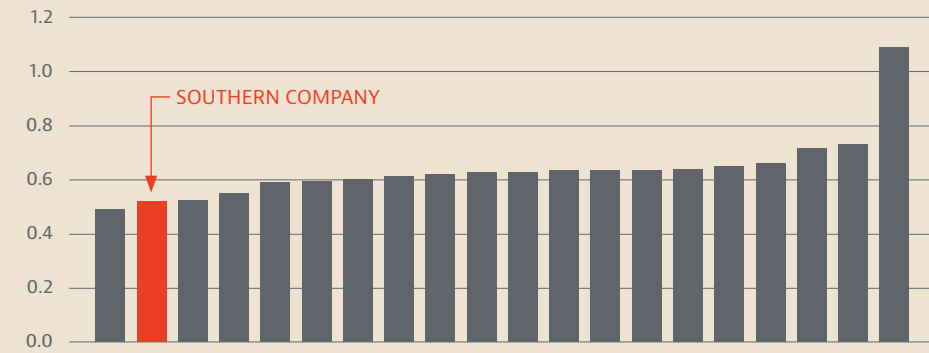
Value of \$1,000 Invested Over 20 years



This performance graph compares the cumulative return on Southern Company (SO) common stock with the Philadelphia Electric Utility Index (UTY) and the Standard & Poor's (S&P) 500 Index for the past 20 years. The average annualized return during the 20-year period is 11.9 percent for Southern Company, compared to 8.9 percent for the UTY and 7.7 percent for the S&P 500. The graph assumes that \$1,000 was invested in Southern Company common stock and each of the above indices on December 31, 1996, and that all dividends were reinvested. A five-year performance graph is included in the Annual Report to Stockholders.

See Glossary on page 36 for information on total shareholder return.
Source: FactSet and Bloomberg

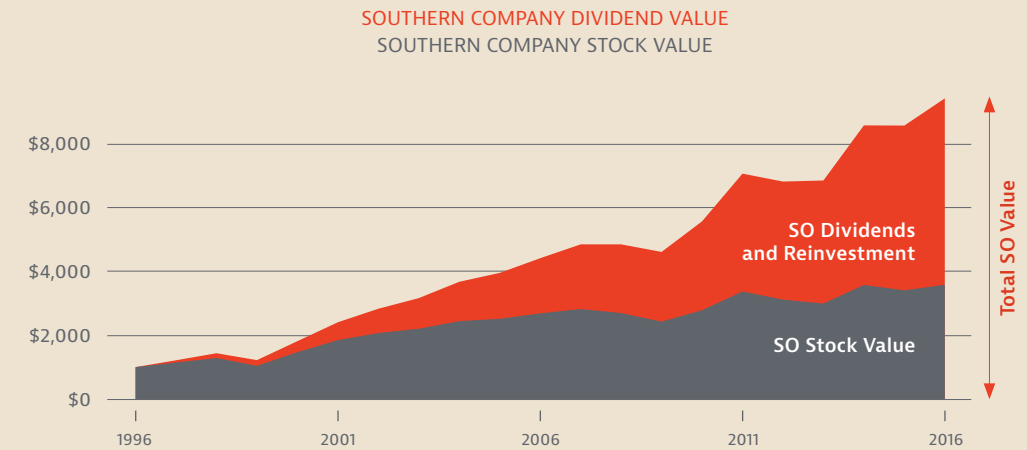
Value Added by Low Volatility Relative to the Market



This chart shows the volatility of each of the 20 utilities in the Philadelphia Electric Utility Index (UTY). Volatility refers to the tendency of a stock to react to swings in the market. Southern Company had the second-lowest level of volatility in the UTY Index.

See Glossary on page 36 for information on beta.
Source: FactSet and Bloomberg, five-year beta as of December 31, 2016

Value Created by Dividend and Price Performance



This chart shows the power of Southern Company's dividend. Over the last 20 years, a \$1,000 investment in Southern Company grew to \$9,432. Price increases contributed \$2,583 and dividends, with reinvestment, accounted for an increase of \$5,849, or approximately 69 percent of the gain in value. The graph assumes that \$1,000 was invested in Southern Company common stock on December 31, 1996, and that all dividends were reinvested.

See Glossary on page 36 for information on total shareholder return.

Cautionary Statement Regarding Forward-Looking Statements

Southern Company's 2016 Summary Annual Report contains forward-looking statements. Forward-looking statements include, among other things, statements concerning the expected completion of construction projects. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "should," "expects," "plans," "anticipates," "believes," "estimates," "projects," "predicts," "potential" or "continue" or the negative of these terms or other similar terminology. There are various factors that could cause actual results to differ materially from those suggested by the forward-looking statements; accordingly, there can be no assurance that such indicated results will be realized. These factors include:

- 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, sustaining nitrogen supply, 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 Public Service Commission (PSC));
- 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 the ultimate impact of the 2015 decision of the Mississippi Supreme Court, the Mississippi PSC's December 2015 rate order, and related legal or regulatory proceedings,

Mississippi PSC review of the prudence of Kemper IGCC costs and approval of further permanent rate recovery plans, actions relating to proposed securitization, satisfaction of requirements to utilize grants, and the ultimate impact of the termination of the proposed sale of an interest in the Kemper IGCC to South Mississippi Electric Power Association (now known as Cooperative Energy);

- 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, 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 subsidiaries 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;
- the effect of accounting pronouncements issued periodically by standard-setting bodies; and
- other factors discussed elsewhere herein and in other reports, including the Annual Report on Form 10-K for the year ended December 31, 2016 (the Form 10-K), filed by Southern Company from time to time with the Securities and Exchange Commission.

Southern Company expressly disclaims any obligation to update any forward-looking information.

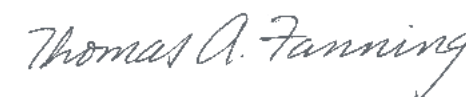
Financial Information

The following condensed financial presentation should not be considered a substitute for the full financial statements, inclusive of footnotes and Management's Discussion and Analysis of Financial Condition and Results of Operations, provided to all shareholders in the Company's Annual Report to Stockholders and included in the Form 10-K as filed with the Securities and Exchange Commission. The Annual Report to Stockholders

Management's Report On Internal Control Over Financial Reporting

The management of The Southern Company is responsible for establishing and maintaining an adequate system of internal control over financial reporting as required by the Sarbanes-Oxley Act of 2002 and as defined in Exchange Act Rule 13a-15(f). A control system can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Under management's supervision, an evaluation of the design and effectiveness of Southern Company's internal control over financial reporting was conducted based on the framework in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway



Thomas A. Fanning
Chairman, President and Chief Executive Officer

February 21, 2017

Report of Independent Registered Public Accounting Firm

We have audited the consolidated balance sheets and consolidated statements of capitalization of Southern Company and Subsidiary Companies (the Company) as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2016. We have also audited the effectiveness of the Company's internal control over financial reporting as of December 31, 2016. Such consolidated financial statements, management's assessment of the effectiveness of the Company's internal control over financial reporting, and our report on the consolidated financial statements and internal control over financial reporting dated February 21, 2017, expressing an unqualified opinion (which is not included herein) are included in the Annual Report to Stockholders. The accompanying condensed consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an

and the Form 10-K also contain detailed discussions of major uncertainties, contingencies, risks and other issues the Company faces. A copy of the Form 10-K and/or the Annual Report to Stockholders, including the full financial statements, can be obtained by calling Shareowner Services at 1-800-554-7626 or online at <http://investor.southerncompany.com>.

Commission. Based on this evaluation, management concluded that Southern Company's internal control over financial reporting was effective as of December 31, 2016.

Deloitte & Touche LLP, an independent registered public accounting firm, as auditors of Southern Company's financial statements, has issued an attestation report on the effectiveness of Southern Company's internal control over financial reporting as of December 31, 2016. Deloitte & Touche LLP's report on Southern Company's internal control over financial reporting appears in the Annual Report to Stockholders and in the Form 10-K as filed with the Securities and Exchange Commission.



Art P. Beattie
Executive Vice President and Chief Financial Officer

February 21, 2017

opinion on such condensed consolidated financial statements in relation to the complete consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated balance sheets as of December 31, 2016 and 2015, and the related condensed consolidated statements of income and of cash flows for each of the three years in the period ended December 31, 2016, is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.



Atlanta, Georgia
February 21, 2017

Condensed Consolidated Statements of Income

For the Years Ended December 31, 2016, 2015, and 2014

(In Millions)	2016	2015	2014
Operating Revenues:			
Retail electric revenues	\$15,234	\$14,987	\$15,550
Wholesale electric revenues	1,926	1,798	2,184
Other electric revenues	698	657	672
Natural gas revenues	1,596	—	—
Other revenues	442	47	61
Total operating revenues	19,896	17,489	18,467
Operating Expenses:			
Fuel	4,361	4,750	6,005
Purchased power	750	645	672
Cost of natural gas	613	—	—
Cost of other sales	260	—	—
Other operations and maintenance	5,240	4,416	4,354
Depreciation and amortization	2,502	2,034	1,945
Taxes other than income taxes	1,113	997	981
Estimated loss on Kemper IGCC	428	365	868
Total operating expenses	15,267	13,207	14,825
Operating Income	4,629	4,282	3,642
Other Income and (Expense):			
Allowance for equity funds used during construction	202	226	245
Earnings from equity method investments	59	—	—
Interest expense, net of amounts capitalized	(1,317)	(840)	(835)
Other income (expense), net	(93)	(39)	(44)
Total other income and (expense)	(1,149)	(653)	(634)
Earnings Before Income Taxes	3,480	3,629	3,008
Income taxes	951	1,194	977
Consolidated Net Income	2,529	2,435	2,031
Less:			
Dividends on preferred and preference stock of subsidiaries	45	54	68
Net income attributable to noncontrolling interests	36	14	—
Consolidated Net Income Attributable to Southern Company	\$ 2,448	\$ 2,367	\$ 1,963
Common Stock Data:			
Earnings per share (EPS)—			
Basic EPS	\$ 2.57	\$ 2.60	\$ 2.19
Diluted EPS	2.55	2.59	2.18
Average number of shares of common stock outstanding—(in millions)			
Basic	951	910	897
Diluted	958	914	901

Full disclosure of all financial information is included in the Annual Report to Stockholders and in the Form 10-K as filed with the Securities and Exchange Commission, including the accompanying footnotes, which are an integral part of the financial statements.

Condensed Consolidated Statements of Cash Flows

For the Years Ended December 31, 2016, 2015, and 2014

(In Millions)	2016	2015	2014
Operating Activities:			
Consolidated net income	\$ 2,529	\$ 2,435	\$ 2,031
Adjustments to reconcile consolidated net income to net cash provided from operating activities—			
Depreciation and amortization, total	2,923	2,395	2,293
Deferred income taxes	(127)	1,404	709
Collateral deposits	(102)	—	—
Allowance for equity funds used during construction	(202)	(226)	(245)
Pension, postretirement, and other employee benefits	(65)	83	(9)
Pension and postretirement funding	(1,029)	(7)	(506)
Settlement of asset retirement obligations	(171)	(37)	(17)
Stock based compensation expense	121	99	63
Hedge settlements	(233)	(17)	—
Estimated loss on Kemper IGCC	428	365	868
Income taxes receivable, non-current	(122)	(413)	—
Other, net	(36)	(33)	13
Changes in certain current assets and liabilities—			
-Receivables	(544)	243	(352)
-Fossil fuel for generation	178	61	408
-Natural gas for sale	(226)	—	—
-Materials and supplies	(31)	(44)	(67)
-Other current assets	(174)	(108)	(57)
-Accounts payable	301	(353)	267
-Accrued taxes	1,456	352	(105)
-Accrued compensation	36	(41)	255
-Retail fuel cost over recovery—short-term	(231)	289	(23)
-Mirror CWIP	—	(271)	180
-Other current liabilities	215	98	109
Net cash provided from operating activities	4,894	6,274	5,815
Investing Activities:			
Business acquisitions, net of cash acquired	(10,689)	(1,719)	(731)
Property additions	(7,310)	(5,674)	(5,246)
Investment in restricted cash	(733)	(160)	(11)
Distribution of restricted cash	742	154	57
Nuclear decommissioning trust fund purchases	(1,160)	(1,424)	(916)
Nuclear decommissioning trust fund sales	1,154	1,418	914
Cost of removal, net of salvage	(245)	(167)	(170)
Change in construction payables, net	(121)	402	(107)
Investment in unconsolidated subsidiaries	(1,444)	—	—
Prepaid long-term service agreement	(134)	(197)	(181)
Other investing activities	(108)	87	(17)
Net cash used for investing activities	(20,048)	(7,280)	(6,408)
Financing Activities:			
Increase (decrease) in notes payable, net	1,228	73	(676)
Proceeds—			
Long-term debt	16,368	7,029	3,169
Interest-bearing refundable deposit	—	—	125
Common stock	3,758	256	806
Short-term borrowings	—	755	—
Redemptions and repurchases—			
Long-term debt	(3,145)	(3,604)	(816)
Common stock	—	(115)	(5)
Interest-bearing refundable deposits	—	(275)	—
Preferred and preference stock	—	(412)	—
Short-term borrowings	(478)	(255)	—
Distributions to noncontrolling interests	(72)	(18)	(1)
Capital contributions from noncontrolling interests	682	341	8
Purchase of membership interests from noncontrolling interests	(129)	—	—
Payment of common stock dividends	(2,104)	(1,959)	(1,866)
Other financing activities	(383)	(116)	(100)
Net cash provided from financing activities	15,725	1,700	644
Net Change in Cash and Cash Equivalents	571	694	51
Cash and Cash Equivalents at Beginning of Year	1,404	710	659
Cash and Cash Equivalents at End of Year	\$ 1,975	\$ 1,404	\$ 710

Full disclosure of all financial information is included in the Annual Report to Stockholders and in the Form 10-K as filed with the Securities and Exchange Commission, including the accompanying footnotes, which are an integral part of the financial statements.

Condensed Consolidated Balance Sheets

At December 31, 2016 and 2015

Assets (In Millions)	2016	2015
Current Assets:		
Cash and cash equivalents	\$ 1,975	\$ 1,404
Receivables—		
Customer accounts receivable	1,565	1,058
Energy marketing receivable	623	—
Unbilled revenues	706	397
Under recovered regulatory clause revenues	18	63
Income taxes receivable, current	544	144
Other accounts and notes receivable	377	398
Accumulated provision for uncollectible accounts	(43)	(13)
Materials and supplies	1,462	1,061
Fossil fuel for generation	689	868
Natural gas for sale	631	—
Prepaid expenses	364	495
Other regulatory assets, current	581	580
Other current assets	230	71
Total current assets	9,722	6,526
Property, Plant, and Equipment:		
In service	98,416	75,118
Less accumulated depreciation	29,852	24,253
Plant in service, net of depreciation	68,564	50,865
Other utility plant, net	—	233
Nuclear fuel, at amortized cost	905	934
Construction work in progress	8,977	9,082
Total property, plant, and equipment	78,446	61,114
Other Property and Investments:		
Goodwill	6,251	2
Equity investments in unconsolidated subsidiaries	1,549	6
Other intangible assets, net of amortization of \$62 and \$12 at December 31, 2016 and December 31, 2015, respectively	970	317
Nuclear decommissioning trusts, at fair value	1,606	1,512
Leveraged leases	774	755
Miscellaneous property and investments	270	160
Total other property and investments	11,420	2,752
Deferred Charges and Other Assets:		
Deferred charges related to income taxes	1,629	1,560
Unamortized loss on reacquired debt	223	227
Other regulatory assets, deferred	6,851	4,989
Income taxes receivable, non-current	11	413
Other deferred charges and assets	1,395	737
Total deferred charges and other assets	10,109	7,926
Total Assets	\$109,697	\$78,318

Full disclosure of all financial information is included in the Annual Report to Stockholders and in the Form 10-K as filed with the Securities and Exchange Commission, including the accompanying footnotes, which are an integral part of the financial statements.

Condensed Consolidated Balance Sheets

At December 31, 2016 and 2015

Liabilities and Stockholders' Equity (In Millions)	2016	2015
Current Liabilities:		
Securities due within one year	\$ 2,587	\$ 2,674
Notes payable	2,241	1,376
Energy marketing trade payables	597	—
Accounts payable	2,228	1,905
Customer deposits	558	404
Accrued taxes—		
Accrued income taxes	193	9
Unrecognized tax benefits	385	10
Other accrued taxes	667	484
Accrued interest	518	249
Accrued compensation	915	777
Asset retirement obligations, current	378	217
Liabilities from risk management activities, net of collateral	107	156
Acquisitions payable	489	—
Other regulatory liabilities, current	236	278
Over recovered regulatory clause revenues, current	135	106
Other current liabilities	683	484
Total current liabilities	12,917	9,129
Long-Term Debt	42,629	24,688
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	14,092	12,322
Deferred credits related to income taxes	219	187
Accumulated deferred investment tax credits	2,228	1,219
Employee benefit obligations	2,299	2,582
Asset retirement obligations, deferred	4,136	3,542
Unrecognized tax benefits, deferred	—	370
Accrued environmental remediation	397	42
Other cost of removal obligations	2,748	1,162
Other regulatory liabilities, deferred	258	254
Other deferred credits and liabilities	880	678
Total deferred credits and other liabilities	27,257	22,358
Total Liabilities	82,803	56,175
Redeemable Preferred Stock of Subsidiaries	118	118
Redeemable Noncontrolling Interests	164	43
Total Stockholders' Equity	26,612	21,982
Total Liabilities and Stockholders' Equity	\$109,697	\$ 78,318

Full disclosure of all financial information is included in the Annual Report to Stockholders and in the Form 10-K as filed with the Securities and Exchange Commission, including the accompanying footnotes, which are an integral part of the financial statements.



Thomas A. Fanning



Juanita Powell Baranco



Jon A. Boscia



Henry A. Clark III



David J. Grain



Veronica M. Hagen



Warren A. Hood, Jr.



Linda P. Hudson



Donald M. James



John D. Johns



Dale E. Klein



William G. Smith, Jr.



Steven R. Specker



Larry D. Thompson



E. Jenner Wood III

Thomas A. Fanning

Chairman, President and CEO
Southern Company
Atlanta, GA | Age 60 | elected 2010
Other directorships: Federal Reserve Bank of Atlanta (chair), Vulcan Materials Company

Juanita Powell Baranco

Executive Vice President and Chief Operating Officer
Baranco Automotive Group (automobile sales)
Atlanta, GA | Age 68 | elected 2006
Board committee: Audit
Other directorships: None

Jon A. Boscia

Founder and President
Boardroom Advisors LLC (board governance consulting firm)
Sarasota, FL | Age 64 | elected 2007
Board committee: Audit
Other directorships: None

Henry A. Clark III

Retired Senior Advisor
Evercore (corporate finance advisory firm)
Hobe Sound, FL | Age 67 | elected 2009
Board committees: Compensation and Management Succession (chair), Finance
Other directorships: None

David J. Grain

Founder and Managing Partner
Grain Management, LLC (private equity firm)
Sarasota, FL | Age 54 | elected 2012
Board committees: Compensation and Management Succession, Finance (chair)
Other directorship: Gateway Bank of Southwest Florida

Veronica M. Hagen

Retired President and CEO
Polymer Group, Inc. (engineered materials)
Laguna Niguel, CA | Age 71 | elected 2008
Board committees: Governance (chair), Nuclear/Operations
Other directorships: Newmont Mining Corporation, American Water Works Company, Inc.

Warren A. Hood, Jr.

Chairman and CEO
Hood Companies, Inc. (packaging and construction products)
Hattiesburg, MS | Age 65 | elected 2007
Board committee: Audit
Other directorships: Hood Companies, Inc., BancorpSouth, Inc.

Linda P. Hudson

Founder, Chairman and CEO
The Cardea Group (business management consulting)
Charlotte, NC | Age 66 | elected 2014
Board committees: Business Security Subcommittee (chair), Governance, Nuclear/Operations
Other directorships: Bank of America Corporation, Ingersoll Rand, Inc.

Donald M. James

Retired Chairman and CEO
Vulcan Materials Company (construction materials)
Pensacola, FL | Age 68 | elected 1999
Board committees: Compensation and Management Succession, Finance
Other directorship: Wells Fargo & Company

John D. Johns

Chairman and CEO
Protective Life Corporation (insurance)
Birmingham, AL | Age 65 | elected 2015
Board committee: Audit (chair)
Other directorships: Protective Life Corporation, Regions Financial Corporation, Genuine Parts Company

Dale E. Klein

Associate Vice Chancellor of Research
University of Texas System
Associate Director The Energy Institute at the University of Texas at Austin
Retired Chairman U.S. Nuclear Regulatory Commission (energy)
Austin, TX | Age 69 | elected 2010
Board committees: Compensation and Management Succession, Nuclear/Operations, Business Security Subcommittee
Other directorships: Pinnacle West Capital Corporation, Arizona Public Service Company

William G. Smith, Jr.

Chairman, President and CEO
Capital City Bank Group, Inc. (banking)
Tallahassee, FL | Age 63 | elected 2006
Board committees: Finance, Governance
Other directorships: Capital City Bank Group, Inc., Capital City Bank

Steven R. Specker

CEO, Tri-Alpha Energy, Inc. (energy)
Scottsdale, AZ | Age 71 | elected 2010
Board committees: Nuclear/Operations (chair), Compensation and Management Succession
Other directorship: Trilliant Incorporated

Larry D. Thompson

Lead Independent Director
Southern Company Board
John A. Sibley Professor of Corporate and Business Law,
The University of Georgia School of Law (attorney)
Atlanta, GA | Age 71 | elected 2014
Board committees: Finance, Governance
Other directorships: Graham Holdings Company, Franklin, Templeton Series Mutual Funds

E. Jenner Wood III

Retired President and CEO,
SunTrust Bank—Atlanta Division (banking)
Atlanta, GA | Age 65 | elected 2012
Board committees: Governance, Nuclear/Operations
Other directorships: Oxford Industries, Inc., Genuine Parts Company



Thomas A. Fanning



Art P. Beattie



W. Paul Bowers



Stanley W. Connally, Jr.



Mark A. Crosswhite



Andrew W. Evans



Kimberly S. Greene



James Y. Kerr II



Stephen E. Kuczynski



Mark S. Lantrip



Nancy E. Sykes



Anthony L. Wilson



Christopher C. Womack

Thomas A. Fanning

Chairman, President and CEO

Fanning, 60, joined the company as a financial analyst in 1980. He has held his current position since December 2010. Previously, Fanning served as executive vice president and chief operating officer for Southern Company, president and CEO of Gulf Power and chief financial officer (CFO) for Southern Company, Georgia Power and Mississippi Power.

Art P. Beattie

Executive Vice President and Chief Financial Officer

Beattie, 62, joined the company in 1976 as a junior accountant with Alabama Power. He has held his current position since August 2010. Beattie is responsible for the company's accounting, finance, tax, investor relations, treasury and risk management functions. He also serves as chief risk officer. Previously, Beattie served in several executive accounting and finance positions at Alabama Power, including CFO, treasurer and comptroller.

W. Paul Bowers

*Executive Vice President
Chairman, President and CEO, Georgia Power*

Bowers, 60, joined the company as a residential sales representative with Gulf Power in 1979. He has held his current position since January 2011. Previously, Bowers served as CFO for Southern Company. He also served as president of Southern Company Generation, president and CEO of Southern Power, president and CEO of Southern Company's former United Kingdom subsidiary and senior vice president and chief marketing officer for Southern Company.

Stanley W. Connally, Jr.

Chairman, President and CEO, Gulf Power

Connally, 47, joined the company in 1989 as a co-op student at Georgia Power. He has held his current position since July 2012. Previously, he served as senior vice president and senior production officer for Georgia Power. He has served as plant manager at plants Watson, Daniel and Barry. He has also worked in customer operations and sales and marketing.

Mark A. Crosswhite

*Executive Vice President
Chairman, President and CEO, Alabama Power*

Crosswhite, 54, joined the company in 2004 as senior vice president and general counsel for Southern Company Generation. He has held his current position since March 2014. He was previously executive vice president and COO for Southern Company, president and CEO of Gulf Power and executive vice president of external affairs and senior vice president and general counsel at Alabama Power. Prior to joining the company, he was a partner in the law firm of Balch & Bingham LLP in Birmingham, Alabama, where he practiced for 17 years.

Andrew W. Evans

*Executive Vice President
Chairman, President and CEO, Southern Company Gas*

Evans, 50, was appointed president of Southern Company Gas in May 2015 and chairman and CEO of Southern Company Gas in January 2016. He was appointed executive vice president of Southern Company in July 2016. Previously, he held several positions of leadership, including president and chief operating officer, executive vice president and CFO and treasurer since joining Southern Company Gas in 2002. Prior to that, he served in various finance and business development roles at Mirant Corporation, National Economic Research Associates and the Federal Reserve Bank of Boston.

Kimberly S. Greene

Executive Vice President and Chief Operating Officer

Greene, 50, has held her current role since March 2014. Previously, she was president and CEO of Southern Company Services. Prior to that, she was employed by Tennessee Valley Authority, where she served as chief financial officer, group president of strategy and external relations and chief generation officer. Prior to her time at Tennessee Valley Authority, she served as senior vice president of finance and treasurer for Southern Company and has held various positions with Mirant, including chief commercial officer, South Region.

James Y. Kerr II

Executive Vice President, General Counsel and Chief Compliance Officer

Kerr, 53, assumed his current role in March 2014. Previously, he was a partner with McGuireWoods LLP and a senior advisor at McGuireWoods Consulting LLC. He also served as co-chairman of McGuireWoods' energy industry team with focus in the areas of energy transactions and finance, energy regulation, energy policy and energy litigation. Prior to joining McGuireWoods, Kerr served as a commissioner on the North Carolina Utilities Commission and was the former president of the National Association of Regulatory Utility Commissioners.

Stephen E. Kuczynski

Chairman, President and CEO, Southern Nuclear

Kuczynski, 54, joined the company in July 2011 as chairman, president and CEO of Southern Nuclear. Previously, he was senior vice president of engineering and technical services for Exelon Nuclear. He also served as senior vice president of Exelon Nuclear's Midwest operations, senior vice president of operations support and plant manager and later site vice president of Exelon's Byron Nuclear Station.

Mark S. Lantrip

*Executive Vice President
Chairman, President and CEO,
Southern Company Services, Inc.*

Lantrip, 62, joined the company in 1981 as an analyst in Gulf Power's corporate planning department. He assumed his current position in March 2014. Previously, Lantrip was executive vice president of finance and treasurer of Southern Company Services and treasurer of Southern Company, with responsibility for financial planning and analysis, enterprise risk management, trust finance, capital markets and treasury.

Nancy E. Sykes

*Executive Vice President and
Chief Human Resources Officer,
Southern Company Services, Inc.*

Sykes, 48, joined the company in December 2016 as executive vice president and chief human resources officer, managing the human resources and labor relations function for the overall Southern Company enterprise. Previously, she served as vice president and chief human resources officer for United States Steel Corporation and vice president for human resources, Asia Pacific, at Goodyear Tire and Rubber Company. Prior to Goodyear, Sykes worked at General Electric for 20 years in a number of positions serving the company's industrial businesses.

Anthony L. Wilson

Chairman, President and CEO, Mississippi Power

Wilson, 54, joined the company in 1984 as an engineering co-op student. Since 2002, he served in a variety of officer roles at Georgia Power, including distribution vice president, transmission vice president and customer service and operations executive vice president. Wilson was appointed president of Mississippi Power in October 2015 and assumed the CEO role in January 2016.

Christopher C. Womack

*Executive Vice President and President,
External Affairs*

Womack, 59, joined the company in 1988 as a governmental affairs representative for Alabama Power. He has held his current position since January 2009. Previously, Womack was executive vice president of external affairs for Georgia Power. He has also served as senior vice president of human resources and chief people officer for Southern Company as well as senior vice president and senior production officer for Southern Company Generation.

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.)

Transfer Agent

Wells Fargo Shareowner Services is Southern Company's transfer agent, dividend-paying agent, investment plan administrator and registrar. If you have questions concerning your registered Southern Company shareowner account, please contact:

Wells Fargo Shareowner Services
1110 Centre Pointe Curve, Suite 101
Mendota Heights, Minnesota 55120

Telephone: 1.800.554.7626

Website: shareowneronline.com

Southern Company Shareholder Relations

Telephone: 404.506.0965

Email: stockholders@southernco.com

Southern Investment Plan

The Southern Investment Plan is a convenient way to become a Southern Company shareholder. Participants in the Plan can purchase additional shares in Southern Company through optional cash purchases and reinvestment of dividends. The Southern Investment Plan prospectus can be found at www.southerncompany.com.

Dividend Payments

Southern Company has paid dividends since 1948. Historically, dividends are declared and paid quarterly at the discretion of the Board of Directors.

Annual Meeting

The 2017 Annual Meeting of Stockholders will be held Wednesday, May 24, at 10 a.m. ET at The Lodge Conference Center at Callaway Gardens, Highway 18, Pine Mountain, Ga. 31822.

Auditors

Deloitte & Touche LLP
191 Peachtree St. NE
Suite 2000
Atlanta, GA 30303

Investor Information

For information about earnings and dividends, stock quotes and current news releases, please visit us at investor.southerncompany.com.

Institutional Investor Inquiries

Southern Company maintains an investor relations office in Atlanta, Georgia, 404.506.0780, to meet the information needs of institutional investors and securities analysts.

Electronic Delivery of Proxy Materials

Any stockholder may enroll for electronic delivery of proxy materials by logging on at www.icsdelivery.com/so.

Environmental Information

Southern Company publishes information on its activities to meet environmental commitments at www.southerncompany.com/corporate-responsibility.

To request printed materials, write to:

Director, Environmental Affairs
Research and Environmental Affairs
600 North 18th St.
Bin 14N-8195
Birmingham, AL 35203-2206

Common Stock

Southern Company common stock is listed on the NYSE under the ticker symbol SO. On December 31, 2016, Southern Company had 126,338 shareholders of record.

The 2016 summary annual report is submitted for shareholders' information. It is not intended for use in connection with any sale or purchase of, or any solicitation of, offers to buy or sell securities.

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