

# REAL SOLUTIONS







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REAL SOLUTIONS CREATE A  
**POSITIVE IMPACT**  
IN CUSTOMERS’ LIVES

At Southern Company, we often say we are in the business of providing “solutions, not rhetoric.” From innovative new technologies to initiatives that help protect the environment, we take considerable pride in inventing America’s energy future. Of no less importance, however, are the practical solutions we provide for the very real challenges faced by the customers and communities we serve, from solutions that creatively address the energy needs of large commercial and industrial customers, to programs that incent the purchase of energy-efficient appliances and help families save money. This year’s summary annual report explores a number of scenarios in which Southern Company and our subsidiaries have provided real solutions to a variety of energy challenges.

ON THE COVER: Georgia Power customer Joe Farr of Pooler, Georgia  
This Summary Annual Report contains forward-looking statements. See page 26 for a cautionary statement regarding forward-looking information.





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

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

DEAR FELLOW SHAREHOLDERS,

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

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

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

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

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

**EXCEL AT THE FUNDAMENTALS**

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

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

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

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

**ACHIEVE SUCCESS WITH MAJOR CONSTRUCTION PROJECTS**

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

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

**SUPPORT THE BUILDING OF A NATIONAL ENERGY POLICY**

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



PROMOTE ENERGY INNOVATION

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

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

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

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

VALUE AND DEVELOP OUR PEOPLE

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

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

AGL RESOURCES

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

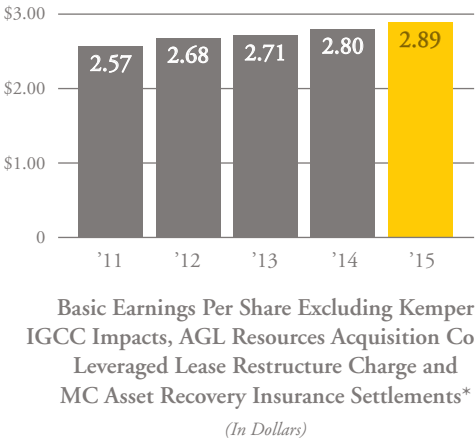
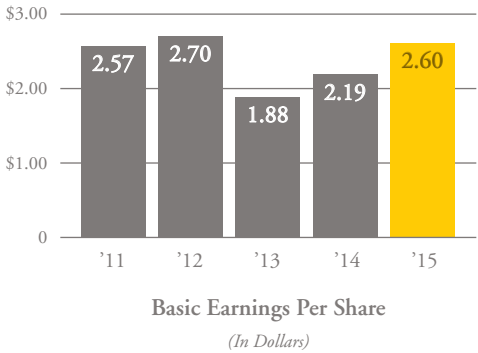
Our record of accomplishment in 2015 is the direct result of our focus on real solutions and the customer-centered business model that serves as the guiding principle for all we do. It’s a simple business model, historically acclaimed by customers and Wall Street alike. I believe it will continue to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

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

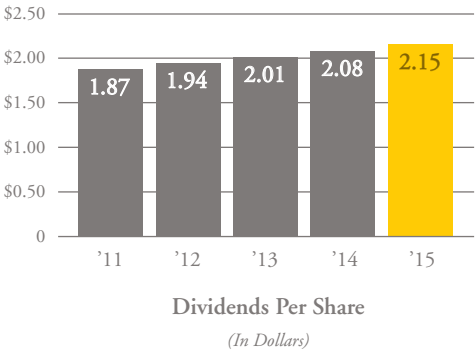
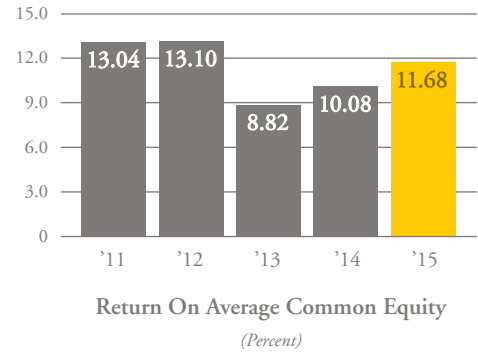
Sincerely,

Thomas A. Fanning

THOMAS A. FANNING  
March 24, 2016



\* 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.



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



CREATE OPPORTUNITY FOR  
LONG-TERM SUCCESS



THE PENDING ACQUISITION OF AGL RESOURCES

In August, Southern Company and AGL Resources announced an agreement to create America’s leading electric and natural gas utility company. Pending regulatory approval and completion of the transaction, the combined companies will become the second-largest utility company in the United States as measured by number of customers.

The merger will aggregate 11 regulated electric and natural gas distribution companies, serving some 9 million customers with a projected regulated rate base of approximately \$50 billion. The combined company will have a generating capacity of approximately 44,000 megawatts and operate nearly 200,000 miles of electric transmission and distribution lines and more than 80,000 miles of gas pipelines.

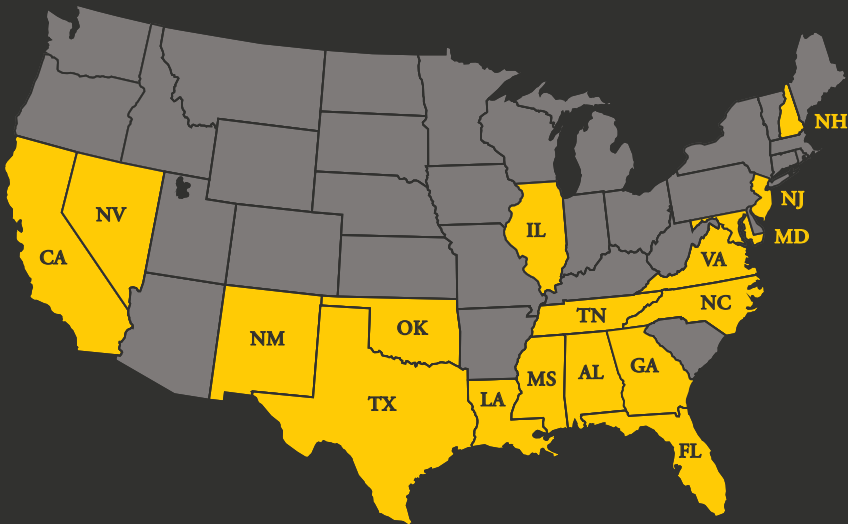
Southern Company is already one of the largest consumers of natural gas in the U.S., with natural gas accounting for nearly half of the electricity generated to serve customers’ needs. We expect the addition of AGL Resources’ network of natural gas assets and businesses to provide a more robust platform for long-term success with increased opportunities to invest in additional infrastructure and energy solutions. A natural outgrowth of our commitment to provide real solutions for America’s energy future, the merger is expected to help address one of the key challenges facing today’s energy industry—the development of infrastructure necessary to transport affordable natural gas to areas where it is increasingly needed.

Upon finalization of the merger, AGL Resources will become a new wholly owned subsidiary of Southern Company in a transaction with an enterprise value of approximately \$12 billion, including a total equity value of approximately \$8 billion. Until the transaction has received all necessary approvals and has closed, the companies will continue to operate as separate independent entities. After the transaction closes, AGL Resources will continue to maintain its own management team and board of directors.

We believe this merger will be attractive to investors because we expect it to create a leading platform that is well positioned for growth across the energy value chain. The transaction is anticipated to be accretive to Southern Company’s earnings per share in the first full year following its closing.

Likewise, we believe this merger makes sense for customers because we expect it to strengthen reliability and improve current and future energy infrastructure development. The cornerstone strength of both companies is our shared commitment to providing customers with outstanding service and innovative energy solutions. The transaction is not expected to increase electric or gas rates for any of the utilities of either Southern Company or AGL Resources.

The companies expect to complete the transaction in the second half of 2016.



OPERATIONS IN  
17 STATES

11  
ELECTRIC & NATURAL  
GAS UTILITIES

31,000  
TOTAL EMPLOYEES

9 MILLION  
UTILITY CUSTOMERS

MORE THAN  
1 MILLION  
RETAIL CUSTOMERS

SOUTHERN COMPANY ASSETS

ALABAMA

Alabama Power  
1.4 million customers  
78,000 miles of power lines  
13,000 MW of generating capacity

Southern Power  
3,175 MW natural gas

CALIFORNIA

Southern Power  
425 MW solar  
(existing and announced)

FLORIDA

Gulf Power  
444,000 customers  
9,300 miles of power lines  
2,600 MW of generating capacity

Southern Power  
1,450 MW natural gas

GEORGIA

Georgia Power  
2.4 million customers  
87,000 miles of power lines  
17,600 MW of generating capacity

Southern Power  
2,900 MW natural gas and solar  
(existing and announced)

MISSISSIPPI

Mississippi Power  
186,000 customers  
7,000 miles of power lines  
3,100 MW of generating capacity

NEVADA

Southern Power  
50 MW solar

NEW MEXICO

Southern Power  
85 MW solar

NORTH CAROLINA

Southern Power  
1,700 MW natural gas and solar

OKLAHOMA

Southern Power  
299 MW wind (announced)

TEXAS

Southern Power  
100 MW biomass

AGL RESOURCES ASSETS

ALABAMA

Pivotal LNG  
0.4 Bcf of storage capacity

CALIFORNIA

Central Valley Gas Storage  
11 Bcf of working storage capacity

FLORIDA

Florida City Gas  
107,000 customers  
3,600 miles of pipe

GEORGIA

Atlanta Gas Light  
1.6 million customers  
32,900 miles of pipe  
6 Bcf of storage capacity

SouthStar Energy Services  
Markets natural gas to residential,  
commercial and industrial  
customers in several states

ILLINOIS

Nicor Gas  
2.2 million customers  
34,300 miles of pipe  
150 Bcf of storage capacity

Pivotal Home Solutions  
Offers home protection, service  
and leasing plans for systems and  
appliances in several states

LOUISIANA

Jefferson Island Storage & Hub  
7.3 Bcf of working storage capacity

MARYLAND

Elkton Gas  
6,000 customers  
100 miles of pipe

NEW HAMPSHIRE

Pivotal Home Solutions  
Offers home protection, service  
and leasing plans for systems and  
appliances in several states

NEW JERSEY

Elizabethtown Gas  
283,000 customers  
3,200 miles of pipe  
0.15 Bcf of storage capacity

TENNESSEE

Chattanooga Gas  
64,000 customers  
1,600 miles of pipe  
1.2 Bcf of storage capacity

TEXAS

Golden Triangle Storage  
13.5 Bcf of working storage capacity

Pivotal LNG  
Produces and sells LNG in  
various markets

Sequent Energy Management  
Specializes in natural gas asset  
portfolio optimization by selling  
6.8 Bcf /day

VIRGINIA

Virginia Natural Gas  
290,000 customers  
5,600 miles of pipe  
0.75 Bcf of storage capacity

1. Combined service territory shown is pro forma for the completion of the proposed merger.



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REAL SOLUTIONS

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## MAKE LIFE BETTER

### CHALLENGE:

Provide real energy solutions for residential customers that make life better by improving energy efficiencies and lowering their monthly energy costs.

### SOLUTION:

Georgia Power's new and improved Energy Efficiency Appliance Program helped make the purchase of cost-saving ENERGY STAR® qualified appliances more affordable and convenient for customers all over the state. In addition, a limited number of customers were rewarded with a \$500 gift card for participation in the new customer engagement campaign designed to promote the rebates.

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### ENERGY SAVINGS

## MADE EASY

Georgia Power's Appliance Program has been driving increased adoption of cost-saving ENERGY STAR® qualified appliances since its inception. In 2015, the company introduced a new innovation to the redemption process with a campaign launched in partnership with The Home Depot.

A unique, bar-coded bill insert enabled instant rebates on new appliances, as well as an additional 10 percent off the price of select appliances. The campaign was adapted for customers with paperless billing through a bar-coded email. The instant discounts, seamless rebate redemption and the new paperless option made the program even more effortless for participating customers.

"Bar-coded bill inserts and emails made the savings instantaneous," says Energy Efficiency Program Manager Vicki Nichols. "To incent timely participation in the standard mail-in rebate program, we also offered customers a chance to win \$500 gift cards for submitting their rebate form within 10 days of purchase."

Long-time customer Joe Farr was among the first to benefit. "I was already pleased with the energy savings from previous upgrades," explains Farr. "The new refrigerator saves an additional \$35 a month. The gift card was an unexpected surprise!"



*"Between the rebate and credit for recycling my old appliance, I saved \$100 on the purchase of a new energy-efficient refrigerator. Since then, I'm seeing about \$35 a month in energy savings. And the \$500 gift card was an unexpected surprise!"*

*—JOE FARR, Georgia Power customer*

At home in Pooler, Georgia, Joe Farr and his fiancée, Donna Cosner, enjoy his new ENERGY STAR® qualified refrigerator.



*“Energy usage on military bases accounts for some 30 percent of total energy consumption by the U.S. Department of Defense. Consistent with our full portfolio strategy, Southern Company’s traditional operating companies are helping military bases in our region achieve energy security through greater fuel diversity.”*

*—REBECCA GRAY, military strategy and relationship manager,  
Southern Company external affairs*

LEFT TO RIGHT: William Houser, senior project manager, renewable resources, Georgia Power; Rebecca Gray, military strategy and relationship manager, Southern Company external affairs; Kamisha Quates, pre-commercial asset manager, retail generation development, Southern Company Services

REAL SOLUTIONS

## HELP MEET THE CHALLENGE

### CHALLENGE:

Help meet the aggressive energy goals of the United States Department of Defense at the 19 military bases located throughout Southern Company’s southeastern footprint.

### SOLUTION:

Southern Company’s traditional operating companies have partnered with all branches of the United States military to announce 11 solar projects with a combined capacity of more than 300 megawatts, the most on-base solar projects of any electric utility in the nation. In addition, Southern Company is partnering with the military to bring electric vehicles and charging infrastructure to the Southeast.

U.S. NAVY GOAL:

**50% OF ENERGY**  
FROM RENEWABLE SOURCES BY 2020

“Energy is critical to every global military mission,” says Military Strategy and Relationship Manager Rebecca Gray. “Our energy solutions are crucial to military readiness. By adding cost-effective renewable energy we provide for fuel diversity, increased operational capacity and regional resiliency. The operating companies do all the heavy lifting. I just work with the Pentagon to identify opportunities. Folks like William Houser at Georgia Power and Kamisha Quates in retail generation see these projects to fruition.

“The U.S. military has some very aggressive energy goals,” adds Gray. “The Navy, for example, must secure 50 percent of its energy from renewable resources by 2020.”

Georgia Power has partnered with the Army, Navy and Marines on five solar projects across the state. In Florida, Gulf Power has announced solar projects at the Naval Air Station in Pensacola and Eglin Air Force base in Fort Walton Beach. Alabama Power is partnering with the Army on solar projects at the Anniston Army Depot and at Fort Rucker, near Enterprise. Mississippi Power is building a 23-acre facility at the Naval Construction Battalion Center in Gulfport.



## HELP CONSERVE ENERGY

### CHALLENGE:

Provide one of the nation's foremost mixed-use developers with real energy solutions to help accomplish sustainability goals in the renovation of a historic property.

### SOLUTION:

Georgia Power worked with Jamestown Properties on a number of environmentally friendly energy solutions that resulted in some 2.6 gigawatt-hours of energy savings, including energy-efficient heat pumps, variable frequency drives, online monitoring of energy consumption and LED streetlights. Georgia Power is also working with Jamestown to facilitate installation of 18 dual-port electric vehicle charging stations.

## AMONG THE MOST ENERGY-EFFICIENT URBAN RENEWAL PROJECTS IN THE U.S.

At more than 2 million square feet—including over 500,000 square feet of office space, 300,000 square feet of retail, 259 apartments and more than 2,600 parking spaces—Atlanta's Ponce City Market is the largest brick structure in the southeastern United States. It is also one of the nation's foremost examples of historic renovation and adaptive reuse combined with sustainable best practices.

Built in 1926 as a Sears, Roebuck & Company distribution center, Jamestown Properties has restored the building's prominence as a vital landmark in Atlanta's Old Fourth Ward.

"Very early on, we engaged with Georgia Power for practical energy solutions," shares Jamestown CEO Matt Bronfman.

"From the beginning, Jamestown was focused on sustainability," says Tammy Harrington, Georgia Power key accounts manager. "We worked with them to create a plan to maximize energy efficiency within the context of a historical renovation. We helped Jamestown and its tenants secure energy rebates, monies that could then be reinvested in various energy-efficiency initiatives. Our commercial and residential programs provided energy savings with the installation of electric heat pumps, electric vehicle charging stations and some of the first LED streetlights in Atlanta."


*"At Jamestown, we pride ourselves on being on the cutting edge of sustainability. Georgia Power was instrumental in bringing us ideas and innovative solutions that helped accomplish our sustainability goals at Ponce City Market."*

—MATT BRONFMAN, CEO, Jamestown Properties



Jamestown Properties CEO Matt Bronfman and Georgia Power Key Accounts Manager Tammy Harrington at Ponce City Market, Atlanta's nationally acclaimed mixed-use development.





*“We believe renewables like wind and solar will continue to be an important energy solution in the U.S. We’ve seen a phenomenal amount of growth, and we think that’s only going to continue.”*

—CHRIS KELLAR, director of acquisitions and renewables, Southern Power

Chris Kellar, director of acquisitions and renewables for Southern Power, at Butler Solar Farm in Taylor County, Georgia

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REAL SOLUTIONS

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## HARNESS NATURE’S ENERGY

### CHALLENGE:

Help satisfy a growing nationwide demand for clean, safe, reliable and affordable energy from renewable sources of power generation.

### SOLUTION:

Southern Company’s wholesale subsidiary Southern Power continues to aggressively grow its renewable energy portfolio, with nearly five times the number of renewable project acquisitions in 2015 than in any previous year.

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SOUTHERN POWER:  
**NEARLY 5 TIMES MORE**  
RENEWABLE ACQUISITIONS THAN IN  
ANY PREVIOUS YEAR

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As Southern Company’s wholesale subsidiary, Southern Power sells electricity to retail utilities across the United States. To help satisfy the growing demand for electricity generated from renewable resources, Southern Power has invested in solar, wind and biomass facilities.

The Butler Solar Farm pictured here is one of more than 20 solar facilities in the Southern Power fleet. In 2015, Southern Power announced its first two wind projects, the Kay Wind and Grant Wind facilities, both in Oklahoma. Southern Power also operates a biomass facility in Nacogdoches County, Texas. In total, Southern Power owns or operates more than 1,800 megawatts of renewable generating capacity nationwide, including capacity announced, acquired or under construction.

“We are proud to contribute to Southern Company’s national leadership in renewable energy,” says Chris Kellar, Southern Power director of acquisitions and renewables.

Southern Power has also completed issuance of \$1 billion aggregate principal amount of green bonds, becoming the first investment-grade electric utility in the U.S. to offer this type of security supporting investment in sustainable generation. An amount equal to the net proceeds of the bonds will be allocated to eligible renewable energy projects.



*“Hospitals are facing a crisis. With reductions in Medicare and Medicaid reimbursements, facilities must do all they can to lower costs. Alabama Power is helping us achieve significant energy savings.”*

—SCOTT CRENSHAW, director, facilities management,  
University of South Alabama Children's & Women's Hospital

LEFT TO RIGHT: Scott Crenshaw, director, facilities management, University of South Alabama Children's & Women's Hospital; Christina Nix, Alabama Power account manager; Lawrence Gardner, director, facilities management, University of South Alabama Medical Center

## REAL SOLUTIONS

# HELP BUSINESSES THRIVE

### CHALLENGE:

The University of South Alabama Children's & Women's Hospital needed to replace its outdated heating and cooling systems in order to achieve increased energy efficiency and cost savings.

### SOLUTION:

Based on cost savings achieved through a similar project at its sister hospital, the USA Medical Center, the USA Children's & Women's Hospital engaged with Alabama Power for the design and implementation of a state-of-the-art heat recovery system. Alabama Power financed the upfront costs of the project and delivered immediate monthly energy savings to the hospital.

## \$1.2 MILLION

PROJECTED ENERGY SAVINGS OVER 4 YEARS

When Facilities Director Scott Crenshaw was looking to improve energy efficiencies and reduce costs at the USA Children's & Women's Hospital, he called his counterpart at USA Medical Center, Lawrence Gardner. Gardner explained how Alabama Power designed and implemented an innovative heat recovery system for USA Medical Center, a solution that might make sense for Crenshaw.

Alabama Power ultimately developed a similar system for the USA Children's & Women's Hospital. The new heat recovery system extracts heat from the chilled water return of the hospital's chillers. The recovered heat is used to create hot water that is utilized in heating the facility, thus reducing the hospital's reliance on gas-fired boilers. Extracting heat from the chilled water also increases chiller efficiency, resulting in even more energy savings.

Alabama Power assumed the upfront cost to build the system, and is reimbursed by the hospital from the energy savings. Once those costs are recovered, the hospital will retain 100 percent of the savings. All told, the new heat recovery system is expected to deliver some \$1.2 million in energy savings in the first four years alone.



## SOLVE CRITICAL NEEDS

### CHALLENGE:

Outdated and failing HVAC and lighting systems at the Walter Anderson Museum of Art posed a threat to the museum's accreditation with the American Alliance of Museums and the well-being of its art collection.

### SOLUTION:

Mississippi Power came to the rescue, providing a turnkey solution for a complete refurbishing of the museum's HVAC system. Mississippi Power assumed the role of consultant, overseeing design, bidding and implementation of the retrofit. The museum's outdated lighting system was also replaced with a new LED system, providing for better protection and an enhanced presentation of the artwork, as well as energy savings.

## TURNKEY SOLUTION FOR HVAC, LIGHTING AND ENERGY SAVINGS

The Walter Anderson Museum of Art in Ocean Springs, Mississippi, knew it had HVAC problems, but management was unsure how to proceed. To make matters worse, they received conflicting advice from a variety of sources that didn't necessarily appreciate the unique requirements of the museum.

In order to protect and preserve artwork and other artifacts, museums must maintain very strict tolerances for temperature and humidity. Tolerances for vault and storage areas are even more demanding. Such environmental safeguards are also a key consideration for accreditation by the American Alliance of Museums.

"Our team provides turnkey solutions to multi-faceted challenges," explains Mississippi Power's Arlan Chenault. "We come into a business and work closely with them to analyze their energy-related issues, craft a strategy and manage implementation. We were able to do this for the Walter Anderson Museum of Art, which took a great deal of pressure off the customer."

"We're so thankful for Mississippi Power and the work of Arlan's team," shares Rosemary Roosa, executive director for the museum. "Mississippi Power provided real solutions that make a significant difference in our day-to-day operations."

*"We're an art museum. Our expertise is art, not engineering. Mississippi Power was able to assess our needs, secure the appropriate resources and implement a turnkey solution to solve our technical challenges."*

*—ROSEMARY ROOSA, executive director, Walter Anderson Museum of Art*

Rosemary Roosa, executive director, Walter Anderson Museum of Art, and Arlan Chenault, manager of business services for Mississippi Power



## PROTECT THE ENVIRONMENT

### CHALLENGE:

Help protect and preserve wildlife and the natural environment of our southeastern service territory, including the habitat-rich shoreline and ecosystems of northwest Florida.

### SOLUTION:

From the construction of oyster reefs in Pensacola Bay by Gulf Power volunteers to financial grants for monitoring the water quality of coastal dune lakes in south Walton County, Southern Company and Gulf Power engage with a number of organizations and community partnerships in a variety of conservation efforts.

## \$11.9 MILLION

INVESTED IN WILDLIFE AND ENVIRONMENTAL  
STEWARDSHIP PROGRAMS SINCE 2003

To help promote conservation efforts, Gulf Power participates in the Five Star and Urban Waters Restoration Program, a partnership of Southern Company, the U.S. Environmental Protection Agency, the National Fish and Wildlife Foundation and other organizations supporting water resource stewardship through community involvement and education.

The program has supported water restoration projects in northwest Florida involving 46 different organizations, including government and non-profit agencies, schools and community groups. One such initiative is Project Greenshores, which created an oyster reef breakwater in Pensacola Bay that serves as a model for the restoration of other disturbed estuarine shorelines. In addition to building the reefs, Gulf Power and community volunteers planted marsh and spartina grasses that help stabilize the soil and remove nutrients from storm water runoff on the islands behind the breakwaters.

Gulf Power also supports the conservation efforts of organizations such as the Choctawhatchee Basin Alliance of Northwest Florida State College, which conducts water quality monitoring in coastal dune lakes and engages citizens to practice environmentally sound land management.

Since 2003, Southern Company has invested more than \$11.9 million in wildlife and environmental stewardship programs in the Southeast.

*“Southern Company and Gulf Power have been invaluable in their support of our organization’s efforts to promote the environmental health of the Choctawhatchee Basin watershed and other northwest Florida ecosystems.”*

—BRITTANY TATE, senior grant manager, Choctawhatchee Basin Alliance

Brittany Tate of Choctawhatchee Basin Alliance enjoys a beautiful sunset while kayaking on Western Lake in south Walton County, Florida.





Southern Company's Energy Innovation Center in midtown Atlanta buzzes with activity. Southern Company Services' Enterprise Technology Planning Director Joe Massari is among those leaders helping to identify new energy solutions that will benefit customers.

## ARE THE RESULT OF OUR COMMITMENT TO FORWARD THINKING

The Southern Company system boasts more than 26,000 innovators—the employees of our subsidiaries. Innovation is in our DNA, and this has been the case throughout our 104-year history.

Among many other technological advances throughout the years, Southern Company developed the “Early Bird” analog computer system in 1954. Designed to coordinate and dispatch electricity from system power plants, it was widely hailed in its day as the most advanced system of its kind. That tradition continues today as we proactively encourage an “innovation ecosystem.”

In 2015, we launched the Energy Innovation Center in Atlanta’s Technology Square. While innovative thinking in the Southern Company system is not limited to any particular facility or team of individuals, the center serves as a crucible for the vetting and development of ideas, many of which come directly from employees. Others are surfaced through partnerships with leading universities, research organizations and like-minded companies such as Nest and Tesla.

The center employs relatively few full-time personnel, engaging teams of employees and outside experts to work together on an ad hoc basis to address some of our industry’s most pressing issues, including electric battery storage, electric vehicle technology and charging infrastructure and the use of data to help meet customer needs. Related product development initiatives provide a platform from which to design and evaluate new products and services that could potentially result in new lines of business for the Southern Company system.

The center is a direct outgrowth of the company’s 2014 SO Prize competition, in which employees submitted nearly 1,000 ideas for improving customer value. Many of those ideas, including the prize winners featured in our 2014 summary annual report, are being further cultivated at the center.

SoConnected is one such concept that combines new customer billing options with the creative use of data to develop products and services to support the smart home of the future. We expect that homes are only going to keep getting “smarter” with the integration of products that can “think” on their own and communicate with one another. Such a home might include integrated high-efficiency solar panels, seasonally timed lighting, sprinkler system and temperature regulation, home security and monitoring systems, electric vehicles and associated charging infrastructure, home battery storage and back-up generators.

Team members from another SO Prize winner, rEVolution, are currently developing a comprehensive approach to accelerate the adoption of electric vehicles, including pre-sale education and awareness, sales and leasing facilitation, post-sale customer service and the development of a robust, system-wide charging network. The rEVolution team partnered with Gulf Power in 2015 to host an event in which citizens learned more about electric vehicles. The team looks to roll out similar events across Southern Company’s footprint in 2016.

We also continue to explore the use of unmanned aircraft systems in our operations. Unmanned aircraft have emerged as a new and important tool for improving safety and reliability, decreasing outages and helping contain costs associated with maintaining our region’s transmission infrastructure.

All of these efforts support the evolution of Southern Company’s business model by introducing new ways of thinking about our work and through the adoption of the best ideas and practices of businesses both inside and outside our industry. Our ultimate goal is to serve customers better by providing the next generation of clean, safe, reliable and affordable energy solutions.





# HELP CREATE SHAREHOLDER VALUE

Our customer-focused business model has been a cornerstone of Southern Company’s culture since our earliest days. We believe our ability to provide real solutions for customers translates to value creation for investors, as demonstrated by the results we have delivered over time.

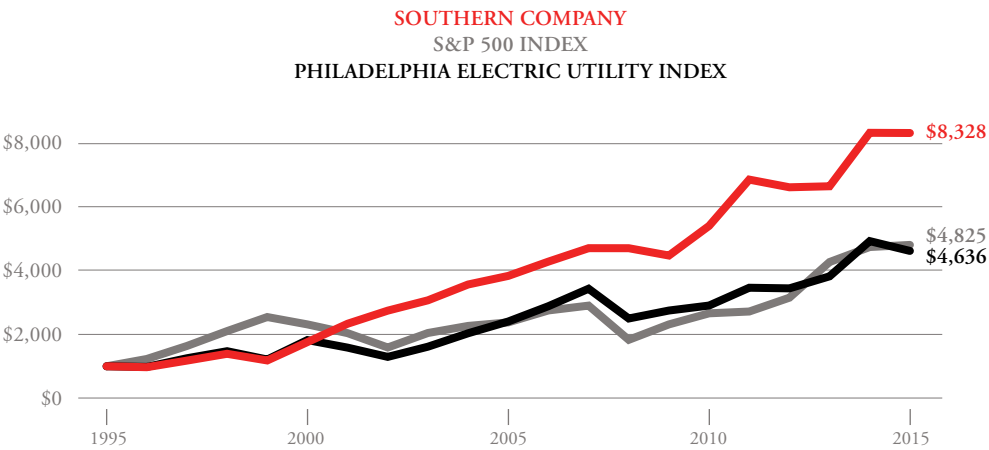
Over the long term, Southern Company has been a solid investment, outperforming the S&P 500 over the 10-, 20- and 30-year periods ending December 31, 2015. Our dividend—an important part of that performance—increased for the 14th consecutive year in 2015, and we have paid shareholder dividends every quarter since 1948.

At year-end, Southern Company’s dividend yield was 4.6 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 71 percent of the increase in our shareholder value, compared with approximately 39 percent of the increase in shareholder value for the S&P 500.

Another advantage for shareholders is low volatility relative to the market. In 2015, Southern Company was the 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.

Our steadfast commitment to customer value has been a driving force behind a steady increase in shareholder value—and we see no reason to alter that course.

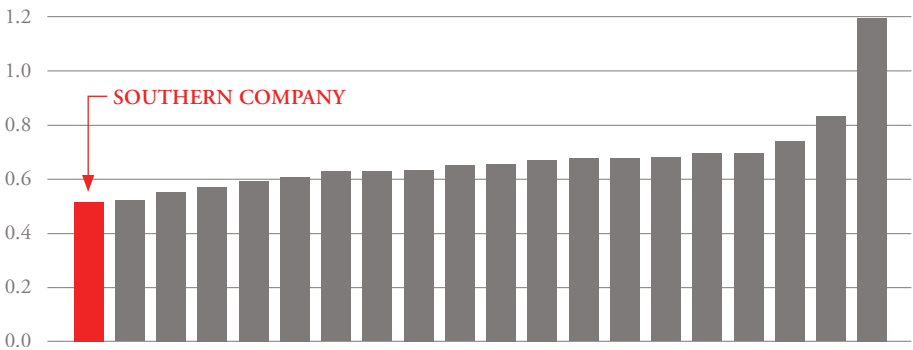
## VALUE OF \$1,000 INVESTED OVER 20 YEARS



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 11.2 percent for Southern Company, compared to 8.0 percent for the UTY and 8.2 percent for the S&P 500. The graph assumes \$1,000 was invested in Southern Company common stock and each of the above indices on December 31, 1995, and that all dividends were reinvested. A five-year performance graph is included in the Annual Report to Stockholders.

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

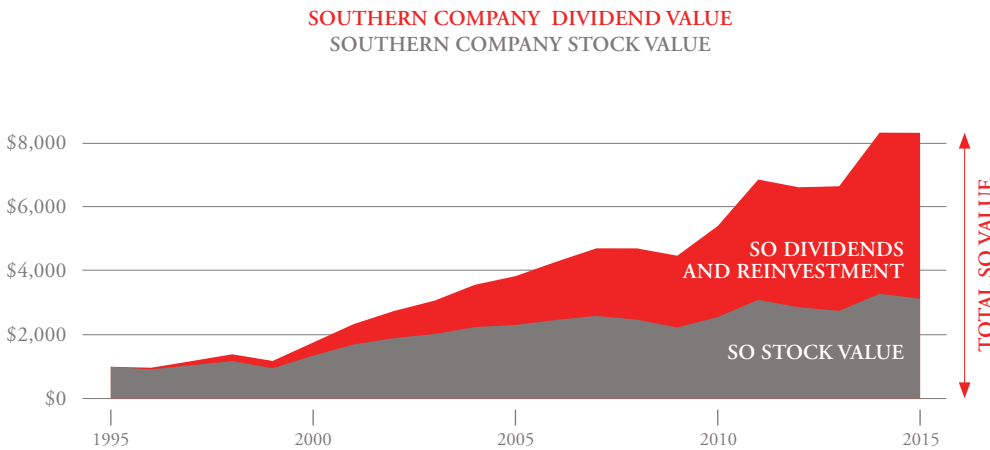
## VALUE ADDED BY LOW VOLATILITY RELATIVE TO THE MARKET



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 lowest level of volatility in the UTY Index.

*Source: FactSet and Bloomberg, five-year beta as of December 31, 2015  
See Glossary on page 36 for information on beta.*

## 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 SO grew to \$8,328. Price increases contributed \$3,132 and dividends, with reinvestment, accounted for an increase of \$5,196, or approximately 71 percent of the gain in value. The graph assumes that \$1,000 was invested in Southern Company common stock on December 31, 1995, 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 2015 Summary Annual Report contains forward-looking statements. Forward-looking statements include, among other things, statements concerning the proposed merger with AGL Resources Inc. (Merger), including the expected timing of the completion of the Merger and the expected benefits thereof, the expected completion of other acquisitions and construction projects and the anticipated benefits thereof and the potential benefits of possible innovations. 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 legislative and regulatory initiatives regarding deregulation and restructuring of the electric utility industry, 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, as well as changes in application of existing laws and regulations;
- current and future litigation, regulatory investigations, proceedings or inquiries, including, without limitation, Internal Revenue Service and state tax audits;
- 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, 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 fuels;
- effects of inflation;
- the ability to control costs and avoid cost overruns during the development and construction 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 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 Southern Company's employee and retiree benefit plans and the Southern Company system's nuclear decommissioning trust funds;
- advances in technology;
- 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 and related legal proceedings involving the commercial parties;
- 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;

- the ability to successfully operate the electric utilities' generating, transmission, and distribution 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 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 expected timing, likelihood and benefits of completion of the Merger, including the failure to receive, on a timely basis or otherwise, the required approvals by government or regulatory agencies (including the terms of such approvals), the possibility that long-term financing for the Merger may not be put in place prior to the closing, the risk that a condition to closing of the Merger or funding of the bridge credit facility may not be satisfied, the possibility that the anticipated benefits from the Merger cannot be fully realized or may take longer to realize than expected, the possibility that costs related to the integration of Southern Company and AGL Resources will be greater than expected, the credit ratings of the combined company or its subsidiaries may be different from what the parties expect, the ability to retain and hire key personnel and maintain relationships with customers, suppliers, or other business partners, the diversion of management time on Merger-related issues and the impact of legislative, regulatory and competitive changes;
- 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 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 subsidiaries to obtain additional generating capacity (or sell excess generating capacity) at competitive prices;
- catastrophic events such as fires, earthquakes, explosions, floods, 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 or operation of generating resources;
- the effect of accounting pronouncements issued periodically by standard-setting bodies; and
- other factors discussed elsewhere herein and in other reports (including the Form 10-K) filed by Southern Company from time to time with the Securities and Exchange Commission.

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 Commission. Based on this evaluation, management concluded

  
**Thomas A. Fanning**  
*Chairman, President and Chief Executive Officer*  
February 26, 2016


  
**Art P. Beattie**  
*Executive Vice President and Chief Financial Officer*  
February 26, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Southern Company

We have audited the consolidated balance sheets and consolidated statements of capitalization of Southern Company and Subsidiary Companies (the Company) as of December 31, 2015 and 2014, 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, 2015. We have also audited the effectiveness of the Company's internal control over financial reporting as of December 31, 2015. 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 26, 2016, 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 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, 2015 and 2014, and the related condensed consolidated statements of income and of cash flows for each of the three years in the period ended December 31, 2015, is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.

  
Atlanta, Georgia  
February 26, 2016

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



## CONDENSED CONSOLIDATED STATEMENTS OF INCOME

For the Years Ended December 31, 2015, 2014, and 2013

<i>(In Millions)</i>	2015	2014	2013
<b>OPERATING REVENUES:</b>			
Retail revenues	\$14,987	\$15,550	\$14,541
Wholesale revenues	1,798	2,184	1,855
Other electric revenues	657	672	639
Other revenues	47	61	52
Total operating revenues	17,489	18,467	17,087
<b>OPERATING EXPENSES:</b>			
Fuel	4,750	6,005	5,510
Purchased power	645	672	461
Other operations and maintenance	4,416	4,354	3,846
Depreciation and amortization	2,034	1,945	1,901
Taxes other than income taxes	997	981	934
Estimated loss on Kemper IGCC	365	868	1,180
Total operating expenses	13,207	14,825	13,832
<b>OPERATING INCOME</b>	<b>4,282</b>	<b>3,642</b>	<b>3,255</b>
<b>OTHER INCOME AND (EXPENSE):</b>			
Allowance for equity funds used during construction	226	245	190
Interest income	23	19	19
Interest expense, net of amounts capitalized	(840)	(835)	(824)
Other income (expense), net	(62)	(63)	(81)
Total other income and (expense)	(653)	(634)	(696)
<b>EARNINGS BEFORE INCOME TAXES</b>	<b>3,629</b>	<b>3,008</b>	<b>2,559</b>
Income taxes	1,194	977	849
<b>CONSOLIDATED NET INCOME</b>	<b>2,435</b>	<b>2,031</b>	<b>1,710</b>
Less:			
Dividends on preferred and preference stock of subsidiaries	54	68	66
Net income attributable to noncontrolling interests	14	—	—
<b>CONSOLIDATED NET INCOME ATTRIBUTABLE TO SOUTHERN COMPANY</b>	<b>\$ 2,367</b>	<b>\$ 1,963</b>	<b>\$ 1,644</b>
<b>COMMON STOCK DATA:</b>			
Earnings per share (EPS) —			
Basic EPS	\$ 2.60	\$ 2.19	\$ 1.88
Diluted EPS	2.59	2.18	1.87
Average number of shares of common stock outstanding — (in millions)			
Basic	910	897	877
Diluted	914	901	881

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, 2015, 2014, and 2013

<i>(In Millions)</i>	2015	2014	2013
<b>OPERATING ACTIVITIES:</b>			
Consolidated net income	\$ 2,435	\$ 2,031	\$ 1,710
Adjustments to reconcile consolidated net income to net cash provided from operating activities —			
Depreciation and amortization, total	2,395	2,293	2,298
Deferred income taxes	1,404	709	496
Investment tax credits	(48)	35	302
Allowance for equity funds used during construction	(226)	(245)	(190)
Pension, postretirement, and other employee benefits	76	(515)	131
Stock based compensation expense	99	63	59
Estimated loss on Kemper IGCC	365	868	1,180
Income taxes receivable, non-current	(413)	—	—
Other, net	(39)	(39)	(41)
Changes in certain current assets and liabilities —			
Receivables	243	(352)	(153)
Fossil fuel stock	61	408	481
Materials and supplies	(44)	(67)	36
Other current assets	(108)	(57)	(11)
Accounts payable	(353)	267	72
Accrued taxes	352	(105)	(85)
Accrued compensation	(41)	255	(138)
Retail fuel cost over recovery — short-term	289	(23)	(66)
Mirror CWIP	(271)	180	—
Other current liabilities	98	109	16
Net cash provided from operating activities	6,274	5,815	6,097
<b>INVESTING ACTIVITIES:</b>			
Plant acquisitions	(1,719)	(731)	(132)
Property additions	(5,674)	(5,246)	(5,331)
Investment in restricted cash	(160)	(11)	(149)
Distribution of restricted cash	154	57	96
Nuclear decommissioning trust fund purchases	(1,424)	(916)	(986)
Nuclear decommissioning trust fund sales	1,418	914	984
Cost of removal, net of salvage	(167)	(170)	(131)
Change in construction payables, net	402	(107)	(126)
Prepaid long-term service agreement	(197)	(181)	(91)
Other investing activities	87	(17)	124
Net cash used for investing activities	(7,280)	(6,408)	(5,742)
<b>FINANCING ACTIVITIES:</b>			
Increase (decrease) in notes payable, net	73	(676)	662
Proceeds —			
Long-term debt issuances	7,029	3,169	2,938
Interest-bearing refundable deposit	—	125	—
Common stock issuances	256	806	695
Short-term borrowings	755	—	—
Redemptions and repurchases —			
Long-term debt	(3,604)	(816)	(2,830)
Common stock repurchased	(115)	(5)	(20)
Interest-bearing refundable deposits	(275)	—	—
Preferred and preference stock	(412)	—	—
Short-term borrowings	(255)	—	—
Capital contributions from noncontrolling interests	341	8	17
Payment of common stock dividends	(1,959)	(1,866)	(1,762)
Payment of dividends on preferred and preference stock of subsidiaries	(59)	(68)	(66)
Other financing activities	(75)	(33)	42
Net cash provided from (used for) financing activities	1,700	644	(324)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>694</b>	<b>51</b>	<b>31</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>710</b>	<b>659</b>	<b>628</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 1,404</b>	<b>\$ 710</b>	<b>\$ 659</b>

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## CONDENSED CONSOLIDATED BALANCE SHEETS

At DECEMBER 31, 2015 AND 2014

ASSETS <i>(In Millions)</i>	2015	2014
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,404	\$ 710
Receivables —		
Customer accounts receivable	1,058	1,090
Unbilled revenues	397	432
Under recovered regulatory clause revenues	63	136
Other accounts and notes receivable	398	307
Accumulated provision for uncollectible accounts	(13)	(18)
Income taxes receivable, current	144	—
Fossil fuel stock, at average cost	868	930
Materials and supplies, at average cost	1,061	1,039
Vacation pay	178	177
Prepaid expenses	495	665
Other regulatory assets, current	402	346
Other current assets	71	50
Total current assets	6,526	5,864
<b>PROPERTY, PLANT, AND EQUIPMENT:</b>		
In service	75,118	70,013
Less accumulated depreciation	24,253	24,059
Plant in service, net of depreciation	50,865	45,954
Other utility plant, net	233	211
Nuclear fuel, at amortized cost	934	911
Construction work in progress	9,082	7,792
Total property, plant, and equipment	61,114	54,868
<b>OTHER PROPERTY AND INVESTMENTS:</b>		
Nuclear decommissioning trusts, at fair value	1,512	1,546
Leveraged leases	755	743
Miscellaneous property and investments	485	203
Total other property and investments	2,752	2,492
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>		
Deferred charges related to income taxes	1,560	1,510
Unamortized loss on reacquired debt	227	243
Other regulatory assets, deferred	4,989	4,334
Income taxes receivable, non-current	413	—
Other deferred charges and assets	737	922
Total deferred charges and other assets	7,926	7,009
<b>TOTAL ASSETS</b>	<b>\$78,318</b>	<b>\$70,233</b>

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, 2015 AND 2014

LIABILITIES AND STOCKHOLDERS' EQUITY <i>(In Millions)</i>	2015	2014
<b>CURRENT LIABILITIES:</b>		
Securities due within one year	\$ 2,674	\$ 3,329
Interest-bearing refundable deposits	—	275
Notes payable	1,376	803
Accounts payable	1,905	1,593
Customer deposits	404	390
Accrued taxes —		
Accrued income taxes	19	149
Other accrued taxes	484	487
Accrued interest	249	295
Accrued vacation pay	228	223
Accrued compensation	549	576
Asset retirement obligations, current	217	32
Liabilities from risk management activities	156	138
Other regulatory liabilities, current	278	26
Mirror CWIP	—	271
Other current liabilities	590	374
Total current liabilities	9,129	8,961
<b>LONG-TERM DEBT</b>	<b>24,688</b>	<b>20,644</b>
<b>DEFERRED CREDITS AND OTHER LIABILITIES:</b>		
Accumulated deferred income taxes	12,322	11,082
Deferred credits related to income taxes	187	192
Accumulated deferred investment tax credits	1,219	1,208
Employee benefit obligations	2,582	2,432
Asset retirement obligations, deferred	3,542	2,168
Unrecognized tax benefits	370	4
Other cost of removal obligations	1,162	1,215
Other regulatory liabilities, deferred	254	398
Other deferred credits and liabilities	720	589
Total deferred credits and other liabilities	22,358	19,288
<b>TOTAL LIABILITIES</b>	<b>56,175</b>	<b>48,893</b>
<b>REDEEMABLE PREFERRED STOCK OF SUBSIDIARIES</b>	<b>118</b>	<b>375</b>
<b>REDEEMABLE NONCONTROLLING INTERESTS</b>	<b>43</b>	<b>39</b>
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>21,982</b>	<b>20,926</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$78,318</b>	<b>\$70,233</b>

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.



BOARD OF DIRECTORS

1. JUANITA POWELL BARANCO

*Executive Vice President  
and Chief Operating Officer  
Baranco Automotive Group (automobile sales)*  
Atlanta, GA | Age 67 | elected 2006  
Board committee: Audit  
Other directorships: None

2. JON A. BOSCIA

*Founder and President  
Boardroom Advisors LLC  
(board governance consulting firm)*  
Sarasota, FL | Age 63 | elected 2007  
Board committee: Audit (chair)  
Other directorships: None

3. HENRY A. CLARK III

*Senior Advisor  
Evercore Partners Inc.  
(corporate finance advisory firm)*  
New York, NY | Age 66 | elected 2009  
Board committees: Compensation and  
Management Succession (chair), Finance  
Other directorships: None

4. THOMAS A. FANNING

*Chairman, President and CEO  
Southern Company*  
Atlanta, GA | Age 59 | elected 2010  
Other directorships: Federal Reserve  
Bank of Atlanta (chair), Vulcan Materials Company

5. DAVID J. GRAIN

*Founder and Managing Partner  
Grain Management, LLC (private equity firm)*  
Sarasota, FL | Age 53 | elected 2012  
Board committees: Compensation and  
Management Succession, Finance  
Other directorship: Gateway Bank  
of Southwest Florida

6. VERONICA M. HAGEN

*Lead Independent Director  
Southern Company Board  
Retired President and CEO  
Polymer Group, Inc. (engineered materials)*  
Laguna Niguel, CA | Age 70 | elected 2008  
Board committees: Compensation and  
Management Succession, Nuclear/Operations  
Other directorships: Newmont Mining Corporation,  
American Water Works Company, Inc.

7. WARREN A. HOOD, JR.

*Chairman and CEO  
Hood Companies, Inc.  
(packaging and construction products)*  
Hattiesburg, MS | Age 64 | elected 2007  
Board committee: Audit  
Other directorships: Hood Companies, Inc.,  
BancorpSouth, Inc.

8. LINDA P. HUDSON

*Founder, Chairman and CEO  
The Cardea Group  
(business management consulting)*  
Charlotte, NC | Age 65 | elected 2014  
Board committees: Governance, Nuclear/  
Operations, Business Security Subcommittee  
Other directorships: Bank of America Corporation,  
Ingersoll Rand, Inc.

9. DONALD M. JAMES

*Retired Chairman and CEO  
Vulcan Materials Company  
(construction materials)*  
Birmingham, AL | Age 67 | elected 1999  
Board committees: Governance (chair), Finance  
Other directorship: Wells Fargo & Company

10. JOHN D. JOHNS

*Chairman and CEO  
Protective Life Corporation (insurance)*  
Birmingham, AL | Age 64 | elected 2015  
Board committee: Audit  
Other directorships: Protective Life Corporation,  
Regions Financial Corporation, Genuine Parts  
Company

11. 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 68 | elected 2010  
Board committees: Governance,  
Nuclear/Operations, Business Security  
Subcommittee (chair)  
Other directorships: Pinnacle West Capital  
Corporation, Arizona Public Service Company

12. WILLIAM G. SMITH, JR.

*Chairman, President and CEO  
Capital City Bank Group, Inc. (banking)*  
Tallahassee, FL | Age 62 | elected 2006  
Board committees: Compensation and  
Management Succession, Finance (chair)  
Other directorships: Capital City Bank Group, Inc.,  
Capital City Bank

13. STEVEN R. SPECKER

*Retired President and CEO  
Electric Power Research Institute (energy)*  
Scottsdale, AZ | Age 70 | elected 2010  
Board committees: Nuclear/Operations (chair),  
Compensation and Management Succession  
Other directorship: Trilliant, Inc.

14. LARRY D. THOMPSON

*Incoming Lead Independent Director  
Southern Company Board (effective May 2016)  
John A. Sibley Professor of Corporate and Business Law,  
The University of Georgia School of Law (attorney)*  
Atlanta, GA | Age 70 | elected 2014  
Board committees: Finance, Governance  
Other directorships: Graham Holdings Company,  
Franklin, Templeton Series Mutual Funds

15. E. JENNER WOOD III

*Corporate Executive Vice President, Wholesale Banking  
SunTrust Banks, Inc. (banking)*  
Atlanta, GA | Age 64 | elected 2012  
Board committees: Governance,  
Nuclear/Operations  
Other directorships: Oxford Industries, Inc.,  
Genuine Parts Company





MANAGEMENT COUNCIL

1. ART P. BEATTIE

*Executive Vice President and Chief Financial Officer*

Beattie, 61, 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 chief financial officer, treasurer and comptroller.

2. W. PAUL BOWERS

*Executive Vice President*

*Chairman, President and CEO, Georgia Power*

Bowers, 58, 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 chief financial officer 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.

3. STANLEY W. CONNALLY, JR.

*Chairman, President and CEO, Gulf Power*

Connally, 46, 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.

4. MARK A. CROSSWHITE

*Executive Vice President*

*Chairman, President and CEO, Alabama Power*

Crosswhite, 53, 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 chief operating officer 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.

5. THOMAS A. FANNING

*Chairman, President and CEO*

Fanning, 59, 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 for Southern Company, Georgia Power and Mississippi Power.

6. KIMBERLY S. GREENE

*Executive Vice President and Chief Operating Officer*

Greene, 49, 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 TVA, where she served as chief financial officer, group president of strategy and external relations and chief generation officer. Prior to her time at TVA, 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.

7. G. EDISON HOLLAND, JR.

*Chairman, Mississippi Power*

*(Effective January 1, 2016, no longer serving on the management council)*

Holland, 63, joined the company as vice president and corporate counsel for Gulf Power in 1992. He has served as chairman of Mississippi Power since May 2013 and was named president and CEO of Southern Company Holdings and executive vice president of Southern Company Services in January 2016. Previously, he was president and CEO of Mississippi Power, executive vice president, general counsel and corporate secretary for Southern Company, president and CEO of Savannah Electric and vice president of power generation and transmission at Gulf Power.

8. JAMES Y. KERR II

*Executive Vice President and General Counsel*

Kerr, 52, 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.

9. STEPHEN E. KUCZYNSKI

*Chairman, President and CEO, Southern Nuclear*

Kuczynski, 53, 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.

10. MARK S. LANTRIP

*Executive Vice President*

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

Lantrip, 61, 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.

11. ANTHONY WILSON

*President and CEO, Mississippi Power*

Wilson, 53, 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.

12. CHRISTOPHER C. WOMACK

*Executive Vice President and President, External Affairs*

Womack, 58, 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, AGL RESOURCES ACQUISITION COSTS, LEVERAGED LEASE RESTRUCTURE CHARGE, AND MC ASSET RECOVERY INSURANCE SETTLEMENTS**

Basic earnings per share in 2015 of \$2.60 plus an excluded 25-cent charge related to Mississippi Power’s construction of the Kemper IGCC project and plus an excluded 3 cents related to the costs of the proposed merger with AGL Resources, plus an excluded MC Asset Recovery insurance settlement charge of 1 cent. Basic earnings per share in 2014 of \$2.19 plus an excluded 59-cent charge related to Mississippi Power’s construction of the Kemper IGCC project and plus an excluded 2 cents 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 related to Mississippi Power’s construction of the Kemper IGCC project, plus an excluded 2-cent charge related to the restructuring of a leveraged lease investment and minus an excluded MC Asset Recovery insurance settlement of 2 cents. Basic earnings per share in 2012 of \$2.70 minus an excluded MC Asset Recovery insurance settlement of 2 cents.

**BCF**  
Billion cubic feet

**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.

**ENERGY STAR®**  
Created by the U.S. Environmental Protection Agency in 1992, Energy Star is an international standard for energy-efficient consumer products originated in the United States. Kitchen and other home appliances that carry the Energy Star label generally use 20-30 percent less energy than required by federal standards.

**GIGAWATT-HOUR**  
A unit of electrical energy representing 1 billion watt-hours. A gigawatt-hour is equivalent to 1 million kilowatt-hours. A kilowatt-hour is equivalent to a steady power of one kilowatt running for one hour and is equivalent to 3.6 million joules or 3.6 megajoules.

**HVAC**  
Abbreviation for heating, ventilation and air conditioning.

**INTEGRATED GASIFICATION COMBINED CYCLE (IGCC)**  
A technology that uses a gasifier to turn coal and other carbon-based fuels into synthesis gas (syngas). It then removes impurities from the syngas before it is combusted. This results in lower emissions of sulfur dioxide, particulates and mercury.

**LED (LIGHT-EMITTING DIODES)**  
Semiconductor devices that produce visible light when an electrical current is passed through them. LED lighting can be more efficient, durable and longer lasting.

**LNG (LIQUEFIED NATURAL GAS)**  
Cooling natural gas to approximately -260 degrees Fahrenheit at normal pressure results in the condensation of the gas to liquid form. LNG is useful for the transportation of natural gas since it is only one sixth-hundredth the volume of gaseous natural gas.

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

**RELIABILITY**  
As pertains to electric networks, the extent to which supply is available to meet demand.

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

**SYNGAS**  
An abbreviation for synthesis gas, which is a mixture comprised of carbon monoxide, carbon dioxide and hydrogen. Syngas is produced by the gasification of a 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](http://shareowneronline.com)

**SOUTHERN COMPANY SHAREHOLDER RELATIONS**  
Dianne Perry  
Telephone: 404.506.0965  
Email: [dperry@southernco.com](mailto:dperry@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](http://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 2016 Annual Meeting of Stockholders will be held Wednesday, May 25, 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 [www.investor.southerncompany.com](http://www.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](http://www.icsdelivery.com/so).

**ENVIRONMENTAL INFORMATION**  
Southern Company publishes information on its activities to meet environmental commitments at [www.southerncompany.com/planetpower/#reports](http://www.southerncompany.com/planetpower/#reports).

**TO REQUEST PRINTED MATERIALS, WRITE TO:**  
Larry Monroe  
Chief Environmental Officer & Senior Vice President  
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, 2015, Southern Company had 131,771 shareholders of record.

The 2015 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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