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DELTA REPORT

10-Q

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10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	5596
CHANGES	583
DELETIONS	2882
ADDITIONS	2131

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2023March 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____to______

Commission File Number	Registrant, State of Incorporation, Address and Telephone Number	I.R.S. Employer Identification No.
1-3526	**The Southern Company** (A Delaware Corporation) 30 Ivan Allen Jr. Boulevard, N.W. Atlanta, Georgia 30308 (404) 506-5000	58-0690070
1-3164	**Alabama Power Company** (An Alabama Corporation) 600 North 18th Street Birmingham, Alabama 35203 (205) 257-1000	63-0004250
1-6468	**Georgia Power Company** (A Georgia Corporation) 241 Ralph McGill Boulevard, N.E. Atlanta, Georgia 30308 (404) 506-6526	58-0257110
001-11229	**Mississippi Power Company** (A Mississippi Corporation) 2992 West Beach Boulevard Gulfport, Mississippi 39501 (228) 864-1211	64-0205820
001-37803	**Southern Power Company** (A Delaware Corporation) 30 Ivan Allen Jr. Boulevard, N.W. Atlanta, Georgia 30308 (404) 506-5000	58-2598670
1-14174	**Southern Company Gas** (A Georgia Corporation) Ten Peachtree Place, N.E. Atlanta, Georgia 30309 (404) 584-4000	58-2210952

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Securities registered pursuant to Section 12(b) of the Act:

Registrant	Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
The Southern Company	Common Stock, par value $5 per share	SO	New York Stock Exchange (NYSE)
The Southern Company	Series 2017B 5.25% Junior Subordinated Notes due 2077	SOJC	NYSE
The Southern Company	Series 2020A 4.95% Junior Subordinated Notes due 2080	SOJD	NYSE
The Southern Company	Series 2020C 4.20% Junior Subordinated Notes due 2060	SOJE	NYSE
The Southern Company	Series 2021B 1.875% Fixed-to-Fixed Reset Rate Junior Subordinated Notes due 2081	SO 81	NYSE
Georgia Power Company	Series 2017A 5.00% Junior Subordinated Notes due 2077	GPJA	NYSE
Southern Power Company	Series 2016B 1.850% Senior Notes due 2026	SO/26A	NYSE

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes þ No ¨

Indicate by check mark whether the registrants have submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrants were required to submit such files). Yes þ No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Registrant	Large Accelerated Filer	Accelerated Filer	Non-accelerated Filer	Smaller Reporting Company	Emerging Growth Company
The Southern Company	X				
Alabama Power Company			X		
Georgia Power Company			X		
Mississippi Power Company			X		
Southern Power Company			X		
Southern Company Gas			X		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No þ (Response applicable to all registrants.)

Registrant	Description of Common Stock	Shares Outstanding at September 30, 2023	March 31, 2024
The Southern Company	Par Value $5 Per Share	1,090,619,349	1,093,426,111
Alabama Power Company	Par Value $40 Per Share		30,537,500
Georgia Power Company	Without Par Value		9,261,500
Mississippi Power Company	Without Par Value		1,121,000
Southern Power Company	Par Value $0.01 Per Share		1,000
Southern Company Gas	Par Value $0.01 Per Share		100

This combined Form 10-Q is separately filed by The Southern Company, Alabama Power Company, Georgia Power Company, Mississippi Power Company, Southern Power Company, and Southern Company Gas. Information contained herein relating to any individual registrant is filed by such registrant on its own behalf. Each registrant makes no representation as to information relating to the other registrants.

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DEFINITIONS

Term	Meaning
2022 ARP	Alternate Rate Plan approved by the Georgia PSC in 2022 for Georgia Power for the years 2023 through 2025
AFUDC	Allowance for funds used during construction
Alabama Power	Alabama Power Company
Amended and Restated Loan Guarantee Agreement	Loan guarantee agreement entered into by Georgia Power with the DOE in 2014, as amended and restated in March 2019, under which the proceeds of borrowings may be used to reimburse Georgia Power for Eligible Project Costs incurred in connection with its construction of Plant Vogtle Units 3 and 4
ARO	Asset retirement obligation
Atlanta Gas Light	Atlanta Gas Light Company, a wholly-owned subsidiary of Southern Company Gas
CCR	Coal combustion residuals
Chattanooga Gas	Chattanooga Gas Company, a wholly-owned subsidiary of Southern Company Gas
COD	Commercial operation date
Contractor Settlement Agreement	The December 31, 2015 agreement between Westinghouse and the Vogtle Owners resolving disputes between the Vogtle Owners and the EPC Contractor under the Vogtle 3 and 4 Agreement
Cooperative Energy	Electric generation and transmission cooperative in Mississippi
COVID-19	The novel coronavirus disease declared a pandemic by the World Health Organization and the Centers for Disease Control and Prevention in March 2020
CWIP	Construction work in progress
Dalton	City of Dalton, Georgia, an incorporated municipality in the State of Georgia, acting by and through its Board of Water, Light, and Sinking Fund Commissioners
Dalton Pipeline	A pipeline facility in Georgia in which Southern Company Gas has a 50% undivided ownership interest
DOE	U.S. Department of Energy
ELG	Effluent limitations guidelines
Eligible Project Costs	Certain costs of construction relating to Plant Vogtle Units 3 and 4 that are eligible for financing under the loan guarantee program established under Title XVII of the Energy Policy Act of 2005
EPA	U.S. Environmental Protection Agency
EPC Contractor	Westinghouse and its affiliate, WECTEC Global Project Services Inc.; the former engineering, procurement, and construction contractor for Plant Vogtle Units 3 and 4
FCC	Federal Communications Commission
FERC	Federal Energy Regulatory Commission
FFB	Federal Financing Bank
First Solar	First Solar Electric, LLC
Fitch	Fitch Ratings, Inc.
Form 10-K	Annual Report on Form 10-K of Southern Company, Alabama Power, Georgia Power, Mississippi Power, Southern Power, and Southern Company Gas for the year ended December 31, 2022 December 31, 2023, as applicable
GAAP	U.S. generally accepted accounting principles

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DEFINITIONS
(continued)

Term	Meaning
Georgia Power	Georgia Power Company
GHG	Greenhouse gas
Guarantee Settlement Agreement	The June 9, 2017 settlement agreement between the Vogtle Owners and Toshiba related to certain payment obligations of the EPC Contractor guaranteed by Toshiba
Gulf Power	Gulf Power Company, until January 1, 2019 a wholly-owned subsidiary of Southern Company; effective January 1, 2021, Gulf Power Company merged with and into Florida Power and Light Company, with Florida Power and Light Company remaining as the surviving company
Heating Degree Days	A measure of weather, calculated when the average daily temperatures are less than 65 degrees Fahrenheit
Heating Season	The period from November through March when Southern Company Gas' natural gas usage and operating revenues are generally higher
HLBV	Hypothetical liquidation at book value
IGCC	Integrated coal gasification combined cycle, the technology originally approved for Mississippi Power's Kemper County energy facility
IIC	Intercompany Interchange Contract

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DEFINITIONS
(continued)

Term	Meaning
Illinois Commission	Illinois Commerce Commission
IRP	Integrated resource plan
ITC	Investment tax credit
KWH	Kilowatt-hour
LIFO	Last-in, first-out
LTSA	Long-term service agreement
MEAG Power	Municipal Electric Authority of Georgia
Mississippi Power	Mississippi Power Company
mmBtu	Million British thermal units
Moody's	Moody's Investors Service, Inc.
MRA	Municipal and Rural Associations
MW	Megawatt
natural gas distribution utilities	Southern Company Gas' natural gas distribution utilities (Nicor Gas, Atlanta Gas Light, Virginia Natural Gas, and Chattanooga Gas)
NCCR	Georgia Power's Nuclear Construction Cost Recovery tariff
NDR	Alabama Power's Natural Disaster Reserve
Nicor Gas	Northern Illinois Gas Company, a wholly-owned subsidiary of Southern Company Gas
N/M	Not meaningful
NRC	U.S. Nuclear Regulatory Commission
OCI	Other comprehensive income
OPC	Oglethorpe Power Corporation (an electric membership corporation)
PEP	Mississippi Power's Performance Evaluation Plan
PowerSecure	PowerSecure, Inc., a wholly-owned subsidiary of Southern Company
PPA	Power purchase agreements, as well as, for Southern Power, contracts for differences that provide the owner of a renewable facility a certain fixed price for the electricity sold to the grid
Prudency Stipulation	Stipulated agreement among Georgia Power, the staff of the Georgia PSC, and certain intervenors modifying Georgia Power's August 2023 application to adjust retail rates to include reasonable and prudent Plant Vogtle Units 3 and 4 costs and approved by the Georgia PSC in December 2023
PSC	Public Service Commission
PTC	Production tax credit
Rate CNP	Alabama Power's Rate Certificated New Plant, consisting of Rate CNP New Plant, Rate CNP Compliance, Rate CNP PPA, and Rate CNP Depreciation
Rate ECR	Alabama Power's Rate Energy Cost Recovery

DEFINITIONS
(continued)

Rate RSE	Alabama Power's Rate Stabilization and Equalization
Registrants	Southern Company, Alabama Power, Georgia Power, Mississippi Power, Southern Power Company, and Southern Company Gas
ROE	Return on equity
S&P	S&P Global Ratings, a division of S&P Global Inc.
SCS	Southern Company Services, Inc., the Southern Company system service company and a wholly-owned subsidiary of Southern Company
SEC	U.S. Securities and Exchange Commission
SEGCO	Southern Electric Generating Company, 50% owned by each of Alabama Power and Georgia Power
SNG	Southern Natural Gas Company, L.L.C., a pipeline system in which Southern Company Gas has a 50% ownership interest
SOFR	Secured Overnight Financing Rate
Southern Company	The Southern Company
Southern Company Gas	Southern Company Gas and its subsidiaries

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DEFINITIONS
(continued)

Term	Meaning
Southern Company Gas Capital	Southern Company Gas Capital Corporation, a 100%-owned wholly-owned subsidiary of Southern Company Gas
Southern Company power pool	The operating arrangement whereby the integrated generating resources of the traditional electric operating companies and Southern Power (excluding subsidiaries) are subject to joint commitment and dispatch in order to serve their combined load obligations
Southern Company system	Southern Company, the traditional electric operating companies, Southern Power, Southern Company Gas, SEGCO, Southern Nuclear, SCS, Southern Communications Services, Inc., PowerSecure, and other subsidiaries
Southern Holdings	Southern Company Holdings, Inc., a wholly-owned subsidiary of Southern Company
Southern Nuclear	Southern Nuclear Operating Company, Inc., a wholly-owned subsidiary of Southern Company
Southern Power	Southern Power Company and its subsidiaries
SouthStar	SouthStar Energy Services, LLC (a Marketer), a wholly-owned subsidiary of Southern Company Gas
SP Solar	SP Solar Holdings I, LP, a limited partnership indirectly owning substantially all of Southern Power's solar and battery energy storage facilities, in which Southern Power has a 67% ownership interest
SP Wind	SP Wind Holdings II, LLC, a holding company owning a portfolio of eight operating wind facilities, in which Southern Power is the controlling partner in a tax equity arrangement
SRR	Mississippi Power's System Restoration Rider, a tariff for retail property damage cost recovery and reserve
Subsidiary Registrants	Alabama Power, Georgia Power, Mississippi Power, Southern Power, and Southern Company Gas
Toshiba	Toshiba Corporation, the parent company of Westinghouse
traditional electric operating companies	Alabama Power, Georgia Power, and Mississippi Power
VIE	Variable interest entity
Virginia Natural Gas	Virginia Natural Gas, Inc., a wholly-owned subsidiary of Southern Company Gas

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DEFINITIONS
(continued)

Term	Meaning
Vogtle Owners	Georgia Power, OPC, MEAG Power, and Dalton
WACOG	Weighted average cost of gas
Westinghouse	Westinghouse Electric Company LLC

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q contains forward-looking statements. Forward-looking statements include, among other things, statements concerning the potential and expected effects of regulated rates, the strategic goals for the business, customer and sales growth, economic conditions, including inflation, cost recovery and other rate actions, current and proposed environmental regulations and related compliance plans and estimated expenditures, pending or potential litigation matters, access to sources of capital, financing activities, completion dates and costs of construction projects, matters related to the abandonment of the Kemper IGCC, filings with state and federal regulatory authorities, and estimated construction plans and expenditures. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "would," "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 tax, environmental, 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;
- the extent and timing of costs and legal requirements related to CCR;
- current and future litigation or regulatory investigations, proceedings, or inquiries, including litigation and other disputes related to the Kemper County energy facility and Plant Vogtle Units 3 and 4;
- the effects, extent, and timing of the entry of additional competition in the markets in which Southern Company's subsidiaries operate, including from the development and deployment of alternative energy sources;
- variations in demand for electricity and natural gas;
- available sources and costs of natural gas and other fuels and commodities;
- the ability to complete necessary or desirable pipeline expansion or infrastructure projects, limits on pipeline capacity, public and policymaker support for such projects, and operational interruptions to natural gas distribution and transmission activities;
- transmission constraints;
- the ability to control costs and avoid cost and schedule overruns during the development, construction, and operation of facilities or other projects including Plant Vogtle Unit 4 (which includes components based on new technology that only within the last few years began initial operation in the global nuclear industry at this scale), due to current and/or future challenges which include, but are not limited to, changes in labor costs, availability, and productivity; challenges with the management of contractors or vendors; subcontractor performance; adverse weather conditions; shortages, delays, increased costs, or inconsistent quality of equipment, materials, and labor; contractor or supplier delay; the impacts of inflation; delays due to judicial or regulatory action; nonperformance under construction, operating, or other agreements; operational readiness, including specialized operator training and required site safety programs; engineering or design problems or any remediation related thereto; design and other licensing-based compliance matters; challenges with start-up activities, including major equipment failure, or system integration; and/or operational performance; continued challenges related to the COVID-19 pandemic or future pandemic health events; continued public and policymaker support for projects; environmental and geological conditions; delays or increased costs to interconnect facilities to transmission grids; and increased financing costs as a result of changes in market interest rates or as a result of project delays;
- the ability to overcome or mitigate the current challenges, or challenges yet to be identified, at Plant Vogtle Unit 4, as described in Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction" in Item 1 herein, that could further impact the cost and schedule for the project;
- legal proceedings and regulatory approvals and actions related to past, ongoing, and ongoing proposed construction projects, such as Plant Vogtle Units 3 and 4, including PSC approvals and FERC and NRC actions;
- under certain specified circumstances, a decision by holders of more than 10% of the ownership interests of Plant Vogtle Unit 4 not to proceed with construction;
- in the event Georgia Power becomes obligated to provide funding to MEAG Power with respect to the portion of MEAG Power's ownership interest in Plant Vogtle Units 3 and 4 involving JEA, any inability of Georgia Power to receive repayment of such funding;
- the ability to construct facilities in accordance with the requirements of permits and licenses, (including satisfaction of NRC requirements), 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;

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- investment performance of the employee and retiree benefit plans and nuclear decommissioning trust funds;
- advances in technology, including the pace and extent of development of low- to no-carbon energy and battery energy storage technologies and negative carbon concepts;
- performance of counterparties under 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 ROE, equity ratios, additional generating capacity, and fuel and other cost recovery mechanisms;
- the ability to successfully operate the traditional electric operating companies' and SEGCO's generation, transmission, and distribution facilities, Southern Power's generation 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;

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

(continued)

- the inherent risks involved in transporting generation, transmission, and storing distribution of electricity and transportation and storage of natural gas; gas, including accidents, explosions, fires, mechanical problems, discharges or releases of toxic or hazardous substances or gases, and other environmental 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 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 physical attack and the threat of cyber and physical attacks;
- global and U.S. economic conditions, including impacts from geopolitical conflicts, recession, inflation, interest rate fluctuations, and financial market conditions, and the results of financing efforts;
- access to capital markets and other financing sources;
- changes in Southern Company's and any of its subsidiaries' credit ratings;
- the ability of the traditional electric operating companies 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, political unrest, wars, or other similar occurrences;
- the potential effects of COVID-19, including, but not limited to, those described in Item 1A "Risk Factors" of the Form 10-K;
- 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;
- impairments of goodwill or long-lived assets;
- 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 the Registrants from time to time with the SEC.

The Registrants expressly disclaim any obligation to update any forward-looking statements.

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
		2023	2022	**2023**	2022
		(in millions)		*(in millions)*	
Operating Revenues:	**Operating Revenues:**				
Retail electric revenues	Retail electric revenues	**$5,139**	$5,961	**$12,597**	$14,363
Retail electric revenues					
Retail electric revenues					
Wholesale electric revenues	Wholesale electric revenues	**727**	1,197	**1,930**	2,798
Other electric revenues	Other electric revenues	**203**	185	**602**	554
Natural gas revenues (includes alternative revenue programs of $—, $(1), $11, and $—, respectively)		**689**	857	**3,417**	3,998
Natural gas revenues (includes alternative revenue programs of $34 and $12, respectively)					
Other revenues	Other revenues	**222**	178	**662**	519
Total operating revenues	Total operating revenues	**6,980**	8,378	**19,208**	22,232
Operating Expenses:	**Operating Expenses:**				
Fuel					
Fuel					
Fuel	Fuel	**1,367**	2,423	**3,376**	5,249
Purchased power	Purchased power	**207**	645	**680**	1,285
Cost of natural gas	Cost of natural gas	**102**	294	**1,199**	1,840
Cost of other sales	Cost of other sales	**126**	92	**381**	275
Other operations and maintenance	Other operations and maintenance	**1,424**	1,527	**4,352**	4,568
Depreciation and amortization	Depreciation and amortization	**1,143**	922	**3,365**	2,728

For the Three Months Ended March 31,	
2024	2023
(in millions)	

Taxes other than income taxes	Taxes other than income taxes	**341**	352	**1,076**	1,073
Estimated loss on Plant Vogtle Units 3 and 4		**160**	(70)	**160**	(18)
Total operating expenses					
Total operating expenses					
Total operating expenses	Total operating expenses	**4,870**	6,185	**14,589**	17,000
Operating Income	**Operating Income**	**2,110**	2,193	**4,619**	5,232
Other Income and (Expense):	**Other Income and (Expense):**				
Allowance for equity funds used during construction	Allowance for equity funds used during construction	**66**	59	**200**	163
Allowance for equity funds used during construction					
Allowance for equity funds used during construction					
Earnings from equity method investments	Earnings from equity method investments	**32**	28	**110**	109
Interest expense, net of amounts capitalized	Interest expense, net of amounts capitalized	**(620)**	(511)	**(1,812)**	(1,461)
Other income (expense), net					
Other income (expense), net					
Other income (expense), net	Other income (expense), net	**141**	132	**428**	414
Total other income and (expense)	Total other income and (expense)	**(381)**	(292)	**(1,074)**	(775)
Earnings Before Income Taxes	**Earnings Before Income Taxes**	**1,729**	1,901	**3,545**	4,457
Income taxes	Income taxes	**297**	414	**492**	891
Consolidated Net Income	**Consolidated Net Income**	**1,432**	1,487	**3,053**	3,566
Dividends on preferred stock of subsidiaries		**—**	3	**—**	10
Net income (loss) attributable to noncontrolling interests		**10**	12	**(68)**	(55)
Net loss attributable to noncontrolling interests					
Net loss attributable to noncontrolling interests					
Net loss attributable to noncontrolling interests					

Consolidated Net Income Attributable to Southern Company	**Consolidated Net Income Attributable to Southern Company**	**$1,422**	$1,472	**$ 3,121**	$ 3,611
Common Stock Data:	**Common Stock Data:**				
Earnings per share -	Earnings per share -				
Earnings per share -					
Earnings per share -					
Basic					
Basic					
Basic	Basic	**$ 1.30**	$ 1.36	**$ 2.86**	$ 3.38
Diluted	Diluted	**$ 1.29**	$ 1.35	**$ 2.84**	$ 3.36
Average number of shares of common stock outstanding (in millions)	Average number of shares of common stock outstanding (in millions)				
Basic	Basic	**1,092**	1,082	**1,092**	1,070
Basic					
Basic					
Diluted	Diluted	**1,099**	1,088	**1,098**	1,076

The accompanying notes as they relate to Southern Company are an integral part of these condensed consolidated financial statements.

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	**2023**	2022
	(in millions)		*(in millions)*	
Consolidated Net Income	**$ 1,432**	$ 1,487	**$ 3,053**	$ 3,566
Other comprehensive income:				
Qualifying hedges:				
Changes in fair value, net of tax of $3, $2, $(11), and $(5), respectively	**2**	—	**(34)**	(27)
Reclassification adjustment for amounts included in net income, net of tax of $12, $8, $25, and $32, respectively	**36**	26	**70**	100
Pension and other postretirement benefit plans:				
Reclassification adjustment for amounts included in net income, net of tax of $—, $1, $—, and $3, respectively	**—**	2	**1**	8
Total other comprehensive income	**38**	28	**37**	81
Comprehensive Income	**1,470**	1,515	**3,090**	3,647
Dividends on preferred stock of subsidiaries	**—**	3	**—**	10
Comprehensive income (loss) attributable to noncontrolling interests	**10**	12	**(68)**	(55)
Consolidated Comprehensive Income Attributable to Southern Company	**$ 1,460**	$ 1,500	**$ 3,158**	$ 3,692

	For the Three Months Ended March 31,	
	2024	2023
	(in millions)	
Consolidated Net Income	**$ 1,071**	$ 799
Other comprehensive income (loss):		
Qualifying hedges:		
Changes in fair value, net of tax of $— and $(23), respectively	**1**	(63)
Reclassification adjustment for amounts included in net income, net of tax of $12 and $7, respectively	**32**	19
Pension and other postretirement benefit plans:		
Benefit plan net gain (loss), net of tax of $1 and $—, respectively	**4**	—
Total other comprehensive income (loss)	**37**	(44)
Comprehensive Income	**1,108**	755
Comprehensive loss attributable to noncontrolling interests	**(58)**	(63)
Consolidated Comprehensive Income Attributable to Southern Company	**$ 1,166**	$ 818

The accompanying notes as they relate to Southern Company are an integral part of these condensed consolidated financial statements.

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
		2023	2022	**2024**	2023
		(in millions)		*(in millions)*	
Operating Activities:	**Operating Activities:**				
Consolidated net income	Consolidated net income	**$ 3,053**	$ 3,566		
Consolidated net income					
Consolidated net income					
Adjustments to reconcile consolidated net income to net cash provided from operating activities —	Adjustments to reconcile consolidated net income to net cash provided from operating activities —				
Depreciation and amortization, total	Depreciation and amortization, total	**3,699**	3,084		
Deferred income taxes		**(52)**	608		
Utilization of federal investment tax credits		**195**	266		
Depreciation and amortization, total					
Depreciation and amortization, total					

Allowance for equity funds used during construction	Allowance for equity funds used during construction	**(200)**	(163)
Allowance for equity funds used during construction			
Allowance for equity funds used during construction			
Pension, postretirement, and other employee benefits			
Pension, postretirement, and other employee benefits			
Pension, postretirement, and other employee benefits	Pension, postretirement, and other employee benefits	**(397)**	(322)
Settlement of asset retirement obligations	Settlement of asset retirement obligations	**(444)**	(314)
Stock based compensation expense	Stock based compensation expense	**119**	116
Estimated loss on Plant Vogtle Units 3 and 4		**160**	(18)
Storm damage accruals		**41**	160
Natural gas cost under recovery – long-term		**—**	207
Retail fuel cost under recovery – long-term			
Retail fuel cost under recovery – long-term			
Retail fuel cost under recovery – long-term	Retail fuel cost under recovery – long-term	**(157)**	(1,701)
Other, net	Other, net	**(67)**	(119)
Changes in certain current assets and liabilities —	Changes in certain current assets and liabilities —		
-Receivables	-Receivables	**524**	(316)
-Receivables			
-Receivables			
-Retail fuel cost under recovery	-Retail fuel cost under recovery	**513**	(104)
-Prepayments			
-Fossil fuel for generation	-Fossil fuel for generation	**(254)**	(76)
-Materials and supplies	-Materials and supplies	**(271)**	(138)
-Natural gas for sale, net of temporary LIFO liquidation			

-Natural gas cost under recovery	-Natural gas cost under recovery	**108**	(124)
-Other current assets	-Other current assets	**(32)**	(310)
-Accounts payable	-Accounts payable	**(1,031)**	805
-Accrued taxes	-Accrued taxes	**376**	167
-Accrued compensation	-Accrued compensation	**(197)**	(123)
-Accrued interest			
-Customer refunds			
-Customer refunds			
-Customer refunds	-Customer refunds	**(177)**	(52)
-Natural gas cost over recovery	-Natural gas cost over recovery	**165**	—
-Other current liabilities	-Other current liabilities	**66**	(82)
Net cash provided from operating activities	Net cash provided from operating activities	**5,740**	5,017
Investing Activities:	**Investing Activities:**		
Property additions	Property additions	**(6,561)**	(5,502)
Property additions			
Property additions			
Nuclear decommissioning trust fund purchases			
Nuclear decommissioning trust fund purchases			
Nuclear decommissioning trust fund purchases	Nuclear decommissioning trust fund purchases	**(885)**	(858)
Nuclear decommissioning trust fund sales	Nuclear decommissioning trust fund sales	**879**	854
Proceeds from dispositions	Proceeds from dispositions	**165**	120
Cost of removal, net of salvage	Cost of removal, net of salvage	**(421)**	(518)
Change in construction payables, net	Change in construction payables, net	**241**	15
Other investing activities	Other investing activities	**(139)**	(63)
Other investing activities			
Other investing activities			
Net cash used for investing activities	Net cash used for investing activities	**(6,721)**	(5,952)
Financing Activities:	**Financing Activities:**		
Decrease in notes payable, net		**(298)**	(349)

Increase in notes payable, net			
Increase in notes payable, net			
Increase in notes payable, net			
Proceeds —	Proceeds —		
Long-term debt	Long-term debt	**7,812**	3,800
Long-term debt			
Long-term debt			
Short-term borrowings			
Short-term borrowings			
Short-term borrowings	Short-term borrowings	**250**	1,200
Common stock	Common stock	**26**	1,803
Redemptions and repurchases —	Redemptions and repurchases —		
Redemptions and repurchases —			
Redemptions and repurchases —			
Long-term debt			
Long-term debt			
Long-term debt	Long-term debt	**(3,567)**	(1,932)
Short-term borrowings			
Short-term borrowings			
Short-term borrowings	Short-term borrowings	**(850)**	(900)
Capital contributions from noncontrolling interests	Capital contributions from noncontrolling interests	**21**	73
Distributions to noncontrolling interests	Distributions to noncontrolling interests	**(148)**	(175)
Payment of common stock dividends	Payment of common stock dividends	**(2,271)**	(2,166)
Payment of common stock dividends			
Payment of common stock dividends			
Other financing activities			
Other financing activities			
Other financing activities	Other financing activities	**(141)**	(235)
Net cash provided from financing activities	Net cash provided from financing activities	**834**	1,119
Net Change in Cash, Cash Equivalents, and Restricted Cash	**Net Change in Cash, Cash Equivalents, and Restricted Cash**	**(147)**	184
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**Cash, Cash Equivalents, and Restricted Cash at Beginning of Period**	**2,037**	1,829
Cash, Cash Equivalents, and Restricted Cash at End of Period	**Cash, Cash Equivalents, and Restricted Cash at End of Period**	**$ 1,890**	$ 2,013
Supplemental Cash Flow Information:	**Supplemental Cash Flow Information:**		
Cash paid during the period for —			

Interest (net of $97 and $74 capitalized for 2023 and 2022, respectively)		**$ 1,694**	$ 1,425
Cash paid (received) during the period for —			
Cash paid (received) during the period for —			
Cash paid (received) during the period for —			
Interest (net of $28 and $32 capitalized for 2024 and 2023, respectively)			
Interest (net of $28 and $32 capitalized for 2024 and 2023, respectively)			
Interest (net of $28 and $32 capitalized for 2024 and 2023, respectively)			
Income taxes, net	Income taxes, net	**11**	160
Noncash transactions —	Noncash transactions —		
Accrued property additions at end of period	Accrued property additions at end of period	**1,224**	872
Accrued property additions at end of period			
Accrued property additions at end of period			
Right-of-use assets obtained under operating leases			
Right-of-use assets obtained under operating leases			
Right-of-use assets obtained under operating leases	Right-of-use assets obtained under operating leases	**76**	27
Right-of-use assets obtained under finance leases	Right-of-use assets obtained under finance leases	**3**	114
Reassessment of right-of-use assets under operating leases		**—**	40
Issuance of common stock under dividend reinvestment plan			
Issuance of common stock under dividend reinvestment plan			
Issuance of common stock under dividend reinvestment plan			

The accompanying notes as they relate to Southern Company are an integral part of these condensed consolidated financial statements.

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Assets	Assets	**At September 30, 2023**	At December 31, 2022	**Assets**	**At March 31, 2024**	At December 31, 2023
		(in millions)			*(in millions)*	

Current Assets:	**Current Assets:**		
Cash and cash equivalents	Cash and cash equivalents	**$ 1,676**	$ 1,917
Cash and cash equivalents			
Cash and cash equivalents			
Receivables —	Receivables —		
Receivables —			
Receivables —			
Customer accounts			
Customer accounts			
Customer accounts	Customer accounts	**2,230**	2,128
Unbilled revenues	Unbilled revenues	**547**	1,012
Unbilled revenues			
Unbilled revenues			
Under recovered fuel clause revenues	Under recovered fuel clause revenues	**757**	10
Other accounts and notes			
Other accounts and notes			
Other accounts and notes	Other accounts and notes	**553**	637
Accumulated provision for uncollectible accounts	Accumulated provision for uncollectible accounts	**(78)**	(71)
Materials and supplies	Materials and supplies	**1,913**	1,664
Fossil fuel for generation	Fossil fuel for generation	**829**	575
Natural gas for sale	Natural gas for sale	**406**	438
Prepaid expenses	Prepaid expenses	**321**	347
Prepaid expenses			
Prepaid expenses			
Assets from risk management activities, net of collateral		**36**	115
Regulatory assets – asset retirement obligations	Regulatory assets – asset retirement obligations	**358**	332
Regulatory assets – asset retirement obligations			
Regulatory assets – asset retirement obligations			
Other regulatory assets			
Other regulatory assets			
Other regulatory assets	Other regulatory assets	**996**	968
Other current assets	Other current assets	**544**	344

Total current assets	Total current assets	**11,088**	10,416
Property, Plant, and Equipment:	**Property, Plant, and Equipment:**		
In service			
In service			
In service	In service	**125,573**	117,529
Less: Accumulated depreciation	Less: Accumulated depreciation	**37,199**	35,297
Plant in service, net of depreciation	Plant in service, net of depreciation	**88,374**	82,232
Other utility plant, net	Other utility plant, net	**522**	599
Nuclear fuel, at amortized cost	Nuclear fuel, at amortized cost	**862**	843
Construction work in progress	Construction work in progress	**8,496**	10,896
Total property, plant, and equipment	Total property, plant, and equipment	**98,254**	94,570
Other Property and Investments:	**Other Property and Investments:**		
Goodwill	Goodwill	**5,161**	5,161
Goodwill			
Goodwill			
Nuclear decommissioning trusts, at fair value	Nuclear decommissioning trusts, at fair value	**2,207**	2,145
Equity investments in unconsolidated subsidiaries	Equity investments in unconsolidated subsidiaries	**1,376**	1,443
Other intangible assets, net of amortization of $367 and $340, respectively		**377**	406
Other intangible assets, net of amortization of $385 and $376, respectively			
Miscellaneous property and investments			
Miscellaneous property and investments			
Miscellaneous property and investments	Miscellaneous property and investments	**651**	602
Total other property and investments	Total other property and investments	**9,772**	9,757
Deferred Charges and Other Assets:	**Deferred Charges and Other Assets:**		

Operating lease right-of-use assets, net of amortization	Operating lease right-of-use assets, net of amortization	**1,467**	1,531
Operating lease right-of-use assets, net of amortization			
Operating lease right-of-use assets, net of amortization			
Deferred charges related to income taxes	Deferred charges related to income taxes	**889**	866
Prepaid pension costs	Prepaid pension costs	**2,574**	2,290
Unamortized loss on reacquired debt			
Unamortized loss on reacquired debt			
Unamortized loss on reacquired debt	Unamortized loss on reacquired debt	**224**	238
Deferred under recovered fuel clause revenues	Deferred under recovered fuel clause revenues	**1,279**	2,056
Regulatory assets – asset retirement obligations, deferred	Regulatory assets – asset retirement obligations, deferred	**5,629**	5,764
Other regulatory assets, deferred	Other regulatory assets, deferred	**5,666**	5,918
Other deferred charges and assets	Other deferred charges and assets	**1,479**	1,485
Other deferred charges and assets			
Other deferred charges and assets			
Total deferred charges and other assets	Total deferred charges and other assets	**19,207**	20,148
Total Assets	**Total Assets**	**$ 138,321**	$134,891

The accompanying notes as they relate to Southern Company are an integral part of these condensed consolidated financial statements.

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Liabilities and Stockholders' Equity	**Liabilities and Stockholders' Equity**	**At September 30, 2023**	At December 31, 2022	**Liabilities and Stockholders' Equity**	**At March 31, 2024**	At December 31, 2023
		(in millions)			*(in millions)*	
Current Liabilities:	**Current Liabilities:**					

Securities due within one year	Securities due within one year	$	**3,076**	$	4,285
Securities due within one year					
Securities due within one year					
Notes payable	Notes payable		**1,726**		2,609
Notes payable					
Notes payable					
Accounts payable					
Accounts payable					
Accounts payable	Accounts payable		**2,942**		3,525
Customer deposits	Customer deposits		**511**		502
Accrued taxes —	Accrued taxes —				
Accrued income taxes	Accrued income taxes		**177**		60
Accrued income taxes					
Accrued income taxes					
Other accrued taxes					
Other accrued taxes					
Other accrued taxes	Other accrued taxes		**862**		764
Accrued interest	Accrued interest		**573**		614
Accrued compensation	Accrued compensation		**936**		1,127
Accrued compensation					
Accrued compensation					
Asset retirement obligations	Asset retirement obligations		**727**		694
Liabilities from risk management activities, net of collateral	Liabilities from risk management activities, net of collateral		**232**		178
Operating lease obligations					
Operating lease obligations					
Operating lease obligations	Operating lease obligations		**181**		197
Natural gas cost over recovery	Natural gas cost over recovery		**165**		—
Other regulatory liabilities	Other regulatory liabilities		**163**		382
Other current liabilities	Other current liabilities		**943**		787
Total current liabilities	Total current liabilities		**13,214**		15,724

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Long-term Debt	**Long-term Debt**	**56,003**	50,656
Deferred Credits and Other Liabilities:	**Deferred Credits and Other Liabilities:**		
Accumulated deferred income taxes	Accumulated deferred income taxes	**10,774**	10,036
Accumulated deferred income taxes			
Accumulated deferred income taxes			
Deferred credits related to income taxes	Deferred credits related to income taxes	**4,813**	5,235
Accumulated deferred ITCs	Accumulated deferred ITCs	**2,071**	2,133
Employee benefit obligations	Employee benefit obligations	**1,184**	1,238
Operating lease obligations, deferred	Operating lease obligations, deferred	**1,320**	1,388
Asset retirement obligations, deferred	Asset retirement obligations, deferred	**9,872**	10,146
Other cost of removal obligations	Other cost of removal obligations	**1,940**	1,903
Other cost of removal obligations			
Other cost of removal obligations			
Other regulatory liabilities, deferred	Other regulatory liabilities, deferred	**660**	733
Other deferred credits and liabilities			
Other deferred credits and liabilities			
Other deferred credits and liabilities	Other deferred credits and liabilities	**1,166**	1,167
Total deferred credits and other liabilities	Total deferred credits and other liabilities	**33,800**	33,979
Total Liabilities	**Total Liabilities**	**103,017**	100,359

Total Stockholders' Equity (See accompanying statements)	**Total Stockholders' Equity** (See accompanying statements)	**35,304**	34,532
Total Stockholders' Equity (See accompanying statements)			
Total Stockholders' Equity (See accompanying statements)			
Total Liabilities and Stockholders' Equity	**Total Liabilities and Stockholders' Equity**	**$ 138,321**	$ 134,891

The accompanying notes as they relate to Southern Company are an integral part of these condensed consolidated financial statements.

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SOUTHERN COMPANY AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)

Southern Company Common Stockholders' Equity

Southern Company Common Stockholders' Equity

Southern Company Common Stockholders' Equity

	Southern Company Common Stockholders' Equity								
	Number of Common Shares		Common Stock						
	Issued	**Treasury**	**Par Value**	**Paid-In Capital**	**Treasury**	**Retained Earnings**	**Accumulated Other Comprehensive Income (Loss)**	**Noncontrolling Interests**	**Total**
	(in millions)								
Balance at December 31, 2021	1,061	(1)	$ 5,279	$ 11,950	$ (47)	$ 10,929	$ (237)	$ 4,402	$ 32,276
	Issued	**Treasury**	**Par Value**	**Paid-In Capital**	**Treasury**	**Retained Earnings**		**Noncontrolling Interests**	T
	(in millions)								
Balance at December 31, 2022									
Consolidated net income (loss) Consolidated net income (loss)	—	—	—	—	—	1,032	—	(45)	987
Other comprehensive income	—	—	—	—	—	—	42	—	42
Other comprehensive income (loss)									
Stock issued Stock issued	3	—	7	31	—	—	—	—	38
Stock-based compensation Stock-based compensation	—	—	—	6	—	—	—	—	6
Cash dividends of $0.66 per share	—	—	—	—	—	(702)	—	—	(702)
Cash dividends of $0.68 per share									
Cash dividends of $0.68 per share									
Cash dividends of $0.68 per share									

share									
Capital contributions from noncontrolling interests									
Capital contributions from noncontrolling interests									
Capital contributions from noncontrolling interests Capital contributions from noncontrolling interests	—	—	—	—	—	—	—	73	73
Distributions to noncontrolling interests Distributions to noncontrolling interests	—	—	—	—	—	—	—	(98)	(98)
Other Other	—	—	—	7	(2)	2	—	—	7
Balance at March 31, 2022	1,064	(1)	5,286	11,994	(49)	11,261	(195)	4,332	32,629
Consolidated net income (loss)	—	—	—	—	—	1,107	—	(22)	1,085
Other comprehensive income	—	—	—	—	—	—	11	—	11
Stock issued	—	—	2	21	—	—	—	—	23
Stock-based compensation	—	—	—	14	—	—	—	—	14
Cash dividends of $0.68 per share	—	—	—	—	—	(723)	—	—	(723)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(28)	(28)
Other									
Other									
Balance at March 31, 2023									
Other	—	—	—	4	(2)	—	—	—	2
Balance at June 30, 2022	1,064	(1)	5,288	12,033	(51)	11,645	(184)	4,282	33,013
Consolidated net income	—	—	—	—	—	1,472	—	12	1,484
Other comprehensive income	—	—	—	—	—	—	28	—	28
Stock issued	26	—	129	1,613	—	—	—	—	1,742
Stock-based compensation	—	—	—	15	—	—	—	—	15
Cash dividends of $0.68 per share	—	—	—	—	—	(741)	—	—	(741)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(57)	(57)
Other	—	—	—	(4)	(1)	(2)	(1)	—	(8)
Balance at September 30, 2022	1,090	(1)	$5,417	$13,657	$ (52)	$ 12,374	$ (157)	$4,237	$35,476

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	Southern Company Common Stockholders' Equity								
	Number of Common Shares		Common Stock				Accumulated Other Comprehensive Income (Loss)		
	Issued	Treasury	Par Value	Paid-In Capital	Treasury	Retained Earnings		Noncontrolling Interests	Total
	(in millions)								
Balance at December 31, 2022	**1,090**	**(1)**	**$ 5,417**	**$ 13,673**	**$ (53)**	**$ 11,538**	**$ (167)**	**$ 4,124**	**$ 34,532**
Balance at December 31, 2023									

Balance at December 31, 2023										
Balance at December 31, 2023										
Consolidated net income (loss)	Consolidated net income (loss)	—	—	—	—	—	862	—	(63)	799
Other comprehensive income (loss)		—	—	—	—	—	—	(44)	—	(44)
Other comprehensive income										
Stock issued	Stock issued	2	—	4	11	—	—	—	—	15
Stock-based compensation	Stock-based compensation	—	—	—	29	—	—	—	—	29
Cash dividends of $0.68 per share		—	—	—	—	—	(742)	—	—	(742)
Dividends of $0.70 per share Dividends of $0.70 per share Dividends of $0.70 per share										
Capital contributions from noncontrolling interests										
Capital contributions from noncontrolling interests										
Capital contributions from noncontrolling interests	Capital contributions from noncontrolling interests	—	—	—	—	—	—	—	21	21
Distributions to noncontrolling interests	Distributions to noncontrolling interests	—	—	—	—	—	—	—	(48)	(48)
Other	Other	—	—	—	2	(2)	—	—	—	—
Balance at March 31, 2023		**1,092**	**(1)**	**5,421**	**13,715**	**(55)**	**11,658**	**(211)**	**4,034**	**34,562**
Consolidated net income (loss)		—	—	—	—	—	838	—	(15)	823
Other comprehensive income		—	—	—	—	—	—	43	—	43
Stock issued		—	—	1	6	—	—	—	—	7
Stock-based compensation		—	—	—	19	—	—	—	—	19
Cash dividends of $0.70 per share		—	—	—	—	—	(764)	—	—	(764)
Distributions to noncontrolling interests		—	—	—	—	—	—	—	(42)	(42)
Other										
Other										
Balance at March 31, 2024										
Other		—	—	—	2	(1)	—	—	(1)	—
Balance at June 30, 2023		**1,092**	**(1)**	**5,422**	**13,742**	**(56)**	**11,732**	**(168)**	**3,976**	**34,648**
Consolidated net income		—	—	—	—	—	1,422	—	10	1,432
Other comprehensive income		—	—	—	—	—	—	38	—	38
Stock issued		—	—	—	4	—	—	—	—	4
Stock-based compensation		—	—	—	7	—	—	—	—	7
Cash dividends of $0.70 per share		—	—	—	—	—	(765)	—	—	(765)
Distributions to noncontrolling interests		—	—	—	—	—	—	—	(59)	(59)
Other		—	—	—	(2)	(1)	2	—	—	(1)
Balance at September 30, 2023		**1,092**	**(1)**	**$ 5,422**	**$ 13,751**	**$ (57)**	**$ 12,391**	**$ (130)**	**$ 3,927**	**$ 35,304**

The accompanying notes as they relate to Southern Company are an integral part of these condensed consolidated financial statements.

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ALABAMA POWER COMPANY

CONDENSED STATEMENTS OF INCOME (UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	**2023**	2022
	(in millions)		*(in millions)*	
Operating Revenues:				
Retail revenues	**$ 1,860**	$ 2,008	**$ 4,708**	$ 5,015
Wholesale revenues, non-affiliates	**106**	250	**358**	522
Wholesale revenues, affiliates	**14**	70	**43**	170
Other revenues	**103**	116	**311**	316
Total operating revenues	**2,083**	2,444	**5,420**	6,023
Operating Expenses:				
Fuel	**402**	666	**1,013**	1,399
Purchased power, non-affiliates	**42**	185	**197**	347
Purchased power, affiliates	**80**	113	**193**	260
Other operations and maintenance	**411**	418	**1,275**	1,270
Depreciation and amortization	**351**	220	**1,045**	652
Taxes other than income taxes	**110**	106	**333**	309
Total operating expenses	**1,396**	1,708	**4,056**	4,237
Operating Income	**687**	736	**1,364**	1,786
Other Income and (Expense):				
Allowance for equity funds used during construction	**23**	18	**65**	51
Interest expense, net of amounts capitalized	**(104)**	(98)	**(311)**	(278)
Other income (expense), net	**38**	38	**117**	101
Total other income and (expense)	**(43)**	(42)	**(129)**	(126)
Earnings Before Income Taxes	**644**	694	**1,235**	1,660
Income taxes	**79**	166	**103**	394
Net Income	**565**	528	**1,132**	1,266
Dividends on Preferred Stock	**—**	3	**—**	10
Net Income After Dividends on Preferred Stock	**$ 565**	$ 525	**$ 1,132**	$ 1,256

CONDENSED STATEMENTS OF AND COMPREHENSIVE INCOME (UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	**2023**	2022
	(in millions)		*(in millions)*	
Net Income	**$ 565**	$ 528	**$ 1,132**	$ 1,266
Other comprehensive income:				
Qualifying hedges:				
Changes in fair value, net of tax of $—, $—, $—, and $—, respectively	**—**	1	**1**	(1)
Reclassification adjustment for amounts included in net income, net of tax of $—, $—, $—, and $1, respectively	**1**	1	**1**	3

Total other comprehensive income	**1**	2	**2**	2
Comprehensive Income	**$ 566**	$ 530	**$ 1,134**	$ 1,268

	For the Three Months Ended March 31,	
	2024	2023
	(in millions)	
Operating Revenues:		
Retail revenues	**$ 1,565**	$ 1,381
Wholesale revenues, non-affiliates	**85**	141
Wholesale revenues, affiliates	**41**	19
Other revenues	**100**	106
Total operating revenues	**1,791**	1,647
Operating Expenses:		
Fuel	**331**	308
Purchased power, non-affiliates	**52**	101
Purchased power, affiliates	**42**	59
Other operations and maintenance	**412**	424
Depreciation and amortization	**361**	345
Taxes other than income taxes	**120**	115
Total operating expenses	**1,318**	1,352
Operating Income	**473**	295
Other Income and (Expense):		
Allowance for equity funds used during construction	**14**	21
Interest expense, net of amounts capitalized	**(110)**	(103)
Other income (expense), net	**41**	40
Total other income and (expense)	**(55)**	(42)
Earnings Before Income Taxes	**418**	253
Income taxes (benefit)	**85**	(2)
Net Income and Comprehensive Income	**$ 333**	$ 255

The accompanying notes as they relate to Alabama Power are an integral part of these condensed financial statements.

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ALABAMA POWER COMPANY

CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
		2023	2022	**2024**	2023
		(in millions)		*(in millions)*	
Operating Activities:	**Operating Activities:**				
Net income	Net income	**$ 1,132**	$ 1,266		
Net income					
Net income					

Adjustments to reconcile net income to net cash provided from operating activities —	Adjustments to reconcile net income to net cash provided from operating activities —		
Depreciation and amortization, total			
Depreciation and amortization, total			
Depreciation and amortization, total	Depreciation and amortization, total	**1,158**	817
Deferred income taxes	Deferred income taxes	**(210)**	210
Pension, postretirement, and other employee benefits	Pension, postretirement, and other employee benefits	**(148)**	(85)
Pension, postretirement, and other employee benefits			
Pension, postretirement, and other employee benefits			
Settlement of asset retirement obligations	Settlement of asset retirement obligations	**(188)**	(139)
Retail fuel cost under recovery – long-term	Retail fuel cost under recovery – long-term	**—**	(413)
Retail fuel cost under recovery – long-term			
Retail fuel cost under recovery – long-term			
Other, net			
Other, net			
Other, net	Other, net	**(21)**	(98)
Changes in certain current assets and liabilities —	Changes in certain current assets and liabilities —		
-Receivables	-Receivables	**(108)**	(296)
-Receivables			
-Receivables			
-Fossil fuel stock	-Fossil fuel stock	**(113)**	(40)
-Prepayments			
-Retail fuel cost under recovery			
-Retail fuel cost under recovery			
-Retail fuel cost under recovery	-Retail fuel cost under recovery	**334**	(93)
-Other current assets	-Other current assets	**(124)**	(75)

-Accounts payable	-Accounts payable	**(358)**	(22)
-Accrued taxes	-Accrued taxes	**271**	110
-Accrued compensation			
-Other current liabilities			
-Other current liabilities			
-Other current liabilities	-Other current liabilities	**(103)**	(70)
Net cash provided from operating activities	Net cash provided from operating activities	**1,522**	1,072
Investing Activities:	**Investing Activities:**		
Property additions			
Property additions			
Property additions	Property additions	**(1,377)**	(1,483)
Nuclear decommissioning trust fund purchases	Nuclear decommissioning trust fund purchases	**(226)**	(273)
Nuclear decommissioning trust fund sales	Nuclear decommissioning trust fund sales	**226**	273
Cost of removal, net of salvage	Cost of removal, net of salvage	**(128)**	(163)
Change in construction payables	Change in construction payables	**(68)**	36
Other investing activities	Other investing activities	**27**	(31)
Net cash used for investing activities	Net cash used for investing activities	**(1,546)**	(1,641)
Financing Activities:	**Financing Activities:**		
Proceeds —			
Senior notes		**200**	1,700
Revenue bonds		**326**	—
Other long-term debt		**28**	—
Redemptions — Senior notes		**—**	(550)
Increase in notes payable, net			
Increase in notes payable, net			
Increase in notes payable, net			
Proceeds — Other long-term debt			
Proceeds — Other long-term debt			
Proceeds — Other long-term debt			
Redemptions — Revenue bonds			
Redemptions — Revenue bonds			
Redemptions — Revenue bonds			
Capital contributions from parent company			
Capital contributions from parent company			

Capital contributions from parent company	Capital contributions from parent company	**380**	660
Payment of common stock dividends	Payment of common stock dividends	**(856)**	(762)
Other financing activities	Other financing activities	**(12)**	(81)
Net cash provided from financing activities	Net cash provided from financing activities	**66**	967
Net Change in Cash, Cash Equivalents, and Restricted Cash	**Net Change in Cash, Cash Equivalents, and Restricted Cash**	**42**	398
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**Cash, Cash Equivalents, and Restricted Cash at Beginning of Period**	**687**	1,060
Cash, Cash Equivalents, and Restricted Cash at End of Period	**Cash, Cash Equivalents, and Restricted Cash at End of Period**	**$ 729**	$ 1,458
Supplemental Cash Flow Information:	**Supplemental Cash Flow Information:**		
Cash paid during the period for —	Cash paid during the period for —		
Interest (net of $21 and $14 capitalized for 2023 and 2022, respectively)		**$ 329**	$ 278
Income taxes, net		**152**	178
Cash paid during the period for —			
Cash paid during the period for —			
Interest (net of $4 and $7 capitalized for 2024 and 2023, respectively)			
Interest (net of $4 and $7 capitalized for 2024 and 2023, respectively)			
Interest (net of $4 and $7 capitalized for 2024 and 2023, respectively)			
Noncash transactions —	Noncash transactions —		
Noncash transactions —			
Noncash transactions —			
Accrued property additions at end of period			
Accrued property additions at end of period			
Accrued property additions at end of period	Accrued property additions at end of period	**114**	186
Right-of-use assets obtained under operating leases	Right-of-use assets obtained under operating leases	**28**	7

Right-of-use assets obtained under operating leases

Right-of-use assets obtained under operating leases

Right-of-use assets obtained under finance leases	Right-of-use assets obtained under finance leases	**3**	2

The accompanying notes as they relate to Alabama Power are an integral part of these condensed financial statements.

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ALABAMA POWER COMPANY

CONDENSED BALANCE SHEETS (UNAUDITED)

Assets	Assets	At September 30, 2023	At December 31, 2022	Assets	At March 31, 2024	At December 31, 2023
		(in millions)				
		(in millions)				*(in millions)*
Current Assets:	**Current Assets:**					
Cash and cash equivalents						
Cash and cash equivalents						
Cash and cash equivalents	Cash and cash equivalents	**$ 621**	$ 687			
Receivables —	Receivables —					
Customer accounts	Customer accounts	**624**	431			
Customer accounts						
Customer accounts						
Unbilled revenues	Unbilled revenues	**162**	174			
Affiliated						
Affiliated						
Affiliated	Affiliated	**113**	101			
Other accounts and notes	Other accounts and notes	**114**	153			
Accumulated provision for uncollectible accounts	Accumulated provision for uncollectible accounts	**(16)**	(14)			
Fossil fuel stock	Fossil fuel stock	**342**	229			
Materials and supplies	Materials and supplies	**624**	557			
Prepaid expenses	Prepaid expenses	**72**	65			
Prepaid expenses						
Prepaid expenses						
Regulatory assets – under recovered retail fuel clause revenues						

Other regulatory assets	Other regulatory assets	**549**	474
Other current assets	Other current assets	**171**	67
Total current assets	Total current assets	**3,376**	2,924
Property, Plant, and Equipment:	**Property, Plant, and Equipment:**		
In service In service			
In service	In service	**34,313**	33,472
Less: Accumulated provision for depreciation	Less: Accumulated provision for depreciation	**11,042**	10,470
Plant in service, net of depreciation	Plant in service, net of depreciation	**23,271**	23,002
Other utility plant, net	Other utility plant, net	**522**	599
Nuclear fuel, at amortized cost	Nuclear fuel, at amortized cost	**240**	239
Construction work in progress	Construction work in progress	**1,759**	1,526
Total property, plant, and equipment	Total property, plant, and equipment	**25,792**	25,366
Other Property and Investments:	**Other Property and Investments:**		
Nuclear decommissioning trusts, at fair value	Nuclear decommissioning trusts, at fair value	**1,165**	1,127
Nuclear decommissioning trusts, at fair value Nuclear decommissioning trusts, at fair value			
Equity investments in unconsolidated subsidiaries	Equity investments in unconsolidated subsidiaries	**53**	57
Miscellaneous property and investments	Miscellaneous property and investments	**156**	124
Total other property and investments	Total other property and investments	**1,374**	1,308
Deferred Charges and Other Assets:	**Deferred Charges and Other Assets:**		
Operating lease right-of-use assets, net of amortization	Operating lease right-of-use assets, net of amortization	**88**	71
Operating lease right-of-use assets, net of amortization			

Operating lease right-of-use assets, net of amortization			
Deferred charges related to income taxes	Deferred charges related to income taxes	**263**	250
Prepaid pension and other postretirement benefit costs	Prepaid pension and other postretirement benefit costs	**735**	657
Regulatory assets – asset retirement obligations			
Regulatory assets – asset retirement obligations			
Regulatory assets – asset retirement obligations	Regulatory assets – asset retirement obligations	**1,881**	1,845
Other regulatory assets, deferred	Other regulatory assets, deferred	**1,706**	2,107
Other deferred charges and assets	Other deferred charges and assets	**455**	442
Total deferred charges and other assets	Total deferred charges and other assets	**5,128**	5,372
Total Assets	**Total Assets**	**$ 35,670**	$ 34,970

The accompanying notes as they relate to Alabama Power are an integral part of these condensed financial statements.

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ALABAMA POWER COMPANY

CONDENSED BALANCE SHEETS (UNAUDITED)

Liabilities and Stockholder's Equity	**Liabilities and Stockholder's Equity**	**At September 30, 2023**	At December 31, 2022	**Liabilities and Stockholder's Equity**	**At March 31, 2024**	At December 31, 2023
		(in millions)			*(in millions)*	
Current Liabilities:	**Current Liabilities:**					
Securities due within one year	Securities due within one year	**$ 522**	$ 301			
Securities due within one year						
Securities due within one year						
Notes payable						
Accounts payable —	Accounts payable —					
Affiliated						
Affiliated						
Affiliated	Affiliated	**305**	443			
Other	Other	**377**	641			
Customer deposits	Customer deposits	**105**	106			
Accrued taxes	Accrued taxes	**305**	57			

Accrued taxes			
Accrued taxes			
Accrued interest	Accrued interest	**84**	120
Accrued compensation	Accrued compensation	**193**	229
Accrued compensation			
Accrued compensation			
Asset retirement obligations			
Asset retirement obligations			
Asset retirement obligations	Asset retirement obligations	**342**	330
Other regulatory liabilities	Other regulatory liabilities	**28**	96
Other current liabilities	Other current liabilities	**158**	91
Total current liabilities	Total current liabilities	**2,419**	2,414
Long-term Debt	**Long-term Debt**	**10,661**	10,329
Deferred Credits and Other Liabilities:	**Deferred Credits and Other Liabilities:**		
Accumulated deferred income taxes			
Accumulated deferred income taxes			
Accumulated deferred income taxes	Accumulated deferred income taxes	**4,082**	3,981
Deferred credits related to income taxes	Deferred credits related to income taxes	**1,626**	1,925
Accumulated deferred ITCs	Accumulated deferred ITCs	**76**	81
Employee benefit obligations	Employee benefit obligations	**146**	145
Operating lease obligations	Operating lease obligations	**81**	67
Asset retirement obligations, deferred	Asset retirement obligations, deferred	**3,859**	3,957
Other regulatory liabilities, deferred	Other regulatory liabilities, deferred	**284**	315
Other regulatory liabilities, deferred			

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Other regulatory liabilities, deferred			
Other deferred credits and liabilities			
Other deferred credits and liabilities			
Other deferred credits and liabilities	Other deferred credits and liabilities	**85**	69
Total deferred credits and other liabilities	Total deferred credits and other liabilities	**10,239**	10,540
Total Liabilities	**Total Liabilities**	**23,319**	23,283
Common Stockholder's Equity (See accompanying statements)	**Common Stockholder's Equity** (See accompanying statements)	**12,351**	11,687
Common Stockholder's Equity (See accompanying statements)			
Common Stockholder's Equity (See accompanying statements)			
Total Liabilities and Stockholder's Equity	**Total Liabilities and Stockholder's Equity**	**$ 35,670**	$ 34,970

The accompanying notes as they relate to Alabama Power are an integral part of these condensed financial statements.

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ALABAMA POWER COMPANY

CONDENSED STATEMENTS OF COMMON STOCKHOLDER'S EQUITY (UNAUDITED)

	Number of Common Shares Issued	Common Stock	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
				(in millions)		
Balance at December 31, 2021	31	$ 1,222	$ 6,056	$ 3,448	$ (13)	$ 10,713
Net income after dividends on preferred stock	—	—	—	347	—	347
Capital contributions from parent company	—	—	626	—	—	626
Cash dividends on common stock	—	—	—	(254)	—	(254)
Balance at March 31, 2022	31	1,222	6,682	3,541	(13)	11,432
Net income after dividends on preferred stock	—	—	—	383	—	383
Capital contributions from parent company	—	—	32	—	—	32
Other comprehensive income	—	—	—	—	1	1
Cash dividends on common stock	—	—	—	(254)	—	(254)
Balance at June 30, 2022	31	1,222	6,714	3,670	(12)	11,594
Net income after dividends on preferred stock	—	—	—	525	—	525

Capital contributions from parent company	—	—	7	—	—	7
Other comprehensive income	—	—	—	—	2	2
Cash dividends on common stock	—	—	—	(254)	—	(254)
Balance at September 30, 2022	31	$ 1,222	$ 6,721	$ 3,941	$ (10)	$ 11,874
Balance at December 31, 2022	**31**	**$ 1,222**	**$ 6,710**	**$ 3,764**	**$ (9)**	**$ 11,687**
Net income after dividends on preferred stock	**—**	**—**	**—**	**255**	**—**	**255**
Capital contributions from parent company	**—**	**—**	**330**	**—**	**—**	**330**
Cash dividends on common stock	**—**	**—**	**—**	**(285)**	**—**	**(285)**
Balance at March 31, 2023	**31**	**1,222**	**7,040**	**3,734**	**(9)**	**11,987**
Net income after dividends on preferred stock	**—**	**—**	**—**	**312**	**—**	**312**
Capital contributions from parent company	**—**	**—**	**29**	**—**	**—**	**29**
Cash dividends on common stock	**—**	**—**	**—**	**(286)**	**—**	**(286)**
Balance at June 30, 2023	**31**	**1,222**	**7,069**	**3,760**	**(9)**	**12,042**
Net income after dividends on preferred stock	**—**	**—**	**—**	**565**	**—**	**565**
Capital contributions from parent company	**—**	**—**	**28**	**—**	**—**	**28**
Other comprehensive income	**—**	**—**	**—**	**—**	**1**	**1**
Cash dividends on common stock	**—**	**—**	**—**	**(285)**	**—**	**(285)**
Balance at September 30, 2023	**31**	**$ 1,222**	**$ 7,097**	**$ 4,040**	**$ (8)**	**$ 12,351**

	Number of Common Shares Issued	**Common Stock**	**Paid-In Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Income (Loss)**	**Total**
				(in millions)		
Balance at December 31, 2022	31	$ 1,222	$ 6,710	$ 3,764	$ (9)	$ 11,687
Net income	—	—	—	255	—	255
Capital contributions from parent company	—	—	330	—	—	330
Cash dividends on common stock	—	—	—	(285)	—	(285)
Balance at March 31, 2023	31	$ 1,222	$ 7,040	$ 3,734	$ (9)	$ 11,987
Balance at December 31, 2023	**31**	**$ 1,222**	**$ 7,125**	**$ 3,993**	**$ (7)**	**$ 12,333**
Net income	**—**	**—**	**—**	**333**	**—**	**333**
Capital contributions from parent company	**—**	**—**	**427**	**—**	**—**	**427**
Cash dividends on common stock	**—**	**—**	**—**	**(295)**	**—**	**(295)**
Other	**—**	**—**	**—**	**(1)**	**—**	**(1)**
Balance at March 31, 2024	**31**	**$ 1,222**	**$ 7,552**	**$ 4,030**	**$ (7)**	**$ 12,797**

The accompanying notes as they relate to Alabama Power are an integral part of these condensed financial statements.

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GEORGIA POWER COMPANY

CONDENSED STATEMENTS OF INCOME (UNAUDITED)

For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
2023	2022	**2023**	2022	**2024**	2023

		(in millions)		*(in millions)*	
Operating Revenues:	**Operating Revenues:**				
Retail revenues	Retail revenues	**$2,996**	$3,703	**$7,142**	$8,629
Retail revenues					
Retail revenues					
Wholesale revenues	Wholesale revenues	**69**	56	**147**	186
Other revenues	Other revenues	**172**	130	**516**	403
Other revenues					
Other revenues					
Total operating revenues	Total operating revenues	**3,237**	3,889	**7,805**	9,218
Operating Expenses:	**Operating Expenses:**				
Fuel					
Fuel					
Fuel	Fuel	**576**	841	**1,392**	1,887
Purchased power, non-affiliates	Purchased power, non-affiliates	**131**	304	**397**	700
Purchased power, affiliates	Purchased power, affiliates	**221**	571	**579**	1,100
Other operations and maintenance	Other operations and maintenance	**512**	595	**1,505**	1,686
Depreciation and amortization	Depreciation and amortization	**429**	359	**1,248**	1,066
Taxes other than income taxes	Taxes other than income taxes	**144**	155	**406**	420
Estimated loss on Plant Vogtle Units 3 and 4		**160**	(70)	**160**	(18)
Total operating expenses					
Total operating expenses					
Total operating expenses	Total operating expenses	**2,173**	2,755	**5,687**	6,841
Operating Income	**Operating Income**	**1,064**	1,134	**2,118**	2,377
Other Income and (Expense):	**Other Income and (Expense):**				
Allowance for equity funds used during construction					
Allowance for equity funds used during construction					

(in millions)

Allowance for equity funds used during construction	Allowance for equity funds used during construction	**37**	37	**121**	102
Interest expense, net of amounts capitalized	Interest expense, net of amounts capitalized	**(166)**	(123)	**(472)**	(347)
Other income (expense), net	Other income (expense), net	**45**	36	**125**	140
Total other income and (expense)	Total other income and (expense)	**(84)**	(50)	**(226)**	(105)
Earnings Before Income Taxes	**Earnings Before Income Taxes**	**980**	1,084	**1,892**	2,272
Income taxes	Income taxes	**200**	226	**345**	421
Net Income	**Net Income**	**$ 780**	$ 858	**$1,547**	$1,851

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
		2023	2022	**2023**	2022
		(in millions)		*(in millions)*	
Net Income	**Net Income**	**$780**	$858	**$1,547**	$1,851
Other comprehensive income:	Other comprehensive income:				
Qualifying hedges:	Qualifying hedges:				
Changes in fair value, net of tax of $—, $—, $(1), and $8, respectively		**—**	—	**(1)**	23
Reclassification adjustment for amounts included in net income, net of tax of $—, $—, $1, and $1, respectively		**1**	1	**3**	4

For the Three Months Ended March 31,	
2024	2023
(in millions)	

Qualifying hedges:

Qualifying hedges:

Changes in fair value, net of tax of $4 and $—, respectively

Changes in fair value, net of tax of $4 and $—, respectively

Changes in fair value, net of tax of $4 and $—, respectively

Reclassification adjustment for amounts included in net income, net of tax of $ — and $—, respectively					
Total other comprehensive income	Total other comprehensive income	**1**	1	**2**	27
Comprehensive Income	Comprehensive Income	**$781**	$859	**$1,549**	$1,878

The accompanying notes as they relate to Georgia Power are an integral part of these condensed financial statements.

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GEORGIA POWER COMPANY

CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
		2023	2022	**2024**	2023
		(in millions)		*(in millions)*	
Operating Activities:	**Operating Activities:**				
Net income	Net income	**$1,547**	$1,851		
Net income					
Net income					
Adjustments to reconcile net income to net cash provided from operating activities —	Adjustments to reconcile net income to net cash provided from operating activities —				
Depreciation and amortization, total					
Depreciation and amortization, total					
Depreciation and amortization, total	Depreciation and amortization, total	**1,411**	1,211		
Deferred income taxes	Deferred income taxes	**102**	266		
Allowance for equity funds used during construction					
Allowance for equity funds used during construction					
Allowance for equity funds used during construction	Allowance for equity funds used during construction	**(121)**	(102)		
Pension, postretirement, and other employee benefits	Pension, postretirement, and other employee benefits	**(207)**	(178)		

Pension, postretirement, and other employee benefits			
Pension, postretirement, and other employee benefits			
Settlement of asset retirement obligations	Settlement of asset retirement obligations	**(228)**	(149)
Storm damage accruals		**24**	160
Settlement of asset retirement obligations Settlement of asset retirement obligations			
Retail fuel cost under recovery – long-term Retail fuel cost under recovery – long-term			
Retail fuel cost under recovery – long-term	Retail fuel cost under recovery – long-term	**(157)**	(1,287)
Estimated loss on Plant Vogtle Units 3 and 4		**160**	(18)
Other, net			
Other, net			
Other, net	Other, net	**(12)**	(22)
Changes in certain current assets and liabilities —	Changes in certain current assets and liabilities —		
-Receivables -Receivables			
-Receivables	-Receivables	**(311)**	(321)
-Retail fuel cost under recovery	-Retail fuel cost under recovery	**204**	—
-Fossil fuel stock	-Fossil fuel stock	**(138)**	(23)
-Materials and supplies	-Materials and supplies	**(135)**	(67)
-Contract assets		**(57)**	(51)
-Materials and supplies -Materials and supplies			
-Other current assets -Other current assets			
-Other current assets	-Other current assets	**16**	(72)
-Accounts payable	-Accounts payable	**(142)**	211
-Accrued taxes	-Accrued taxes	**118**	151
-Accrued compensation			

-Customer refunds			
-Customer refunds			
-Customer refunds	-Customer refunds	**(121)**	1
-Other current liabilities	-Other current liabilities	**16**	(79)
Net cash provided from operating activities		**1,969**	1,482
-Other current liabilities			
-Other current liabilities			
Net cash provided from (used for) operating activities			
Investing Activities:	**Investing Activities:**		
Property additions			
Property additions			
Property additions	Property additions	**(3,501)**	(2,556)
Nuclear decommissioning trust fund purchases	Nuclear decommissioning trust fund purchases	**(659)**	(585)
Nuclear decommissioning trust fund sales	Nuclear decommissioning trust fund sales	**654**	581
Cost of removal, net of salvage	Cost of removal, net of salvage	**(191)**	(250)
Change in construction payables, net of joint owner portion	Change in construction payables, net of joint owner portion	**338**	148
Payments pursuant to LTSAs			
Proceeds from dispositions			
Proceeds from dispositions			
Proceeds from dispositions	Proceeds from dispositions	**59**	56
Other investing activities	Other investing activities	**(76)**	(47)
Other investing activities			
Other investing activities			
Net cash used for investing activities	Net cash used for investing activities	**(3,376)**	(2,653)
Financing Activities:	**Financing Activities:**		
Increase in notes payable, net		**50**	415
Increase (decrease) in notes payable, net			
Increase (decrease) in notes payable, net			
Increase (decrease) in notes payable, net			
Proceeds —	Proceeds —		
Senior notes			
Senior notes			
Senior notes	Senior notes	**1,750**	1,500

Short-term borrowings	Short-term borrowings	**250**	650
Revenue bonds	Revenue bonds	**229**	—
Redemptions and repurchases —	Redemptions and repurchases —		
Senior notes		**(800)**	(400)
Redemptions and repurchases —			
Redemptions and repurchases —			
Short-term borrowings			
Short-term borrowings			
Short-term borrowings	Short-term borrowings	**(650)**	(250)
FFB loan	FFB loan	**(64)**	(66)
Revenue bonds		**—**	(53)
Other long-term debt		**—**	(125)
Capital contributions from parent company			
Capital contributions from parent company			
Capital contributions from parent company	Capital contributions from parent company	**1,837**	813
Payment of common stock dividends	Payment of common stock dividends	**(1,392)**	(1,268)
Other financing activities			
Other financing activities			
Other financing activities	Other financing activities	**(27)**	(45)
Net cash provided from financing activities	Net cash provided from financing activities	**1,183**	1,171
Net Change in Cash, Cash Equivalents, and Restricted Cash	**Net Change in Cash, Cash Equivalents, and Restricted Cash**	**(224)**	—
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**Cash, Cash Equivalents, and Restricted Cash at Beginning of Period**	**480**	33
Cash, Cash Equivalents, and Restricted Cash at End of Period	**Cash, Cash Equivalents, and Restricted Cash at End of Period**	**$ 256**	$ 33
Supplemental Cash Flow Information:	**Supplemental Cash Flow Information:**		
Cash paid during the period for —	Cash paid during the period for —		
Interest (net of $63 and $52 capitalized for 2023 and 2022, respectively)		**$ 439**	$ 332
Income taxes, net		**74**	151
Cash paid during the period for —			

Cash paid during the period for —			
Interest (net of $17 and $21 capitalized for 2024 and 2023, respectively)			
Interest (net of $17 and $21 capitalized for 2024 and 2023, respectively)			
Interest (net of $17 and $21 capitalized for 2024 and 2023, respectively)			
Noncash transactions —			
Noncash transactions —			
Noncash transactions —	Noncash transactions —		
Accrued property additions at end of period	Accrued property additions at end of period	**942**	609
Accrued property additions at end of period			
Accrued property additions at end of period			
Right-of-use assets obtained under operating leases	Right-of-use assets obtained under operating leases	**17**	7
Right-of-use assets obtained under finance leases		**18**	112

The accompanying notes as they relate to Georgia Power are an integral part of these condensed financial statements.

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GEORGIA POWER COMPANY
CONDENSED BALANCE SHEETS (UNAUDITED)

Assets	Assets	At September 30, 2023	At December 31, 2022	Assets	At March 31, 2024	At December 31, 2023
		(in millions)			*(in millions)*	
Current Assets:	**Current Assets:**					
Cash and cash equivalents	Cash and cash equivalents	**$ 173**	$ 364			
Cash and cash equivalents						
Cash and cash equivalents						
Receivables —	Receivables —					
Receivables —						
Receivables —						
Customer accounts, net						
Customer accounts, net						
Customer accounts, net	Customer accounts, net	**1,056**	735			
Unbilled revenues	Unbilled revenues	**250**	309			
Under recovered fuel clause revenues		**730**	—			

Under recovered retail fuel clause revenues			
Joint owner accounts	Joint owner accounts	**157**	128
Affiliated	Affiliated	**75**	53
Affiliated			
Affiliated			
Other accounts and notes	Other accounts and notes	**70**	62
Fossil fuel stock			
Fossil fuel stock			
Fossil fuel stock	Fossil fuel stock	**429**	291
Materials and supplies	Materials and supplies	**856**	729
Regulatory assets – asset retirement obligations	Regulatory assets – asset retirement obligations	**183**	158
Regulatory assets – asset retirement obligations			
Regulatory assets – asset retirement obligations			
Other regulatory assets	Other regulatory assets	**379**	324
Other regulatory assets			
Other regulatory assets			
Other current assets			
Other current assets			
Other current assets	Other current assets	**266**	246
Total current assets	Total current assets	**4,624**	3,399
Property, Plant, and Equipment:	**Property, Plant, and Equipment:**		
In service			
In service			
In service	In service	**48,083**	41,879
Less: Accumulated provision for depreciation	Less: Accumulated provision for depreciation	**13,771**	13,115
Plant in service, net of depreciation	Plant in service, net of depreciation	**34,312**	28,764
Nuclear fuel, at amortized cost	Nuclear fuel, at amortized cost	**622**	604
Nuclear fuel, at amortized cost			
Nuclear fuel, at amortized cost			
Construction work in progress	Construction work in progress	**5,055**	8,103

Total property, plant, and equipment	Total property, plant, and equipment	**39,989**	37,471
Other Property and Investments:	**Other Property and Investments:**		
Nuclear decommissioning trusts, at fair value			
Nuclear decommissioning trusts, at fair value			
Nuclear decommissioning trusts, at fair value	Nuclear decommissioning trusts, at fair value	**1,042**	1,018
Equity investments in unconsolidated subsidiaries	Equity investments in unconsolidated subsidiaries	**47**	51
Miscellaneous property and investments	Miscellaneous property and investments	**131**	107
Total other property and investments	Total other property and investments	**1,220**	1,176
Deferred Charges and Other Assets:	**Deferred Charges and Other Assets:**		
Operating lease right-of-use assets, net of amortization	Operating lease right-of-use assets, net of amortization	**914**	1,007
Operating lease right-of-use assets, net of amortization			
Operating lease right-of-use assets, net of amortization			
Deferred charges related to income taxes	Deferred charges related to income taxes	**595**	583
Prepaid pension costs	Prepaid pension costs	**839**	738
Deferred under recovered fuel clause revenues		**1,279**	2,056
Deferred under recovered retail fuel clause revenues			
Regulatory assets – asset retirement obligations, deferred	Regulatory assets – asset retirement obligations, deferred	**3,508**	3,671
Other regulatory assets, deferred	Other regulatory assets, deferred	**2,685**	2,522
Other deferred charges and assets	Other deferred charges and assets	**496**	540

Total deferred charges and other assets	Total deferred charges and other assets	10,316	11,117
Total Assets	**Total Assets**	**$ 56,149**	$ 53,163

The accompanying notes as they relate to Georgia Power are an integral part of these condensed financial statements.

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GEORGIA POWER COMPANY

CONDENSED BALANCE SHEETS (UNAUDITED)

Liabilities and Stockholder's Equity	**Liabilities and Stockholder's Equity**	**At September 30, 2023**	At December 31, 2022	**Liabilities and Stockholder's Equity**	**At March 31, 2024**	At December 31, 2023
		(in millions)			*(in millions)*	
Current Liabilities:	**Current Liabilities:**					
Securities due within one year	Securities due within one year	**$ 503**	$ 901			
Securities due within one year						
Securities due within one year						
Notes payable	Notes payable	**1,250**	1,600			
Accounts payable —	Accounts payable —					
Affiliated						
Affiliated						
Affiliated	Affiliated	**770**	928			
Other	Other	**1,632**	1,076			
Customer deposits	Customer deposits	**251**	252			
Accrued taxes	Accrued taxes	**620**	508			
Accrued taxes						
Accrued taxes						
Accrued interest	Accrued interest	**178**	157			
Accrued compensation						
Accrued compensation						
Accrued compensation	Accrued compensation	**205**	254			
Operating lease obligations	Operating lease obligations	**134**	151			
Asset retirement obligations	Asset retirement obligations	**328**	295			
Other regulatory liabilities	Other regulatory liabilities	**22**	170			
Other regulatory liabilities						
Other regulatory liabilities						
Other current liabilities						
Other current liabilities						

Other current liabilities	Other current liabilities	**421**	286
Total current liabilities	Total current liabilities	**6,314**	6,578
Long-term Debt	**Long-term Debt**	**15,522**	14,009
Deferred Credits and Other Liabilities:	**Deferred Credits and Other Liabilities:**		
Accumulated deferred income taxes	Accumulated deferred income taxes		
Accumulated deferred income taxes	Accumulated deferred income taxes	**3,914**	3,707
Deferred credits related to income taxes	Deferred credits related to income taxes	**2,171**	2,244
Accumulated deferred ITCs	Accumulated deferred ITCs	**311**	319
Employee benefit obligations	Employee benefit obligations	**291**	318
Operating lease obligations, deferred	Operating lease obligations, deferred	**744**	851
Asset retirement obligations, deferred	Asset retirement obligations, deferred	**5,567**	5,739
Other deferred credits and liabilities	Other deferred credits and liabilities		
Other deferred credits and liabilities	Other deferred credits and liabilities	**458**	540
Total deferred credits and other liabilities	Total deferred credits and other liabilities	**13,456**	13,718
Total Liabilities	**Total Liabilities**	**35,292**	34,305
Common Stockholder's Equity (See accompanying statements)	**Common Stockholder's Equity** (See accompanying statements)	**20,857**	18,858
Common Stockholder's Equity (See accompanying statements)	**Common Stockholder's Equity** (See accompanying statements)		

Total Liabilities and Stockholder's Equity	**$ 56,149**	$ 53,163

The accompanying notes as they relate to Georgia Power are an integral part of these condensed financial statements.

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GEORGIA POWER COMPANY

CONDENSED STATEMENTS OF COMMON STOCKHOLDER'S EQUITY (UNAUDITED)

	Number of Common Shares Issued	Common Stock	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
			(in millions)			
Balance at December 31, 2021	9	$ 398	$14,153	$ 2,724	$ (41)	$17,234
Net income	—	—	—	385	—	385
Capital contributions from parent company	—	—	443	—	—	443
Other comprehensive income	—	—	—	—	10	10
Cash dividends on common stock	—	—	—	(423)	—	(423)
Balance at March 31, 2022	9	398	14,596	2,686	(31)	17,649
Net income	—	—	—	608	—	608
Capital contributions from parent company	—	—	46	—	—	46
Other comprehensive income	—	—	—	—	16	16
Cash dividends on common stock	—	—	—	(422)	—	(422)
Balance at June 30, 2022	9	398	14,642	2,872	(15)	17,897
Net income	—	—	—	858	—	858
Capital contributions from parent company	—	—	324	—	—	324
Other comprehensive income	—	—	—	—	1	1
Cash dividends on common stock	—	—	—	(423)	—	(423)
Balance at September 30, 2022	9	$ 398	$14,966	$ 3,307	$ (14)	$18,657
			(in millions)			
Balance at December 31, 2022	**9**	**$ 398**	**$15,626**	**$ 2,846**	**$ (12)**	**$18,858**
Net income	**—**	**—**	**—**	**296**	**—**	**296**
Capital contributions from parent company	**—**	**—**	**752**	**—**	**—**	**752**
Capital contributions from parent company						
Capital contributions from parent company						
Cash dividends on common stock						

Cash dividends on common stock							
Cash dividends on common stock	Cash dividends on common stock	—	—	—	(464)	—	(464)
Other	Other	—	—	—	1	—	1
Balance at March 31, 2023	**Balance at March 31, 2023**	**9**	**398**	**16,378**	**2,679**	**(12)**	**19,443**
Balance at December 31, 2023							
Balance at December 31, 2023							
Balance at December 31, 2023							
Net income	Net income	—	—	—	471	—	471
Capital contributions from parent company							
Capital contributions from parent company							
Capital contributions from parent company	Capital contributions from parent company	—	—	33	—	—	33
Other comprehensive income	Other comprehensive income	—	—	—	—	1	1
Cash dividends on common stock	Cash dividends on common stock	—	—	—	(464)	—	(464)
Balance at June 30, 2023		**9**	**398**	**16,411**	**2,686**	**(11)**	**19,484**
Net income		—	—	—	780	—	780
Balance at March 31, 2024							
Balance at March 31, 2024							
Balance at March 31, 2024							
Capital contributions from parent company		—	—	1,056	—	—	1,056
Other comprehensive income		—	—	—	—	1	1
Cash dividends on common stock		—	—	—	(464)	—	(464)
Balance at September 30, 2023		**9**	**$ 398**	**$17,467**	**$ 3,002**	**$ (10)**	**$20,857**

The accompanying notes as they relate to Georgia Power are an integral part of these condensed financial statements.

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MISSISSIPPI POWER COMPANY

CONDENSED STATEMENTS OF INCOME AND (UNAUDITED)

	For the Three Months Ended March 31,	
	2024	2023
	(in millions)	

Operating Revenues:		
Retail revenues	**$ 221**	$ 236
Wholesale revenues, non-affiliates	**59**	68
Wholesale revenues, affiliates	**51**	75
Other revenues	**11**	11
Total operating revenues	**342**	390
Operating Expenses:		
Fuel and purchased power	**111**	151
Other operations and maintenance	**88**	82
Depreciation and amortization	**47**	47
Taxes other than income taxes	**31**	32
Total operating expenses	**277**	312
Operating Income	**65**	78
Other Income and (Expense):		
Interest expense, net of amounts capitalized	**(19)**	(16)
Other income (expense), net	**14**	9
Total other income and (expense)	**(5)**	(7)
Earnings Before Income Taxes	**60**	71
Income taxes	**10**	13
Net Income	**$ 50**	$ 58

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	**2023**	2022
	(in millions)		*(in millions)*	
Operating Revenues:				
Retail revenues	**$ 284**	$ 250	**$ 747**	$ 718
Wholesale revenues, non-affiliates	**77**	60	**201**	191
Wholesale revenues, affiliates	**65**	187	**158**	336
Other revenues	**10**	13	**31**	34
Total operating revenues	**436**	510	**1,137**	1,279
Operating Expenses:				
Fuel and purchased power	**169**	262	**416**	601
Other operations and maintenance	**84**	86	**258**	252
Depreciation and amortization	**48**	45	**139**	135
Taxes other than income taxes	**32**	32	**92**	93
Total operating expenses	**333**	425	**905**	1,081
Operating Income	**103**	85	**232**	198
Other Income and (Expense):				
Interest expense, net of amounts capitalized	**(19)**	(15)	**(53)**	(42)
Other income (expense), net	**9**	9	**29**	32
Total other income and (expense)	**(10)**	(6)	**(24)**	(10)
Earnings Before Income Taxes	**93**	79	**208**	188
Income taxes	**18**	17	**35**	38
Net Income and Comprehensive Income	**$ 75**	$ 62	**$ 173**	$ 150

	For the Three Months Ended March 31,	
	2024	2023

	(in millions)	
Net Income	**$ 50**	$ 58
Other comprehensive income:		
Qualifying hedges:		
Changes in fair value, net of tax of $2 and $—, respectively	**5**	—
Total other comprehensive income	**5**	—
Comprehensive Income	**$ 55**	$ 58

The accompanying notes as they relate to Mississippi Power are an integral part of these condensed financial statements.

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MISSISSIPPI POWER COMPANY

CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

For the Three Months Ended March 31,	For the Three Months Ended March 31,	
	2024	2023
	(in millions)	
Operating Activities:		
Net income		
Net income		
Net income		
Adjustments to reconcile net income to net cash provided from operating activities —		
Depreciation and amortization, total		
Depreciation and amortization, total		
Depreciation and amortization, total		

	For the Nine Months Ended September 30,	
	2023	2022
	(in millions)	
Operating Activities:		
Net income	**$173**	$150
Adjustments to reconcile net income to net cash provided from operating activities —		
Depreciation and amortization, total	**171**	164
Deferred income taxes	**(10)**	(4)
Pension, postretirement, and other employee benefits		
Pension, postretirement, and other employee benefits		

Pension, postretirement, and other employee benefits	Pension, postretirement, and other employee benefits	**(15)**	(12)
Settlement of asset retirement obligations	Settlement of asset retirement obligations	**(12)**	(15)
Other, net			
Other, net			
Other, net	Other, net	**12**	36
Changes in certain current assets and liabilities —	Changes in certain current assets and liabilities —		
-Receivables	-Receivables	**55**	(49)
-Receivables			
-Receivables			
-Retail fuel cost under recovery	-Retail fuel cost under recovery	**(24)**	(9)
-Other current assets			
-Other current assets			
-Other current assets	-Other current assets	**14**	(17)
-Accounts payable	-Accounts payable	**(83)**	41
-Accrued taxes	-Accrued taxes	**(16)**	(3)
-Accrued compensation	-Accrued compensation	**(5)**	(5)
-Accrued compensation			
-Accrued compensation			
-Other current liabilities	-Other current liabilities	**—**	2
Net cash provided from operating activities		**260**	279
-Other current liabilities			
-Other current liabilities			
Net cash used for operating activities			
Investing Activities:	**Investing Activities:**		
Property additions			
Property additions			
Property additions	Property additions	**(231)**	(165)
Cost of removal, net of salvage	Cost of removal, net of salvage	**(21)**	(20)
Construction payables	Construction payables	**(5)**	(9)
Payments pursuant to LTSAs	Payments pursuant to LTSAs	**(21)**	(23)
Payments pursuant to LTSAs			
Payments pursuant to LTSAs			

Other investing activities	Other investing activities	**(2)**	(2)
Net cash used for investing activities	Net cash used for investing activities	**(280)**	(219)
Financing Activities:	**Financing Activities:**		
Increase in notes payable, net	Increase in notes payable, net	**20**	—
Increase in notes payable, net			
Increase in notes payable, net			
Proceeds — Senior notes			
Proceeds — Senior notes			
Proceeds — Senior notes	Proceeds — Senior notes	**100**	—
Capital contributions from parent company		**8**	55
Payment of common stock dividends			
Payment of common stock dividends			
Payment of common stock dividends	Payment of common stock dividends	**(139)**	(128)
Other financing activities	Other financing activities	**(1)**	1
Net cash used for financing activities		**(12)**	(72)
Net cash provided from financing activities			
Net Change in Cash, Cash Equivalents, and Restricted Cash	**Net Change in Cash, Cash Equivalents, and Restricted Cash**	**(32)**	(12)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**Cash, Cash Equivalents, and Restricted Cash at Beginning of Period**	**59**	61
Cash, Cash Equivalents, and Restricted Cash at End of Period	**Cash, Cash Equivalents, and Restricted Cash at End of Period**	**$ 27**	$ 49
Supplemental Cash Flow Information:	**Supplemental Cash Flow Information:**		
Cash paid during the period for —	Cash paid during the period for —		
Cash paid during the period for —			
Cash paid during the period for —			
Interest	Interest	**$ 53**	$ 49
Income taxes, net		**33**	18
Interest			
Interest			
Noncash transactions —	Noncash transactions —		
Noncash transactions —			
Noncash transactions —			

Accrued property additions at end of period			
Accrued property additions at end of period			
Accrued property additions at end of period	Accrued property additions at end of period	**20**	16
Right-of-use assets obtained under operating leases	Right-of-use assets obtained under operating leases	**1**	—

The accompanying notes as they relate to Mississippi Power are an integral part of these condensed financial statements.

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MISSISSIPPI POWER COMPANY

CONDENSED BALANCE SHEETS (UNAUDITED)

Assets	Assets	At September 30, 2023	At December 31, 2022	Assets	At March 31, 2024	At December 31, 2023
		(in millions)			*(in millions)*	
Current Assets:	**Current Assets:**					
Cash and cash equivalents	Cash and cash equivalents	**$ 27**	$ 59			
Cash and cash equivalents						
Cash and cash equivalents						
Receivables —	Receivables —					
Customer accounts, net						
Customer accounts, net						
Customer accounts, net	Customer accounts, net	**78**	47			
Unbilled revenues	Unbilled revenues	**41**	47			
Affiliated	Affiliated	**38**	82			
Affiliated						
Affiliated						
Other accounts and notes	Other accounts and notes	**22**	35			
Fossil fuel stock						
Fossil fuel stock						
Fossil fuel stock	Fossil fuel stock	**37**	44			
Materials and supplies	Materials and supplies	**85**	80			
Other regulatory assets	Other regulatory assets	**54**	72			

Other regulatory assets			
Other regulatory assets			
Other current assets			
Other current assets			
Other current assets	Other current assets	**10**	38
Total current assets	Total current assets	**392**	504
Property, Plant, and Equipment:	**Property, Plant, and Equipment:**		
In service	In service	**5,473**	5,254
In service			
In service			
Less: Accumulated provision for depreciation	Less: Accumulated provision for depreciation	**1,763**	1,689
Plant in service, net of depreciation	Plant in service, net of depreciation	**3,710**	3,565
Construction work in progress			
Construction work in progress			
Construction work in progress	Construction work in progress	**183**	208
Total property, plant, and equipment	Total property, plant, and equipment	**3,893**	3,773
Other Property and Investments	**Other Property and Investments**	**160**	167
Deferred Charges and Other Assets:	**Deferred Charges and Other Assets:**		
Deferred charges related to income taxes	Deferred charges related to income taxes	**29**	30
Deferred charges related to income taxes			
Deferred charges related to income taxes			
Prepaid pension costs	Prepaid pension costs	**123**	109
Deferred under recovered retail fuel clause revenues			

Regulatory assets – asset retirement obligations	Regulatory assets – asset retirement obligations	**241**	239
Other regulatory assets, deferred	Other regulatory assets, deferred	**246**	249
Accumulated deferred income taxes	Accumulated deferred income taxes	**95**	107
Other deferred charges and assets	Other deferred charges and assets	**79**	94
Other deferred charges and assets			
Other deferred charges and assets			
Total deferred charges and other assets	Total deferred charges and other assets	**813**	828
Total Assets	**Total Assets**	**$ 5,258**	$ 5,272

The accompanying notes as they relate to Mississippi Power are an integral part of these condensed financial statements.

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MISSISSIPPI POWER COMPANY

CONDENSED BALANCE SHEETS (UNAUDITED)

Liabilities and Stockholder's Equity	**Liabilities and Stockholder's Equity**	**At September 30, 2023**	At December 31, 2022	**Liabilities and Stockholder's Equity**	**At March 31, 2024**	At December 31, 2023
		(in millions)			*(in millions)*	
Current Liabilities:	**Current Liabilities:**					
Securities due within one year	Securities due within one year	**$ 201**	$ 1			
Securities due within one year						
Securities due within one year						
Notes payable	Notes payable	**20**	—			
Notes payable						
Notes payable						
Accounts payable —	Accounts payable —					
Accounts payable —						
Accounts payable —						
Affiliated						
Affiliated						
Affiliated	Affiliated	**79**	121			
Other	Other	**61**	106			
Accrued taxes	Accrued taxes	**108**	124			

Accrued taxes			
Accrued taxes			
Accrued compensation			
Accrued compensation			
Accrued compensation	Accrued compensation	**32**	37
Asset retirement obligations	Asset retirement obligations	**26**	37
Asset retirement obligations			
Asset retirement obligations			
Over recovered retail fuel clause revenues			
Other regulatory liabilities	Other regulatory liabilities	**30**	43
Other regulatory liabilities			
Other regulatory liabilities			
Other current liabilities			
Other current liabilities			
Other current liabilities	Other current liabilities	**74**	85
Total current liabilities	Total current liabilities	**631**	554
Long-term Debt	**Long-term Debt**	**1,443**	1,544
Long-term Debt			
Long-term Debt			
Deferred Credits and Other Liabilities:	**Deferred Credits and Other Liabilities:**		
Accumulated deferred income taxes			
Accumulated deferred income taxes			
Accumulated deferred income taxes	Accumulated deferred income taxes	**466**	466
Deferred credits related to income taxes	Deferred credits related to income taxes	**229**	253
Employee benefit obligations	Employee benefit obligations	**67**	69
Employee benefit obligations			
Employee benefit obligations			
Asset retirement obligations, deferred	Asset retirement obligations, deferred	**145**	142

Asset retirement obligations, deferred			
Asset retirement obligations, deferred			
Other cost of removal obligations			
Other cost of removal obligations			
Other cost of removal obligations	Other cost of removal obligations	**192**	196
Other regulatory liabilities, deferred	Other regulatory liabilities, deferred	**81**	96
Other deferred credits and liabilities	Other deferred credits and liabilities	**30**	21
Total deferred credits and other liabilities	Total deferred credits and other liabilities	**1,210**	1,243
Total Liabilities	**Total Liabilities**	**3,284**	3,341
Common Stockholder's Equity (See accompanying statements)	**Common Stockholder's Equity** (See accompanying statements)	**1,974**	1,931
Common Stockholder's Equity (See accompanying statements)			
Common Stockholder's Equity (See accompanying statements)			
Total Liabilities and Stockholder's Equity	**Total Liabilities and Stockholder's Equity**	**$ 5,258**	$ 5,272

The accompanying notes as they relate to Mississippi Power are an integral part of these condensed financial statements.

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MISSISSIPPI POWER COMPANY

CONDENSED STATEMENTS OF COMMON STOCKHOLDER'S EQUITY (UNAUDITED)

	Number of Common Shares Issued	Common Stock	Paid-In Capital	Retained Earnings (Accumulated Deficit)	Total	Number of Common Shares Issued	Common Stock	Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total
			(in millions)								
Balance at December 31, 2021	1	$ 38	$4,582	$ (2,753)	$1,867						
Net income	—	—	—	42	42						
Capital contributions from parent company	—	—	51	—	51						

Cash dividends on common stock		—		—	—		(43)	(43)
Balance at March 31, 2022		1		38	4,633		(2,754)	1,917
Net income		—		—	—		45	45
Capital contributions from parent company		—		—	1		—	1
Cash dividends on common stock		—		—	—		(42)	(42)
Balance at June 30, 2022		1		38	4,634		(2,751)	1,921
Net income		—		—	—		62	62
Capital contributions from parent company		—		—	5		—	5
Cash dividends on common stock		—		—	—		(42)	(42)
Balance at September 30, 2022		1	$	38	$4,639	$	(2,731)	$1,946
								(in millions)
Balance at December 31, 2022	**Balance at December 31, 2022**	**1**	**$**	**38**	**$4,652**	**$**	**(2,759)**	**$1,931**
Net income	Net income	**—**		**—**	**—**		**58**	**58**
Cash dividends on common stock	Cash dividends on common stock	**—**		**—**	**—**		**(46)**	**(46)**
Cash dividends on common stock								
Cash dividends on common stock								
Balance at March 31, 2023	**Balance at March 31, 2023**	**1**		**38**	**4,652**		**(2,747)**	**1,943**
Balance at March 31, 2023								
Balance at March 31, 2023								
Balance at December 31, 2023								
Balance at December 31, 2023								
Balance at December 31, 2023								
Net income	Net income	**—**		**—**	**—**		**40**	**40**
Capital contributions from parent company	Capital contributions from parent company	**—**		**—**	**12**		**—**	**12**
Capital contributions from parent company								
Capital contributions from parent company								
Other comprehensive income								

Cash dividends on common stock	Cash dividends on common stock	—	—	—	(47)	(47)
Balance at June 30, 2023		**1**	**38**	**4,664**	**(2,754)**	**1,948**
Net income		—	—	—	75	75
Return of capital to parent company		—	—	(3)	—	(3)
Balance at March 31, 2024						
Balance at March 31, 2024						
Balance at March 31, 2024						
Cash dividends on common stock		—	—	—	(46)	(46)
Balance at September 30, 2023		**1**	**$ 38**	**$4,661**	**$ (2,725)**	**$1,974**

The accompanying notes as they relate to Mississippi Power are an integral part of these condensed financial statements.

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SOUTHERN POWER COMPANY AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
		2023	2022	**2023**	2022
		(in millions)		*(in millions)*	
Operating Revenues:	**Operating Revenues:**				
Wholesale revenues, non-affiliates	Wholesale revenues, non-affiliates	**$479**	$ 835	**$1,234**	$1,918
Wholesale revenues, non-affiliates					
Wholesale revenues, non-affiliates					
Wholesale revenues, affiliates	Wholesale revenues, affiliates	**156**	336	**406**	673
Other revenues	Other revenues	**18**	9	**46**	27
Total operating revenues	Total operating revenues	**653**	1,180	**1,686**	2,618
Operating Expenses:	**Operating Expenses:**				
Fuel	Fuel	**196**	605	**526**	1,274
Fuel					
Fuel					

For the Three Months Ended March 31,	
2024	2023
(in millions)	

Purchased power	Purchased power	**33**	144	**87**	233
Other operations and maintenance					
Other operations and maintenance					
Other operations and maintenance	Other operations and maintenance	**104**	113	**327**	332
Depreciation and amortization	Depreciation and amortization	**130**	133	**380**	384
Taxes other than income taxes	Taxes other than income taxes	**13**	13	**38**	38
Gain on dispositions, net	Gain on dispositions, net	**—**	—	**(20)**	(2)
Gain on dispositions, net					
Gain on dispositions, net					
Total operating expenses	Total operating expenses	**476**	1,008	**1,338**	2,259
Operating Income	**Operating Income**	**177**	172	**348**	359
Other Income and (Expense):	**Other Income and (Expense):**				
Interest expense, net of amounts capitalized	Interest expense, net of amounts capitalized	**(32)**	(32)	**(98)**	(105)
Interest expense, net of amounts capitalized					
Interest expense, net of amounts capitalized					
Other income (expense), net	Other income (expense), net	**4**	3	**8**	5
Total other income and (expense)	Total other income and (expense)	**(28)**	(29)	**(90)**	(100)
Earnings Before Income Taxes	**Earnings Before Income Taxes**	**149**	143	**258**	259
Income taxes		**39**	36	**38**	49
Income taxes (benefit)					
Net Income	**Net Income**	**110**	107	**220**	210
Net income (loss) attributable to noncontrolling interests		**10**	12	**(68)**	(55)

Net loss attributable to noncontrolling interests					
Net Income Attributable to Southern Power	**Net Income Attributable to Southern Power**	**$100**	$ 95	**$ 288**	$ 265

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

		For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
		2023	2022	**2023**	2022	**2024**	2023
		(in millions)		*(in millions)*		*(in millions)*	
Net Income	**Net Income**	**$110**	$107	**$220**	$210		
Other comprehensive income (loss):	Other comprehensive income (loss):						
Qualifying hedges:	Qualifying hedges:						
Changes in fair value, net of tax of $(2), $(11), $(3), and $(35), respectively		**(13)**	(35)	**(17)**	(106)		
Reclassification adjustment for amounts included in net income, net of tax of $4, $9, $6, and $35, respectively		**17**	28	**24**	106		
Qualifying hedges:							
Qualifying hedges:							
Changes in fair value, net of tax of $(4) and $(3), respectively							
Changes in fair value, net of tax of $(4) and $(3), respectively							
Changes in fair value, net of tax of $(4) and $(3), respectively							
Reclassification adjustment for amounts included in net income, net of tax of $4 and $—, respectively							
Pension and other postretirement benefit plans:	Pension and other postretirement benefit plans:						
Benefit plan net gain (loss), net of tax of $— and $—, respectively							
Benefit plan net gain (loss), net of tax of $— and $—, respectively							

Benefit plan net gain (loss), net of tax of $— and $—, respectively					
Reclassification adjustment for amounts included in net income, net of tax of $—, $—, $—, and $ —, respectively		**—**	—	**—**	1
Total other comprehensive income (loss)					
Total other comprehensive income (loss)					
Total other comprehensive income (loss)	Total other comprehensive income (loss)	**4**	(7)	**7**	1
Comprehensive Income	Comprehensive Income	**114**	100	**227**	211
Comprehensive income (loss) attributable to noncontrolling interests		**10**	12	**(68)**	(55)
Comprehensive loss attributable to noncontrolling interests					
Comprehensive Income Attributable to Southern Power	**Comprehensive Income Attributable to Southern Power**	**$104**	$ 88	**$295**	$266

The accompanying notes as they relate to Southern Power are an integral part of these condensed consolidated financial statements.

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SOUTHERN POWER COMPANY AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
		2023	2022	**2024**	2023
		(in millions)		*(in millions)*	
Operating Activities:	**Operating Activities:**				
Net income	Net income	**$220**	$210		
Net income					
Net income					
Adjustments to reconcile net income to net cash provided from operating activities —	Adjustments to reconcile net income to net cash provided from operating activities —				
Depreciation and amortization, total	Depreciation and amortization, total	**395**	404		

Deferred income taxes		**1**	21
Utilization of federal investment tax credits		**179**	218
Amortization of investment tax credits		**(44)**	(44)
Depreciation and amortization, total			
Depreciation and amortization, total			
Amortization of ITCs			
Amortization of ITCs			
Amortization of ITCs			
Gain on dispositions, net			
Gain on dispositions, net			
Gain on dispositions, net	Gain on dispositions, net	**(20)**	(2)
Other, net	Other, net	**4**	1
Changes in certain current assets and liabilities —	Changes in certain current assets and liabilities —		
- Receivables	- Receivables	**100**	(124)
-Receivables			
-Receivables			
-Prepaid income taxes			
-Prepaid income taxes			
-Prepaid income taxes	-Prepaid income taxes	**31**	22
-Other current assets	-Other current assets	**(14)**	(15)
-Accounts payable	-Accounts payable	**(70)**	95
-Accrued taxes		**9**	55
-Accrued compensation			
-Accrued compensation			
-Accrued compensation			
-Other current liabilities	-Other current liabilities	**8**	(14)
Net cash provided from operating activities	Net cash provided from operating activities	**799**	827
Investing Activities:	**Investing Activities:**		
Acquisitions, net of cash acquired		**(181)**	—
Property additions			
Property additions			
Property additions	Property additions	**(40)**	(64)
Proceeds from dispositions	Proceeds from dispositions	**59**	48

Change in construction payables	Change in construction payables	**(18)**	(60)
Change in construction payables			
Change in construction payables			
Payments pursuant to LTSAs			
Payments pursuant to LTSAs			
Payments pursuant to LTSAs	Payments pursuant to LTSAs	**(49)**	(52)
Other investing activities	Other investing activities	**5**	—
Net cash used for investing activities		**(224)**	(128)
Other investing activities			
Other investing activities			
Net cash provided from (used for) investing activities			
Financing Activities:	**Financing Activities:**		
Increase (decrease) in notes payable, net			
Increase (decrease) in notes payable, net			
Increase (decrease) in notes payable, net	Increase (decrease) in notes payable, net	**136**	(5)
Redemptions — Senior notes		**(290)**	(677)
Capital contributions from parent company		**16**	330
Capital contributions from noncontrolling interests			
Capital contributions from noncontrolling interests			
Capital contributions from noncontrolling interests	Capital contributions from noncontrolling interests	**21**	73
Distributions to noncontrolling interests	Distributions to noncontrolling interests	**(148)**	(175)
Payment of common stock dividends			
Payment of common stock dividends			
Payment of common stock dividends	Payment of common stock dividends	**(189)**	(148)
Other financing activities	Other financing activities	**3**	(1)
Net cash used for financing activities	Net cash used for financing activities	**(451)**	(603)
Net Change in Cash, Cash Equivalents, and Restricted Cash	**Net Change in Cash, Cash Equivalents, and Restricted Cash**	**124**	96

Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**Cash, Cash Equivalents, and Restricted Cash at Beginning of Period**	**133**	135
Cash, Cash Equivalents, and Restricted Cash at End of Period	**Cash, Cash Equivalents, and Restricted Cash at End of Period**	**$257**	$231
Supplemental Cash Flow Information:	**Supplemental Cash Flow Information:**		
Cash paid (received) during the period for —	Cash paid (received) during the period for —		
Interest (net of $1 and $— capitalized for 2023 and 2022, respectively)		**$103**	$120
Cash paid (received) during the period for —			
Cash paid (received) during the period for —			
Interest (net of $2 and $— capitalized for 2024 and 2023, respectively)			
Interest (net of $2 and $— capitalized for 2024 and 2023, respectively)			
Interest (net of $2 and $— capitalized for 2024 and 2023, respectively)			
Income taxes, net	Income taxes, net	**(124)**	(202)
Noncash transactions —	Noncash transactions —		
Accrued property additions at end of period	Accrued property additions at end of period	**23**	30
Right-of-use assets obtained under operating leases		**7**	—
Reassessment of right-of-use assets under operating leases		**—**	40
Accrued property additions at end of period			
Accrued property additions at end of period			

The accompanying notes as they relate to Southern Power are an integral part of these condensed consolidated financial statements.

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SOUTHERN POWER COMPANY AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Assets	**Assets**	**At September 30, 2023**	At December 31, 2022	**Assets**	**At March 31, 2024**	At December 31, 2023

		(in millions)		*(in millions)*
Current Assets:	**Current Assets:**			
Cash and cash equivalents	Cash and cash equivalents	**$ 236**	$ 131	
Cash and cash equivalents				
Cash and cash equivalents				
Receivables —	Receivables —			
Customer accounts, net				
Customer accounts, net				
Customer accounts, net	Customer accounts, net	**164**	226	
Affiliated	Affiliated	**60**	51	
Other	Other	**44**	70	
Materials and supplies	Materials and supplies	**84**	88	
Materials and supplies				
Materials and supplies				
Prepaid income taxes	Prepaid income taxes	**130**	5	
Prepaid income taxes				
Prepaid income taxes				
Other current assets				
Other current assets				
Other current assets	Other current assets	**71**	50	
Total current assets	Total current assets	**789**	621	
Property, Plant, and Equipment:	**Property, Plant, and Equipment:**			
In service	In service	**14,678**	14,658	
In service				
In service				
Less: Accumulated provision for depreciation	Less: Accumulated provision for depreciation	**4,001**	3,661	
Plant in service, net of depreciation	Plant in service, net of depreciation	**10,677**	10,997	
Construction work in progress	Construction work in progress	**224**	41	
Total property, plant, and equipment	Total property, plant, and equipment	**10,901**	11,038	
Total property, plant, and equipment				

Total property, plant, and equipment			
Other Property and Investments:	**Other Property and Investments:**		
Intangible assets, net of amortization of $143 and $129, respectively		**248**	263
Equity investments in unconsolidated subsidiaries		**—**	49
Intangible assets, net of amortization of $153 and $148, respectively			
Intangible assets, net of amortization of $153 and $148, respectively			
Intangible assets, net of amortization of $153 and $148, respectively			
Net investment in sales-type leases			
Net investment in sales-type leases			
Net investment in sales-type leases	Net investment in sales-type leases	**150**	154
Total other property and investments	Total other property and investments	**398**	466
Deferred Charges and Other Assets:	**Deferred Charges and Other Assets:**		
Operating lease right-of-use assets, net of amortization			
Operating lease right-of-use assets, net of amortization			
Operating lease right-of-use assets, net of amortization	Operating lease right-of-use assets, net of amortization	**490**	489
Prepaid LTSAs	Prepaid LTSAs	**225**	193
Other deferred charges and assets	Other deferred charges and assets	**287**	274
Other deferred charges and assets			
Other deferred charges and assets			
Total deferred charges and other assets	Total deferred charges and other assets	**1,002**	956
Total Assets	**Total Assets**	**$ 13,090**	$ 13,081

The accompanying notes as they relate to Southern Power are an integral part of these condensed consolidated financial statements.

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SOUTHERN POWER COMPANY AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Liabilities and Stockholders' Equity	**Liabilities and Stockholders' Equity**	**At September 30, 2023**	At December 31, 2022	**Liabilities and Stockholders' Equity**	**At March 31, 2024**	At December 31, 2023
		(in millions)			*(in millions)*	
Current Liabilities:	**Current Liabilities:**					
Securities due within one year		**$ —**	$ 290			
Notes payable						
Notes payable						
Notes payable	Notes payable	**359**	225			
Accounts payable —	Accounts payable —					
Affiliated						
Affiliated						
Affiliated	Affiliated	**80**	139			
Other	Other	**43**	67			
Accrued taxes	Accrued taxes	**33**	24			
Accrued taxes						
Accrued taxes						
Accrued interest	Accrued interest	**22**	28			
Accrued interest						
Accrued interest						
Operating lease obligations						
Other current liabilities						
Other current liabilities						
Other current liabilities	Other current liabilities	**117**	111			
Total current liabilities	Total current liabilities	**654**	884			
Long-term Debt	**Long-term Debt**	**2,687**	2,689			
Deferred Credits and Other Liabilities:	**Deferred Credits and Other Liabilities:**					
Accumulated deferred income taxes	Accumulated deferred income taxes	**619**	279			
Accumulated deferred income taxes						
Accumulated deferred income taxes						
Accumulated deferred ITCs	Accumulated deferred ITCs	**1,512**	1,556			

Operating lease obligations		**516**	514

Operating lease obligations, deferred

Operating lease obligations, deferred

Operating lease obligations, deferred

Other deferred credits and liabilities	Other deferred credits and liabilities	**259**	243
Total deferred credits and other liabilities	Total deferred credits and other liabilities	**2,906**	2,592
Total Liabilities	**Total Liabilities**	**6,247**	6,165
Total Stockholders' Equity (See accompanying statements)	**Total Stockholders' Equity** (See accompanying statements)	**6,843**	6,916

Total Stockholders' Equity (See accompanying statements)

Total Stockholders' Equity (See accompanying statements)

Total Liabilities and Stockholders' Equity	**Total Liabilities and Stockholders' Equity**	**$ 13,090**	$ 13,081

The accompanying notes as they relate to Southern Power are an integral part of these condensed consolidated financial statements.

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SOUTHERN POWER COMPANY AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)

	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Common Stockholders' Equity	Noncontrolling Interests	Total
	(in millions)					
Balance at December 31, 2021	$ 638	$ 1,585	$ (27)	$ 2,196	$ 4,402	$ 6,598

Paid-In Capital

Paid-In Capital

	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Common Stockholders' Equity	Noncontrolling Interests	Total
	(in millions)					*(in millions)*
Balance at December 31, 2022						

Net income (loss)	Net income (loss)	—	72	—	72	(45)	27
Other comprehensive income		—	—	5	5	—	5
Other comprehensive income (loss)							
Other comprehensive income (loss)							
Other comprehensive income (loss)							
Cash dividends on common stock	Cash dividends on common stock	—	(49)	—	(49)	—	(49)
Capital contributions from noncontrolling interests							
Capital contributions from noncontrolling interests							
Capital contributions from noncontrolling interests	Capital contributions from noncontrolling interests	—	—	—	—	73	73
Distributions to noncontrolling interests	Distributions to noncontrolling interests	—	—	—	—	(98)	(98)
Balance at March 31, 2022		638	1,608	(22)	2,224	4,332	6,556
Net income (loss)		—	98	—	98	(22)	76
Capital contributions from parent company		322	—	—	322	—	322
Other comprehensive income		—	—	3	3	—	3
Cash dividends on common stock		—	(50)	—	(50)	—	(50)
Balance at March 31, 2023							
Distributions to noncontrolling interests		—	—	—	—	(28)	(28)
Balance at March 31, 2023							
Balance at March 31, 2023							
Balance at June 30, 2022		960	1,656	(19)	2,597	4,282	6,879
Net income		—	95	—	95	12	107
Capital contributions from parent company		9	—	—	9	—	9
Other comprehensive income (loss)		—	—	(7)	(7)	—	(7)
Cash dividends on common stock		—	(49)	—	(49)	—	(49)
Distributions to noncontrolling interests		—	—	—	—	(57)	(57)
Other		—	(1)	(1)	(2)	—	(2)
Balance at September 30, 2022		$ 969	$ 1,701	$ (27)	$ 2,643	$ 4,237	$ 6,880
Balance at December 31, 2022		**$ 1,069**	**$ 1,741**	**$ (18)**	**$ 2,792**	**$ 4,124**	**$ 6,916**

Balance at December 31, 2023												
Balance at December 31, 2023												
Balance at December 31, 2023												
Net income (loss) Net income (loss)		—		102		—		102		(63)		39
Other comprehensive income (loss)		—		—		(7)		(7)		—		(7)
Other comprehensive income												
Other comprehensive income												
Other comprehensive income												
Cash dividends on common stock Cash dividends on common stock		—		(63)		—		(63)		—		(63)
Capital contributions from noncontrolling interests												
Capital contributions from noncontrolling interests												
Capital contributions from noncontrolling interests Capital contributions from noncontrolling interests		—		—		—		—		21		21
Distributions to noncontrolling interests Distributions to noncontrolling interests		—		—		—		—		(48)		(48)
Balance at March 31, 2023		1,069		1,780		(25)		2,824		4,034		6,858
Net income (loss)		—		85		—		85		(15)		70
Capital contributions from parent company		14		—		—		14		—		14
Other comprehensive income		—		—		10		10		—		10
Cash dividends on common stock		—		(63)		—		(63)		—		(63)
Other												
Distributions to noncontrolling interests		—		—		—		—		(42)		(42)
Other												
Other												
Balance at March 31, 2024												
Other		—		—		1		1		(1)		—
Balance at June 30, 2023		1,083		1,802		(14)		2,871		3,976		6,847
Net income		—		100		—		100		10		110
Capital contributions from parent company		3		—		—		3		—		3
Other comprehensive income		—		—		4		4		—		4
Cash dividends on common stock		—		(63)		—		(63)		—		(63)
Distributions to noncontrolling interests		—		—		—		—		(59)		(59)
Other		1		—		—		1		—		1
Balance at September 30, 2023	$	1,087	$	1,839	$	(10)	$	2,916	$	3,927	$	6,843

The accompanying notes as they relate to Southern Power are an integral part of these condensed consolidated financial statements.

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SOUTHERN COMPANY GAS AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
		2023	2022	**2023**	2022
		(in millions)		*(in millions)*	
Operating Revenues:	**Operating Revenues:**				
Natural gas revenues (includes revenue taxes of $11, $15, $103, and $118, respectively)		**$689**	$857	**$3,417**	$3,998
Natural gas revenues (includes revenue taxes of $53 and $66, respectively)					
Natural gas revenues (includes revenue taxes of $53 and $66, respectively)					
Natural gas revenues (includes revenue taxes of $53 and $66, respectively)					
Total operating revenues					
Total operating revenues					
Total operating revenues	Total operating revenues	**689**	857	**3,417**	3,998
Operating Expenses:	**Operating Expenses:**				
Cost of natural gas	Cost of natural gas	**102**	294	**1,199**	1,840
Cost of natural gas					
Cost of natural gas					
Other operations and maintenance					
Other operations and maintenance					
Other operations and maintenance	Other operations and maintenance	**264**	252	**879**	824
Depreciation and amortization	Depreciation and amortization	**145**	140	**429**	414
Taxes other than income taxes	Taxes other than income taxes	**42**	45	**203**	208
Total operating expenses	Total operating expenses	**553**	731	**2,710**	3,286
Total operating expenses					
Total operating expenses					

For the Three Months Ended March 31,	
2024	2023
(in millions)	

Operating Income	**Operating Income**	**136**	126	**707**	712
Other Income and (Expense):	**Other Income and (Expense):**				

Earnings from equity method investments

Earnings from equity method investments

Earnings from equity method investments	Earnings from equity method investments	**32**	34	**104**	105
Interest expense, net of amounts capitalized	Interest expense, net of amounts capitalized	**(77)**	(65)	**(226)**	(187)
Other income (expense), net	Other income (expense), net	**19**	15	**50**	47
Total other income and (expense)	Total other income and (expense)	**(26)**	(16)	**(72)**	(35)
Earnings Before Income Taxes	**Earnings Before Income Taxes**	**110**	110	**635**	677
Income taxes	Income taxes	**28**	27	**160**	161
Net Income	**Net Income**	**$ 82**	$ 83	**$ 475**	$ 516

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	**2023**	2022
	(in millions)		*(in millions)*	
Net Income	**$ 82**	$ 83	**$ 475**	$ 516
Other comprehensive income:				
Qualifying hedges:				
Changes in fair value, net of tax of $(2), $8, $(11), and $16, respectively	**(6)**	19	**(30)**	39
Reclassification adjustment for amounts included in net income, net of tax of $7, $(2), $15, and $(7), respectively	**16**	(5)	**37**	(17)
Total other comprehensive income	**10**	14	**7**	22
Comprehensive Income	**$ 92**	$ 97	**$ 482**	$ 538

	For the Three Months Ended March 31,	
	2024	2023
	(in millions)	
Net Income	**$ 409**	$ 309
Other comprehensive income (loss):		
Qualifying hedges:		

Changes in fair value, net of tax of $(2) and $(10), respectively	**(5)**	(24)
Reclassification adjustment for amounts included in net income, net of tax of $7 and $6, respectively	**17**	14
Total other comprehensive income (loss)	**12**	(10)
Comprehensive Income	**$ 421**	$ 299

The accompanying notes as they relate to Southern Company Gas are an integral part of these condensed consolidated financial statements.

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SOUTHERN COMPANY GAS AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

		For the Nine Months Ended September 30,		For the Three Months Ended March 31,	
		2023	2022	**2024**	2023
		(in millions)		*(in millions)*	
Operating Activities:	**Operating Activities:**				
Net income	Net income	**$ 475**	$ 516		
Net income					
Net income					
Adjustments to reconcile net income to net cash provided from operating activities —	Adjustments to reconcile net income to net cash provided from operating activities —				
Depreciation and amortization, total					
Depreciation and amortization, total					
Depreciation and amortization, total	Depreciation and amortization, total	**429**	414		
Deferred income taxes	Deferred income taxes	**75**	109		
Natural gas cost under recovery – long-term		**—**	207		
Other, net					
Other, net					
Other, net	Other, net	**(15)**	(12)		
Changes in certain current assets and liabilities —	Changes in certain current assets and liabilities —				
-Receivables					
-Receivables					
-Receivables	-Receivables	**776**	301		

-Natural gas for sale, net of temporary LIFO liquidation	-Natural gas for sale, net of temporary LIFO liquidation	**31**	(136)
-Prepaid income taxes	-Prepaid income taxes	**12**	(77)
-Natural gas cost under recovery	-Natural gas cost under recovery	**108**	(124)
-Other current assets	-Other current assets	**(32)**	7
-Accounts payable	-Accounts payable	**(346)**	342
-Accrued taxes			
-Accrued compensation			
-Natural gas cost over recovery	-Natural gas cost over recovery	**165**	—
-Other current liabilities	-Other current liabilities	**(34)**	(15)
Net cash provided from operating activities	Net cash provided from operating activities	**1,644**	1,532
Investing Activities:	**Investing Activities:**		
Property additions			
Property additions			
Property additions	Property additions	**(1,151)**	(1,063)
Cost of removal, net of salvage	Cost of removal, net of salvage	**(82)**	(84)
Change in construction payables, net	Change in construction payables, net	**(38)**	(103)
Other investing activities	Other investing activities	**45**	11
Other investing activities			
Other investing activities			
Net cash used for investing activities	Net cash used for investing activities	**(1,226)**	(1,239)
Financing Activities:	**Financing Activities:**		
Decrease in notes payable, net	Decrease in notes payable, net	**(493)**	(749)
Proceeds —			
Senior notes		**500**	500
First mortgage bonds		**125**	100
Short-term borrowings		**—**	50
Other long-term debt		**29**	—

Redemptions —			
Short-term borrowings		**(200)**	(150)
Decrease in notes payable, net			
Decrease in notes payable, net			
Medium-term notes		**—**	(46)
Redemptions — Short-term borrowings			
Redemptions — Short-term borrowings			
Redemptions — Short-term borrowings			
Capital contributions from parent company			
Capital contributions from parent company			
Capital contributions from parent company	Capital contributions from parent company	**377**	357
Payment of common stock dividends	Payment of common stock dividends	**(439)**	(389)
Other financing activities	Other financing activities	**(1)**	14
Net cash used for financing activities	Net cash used for financing activities	**(102)**	(313)
Net Change in Cash, Cash Equivalents, and Restricted Cash	**Net Change in Cash, Cash Equivalents, and Restricted Cash**	**316**	(20)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**Cash, Cash Equivalents, and Restricted Cash at Beginning of Period**	**83**	48
Cash, Cash Equivalents, and Restricted Cash at End of Period	**Cash, Cash Equivalents, and Restricted Cash at End of Period**	**$ 399**	$ 28
Supplemental Cash Flow Information:	**Supplemental Cash Flow Information:**		
Cash paid during the period for —			
Interest (net of $12 and $7 capitalized for 2023 and 2022, respectively)		**$ 214**	$ 186
Cash paid (received) during the period for —			
Cash paid (received) during the period for —			
Cash paid (received) during the period for —			
Interest (net of $5 and $4 capitalized for 2024 and 2023, respectively)			
Interest (net of $5 and $4 capitalized for 2024 and 2023, respectively)			
Interest (net of $5 and $4 capitalized for 2024 and 2023, respectively)			

Income taxes, net	Income taxes, net	**70**	193
Noncash transactions —	Noncash transactions —		
Accrued property additions at end of period	Accrued property additions at end of period	**139**	10

Accrued property additions at end of period

Accrued property additions at end of period

Right-of-use assets obtained under operating leases	Right-of-use assets obtained under operating leases	**3**	—

The accompanying notes as they relate to Southern Company Gas are an integral part of these condensed consolidated financial statements.

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SOUTHERN COMPANY GAS AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Assets	Assets	At September 30, 2023	At December 31, 2022	Assets	At March 31, 2024	At December 31, 2023
		(in millions)				
		(in millions)				*(in millions)*
Current Assets:	**Current Assets:**			**Current Assets:**		
Cash and cash equivalents	Cash and cash equivalents	**$ 397**	$ 81			
Receivables —	Receivables —			Receivables —		
Customer accounts						
Customer accounts						
Customer accounts	Customer accounts	**242**	616			
Unbilled revenues	Unbilled revenues	**74**	453			
Other accounts and notes	Other accounts and notes	**52**	76			
Other accounts and notes						
Other accounts and notes						
Accumulated provision for uncollectible accounts	Accumulated provision for uncollectible accounts	**(53)**	(50)			
Materials and supplies						
Natural gas for sale	Natural gas for sale	**406**	438			
Prepaid expenses	Prepaid expenses	**92**	93			

Natural gas cost under recovery		—	108
Prepaid expenses			
Prepaid expenses			
Other regulatory assets			
Other regulatory assets			
Other regulatory assets	Other regulatory assets	**144**	119
Other current assets	Other current assets	**108**	104
Total current assets	Total current assets	**1,462**	2,038
Property, Plant, and Equipment:	**Property, Plant, and Equipment:**		
Property, Plant, and Equipment:			
In service	In service	**20,459**	19,723
Less: Accumulated depreciation	Less: Accumulated depreciation	**5,454**	5,276
Plant in service, net of depreciation	Plant in service, net of depreciation	**15,005**	14,447
Construction work in progress	Construction work in progress	**1,158**	909
Total property, plant, and equipment	Total property, plant, and equipment	**16,163**	15,356
Other Property and Investments:	**Other Property and Investments:**		
Goodwill	Goodwill	**5,015**	5,015
Goodwill			
Goodwill			
Equity investments in unconsolidated subsidiaries	Equity investments in unconsolidated subsidiaries	**1,243**	1,276
Other intangible assets, net of amortization of $163 and $156, respectively		**19**	26
Other intangible assets, net of amortization of $168 and $166, respectively			
Miscellaneous property and investments	Miscellaneous property and investments	**24**	28
Total other property and investments	Total other property and investments	**6,301**	6,345
Deferred Charges and Other Assets:	**Deferred Charges and Other Assets:**		
Operating lease right-of-use assets, net of amortization			
Operating lease right-of-use assets, net of amortization			

Operating lease right-of-use assets, net of amortization	Operating lease right-of-use assets, net of amortization	**47**	57
Prepaid pension costs	Prepaid pension costs	**205**	183
Other regulatory assets, deferred	Other regulatory assets, deferred	**483**	497
Other regulatory assets, deferred			
Other regulatory assets, deferred			
Other deferred charges and assets			
Other deferred charges and assets			
Other deferred charges and assets	Other deferred charges and assets	**162**	145
Total deferred charges and other assets	Total deferred charges and other assets	**897**	882
Total Assets	**Total Assets**	**$ 24,823**	$ 24,621

The accompanying notes as they relate to Southern Company Gas are an integral part of these condensed consolidated financial statements.

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SOUTHERN COMPANY GAS AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Liabilities and Stockholder's Equity	**Liabilities and Stockholder's Equity**	**At September 30, 2023**	At December 31, 2022	**Liabilities and Stockholder's Equity**	**At March 31, 2024**	At December 31, 2023
		(in millions)				*(in millions)*
Current Liabilities:						
		(in millions)				
Current Liabilities:						
Securities due within one year		**$ 400**	$ 400			
Notes payable						
Notes payable						
Notes payable	Notes payable	**75**	768			
Accounts payable —	Accounts payable —					
Accounts payable —						
Accounts payable —						
Affiliated						
Affiliated						
Affiliated	Affiliated	**62**	104			
Other	Other	**374**	701			
Customer deposits	Customer deposits	**133**	125			
Accrued taxes	Accrued taxes	**75**	77			
Accrued taxes						

Accrued taxes			
Accrued interest	Accrued interest	**79**	67
Accrued compensation	Accrued compensation	**85**	105
Accrued compensation			
Accrued compensation			
Natural gas cost over recovery			
Natural gas cost over recovery			
Natural gas cost over recovery	Natural gas cost over recovery	**165**	—
Other regulatory liabilities	Other regulatory liabilities	**44**	36
Other current liabilities	Other current liabilities	**146**	187
Total current liabilities	Total current liabilities	**1,638**	2,570
Long-term Debt	**Long-term Debt**	**7,657**	7,042
Deferred Credits and Other Liabilities:	**Deferred Credits and Other Liabilities:**		
Accumulated deferred income taxes	Accumulated deferred income taxes	**1,629**	1,560
Accumulated deferred income taxes			
Accumulated deferred income taxes			
Deferred credits related to income taxes	Deferred credits related to income taxes	**766**	788
Employee benefit obligations	Employee benefit obligations	**108**	120
Employee benefit obligations			
Employee benefit obligations			
Operating lease obligations			
Operating lease obligations			
Operating lease obligations	Operating lease obligations	**40**	51
Other cost of removal obligations	Other cost of removal obligations	**1,748**	1,707
Accrued environmental remediation	Accrued environmental remediation	**202**	207
Other deferred credits and liabilities			

Other deferred credits and liabilities			
Other deferred credits and liabilities	Other deferred credits and liabilities	**202**	179
Total deferred credits and other liabilities	Total deferred credits and other liabilities	**4,695**	4,612
Total Liabilities	**Total Liabilities**	**13,990**	14,224
Common Stockholder's Equity (See accompanying statements)	**Common Stockholder's Equity** (See accompanying statements)	**10,833**	10,397
Common Stockholder's Equity (See accompanying statements)			
Common Stockholder's Equity (See accompanying statements)			
Total Liabilities and Stockholder's Equity	**Total Liabilities and Stockholder's Equity**	**$ 24,823**	$ 24,621

The accompanying notes as they relate to Southern Company Gas are an integral part of these condensed consolidated financial statements.

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SOUTHERN COMPANY GAS AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY (UNAUDITED)

	Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total
			(in millions)	
Balance at December 31, 2021	$ 10,024	$ (132)	$ 24	$ 9,916
Net income	—	319	—	319
	Paid-In Capital	**Retained Earnings (Accumulated Deficit)**	**Accumulated Other Comprehensive Income (Loss)**	**Total**
Capital contributions from parent company	50	—	—	50
Other comprehensive income	—	—	20	20
Cash dividends on common stock	—	(130)	—	(130)
Balance at March 31, 2022	10,074	57	44	10,175
Net income	—	115	—	115
Capital contributions from parent company	312	—	—	312
Other comprehensive income (loss)	—	—	(12)	(12)
Cash dividends on common stock	—	(130)	—	(130)
Balance at June 30, 2022	10,386	42	32	10,460
Net income	—	83	—	83

Capital contributions from parent company		11	—	—	11
Other comprehensive income		—	—	14	14
Cash dividends on common stock		—	(130)	—	(130)
Balance at September 30, 2022		$ 10,397	$ (5)	$ 46	$ 10,438
					(in millions)
Balance at December 31, 2022	**Balance at December 31, 2022**	**$ 10,445**	**$ (79)**	**$ 31**	**$ 10,397**
Net income	Net income	**—**	**309**	**—**	**309**
Capital contributions from parent company	Capital contributions from parent company	**203**	**—**	**—**	**203**
Capital contributions from parent company					
Capital contributions from parent company					
Other comprehensive income (loss)	Other comprehensive income (loss)	**—**	**—**	**(10)**	**(10)**
Cash dividends on common stock	Cash dividends on common stock	**—**	**(146)**	**—**	**(146)**
Other	Other	**1**	**(1)**	**—**	**—**
Balance at March 31, 2023	**Balance at March 31, 2023**	**10,649**	**83**	**21**	**10,753**
Balance at December 31, 2023					
Balance at December 31, 2023					
Balance at December 31, 2023					
Net income	Net income	**—**	**85**	**—**	**85**
Capital contributions from parent company	Capital contributions from parent company	**40**	**—**	**—**	**40**
Other comprehensive income		**—**	**—**	**7**	**7**
Cash dividends on common stock		**—**	**(147)**	**—**	**(147)**
Balance at June 30, 2023		**10,689**	**21**	**28**	**10,738**
Net income		**—**	**82**	**—**	**82**
Capital contributions from parent company					
Capital contributions from parent company	Capital contributions from parent company	**149**	**—**	**—**	**149**
Other comprehensive income	Other comprehensive income	**—**	**—**	**10**	**10**
Cash dividends on common stock	Cash dividends on common stock	**—**	**(146)**	**—**	**(146)**
Other					
Balance at March 31, 2024					
Balance at September 30, 2023		**$ 10,838**	**$ (43)**	**$ 38**	**$ 10,833**

The accompanying notes as they relate to Southern Company Gas are an integral part of these condensed consolidated financial statements.

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The following unaudited notes to the condensed financial statements are a combined presentation; however, information contained herein relating to any individual Registrant is filed by such Registrant on its own behalf and each Registrant makes no representation as to information related to the other Registrants. The list below indicates the Registrants to which each footnote note applies.

Registrant	Applicable Notes
Southern Company	A, B, C, D, E, F, G, H, I, J, K, L
Alabama Power	A, B, C, D, F, G, H, I, J
Georgia Power	A, B, C, D, F, G, H, I, J
Mississippi Power	A, B, C, D, F, G, H, I, J
Southern Power	A, C, D, E, F, G, H, I, J, K
Southern Company Gas	A, B, C, D, E, F, G, H, I, J, K, L

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

(A) INTRODUCTION

The condensed quarterly financial statements of each Registrant included herein have been prepared by such Registrant, without audit, pursuant to the rules and regulations of the SEC. The Condensed Balance Sheets at December 31, 2022 December 31, 2023 have been derived from the audited financial statements of each Registrant. In the opinion of each Registrant's management, the information regarding such Registrant furnished herein reflects all adjustments, which, except as otherwise disclosed, are of a normal recurring nature, necessary to present fairly the results of operations for the periods ended September 30, 2023 March 31, 2024 and 2022. 2023. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations, although each Registrant believes that the disclosures regarding such Registrant are adequate to make the information presented not misleading. Disclosures which would substantially duplicate the disclosures in the Form 10-K and details which have not changed significantly in amount or composition since the filing of the Form 10-K are generally omitted from this Quarterly Report on Form 10-Q unless specifically required by GAAP. Therefore, these Condensed Financial Statements should be read in conjunction with the financial statements and the notes thereto included in the Form 10-K. Due to the seasonal variations in the demand for energy and other factors, operating results for the periods presented are not necessarily indicative of the operating results to be expected for the full year.

Certain prior year data presented in the financial statements have been reclassified to conform to the current year presentation. These reclassifications had no impact on the overall results of operations, financial position, or cash flows of any Registrant.

Recently Adopted Accounting Standards

In March 2020 and December 2022, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* and ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, respectively, providing temporary guidance to ease the potential burden in accounting for reference rate reform primarily resulting from the discontinuation of LIBOR through December 31, 2024. See Note 1 to the financial statements under "Recently Adopted Accounting Standards" in Item 8 of the Form 10-K for additional information on the temporary guidance.

Certain provisions in PPAs at Southern Power include references to LIBOR. Contract amendments have been executed to change to a SOFR-based interest rate. Southern Power adopted and applied the practical expedients guidance to these PPAs. Additionally, the Registrants referenced LIBOR for certain debt and hedging arrangements. As of July 1, 2023, all of the debt and hedging arrangements of the Registrants have transitioned to a SOFR-based interest rate based on the terms of the agreements. There were no material impacts from the transition to SOFR and no impacts to any existing accounting conclusions. See Note (J) under "Interest Rate Derivatives" for additional information.

Goodwill and Other Intangible Assets

Goodwill at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 was as follows:

		Goodwill
		(in millions)
Southern Company	$	5,161
Southern Company Gas:		
Gas distribution operations	$	4,034
Gas marketing services		981
Southern Company Gas total	$	5,015

Goodwill is not amortized but is subject to an annual impairment test during the fourth quarter of each year, or more frequently if goodwill impairment indicators arise. exist.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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Other intangible assets were as follows:

	At September 30, 2023			At December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Other Intangible Assets, Net	Gross Carrying Amount	Accumulated Amortization	Other Intangible Assets, Net
	(in millions)			*(in millions)*		

	At March 31, 2024			At March 31, 2024				
	Gross Carrying Amount			Gross Carrying Amount	Accumulated Amortization	Other Intangible Assets, Net	Gross Carrying Amount	Accumulat Amortizati
	(in millions)			*(in millions)*				
Southern Company	**Southern Company**							
Subject to amortization:	Subject to amortization:							
Subject to amortization:								

Subject to amortization:							
Customer relationships							
Customer relationships							
Customer relationships	Customer relationships	$ 211	$ (169)	$ 42	$ 212	$ (162)	$ 50
Trade names	Trade names	63	(50)	13	64	(44)	20
PPA fair value adjustments	PPA fair value adjustments	390	(143)	247	390	(129)	261
Other	Other	5	(5)	—	5	(5)	—
Total subject to amortization	Total subject to amortization	$ 669	$ (367)	$ 302	$ 671	$ (340)	$ 331
Not subject to amortization:	Not subject to amortization:						
FCC licenses	FCC licenses	75	—	75	75	—	75
FCC licenses							
FCC licenses							
Total other intangible assets	**Total other intangible assets**	$ 744	$ (367)	$ 377	$ 746	$ (340)	$ 406
Southern Power(*)	**Southern Power(*)**						
Southern Power(*)							
Southern Power(*)							
PPA fair value adjustments							
PPA fair value adjustments							
PPA fair value adjustments	PPA fair value adjustments	$ 390	$ (143)	$ 247	$ 390	$ (129)	$ 261
Southern Company Gas(*)	**Southern Company Gas(*)**						
Southern Company Gas(*)							
Southern Company Gas(*)							
Gas marketing services							
Gas marketing services							
Gas marketing services	Gas marketing services						
Customer relationships	Customer relationships	$ 156	$ (143)	$ 13	$ 156	$ (139)	$ 17
Customer relationships							
Customer relationships							
Trade names	Trade names	26	(20)	6	26	(17)	9
Total other intangible assets	**Total other intangible assets**	$ 182	$ (163)	$ 19	$ 182	$ (156)	$ 26

(*) All subject to amortization.

Amortization associated with other intangible assets was as follows:

	Three Months Ended	Nine Months Ended	Three Months Ended	Nine Months Ended
	September 30, 2023		September 30, 2022	
		(in millions)		
	Three Months Ended			
	Three Months Ended			

		Three Months Ended			
		March 31, 2024			
		March 31, 2024			
		March 31, 2024			
		(in millions)			
		(in millions)			
		(in millions)			
Southern Company(a)	Southern Company(a)	$ 10	$ 27	$ 11	$ 30
Southern Power(b)	Southern Power(b)	5	14	5	15
Southern Power(b)					
Southern Power(b)					
Southern Company Gas	Southern Company Gas	3	7	4	9
Southern Company Gas					
Southern Company Gas					

(a) Includes $5 million, $14 million, $5 million, and $15 million for the three and nine months ended September 30, 2023 and 2022, respectively, recorded as a reduction to operating revenues. revenues for both periods presented.

(b) Recorded as a reduction to operating revenues.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the condensed balance sheets that total to the amount shown in the condensed statements of cash flows for the applicable Registrants:

		Southern Company	Alabama Power	Georgia Power	Southern Power	Southern Company Gas
				(in millions)		
At September 30, 2023						
		Southern Company	**Alabama Power**	**Georgia Power**	**Southern Power**	**Southern Company Gas**
						(in millions)
At March 31, 2024						
Cash and cash equivalents						
Cash and cash equivalents						
Cash and cash equivalents	Cash and cash equivalents	$ 1,676	$ 621	$ 173	$ 236	$ 397
Restricted cash(a):	Restricted cash(a):					
Other current assets						
Other current assets						
Other current assets	Other current assets	176	108	48	18	2

Other deferred charges and assets	Other deferred charges and assets	38	—	35	3	—
Total cash, cash equivalents, and restricted cash(b)	Total cash, cash equivalents, and restricted cash(b)	$ 1,890	$ 729	$ 256	$ 257	$ 399
At December 31, 2022						
At December 31, 2023						
At December 31, 2023						
At December 31, 2023						
Cash and cash equivalents						
Cash and cash equivalents						
Cash and cash equivalents	Cash and cash equivalents	$ 1,917	$ 687	$ 364	$ 131	$ 81
Restricted cash(a):	Restricted cash(a):					
Other current assets	Other current assets	62	—	60	—	2
Other current assets						
Other current assets						
Other deferred charges and assets	Other deferred charges and assets	58	—	56	3	—
Total cash, cash equivalents, and restricted cash(b)	Total cash, cash equivalents, and restricted cash(b)	$ 2,037	$ 687	$ 480	$ 133	$ 83

(a) For Alabama Power balance at September 30, 2023 reflects proceeds from the issuance of solid waste disposal facility revenue bonds in 2023. For and Georgia Power, reflects proceeds from the issuance of solid waste disposal facility revenue bonds in 2022. 2023 and 2022, respectively. For Southern Power, reflects $18 $17 million at September 30, 2023 both March 31, 2024 and December 31, 2023 resulting from an arbitration interim award held to fund future replacement costs and $3 million at both September 30, 2023 and December 31, 2022 December 31, 2023 held to fund estimated construction completion costs at the Deuel Harvest wind facility. See Note (C) under "General Litigation Matters – Southern Power" for additional information. information related to the arbitration award. For Southern Company Gas, reflects collateral for workers' compensation, life insurance, and long-term disability insurance.

(b) Total may not add due to rounding.

Natural Gas for Sale

With the exception of Nicor Gas, Southern Company Gas records natural gas inventories on a WACOG basis. For any declines in market prices below the WACOG considered to be other than temporary, an adjustment is recorded to reduce the value of natural gas inventories to market value. Nicor Gas' natural gas inventory is carried at cost on a LIFO basis. Inventory decrements occurring during the year that are restored prior to year-end are charged to cost of natural gas at the estimated annual replacement cost. Inventory decrements that are not restored prior to year-end are charged to cost of natural gas at the actual LIFO cost of the inventory layers liquidated.

Southern Company Gas recorded no material adjustments to natural gas inventories for either period presented. Nicor Gas' inventory decrement at September 30, 2023 March 31, 2024 is expected to be restored prior to year-end.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

Storm Damage Reserves

See Note 1 to the financial statements under "Storm Damage and Reliability Reserves" in Item 8 of the Form 10-K under "Storm Damage and Reliability Reserves" for additional information.

Storm damage reserve activity for the traditional electric operating companies during the nine three months ended September 30, 2023 March 31, 2024 was as follows:

	Southern Company(*)	Alabama Power	Georgia Power(*)	Mississippi Power
		(in millions)		
Balance at December 31, 2022	$ 216	$ 97	$ 83	$ 36
Accrual	42	9	24	9
Weather-related damages	(242)	(35)	(204)	(3)
Balance at September 30, 2023	$ 16	$ 71	$ (97)	$ 42

(*) See Note (B) under "Georgia Power – Storm Damage Recovery" for additional information.

	Southern Company	Alabama Power	Georgia Power	Mississippi Power
		(in millions)		
Balance at December 31, 2023	$ 66	$ 76	$ (54)	$ 44
Accrual	14	3	8	3
Weather-related damages	(17)	(5)	(12)	—
Balance at March 31, 2024	$ 63	$ 74	$ (58)	$ 47

Asset Retirement Obligations

See Note 6 to the financial statements in Item 8 of the Form 10-K for additional information.

Following initial criticality for Plant Vogtle Unit 4 on March 6, 2023 February 14, 2024, Georgia Power recorded AROs of approximately $90 million related to Plant Vogtle Unit 3. $118 million. See Note (B) under "Georgia Power – Nuclear Construction" for additional information on Plant Vogtle Units 3 and 4.

In September 2023, Georgia Power recorded a net decrease of approximately $175 million to its AROs related to the CCR Rule and the related state rule resulting from changes in estimates, including lower future inflation rates and the timing of closure activities.

In June 2023, Alabama Power completed an updated decommissioning cost site study for Plant Farley. The estimated cost of decommissioning based on the study resulted in a decrease in Alabama Power's ARO liability of approximately $15 million. See "Nuclear Decommissioning" herein for additional information.

Nuclear Decommissioning

See Note 6 to the financial statements in Item 8 of the Form 10-K under "Nuclear Decommissioning" for additional information. Site study cost is the estimate to decommission a specific facility as of the site study year. The decommissioning cost estimates are based on removal of the plant from service and prompt dismantlement. The actual decommissioning costs may vary from these estimates because of changes in the assumed date of decommissioning, changes in NRC requirements, or changes in the assumptions used in making these estimates.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

The estimated costs of decommissioning Plant Farley based on Alabama Power's June 2023 site study are as follows:

		Plant Farley
Decommissioning periods:		
Beginning year		2037
Completion year		2087
		(in millions)
Site study costs:		
Radiated structures	$	1,402
Spent fuel management		513
Non-radiated structures		133
Total site study costs	$	2,048

For ratemaking purposes, Alabama Power's decommissioning costs are based on the site study. Significant assumptions used to determine these costs for ratemaking were an estimated inflation rate of 4.5% and an estimated trust earnings rate of 7.0%.

Amounts previously contributed to the external trust funds are currently projected to be adequate to meet the updated decommissioning obligations. Alabama Power's site-specific estimates of decommissioning costs for Plant Farley are updated every five years. The next site study for Alabama Power is expected to be completed in 2028. Projections of funds are reviewed with the Alabama PSC to ensure that, over time, the deposits and earnings of the funds in the external trust will provide adequate funding to cover the site-specific costs. If necessary, Alabama Power would seek the Alabama PSC's approval to address any changes in a manner consistent with NRC and other applicable requirements.

Income Taxes

In the third quarter 2023, Georgia Power started generating advanced nuclear PTCs for Plant Vogtle Unit 3 beginning on the in-service date of July 31, 2023. PTCs are recognized as an income tax benefit based on KWH production. In addition, pursuant to the Global Amendments to the Vogtle Joint Ownership Agreements (as defined in Note (B) under "Georgia Power – Nuclear Construction – Joint Owner Contracts"), Georgia Power is purchasing advanced nuclear PTCs for Plant Vogtle Unit 3 from certain other Vogtle Owners. The gain recognized on the purchase of the joint owner PTCs is recognized as an income tax benefit. See Note 1 to the financial statements under "Income Taxes" in Item 8 of the Form 10-K for additional information regarding accounting policies related to income taxes. See Note (B) under "Georgia Power – Nuclear Construction" for additional information regarding Plant Vogtle Units 3 and 4. Also see Note (G) under "Current and Deferred Income Taxes"for additional information.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

(B) REGULATORY MATTERS

See Note 2 to the financial statements in Item 8 of the Form 10-K for additional information relating to regulatory matters.

The recovery balances for certain retail regulatory clauses of the traditional electric operating companies and Southern Company Gas at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 were as follows:

Regulatory Clause	Regulatory Clause	Balance Sheet Line Item	September 30, 2023	December 31, 2022	Regulatory Clause	Balance Sheet Line Item	March 31, 2024	December 31, 2023
			(in millions)					
			(in millions)					*(in millions)*
Alabama Power	**Alabama Power**							
Rate CNP Compliance	Rate CNP Compliance	Other regulatory liabilities, deferred	**$ 3**	$ —				
		Other regulatory assets, current	**—**	47				
Rate CNP Compliance								
Rate CNP Compliance								

	Other regulatory assets, deferred			
Rate CNP PPA	Rate CNP PPA	Other regulatory assets, current	**17**	18
	Other regulatory assets, deferred			
Rate ECR				
		Other regulatory assets, deferred	**90**	102
Retail Energy Cost Recovery		Other regulatory assets, current	**208**	102
Georgia Power				
		Other regulatory assets, deferred	**80**	520
Georgia Power	**Georgia Power**			
Fuel Cost Recovery(*)		Receivables – under recovered fuel clause revenues	**$ 730**	$ —
		Deferred under recovered fuel clause revenues	**1,279**	2,056
Georgia Power				
Fuel Cost Recovery				
Fuel Cost Recovery				
Fuel Cost Recovery				
	Deferred under recovered retail fuel clause revenues			
Mississippi Power	**Mississippi Power**			
Mississippi Power				
Mississippi Power				
Fuel Cost Recovery(*)				
Fuel Cost Recovery(*)				
Fuel Cost Recovery(*)				
	Deferred under recovered retail fuel clause revenues			

	Over recovered retail fuel clause revenues			
Fuel Cost Recovery		Receivables – customer accounts, net	**$ 25**	$ 1
Ad Valorem Tax				
Ad Valorem Tax				
Ad Valorem Tax	Ad Valorem Tax	Other regulatory assets, current	**3**	12
		Other regulatory assets, deferred	**11**	19
Southern Company Gas				
Southern Company Gas				
Southern Company Gas	**Southern Company Gas**			
Natural Gas Cost Recovery	Natural Gas Cost Recovery	Natural gas cost under recovery	**$ —**	$ 108
		Natural gas cost over recovery	**165**	—
Natural Gas Cost Recovery				
Natural Gas Cost Recovery				

(*) See "Georgia Mississippi Power – Fuel Cost Recovery" herein also has wholesale MRA and Market Based (MB) fuel cost recovery factors. At March 31, 2024 and December 31, 2023, wholesale MRA fuel costs were over recovered $10 million and $5 million, respectively, and were included in other current liabilities on Mississippi Power's balance sheets. The wholesale MB fuel cost recovery was immaterial for additional information. both periods presented.

Alabama Power

Certificates Plant Greene County

Alabama Power jointly owns Plant Greene County Units 1 and 2 with an affiliate, Mississippi Power. See Note 5 to the financial statements under "Joint Ownership Agreements" in Item 8 of Convenience the Form 10-K for additional information.

On April 26, 2024, Mississippi Power filed its 2024 IRP with the Mississippi PSC. The filing includes a schedule to retire Mississippi Power's 40% ownership interest in Plant Greene County Units 1 and Necessity 2 by the end of 2028.

In 2020, Alabama Power currently expects to retire Plant Greene County Units 1 and 2 (300 MWs based on 60% ownership) by the end of 2028. Alabama PSC approved a certificate of convenience Power and necessity authorizing Alabama Power's construction Mississippi Power continue to evaluate operating conditions and business needs relevant to the anticipated retirement of Plant Barry Unit 8 Greene County Units 1 and the recovery of estimated in-service costs of $652 million. At September 30, 2023, project expenditures associated with Plant Barry Unit 8 totaled approximately $583 million, of which $578 million and $5 million was included in CWIP and property, plant, and equipment in service, respectively. On November 1, 2023, 2. Additionally, the unit was placed in service. retirements require the completion by Alabama Power of transmission and system reliability improvements, as well as agreement by Alabama Power.

The ultimate outcome of this matter cannot be determined at this time.

Excess Accumulated Deferred Income Tax Accounting Order

On October 3, 2023, the Alabama PSC issued an order modifying its December 2022 order and authorizing Alabama See "Mississippi Power to (i) flow back in 2023 approximately $24 million of certain federal excess accumulated deferred income taxes resulting from the Tax Cuts and Jobs Act of 2017 and (ii) make available any remaining balance of excess accumulated deferred income taxes at the end of 2023 – Integrated Resource Plan" herein for the benefit of customers in 2024 and/or 2025. The ultimate outcome of this matter cannot be determined at this time. additional information.

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Rate CNP New Plant

On March 24, 2023, Alabama Power filed Rate CNP New Plant with the Alabama PSC to recover costs associated with the acquisition of the Central Alabama Generating Station. The filing reflected an annual increase in retail revenues of $78 million effective with June 2023 billings. Through May 2023, Alabama Power recovered substantially all costs associated with the Central Alabama Generating Station through Rate RSE, offset by revenues from a power sales agreement. On May 24, 2023, the Central Alabama Generating Station was placed into retail service. See Note 15 to the financial statements under "Alabama Power" in Item 8 of the Form 10-K for additional information.

Renewable Generation Certificate

Through the issuance of a Renewable Generation Certificate (RGC), Alabama Power is authorized by the Alabama PSC to procure renewable capacity and energy and to market the related energy and environmental attributes to customers and other third parties. On April 4, 2023, the Alabama PSC approved two new solar PPAs totaling 160 MWs. Upon approval of these PPAs, Alabama Power had procured solar capacity totaling approximately 490 MWs under the RGC's original 500-MW limit.

On June 14, 2023, the Alabama PSC issued an order approving modifications to Alabama Power's RGC. The modifications authorized Alabama Power to procure an additional 2,400 MWs of renewable capacity and energy by June 14, 2029 and to market the related energy and environmental attributes to customers and other third parties. The modifications also increased the size of allowable renewable projects from 80 MWs to 200 MWs and increased the annual approval limit from 160 MWs to 400 MWs.

Reliability Reserve Accounting Order

On July 11, 2023, the Alabama PSC issued an order authorizing Alabama Power to expand the existing authority of its reliability reserve to include certain production-related expenses that are intended to maintain reliability in between scheduled generating unit maintenance outages.

On August 18, 2023, Alabama Power notified the Alabama PSC of its intent to use a portion of its $166 million reliability reserve balance during 2023. The ultimate outcome of this matter cannot be determined at this time.

Georgia Power

Rate Plans

In accordance with the terms of the 2022 ARP, on October 2, 2023, Georgia Power filed the following tariff adjustments to become effective January 1, 2024 pending approval by the Georgia PSC:

- increase traditional base tariffs by approximately $275 million;
- decrease the Environmental Compliance Cost Recovery tariff by approximately $99 million;
- increase the Demand-Side Management tariffs by approximately $10 million; and
- increase the Municipal Franchise Fee tariffs by approximately $5 million.

The ultimate outcome of this matter cannot be determined at this time.

Plant Vogtle Unit 3 and Common Facilities Rate Proceeding

In compliance with a Georgia PSC order approved in November 2021, Georgia Power increased annual retail base rates by $318 million effective August 1, 2023 based on the in-service date of July 31, 2023 for Plant Vogtle Unit 3. See "Plant Vogtle Units 3 and 4 Prudency Proceeding" and "Nuclear Construction" herein for additional information on Plant Vogtle Units 3 and 4.

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Plant Vogtle Units 3 and 4 Prudency Proceeding Integrated Resource Plan

On August 30, 2023 April 16, 2024, as provided for in the December 2017 Georgia PSC approval of the seventeenth VCM report, Georgia Power filed with the Georgia PSC an application to adjust rates to include reasonable and prudent Plant Vogtle Units 3 and 4 costs (Application). The Application provides the necessary support to justify the reasonableness, prudence, and recovery of $8.826 billion in total construction and capital costs, $1.07 billion in associated retail rate base items, and the operating costs related to the full operation and output of Plant Vogtle Units 3 and 4. Through the VCM process, the approved Georgia PSC has verified and approved all expenditures up to the revised approved construction and capital cost of $7.3 billion and has reviewed, but not verified and approved, all expenditures through December 31, 2022 above that amount.

Also on August 30, 2023, the staff of the Georgia PSC filed Power's updated IRP (2023 IRP Update) as modified by a stipulated agreement (Prudency Stipulation) among Georgia Power, the staff of the Georgia PSC, and certain intervenors. The Prudency Stipulation is intended to resolve all issues for determination by the Georgia PSC regarding the reasonableness, prudence, and cost recovery for the remaining costs not already in retail base rates, after considering many of the issues raised by the staff of the Georgia PSC and intervenors in prior VCM proceedings, including the extended construction time, required rework, scheduling of activities, and challenges with testing and productivity. If the Prudency Stipulation is approved, Georgia Power will recover $7.562 billion in total construction and capital costs and associated retail rate base items of $1.02 billion, which includes AFUDC financing costs above $4.418 billion (the Georgia PSC-certified amount) up to $7.562 billion.

The Prudency Stipulation also provides for the recovery of projected operations and maintenance expenses, depreciation expense, nuclear decommissioning accruals, and property taxes, net of projected production tax credits. After considering construction and capital costs already in retail base rates of $2.1 billion and $362 million of associated retail rate base items (approved by the Georgia PSC in November 2021), and upon achieving commercial operation of Unit 4, Georgia Power will include in retail rate base the remaining $5.462 billion of construction and capital costs as well as $656 million of associated retail rate base items.

Under the terms of the Prudency Stipulation, when the rate adjustment occurs, Georgia Power's NCCR tariff will cease to be collected and financing costs will be included in Georgia Power's general revenue requirements. Additionally, if commercial operation for Unit 4 is not achieved by March 31, 2024, Georgia Power's ROE used to determine the NCCR tariff and calculate AFUDC will be reduced to zero, which would result in an estimated negative impact to earnings of approximately $12 million per month until commercial operation for Unit 4 is achieved. The Prudency Stipulation also provides that as of each Unit's respective first refueling outage, if the respective Unit's performance has materially deviated from expected performance, the Georgia PSC may order Georgia Power to credit customers for operations and maintenance expenses or disallow costs associated with the repair or replacement of any system, structure, or component found to have caused the material deviation in performance if proven to be the result of imprudent engineering, construction, procurement, testing, or start-up.

If the Prudency Stipulation is approved by the Georgia PSC, annual retail base revenues will increase approximately $729 million and the average retail base rates will be adjusted by approximately 5% (net of the elimination of the NCCR tariff described above) effective the first day of the month after Unit 4 achieves commercial operation.

Georgia Power expects the Georgia PSC to render a final decision on these matters on December 19, 2023. The ultimate outcome of these matters cannot be determined at this time. See "Plant Vogtle Unit 3 and Common Facilities Rate Proceeding" and "Nuclear Construction" herein for additional information on Plant Vogtle Units 3 and 4.

Fuel Cost Recovery

On May 16, 2023, the Georgia PSC approved a stipulation agreement between Georgia Power and the staff of the Georgia PSC to increase annual fuel billings by 54%, or approximately $1.1 billion,effective June 1, 2023. The increase includes a three-year recovery period for $2.2 billion of Georgia Power's under recovered fuel balance at May 31, 2023. Under the approved stipulation agreement, Georgia Power is allowed to adjust its fuel cost recovery rates under an interim fuel rider prior to the next fuel case, subject to a maximum 40% cumulative change, if its

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under or over recovered fuel balance accumulated since May 31, 2023 exceeds $200 million. Georgia Power is scheduled to file its next fuel case no later than February 28, 2026. Changes in fuel rates have no significant effect on Southern Company's or Georgia Power's net income but do impact the related operating cash flows.

Integrated Resource Plans

In August 2022, Restore Chattooga Gorge Coalition (RCG) filed a petition in the Superior Court of Fulton County, Georgia against Georgia Power and the Georgia PSC. The petition challenges Georgia Power's plan to expend $115 million to modernize Plant Tugalo (a hydro facility), as approved in the 2019 IRP, and seeks judicial review of the Georgia PSC's order in the 2022 IRP proceeding with respect to the denial of RCG's challenge to the modernization plan. On October 23, 2023, the court granted Georgia Power's and the Georgia PSC's motions to dismiss the RCG petition. RCG has until November 22, 2023 to file a notice of appeal.

On October 27, 2023, Georgia Power filed an updated IRP (2023 IRP Update) with the Georgia PSC, which sets forth a plan to support the recent increase in the state of Georgia's projected energy needs since the 2022 IRP. In the 2023 IRP Update decision, the Georgia Power requested PSC approved the following: following requests:

- Authority to develop, own, and operate up to 1,400 MWs from three simple cycle combustion turbines at Plant Yates.
  - Approval Yates with the recoverable costs not to pursue exceed the certified amount, which is projected to be approved by the Georgia PSC in the second half of 2024. In doing so, the Georgia PSC recognized the potential acquisition for circumstances beyond Georgia Power's control that could cause the project costs to exceed the certified amount, in which case Georgia Power would provide documentation to the Georgia PSC to explain and justify potential recovery of an the additional ownership interest in an existing generation asset within the Southern Company system's retail electric service territory. costs.
- Certification of an affiliate PPA with Mississippi Power for 750 MWs, starting January 2024 which began January 1, 2024 and will continue through December 2028.

- Certification of a non-affiliate PPA for 230 MWs, starting the month after conclusion of the 2023 IRP Update proceeding continuing which began May 1, 2024 and will continue through December 2028.
- Authority to develop, own, and operate up to 1,000 500 MWs of battery energy storage facilities, including storage systems collocated with existing and new Georgia Power-owned solar facilities, as well as the issuance of a request for proposals for an additional 500 MWs of battery energy storage facilities.
- Approval of transmission projects necessary to support the generation resources requested approved in the 2023 IRP Update.

The schedule for the Georgia PSC to consider the 2023 IRP Update has not been determined. On January 12, 2024, Georgia Power has requested that entered into an Agreement for Engineering, Procurement, and Construction with Mitsubishi Power Americas, Inc. and Black & Veatch Construction, Inc. to construct three 442-MW simple cycle combustion turbine units at Plant Yates (Plant Yates Units 8, 9, and 10), which are projected to be placed in service in the Georgia PSC evaluate fourth quarter 2026, the 2023 IRP Update by second quarter 2027, and the end of April 2024.

third quarter 2027, respectively. The ultimate outcome of these matters this matter cannot be determined at this time.

Storm Damage Recovery Transmission Asset Sales

Georgia Power is recovering $31 million annually On March 7, 2024, the FERC approved the sale of transmission line assets under the 2022 ARP integrated transmission system agreement, with a net book value of $230 million which is classified as held for incremental operating sale at March 31, 2024 and maintenance costs of damage from major storms to its transmission and distribution facilities. During August 2023, Hurricane Idalia caused significant damage to Georgia Power's transmission and distribution facilities. The incremental restoration costs related to this hurricane deferred included in the regulatory asset for storm damage totaled approximately $110 million. At September 30, 2023, Georgia Power's regulatory asset balance related to storm damage was $97 million. The rate of storm damage cost recovery is expected to be adjusted in future regulatory proceedings as necessary. As a result of this regulatory treatment, costs related to storms are not expected to have a material impact other current assets on Southern Company's or and Georgia Power's net income but do impact balance sheets. Subsequent to March 31, 2024, the related operating cash flows. sale, with a purchase price of $341 million, was completed resulting in a pre-tax gain of approximately $110 million ($81 million after tax) to be recorded in the second quarter 2024.

Nuclear Construction

In 2009, the Georgia PSC certified construction of Plant Vogtle Units 3 and 4, in which Georgia Power holds a 45.7% ownership interest. In 2012, the NRC issued the related combined construction and operating licenses, which allowed full construction of the two AP1000 nuclear units (with electric generating capacity of approximately 1,100 MWs each) and related facilities to begin. Until March 2017, construction

Georgia Power placed Unit 3 in service on July 31, 2023. On February 14, 2024, Unit 4 achieved self-sustaining nuclear fission, commonly referred to as initial criticality, and, on March 1, 2024, the generator successfully synchronized to the power grid and generated electricity for the first time. Georgia Power placed Unit 4 in service on April 29, 2024.

See Note 2 to the financial statements under "Georgia Power – Nuclear Construction" in Item 8 of the Form 10-K for additional information on Plant Vogtle Units 3 and 4 continued under the Vogtle 3 construction and 4 Agreement, which was a substantially fixed price agreement.

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In connection with the EPC Contractor's bankruptcy filing in March 2017, Georgia Power, acting for itself and as agent for the other Vogtle Owners, entered into several transitional arrangements to allow construction to continue. In July 2017, Georgia Power, acting for itself and as agent for the other Vogtle Owners, entered into the Vogtle Services Agreement, whereby Westinghouse provides facility design and engineering services, procurement and technical support, and staff augmentation on a time and materials cost basis. The Vogtle Services Agreement provides that it will continue until the start-up and testing of Plant Vogtle Units 3 and 4 are complete and electricity is generated and sold from both units. The Vogtle Services Agreement is terminable by the Vogtle Owners upon 30 days' written notice.

In October 2017, Georgia Power, acting for itself and as agent for the other Vogtle Owners, executed the Bechtel Agreement, under which Bechtel is reimbursed for actual costs plus a base fee and an at-risk fee, subject to adjustment based on Bechtel's performance against cost and schedule targets. Each Vogtle Owner is severally (not jointly) liable for its proportionate share, based on its ownership interest, of all amounts owed to Bechtel under the Bechtel Agreement. The Vogtle Owners may terminate the Bechtel Agreement at any time for their convenience, provided that the Vogtle Owners will be required to pay amounts related to work performed prior to the termination (including the applicable portion of the base fee), certain termination-related costs, and, at certain stages of the work, the applicable portion of the at-risk fee. Bechtel may terminate the Bechtel Agreement under certain circumstances, including certain Vogtle Owner suspensions of work, certain breaches of the Bechtel Agreement by the Vogtle Owners, Vogtle Owner insolvency, and certain other events.

recovery. See Note 8 to the financial statements under "Long-term Debt – DOE Loan Guarantee Borrowings" in Item 8 of the Form 10-K for information on the Amended and Restated Loan Guarantee Agreement, including applicable covenants, events of default, and mandatory prepayment events.

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Cost and Schedule

Georgia Power's approximate proportionate share of the remaining estimated net capital cost to complete costs incurred through March 31, 2024 in connection with Plant Vogtle Units 3 and 4, and its approximate proportionate share of additional capital costs to be incurred after March 31, 2024, including contingency, completion of testing and start-up for Unit 4 through July 2023 April 2024 and March 2024, respectively, demobilizing the site after Unit 4's in-service date, is as follows:

		(in millions)
10,736		
Total project capital cost forecast(a)(b)	$	10,753
Net investment at September 30, 2023 March 31, 2024(b)		(10,495) (10,608)
Remaining estimate to complete	**$**	**258 145**

(a) Includes approximately $610 million of costs that are not shared with the other Vogtle Owners, including $33 million of construction monitoring costs, approved for recovery by the Georgia PSC in its nineteenth VCM order, and approximately $567 million of incremental costs under the cost-sharing provisions of the joint ownership agreements described below. Vogtle Joint Ownership Agreements (as defined below). Excludes financing costs expected to be capitalized through AFUDC of approximately $420 million $440 million, of which $385 million $435 million had been accrued through September 30, 2023 March 31, 2024.

(b) Net of $1.7 billion received from Toshiba under the Guarantee Settlement Agreement and approximately $188 million in related customer refunds.

Georgia Power estimates that its financing costs for construction of Plant Vogtle Units 3 and 4 will total approximately $3.5 billion $3.53 billion, of which $3.4 billion $3.52 billion had been incurred through September 30, 2023.

Georgia Power placed Unit 3 in service on July 31, 2023. See "Plant Vogtle Unit 3 and Common Facilities Rate Proceeding" herein for additional information.

As part of its ongoing processes, Southern Nuclear continues to evaluate cost and schedule forecasts for Unit 4 on a regular basis to incorporate current information available, particularly in the areas of start-up testing and related test results, engineering support, system turnovers, and workforce statistics. Southern Nuclear establishes aggressive target values for monthly testing and system turnover activities, which are reflected in the site work plan for Unit 4.

Since March 2020, the number of active COVID-19 cases at the site has fluctuated consistent with the surrounding area and impacted productivity levels and pace of activity completion, with the site experiencing peaks in the

number of active cases in January 2021, August 2021, and January 2022. Georgia Power estimates the productivity impacts of the COVID-19 pandemic have consumed approximately three to four months of schedule margin previously embedded in the site work plans. As of September 30, 2023, Georgia Power's proportionate share of the estimated incremental cost associated with COVID-19 mitigation actions and impacts on construction productivity is estimated to be approximately $200 million and is included in the total project capital cost forecast.

During the first nine months of 2023, established construction contingency totaling $43 million was assigned to the base capital cost forecast for costs primarily associated with the Unit 3 schedule extension and completion of start-up and pre-operational testing, including continued need of support resources for Unit 3 testing, as well as additional craft and support resources and subcontract work for Unit 4.

Hot functional testing for Unit 4 was completed on May 1, 2023. On July 20, 2023, Southern Nuclear announced that all Unit 4 ITAACs $3.07 billion had been submitted to the NRC, and, on July 28, 2023, the NRC published its 103(g) finding that the accepted criteria in the combined license for Unit 4 had been met, which allowed nuclear fuel to be loaded and start-up testing to begin. Fuel load for Unit 4 was completed on August 19, 2023. On October 6, 2023, Georgia Power announced that during the start-up and pre-operational testing for Plant Vogtle Unit 4, Southern Nuclear identified a motor fault in one of four reactor coolant pumps (RCPs) and has started the process to replace this RCP with an on-site spare RCP from inventory. Considering this remediation and the remaining pre-operational testing, Unit 4 is projected to be placed in service during the first quarter 2024.

With Unit 3's four RCPs operating as designed, Southern Nuclear believes that the motor fault on this single Unit 4 RCP is an isolated event. However, any findings related to the root cause of the motor fault on the single Unit 4 RCP could require engineering changes or remediation related to the other seven Unit 3 and Unit 4 RCPs. The projected schedule for Unit 4 significantly depends on the pace and success of replacing the RCP, which involves removing and re-installing commodities around the RCP. As Unit 4 completes the RCP replacement, including any associated repairs to other RCPs, and transitions further into testing, ongoing and potential future challenges include the management of contractors and vendors, subcontractor performance, the availability of materials and parts, and/or related cost escalation; the pace of remaining work package closures; the availability of craft, supervisory, and technical support resources; and the timeframe and duration of final component and pre-operational testing. New challenges also may continue to arise as Unit 4 moves further into testing and start-up, which may result in required engineering changes or remediation related to plant systems, structures, or components (some of which are based on new technology that only within the last few years began initial operation in the global nuclear industry at this scale). These challenges may result in further schedule delays and/or cost increases.

There have been technical and procedural challenges to the construction and licensing of Plant Vogtle Units 3 and 4 at the federal and state level and additional challenges may arise. Processes are in place that are designed to ensure compliance with the requirements specified in the Westinghouse Design Control Document and the combined construction and operating licenses, including inspections by Southern Nuclear and the NRC that occur throughout construction. With the receipt of the NRC's 103(g) findings for Units 3 and 4 in August 2022 and July 2023, respectively, the site is subject to the NRC's operating reactor oversight process and must meet applicable technical and operational requirements contained in its operating license. Various design and other licensing-based compliance matters may result in additional license amendment requests or require other resolution. If any license amendment requests or other licensing-based compliance issues are not resolved in a timely manner, there may be delays in the Unit 4 project schedule that could result in increased costs.

The ultimate outcome of these matters cannot be determined at this time. However, any extension of the in-service date beyond March 2024 for Unit 4, including the joint owner cost sharing impacts described below, is estimated to result in additional base capital costs for Georgia Power of up to $25 million per month, as well as the related AFUDC and any additional related construction, support resources, or testing costs. Pursuant to Georgia Power's Application and the Prudency Stipulation (as discussed under "Plant Vogtle Units 3 and 4 Prudency Proceeding" herein), any further changes to the capital cost forecast are not expected to be recoverable recovered through regulated rates and will be required to be charged to income. Such charges could be material. March 31, 2024.

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Joint Owner Contracts

In November 2017, the Vogtle Owners entered into an amendment to their joint ownership agreements for Plant Vogtle Units 3 and 4 to provide for, among other conditions, additional Vogtle Owner approval requirements. Effective in August 2018, the Vogtle Owners further amended the joint ownership agreements to clarify and provide procedures for certain provisions of the joint ownership agreements related to adverse events that require the vote of the holders of at least 90% of the ownership interests in Plant Vogtle Units 3 and 4 to continue construction (as amended, and together with the November 2017 amendment, the Vogtle Joint Ownership Agreements). The Vogtle Joint Ownership Agreements also confirm that the Vogtle Owners' sole recourse against Georgia Power or Southern Nuclear for any action or inaction in connection with their performance as agent for the Vogtle Owners is limited to removal of Georgia Power and/or Southern Nuclear as agent, except in cases of willful misconduct.

Amendments to the Vogtle Joint Ownership Agreements

In connection with a September 2018 vote by the Vogtle Owners to continue construction, Georgia Power entered into (i) a binding term sheet (Vogtle Owner Term Sheet) with the other Vogtle Owners and MEAG Power's wholly-owned subsidiaries MEAG Power SPVJ, LLC (MEAG SPVJ), MEAG Power SPVM, LLC (MEAG SPVM), and MEAG Power SPVP, LLC (MEAG SPVP) to take certain actions which partially mitigate potential financial exposure for the other Vogtle Owners, including additional amendments to the Vogtle Joint Ownership Agreements and the purchase of PTCs from the other Vogtle Owners at pre-established prices, and (ii) a term sheet (MEAG Term Sheet) with MEAG Power and MEAG SPVJ to provide up to $300 million of funding with respect to MEAG SPVJ's ownership interest in Plant Vogtle Units 3 and 4 under certain circumstances. In January 2019, Georgia Power, MEAG Power, and MEAG SPVJ entered into an agreement to implement the provisions of the MEAG Term Sheet. In February 2019, Georgia Power, the other Vogtle Owners, and MEAG Power's wholly-owned subsidiaries MEAG SPVJ, MEAG SPVM, and MEAG SPVP entered into certain amendments to the Vogtle Joint Ownership Agreements to implement the provisions of the Vogtle Owner Term Sheet (Global Amendments).

Pursuant to the Global Amendments: (i) each Vogtle Owner paid its proportionate share of qualifying construction costs for Plant Vogtle Units 3 and 4 based on its ownership percentage up to the estimated cost at completion (EAC) for Plant Vogtle Units 3 and 4, of which Georgia Power's share is $8.4 billion (VCM 19 Forecast Amount), plus $800 million; (ii) Georgia Power was responsible for 55.7% of actual qualifying construction costs between $800 million and $1.6 billion over the VCM 19 Forecast Amount (resulting in $80 million of potential additional costs to Georgia Power), with the remaining Vogtle Owners responsible for 44.3% of such costs pro rata in accordance with their respective ownership interests; and (iii) Georgia Power was responsible for 65.7% of qualifying construction costs between $1.6 billion and $2.1 billion over the VCM 19 Forecast Amount (resulting in a further $100 million of potential additional costs to Georgia Power), with the remaining Vogtle Owners responsible for 34.3% of such costs pro rata in accordance with their respective ownership interests. The Global Amendments provide that if the EAC was revised and exceeded the VCM 19 Forecast Amount by more than $2.1 billion, each of the other Vogtle Owners had a one-time option at the time the project budget cost forecast was so revised to tender a portion of its ownership interest to Georgia Power in exchange for Georgia Power's agreement to pay 100% of such Vogtle Owner's remaining share of total construction costs in excess of the VCM 19 Forecast Amount plus $2.1 billion.

In addition, pursuant to the Global Amendments, the holders of at least 90% of the ownership interests in Plant Vogtle Units 3 and 4 must vote to continue construction if certain adverse events (Project Adverse Events) occur, including, among other events: (i) the bankruptcy of Toshiba; (ii) the termination or rejection in bankruptcy of certain agreements, including the Vogtle Services Agreement, the Bechtel Agreement, or the agency agreement with Southern Nuclear; (iii) Georgia Power's public announcement of its intention not to submit for rate recovery any portion of its investment in Plant Vogtle Units 3 and 4 or the Georgia PSC determines that any of Georgia Power's costs relating to the construction of Plant Vogtle Units 3 and 4 will not be recovered in retail rates, excluding any additional amounts paid by Georgia Power on behalf of the other Vogtle Owners pursuant to the Global Amendments described above and the first 6% of costs during any six-month VCM reporting period that are disallowed by the Georgia PSC for recovery, or for which Georgia Power elects not to seek cost recovery, through retail rates; and (iv) an incremental extension of one year or more from the seventeenth VCM report estimated in-

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service dates of November 2021 and November 2022 for Units 3 and 4, respectively. The schedule extension announced in February 2022 triggered the requirement for a vote to continue construction and all the Vogtle Owners voted to continue construction. The filing of the Application with the Georgia PSC, which included Georgia Power's public announcement of its intention not to submit for rate recovery an amount that is greater than the first 6% of costs during any six-month VCM reporting period, triggered the requirement for a vote to continue construction and all the Vogtle Owners voted to continue construction. See "Plant Vogtle Units 3 and 4 Prudency Proceeding" herein for additional information on Georgia Power's prudency application filing.

Georgia Power and the other Vogtle Owners did not agree on either the starting dollar amount for the determination of cost increases subject to the cost-sharing and tender provisions of the Global Amendments or the extent to which COVID-19-related costs impact those provisions. The other Vogtle Owners notified Georgia Power that they believed the project capital cost forecast approved by the Vogtle Owners in February 2022 triggered the tender provisions. In June 2022 and July 2022, OPC and Dalton, respectively, notified Georgia Power of their purported exercises of their tender options. Georgia Power did not accept these purported tender exercises.

In June 2022, OPC and MEAG Power each filed a separate lawsuit against Georgia Power in the Superior Court of Fulton County, Georgia seeking a declaratory judgment that the starting dollar amount is $17.1 billion and that the cost-sharing and tender provisions had been triggered. The lawsuits also assert other claims, including breach of contract allegations, and seek, among other remedies, damages and injunctive relief requiring Georgia Power to track and allocate construction costs consistent with MEAG Power's and OPC's interpretations of the Global Amendments. In July 2022, Georgia Power filed its answers in the lawsuits filed by MEAG Power and OPC and included counterclaims seeking a declaratory judgment that the starting dollar amount is $18.38 billion and that costs related to force majeure events are excluded prior to calculating the cost-sharing and tender provisions and when calculating Georgia Power's related financial obligations. In September 2022, Dalton filed complaints in each of these lawsuits.

Also in September 2022, Georgia Power and MEAG Power reached an agreement to resolve their a dispute regarding the proper interpretation of the cost-sharing and tender provisions of the Global Amendments. joint ownership agreements for Plant Vogtle Units 3 and 4, as amended (Vogtle Joint Ownership Agreements). Under the terms of the agreement, among other items, (i) MEAG Power will not exercise its tender option and will retain its full ownership interest in Plant Vogtle Units 3 and 4; (ii) Georgia Power will reimburse a portion of MEAG Power's costs of construction for Plant Vogtle Units 3 and 4 as such costs are incurred and with no further adjustment for force majeure costs, which payments will total approximately $92 million based on the current project capital cost forecast; and (iii) Georgia Power will reimburse 20% of MEAG Power's costs of construction with respect to any amounts over the current project capital cost forecast, with no further adjustment for force majeure costs. In addition, MEAG Power agreed to vote to continue construction upon occurrence of a Project Adverse Event unless the commercial operation date of either of Plant Vogtle Unit 3 or Unit 4 is not projected to occur by December 31, 2025.

In October 2022, MEAG Power and Georgia Power filed a notice of settlement and voluntary dismissal of their pending litigation, including Georgia Power's counterclaim, and Dalton dismissed its related complaint.

On October 5, 2023 and October 17, 2023, 2023, Georgia Power reached agreements with both OPC and Dalton respectively, to resolve its respective dispute with each of OPC and Dalton regarding the proper interpretation of the cost-sharing and tender provisions of the joint ownership agreements relating to the Global Amendments. Vogtle Joint Ownership Agreements. Under the terms of the agreements with OPC and Dalton, among other items, (i) each of OPC and Dalton retracted its exercise of the tender option and will retain its full ownership interest in Plant Vogtle Units 3 and 4, (ii) Georgia Power made payments immediately after execution of the agreements of $308 million and $17 million to OPC and Dalton, respectively, representing payment for a portion of each of OPC's and Dalton's costs of construction for Plant Vogtle Units 3 and 4 previously incurred, (iii) Georgia Power will pay a portion of each of OPC's and Dalton's further costs of construction for Plant Vogtle Units 3 and 4 as such costs are incurred and with no further adjustment for force majeure costs, which payments will be in an aggregate amount of approximately $105 million and $6 million for OPC and Dalton, respectively, based on the current project capital cost forecast, and (iv) Georgia Power will pay 66% of each of OPC's and Dalton's costs of construction with respect to any amounts above the current project capital cost forecast, with no further adjustment for force majeure costs. On October 23, 2023, OPC, Dalton,

The ultimate impact of these matters on the project capital cost forecast for Plant Vogtle Units 3 and 4 cannot be determined at this time.

Regulatory Matters

Georgia Power increased annual retail base rates by $318 million effective August 1, 2023 based on the in-service date of July 31, 2023 for Unit 3. Financing costs (debt and equity) on the remaining portion of the total Unit 3 and the common facilities construction costs continued to be recovered through the NCCR tariff or deferred. Georgia

Power deferred as a regulatory asset the debt component of financing costs ($22 million at March 31, 2024) as well as the remaining depreciation expense ($28 million at March 31, 2024) until Unit 4 costs were placed in retail base rates as described below. The equity component of financing costs ($38 million at March 31, 2024) represents an unrecognized ratemaking amount that is not reflected on Georgia Power's balance sheets. This amount will be recognized in Georgia Power's income statements in the periods it is billable to customers.

After considering construction and capital costs already in retail base rates of $2.1 billion and $362 million of associated retail rate base items for Unit 3 and common facilities, Georgia Power filed a stipulation included in retail rate base the remaining $5.462 billion of dismissal with prejudice construction and capital costs as well as $647 million of their litigation described above, including Georgia Power's counterclaims.

Georgia Power recorded pre-tax charges to income through the fourth quarter 2022 of $407 million ($304 million after tax) associated retail rate base items effective with the cost-sharing provisions April 29, 2024 in-service date for Unit 4, pursuant to the approved Prudency Stipulation. Annual retail base revenues increased approximately $730 million and the average retail base rates were adjusted by approximately 5% (net of the Global Amendments, including the settlement with MEAG Power. Based on the current project capital cost forecast and the settlements with OPC and Dalton described above, Georgia Power recorded a pre-tax charge to income elimination of approximately $160 million ($120 million after tax) in the third quarter 2023. These charges are included in the total project capital cost forecast and will not be recovered from retail customers.

The ultimate outcome of these matters cannot be determined at this time.

Regulatory Matters

In 2009, the Georgia PSC voted to certify construction of Plant Vogtle Units 3 and 4 with a certified capital cost of $4.418 billion. In addition, in 2009 the Georgia PSC approved inclusion of the Plant Vogtle Units 3 and 4 related CWIP accounts in rate base, and the State of Georgia enacted the Georgia Nuclear Energy Financing Act, which allows Georgia Power to recover financing costs for Plant Vogtle Units 3 and 4. Financing costs are recovered on all applicable certified costs through annual adjustments to the NCCR tariff up described below) effective May 1, 2024.

Reductions to the certified capital cost of $4.418 billion. At September 30, 2023, Georgia Power had recovered approximately $3.0 billion of financing costs. Financing costs related to capital costs above $4.418 billion are being recognized through AFUDC and are expected to be recovered through retail rates over the life of Plant Vogtle Units 3 and 4; however, Georgia Power is not recording AFUDC related to any capital costs in excess of the total deemed reasonable by the Georgia PSC (currently $7.3 billion) and not requested for rate recovery. In December 2022, the Georgia PSC approved Georgia Power's filing to increase the NCCR tariff by $36 million annually, effective January 1, 2023. On November 1, 2023, Georgia Power filed a request to continue the current NCCR tariff for 2024, pending Georgia PSC approval. See "Plant Vogtle Units 3 and 4 Prudency Proceeding" herein for additional information on the NCCR tariff following commercial operation of Unit 4.

Georgia Power is required to file semi-annual VCM reports with the Georgia PSC by February 28 and August 31 of each year. In 2013, in connection with the eighth VCM report, the Georgia PSC approved a stipulation between Georgia Power and the staff of the Georgia PSC to waive the requirement to amend the Plant Vogtle Units 3 and 4 certificate in accordance with the 2009 certification order until the completion of Plant Vogtle Unit 3, or earlier if deemed appropriate by the Georgia PSC and Georgia Power.

In 2016, the Georgia PSC voted to approve a settlement agreement (Vogtle Cost Settlement Agreement) resolving certain prudency matters in connection with the fifteenth VCM report. In December 2017, the Georgia PSC voted to approve (and issued its related order on January 11, 2018) Georgia Power's seventeenth VCM report and modified the Vogtle Cost Settlement Agreement. The Vogtle Cost Settlement Agreement, as modified by the January 11, 2018 order, resolved the following regulatory matters related to Plant Vogtle Units 3 and 4: (i) none of the $3.3 billion of costs incurred through December 31, 2015 and reflected in the fourteenth VCM report should be disallowed from rate base on the basis of imprudence; (ii) the Contractor Settlement Agreement was reasonable and prudent and none of the $0.3 billion paid pursuant to the Contractor Settlement Agreement should be disallowed from rate base on the basis of imprudence; (iii) (a) capital costs incurred up to $5.68 billion would be presumed to be reasonable and prudent with the burden of proof on any party challenging such costs, (b) Georgia Power would have the burden to show that any capital costs above $5.68 billion were prudent, and (c) a revised capital cost forecast of $7.3 billion (after reflecting the impact of payments received under the Guarantee Settlement Agreement and related customer refunds) was found reasonable; (iv) construction of Plant Vogtle Units 3 and 4 should be completed, with Southern Nuclear serving as project manager and Bechtel as primary contractor; (v) approved and deemed reasonable Georgia Power's revised schedule placing Plant Vogtle Units 3 and 4 in service in November 2021 and November 2022, respectively; (vi) confirmed that the revised cost forecast does not represent a cost cap and that a prudence proceeding on cost recovery will occur following Unit 4 fuel load, consistent with applicable Georgia law; (vii) reduced the ROE used to calculate the NCCR tariff (a) from 10.95% (the ROE rate setting point authorized by the (pursuant to prior Georgia PSC at that time) to 10.00% effective January 1, 2016, (b) from 10.00% to 8.30%,

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effective January 1, 2020, and (c) from 8.30% to 5.30%, effective January 1, 2021 (provided that the ROE in no case will be less than Georgia Power's average cost of long-term debt); (viii) reduced the ROE used for AFUDC equity for Plant Vogtle Units 3 and 4 from 10.00% to Georgia Power's average cost of long-term debt, effective January 1, 2018; and (ix) agreed that effective the first month after Unit 3 reaches commercial operation, retail base rates would be adjusted to include the costs related to Unit 3 and common facilities deemed prudent in the Vogtle Cost Settlement Agreement. On July 31, 2023, Georgia Power notified the Georgia PSC that Unit 3 had reached commercial operation, and, effective August 1, 2023, Georgia Power adjusted retail base rates for Unit 3 and the common facilities shared between Units 3 and 4 (see "Plant Vogtle Unit 3 and Common Facilities Rate Proceeding" herein for additional information). On August 19, 2023, fuel load for Unit 4 was completed, and, on August 30, 2023, Georgia Power filed an application to adjust rates to include reasonable and prudent Plant Vogtle Units 3 and 4 costs (see "Plant Vogtle Units 3 and 4 Prudency Proceeding" herein for additional information).

The January 11, 2018 order also stated that if Plant Vogtle Units 3 and 4 are not commercially operational by June 1, 2021 and June 1, 2022, respectively, the ROE used to calculate the NCCR tariff will be further reduced by 10 basis points each month (but not lower than Georgia Power's average cost of long-term debt) until the respective Unit is commercially operational. The ROE reductions orders) negatively impacted earnings by approximately $300 $310 million in 2022 and are estimated to have negative earnings impacts of approximately $290 million in 2023 and $60 million $60 million in the first quarter 2024 and are projected to have additional negative earnings impact of approximately $20 million in the second quarter 2024. In its January 11, 2018 order, Further, as included in the Georgia PSC also stated if other conditions change and assumptions upon which Georgia Power's seventeenth VCM report are based do not materialize, the Georgia PSC reserved the right to reconsider the decision to continue construction. See "Plant Vogtle Units 3 and 4 approved Prudency Proceeding" herein for additional information on impacts to the NCCR tariff if Stipulation, since commercial operation for Unit 4 is was not achieved by March 31, 2024.

In , Georgia Power's ROE used to determine the August 2021 order approving the twenty-fourth VCM report, the Georgia PSC approved a stipulation addressing the following matters: (i) beginning with its twenty-fifth VCM report, Georgia Power will continue NCCR tariff and calculate AFUDC was reduced to report zero effective April 1, 2024, which is projected to the Georgia PSC all costs incurred during the period for review and will request for approval costs up result in an estimated negative impact to the $7.3 billion determined to be reasonable in the Georgia PSC's seventeenth VCM order and (ii) Georgia Power will not seek rate recovery earnings of the $0.7 billion increase to the base capital cost forecast included in the nineteenth VCM report and charged to income by Georgia Power approximately $10 million (for one month) in the second quarter 2018. In addition, 2024 based on the August 2021 stipulation confirmed that Georgia Power may request verification and approval April 29, 2024 in-service date. Effective May 1, 2024, following commercial operation of costs above $7.3 billion for inclusion in rate base at a later time, but no earlier than the prudence review contemplated by the seventeenth VCM order described previously. See "Plant Vogtle Units 3 and Unit 4, Prudency Proceeding" herein for additional information on Georgia Power's request for verification NCCR tariff was eliminated and approval of related financing costs above $7.3 billion for inclusion are included in rate base.

The Georgia PSC approved 25 VCM reports covering periods Power's general retail revenue requirements and collected through June 30, 2021. These reports reflect total construction capital costs incurred of $7.9 billion (net of $1.7 billion of payments received under the Guarantee Settlement Agreement and approximately $188 million in related customer refunds), of which the Georgia PSC has verified and approved $7.3 billion as described above. The Georgia PSC also has reviewed three additional VCM reports, which reflected $1.6 billion of additional construction capital costs incurred through December 31, 2022. Georgia Power filed its twenty-ninth VCM report with the Georgia PSC on August 30, 2023, which reflects the revised capital cost forecast as of June 30, 2023 of $10.6 billion and $390 million of construction capital costs incurred from January 1, 2023 through June 30, 2023.

The ultimate outcome of these matters cannot be determined at this time. retail base rates.

Mississippi Power

Performance Evaluation Plan

On June 13, 2023 March 15, 2024, Mississippi Power submitted its annual retail PEP filing for 2024 to the Mississippi PSC indicating no change in retail rates. The ultimate outcome of this matter cannot be determined at this time.

Ad Valorem Tax Adjustment

On April 22, 2024, Mississippi Power submitted its annual ad valorem tax adjustment filing for 2024 to the Mississippi PSC, which requested a $5 million annual decrease in revenues. The ultimate outcome of this matter cannot be determined at this time.

System Restoration Rider

On April 11, 2024, the Mississippi PSC approved Mississippi Power's annual retail PEP SRR filing, for 2023 indicating which indicated no change in retail rates. Mississippi Power's minimum annual SRR accrual was increased from $12 million to $13 million.

Integrated Resource Plan

On April 26, 2024, Mississippi Power filed its 2024 IRP with the Mississippi PSC. The filing includes a schedule to retire Plant Watson Unit 4 (268 MWs) and Plant Greene County Units 1 and 2 (206 MWs based on 40% ownership) and to retire early Plant Daniel Units 1 and 2 (502 MWs based on 50% ownership), all by the end of 2028, which is consistent with the completion of Mississippi Power's affiliate PPA with Georgia Power. The Plant Greene County unit retirements require the completion by Alabama Power of transmission and system reliability improvements, as well as agreement by Alabama Power.

The remaining net book value of Plant Daniel Units 1 and 2 was approximately $485 million at March 31, 2024 and Mississippi Power is continuing to depreciate these units using the current approved rates. Mississippi Power expects to reclassify the net book value remaining at retirement to a regulatory asset to be amortized over a period to

Ad Valorem Tax Adjustment

On May 2, 2023, be determined by the Mississippi PSC approved Mississippi Power's annual ad valorem tax adjustment filing for 2023, resulting in future proceedings, consistent with a $7 million annual decrease in revenues effective with the first billing cycle of June 2023.

Mississippi Power's operating revenues are adjusted for differences in actual recoverable ad valorem taxes and amounts billed in accordance with the currently approved cost recovery rate. Accordingly, changes in the billing factor should have no significant effect on Mississippi Power's revenues or net income but will affect operating cash flows.

Environmental Compliance Overview Plan

On April 4, 2023, the Mississippi PSC approved Mississippi Power's annual ECO Plan filing for 2023, resulting in a $3 million annual increase in revenues effective with the first billing cycle of May 2023.

System Restoration Rider

On April 4, 2023, the 2020 Mississippi PSC approved order. The Plant Watson and Plant Greene County units are expected to be fully depreciated upon retirement.

The 2024 IRP is subject to review by the Mississippi Power's annual SRR filing, which indicated no change in retail rates. Mississippi Power's minimum annual SRR accrual was increased from $8 million to $12 million.

Municipal PSC and Rural Associations Tariff

On October 27, 2023, the FERC approved a settlement agreement filed by Mississippi Power and Cooperative Energy on July 31, 2023 related to Mississippi Power's July 2022 request for a $23 million increase in annual wholesale base revenues under the MRA tariff. The settlement agreement provides for a $16 million increase in annual wholesale base revenues, effective September 14, 2022, and a refund to customers of approximately $6 million primarily related to the difference between the approved rates and interim rates.

Integrated Resource Plans

In October 2023, Mississippi Power signed an affiliate PPA with Georgia Power for 750 MWs of capacity and energy starting January 2024 through December 2028. In order to fulfill this agreement and serve the interests of customers, Mississippi Power will need to delay the anticipated retirement of certain electric generating units, as identified in its 2021 IRP. Mississippi Power is expected to file its next IRP in April 2024 in accordance with the rules and orders of the Mississippi PSC.

Southern Company Gas

Infrastructure Replacement Programs and Capital Projects

Capital expenditures incurred under specific infrastructure replacement programs and capital projects during the first nine months of 2023 were as follows:

Utility	Program		Nine Months Ended September 30, 2023
			(in millions)
Nicor Gas	Investing in Illinois	$	320
Virginia Natural Gas	SAVE		56
Atlanta Gas Light	System Reinforcement Rider		84
Chattanooga Gas	Pipeline Replacement Program		7
Total		$	467

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Nicor Gas

On June 15, 2023, the Illinois Commission concluded its review of the Qualifying Infrastructure Plant (QIP) capital investments by Nicor Gas for calendar year 2019 under the QIP Rider, also referred to as Investing in Illinois, program. The Illinois Commission disallowed $32 million of the $415 million of capital investments commissioned in 2019, together with the related return on investment. Nicor Gas recorded a pre-tax charge to income conclude in the second third quarter 2023 of $38 million ($28 million after tax) associated with the disallowance of capital investments. The disallowance is reflected on the statement of income as an $8 million reduction to revenues and a $30 million increase in operating expenses. On August 3, 2023, the Illinois Commission denied a rehearing request filed by Nicor Gas. On August 24, 2023, Nicor Gas filed a notice of appeal with the Illinois Appellate Court. Nicor Gas defends these investments in infrastructure as prudently incurred. The Illinois Commission has not yet conducted its review for calendar years 2020 through 2022 or the nine months ended September 30, 2023. Any further disallowance by the Illinois Commission could be material. The ultimate outcome of these matters cannot be determined at this time. 2024.

Rate Proceedings

Atlanta Gas Light

On July 14, 2023, Atlanta Gas Light filed its annual GRAM update with the Georgia PSC. The filing requests an annual base rate increase of $53 million based on the projected 12-month period beginning January 1, 2024. Resolution of the GRAM filing is expected by December 31, 2023, with new rates effective January 1, 2024. The ultimate outcome of this matter cannot be determined at this time.

Virginia Natural Gas Municipal and Rural Associations Tariff

On August 28, 2023 March 29, 2024, Mississippi Power filed a request with the Virginia Commission approved a stipulation agreement related to Virginia Natural Gas' August 2022 general base rate case filing. The approved agreement provides FERC for a $48 an $8 million increase in annual wholesale base rate revenues including the recovery of investments under the SAVE program, MRA tariff and requested an ROE effective date of 9.70% May 29, 2024. On April 19, 2024, and an equity ratio Cooperative Energy challenged the new rates in a filing with the FERC. The ultimate outcome of 49.06%. Interim rates became effective January 1, 2023, subject to refund, based on Virginia Natural Gas' original requested increase of approximately $69 million. Refunds to customers related to the difference between the approved rates effective September 1, 2023 and the interim rates will this matter cannot be completed later in the fourth quarter 2023. determined at this time.

(C) CONTINGENCIES

See Note 3 to the financial statements in Item 8 of the Form 10-K for information relating to various lawsuits and other contingencies.

General Litigation Matters

The Registrants are involved in various matters being litigated and regulatory matters. The ultimate outcome of such pending or potential litigation or regulatory matters against each Registrant and any subsidiaries cannot be determined at this time; however, for current proceedings not specifically reported herein, management does not anticipate that the ultimate liabilities, if any, arising from such current proceedings would have a material effect on such Registrant's financial statements.

The Registrants believe intend to dispute the allegations raised in and vigorously defend against the pending legal challenges discussed below have no merit; below; however, the ultimate outcome of each of these matters cannot be determined at this time.

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Southern Company and Mississippi Power

In 2010, the DOE, through a cooperative agreement with SCS, agreed to fund $270 million of the Kemper County energy facility through the grants awarded to the project by the DOE under the Clean Coal Power Initiative Round 2. In 2016, additional DOE grants in the amount of $137 million were awarded to the Kemper County energy facility. In 2018, Mississippi Power filed with the DOE its request for property closeout certification under the contract related to the $387 million of total grants received. In 2020, Mississippi Power and Southern Company executed an agreement with the DOE completing Mississippi Power's request, which enabled Mississippi Power to proceed with full dismantlement of the abandoned gasifier-related assets and site restoration activities. In connection with the DOE closeout discussions, in 2019, the Civil Division of the Department of Justice informed Southern Company and Mississippi Power of a civil investigation related to the DOE grants. On August 4, 2023, In August 2023, the U.S. District Court for the Northern District of Georgia unsealed a civil action in which defendants Southern Company, SCS, and Mississippi Power are alleged to have violated certain provisions of the False Claims Act by fraudulently inducing the DOE to disburse funds pursuant to the grants. The federal government declined to intervene in the action. On October 30, 2023, In October 2023, the plaintiff, a former SCS employee, filed an amended complaint, again alleging certain violations of the False Claims Act. The plaintiff seeks to recover all damages incurred personally and on behalf of the federal government caused by the defendants' alleged violations, as well as treble damages and attorneys' fees, among other relief. The ultimate outcome of this matter cannot be determined at this time; however, an On February 2, 2024, the defendants moved to dismiss the amended complaint. An adverse outcome could have a material impact on Southern Company's and Mississippi Power's financial statements.

Alabama Power

In September 2022, Mobile Baykeeper filed a citizen suit in the U.S. District Court for the Southern District of Alabama alleging that Alabama Power's plan to close the Plant Barry ash pond utilizing a closure-in-place

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methodology violates the Resource Conservation and Recovery Act (RCRA) and regulations governing CCR. Among other relief requested, Mobile Baykeeper seeks sought a declaratory judgment that the RCRA and regulations governing CCR are were being violated, preliminary and injunctive relief to prevent implementation of Alabama Power's closure plan, and the development of a closure plan that satisfies regulations governing CCR requirements. On December 19, 2022, In December 2022, Alabama Power filed a motion to dismiss the case. On September 30, 2023 January 4, 2024, the magistrate judge issued lawsuit was dismissed without prejudice by the U.S. District Court judge. On February 1, 2024, the plaintiff filed a report and recommendation to deny Alabama Power's motion to dismiss, to which Alabama Power has filed objections. reconsider.

On January 31, 2023, In January 2023, the EPA issued a Notice of Potential Violations associated with Alabama Power's plan to close the Plant Barry ash pond. Alabama Power has affirmed to the EPA its position that it is in compliance with CCR requirements.

The ultimate outcome of these These matters cannot be determined at this time but could have a material impact on Alabama Power's financial statements, including ARO estimates and cash flows. See Note 6 to the financial statements in Item 8 of the Form 10-K for a discussion of Alabama Power's ARO liabilities.

Georgia Power

Municipal Franchise Fees

In 2011, plaintiffs filed a putative class action against Georgia Power in the Superior Court of Fulton County, Georgia alleging that Georgia Power's collection in rates of amounts for municipal franchise fees (which fees are paid to municipalities) exceeded the amounts allowed in orders of the Georgia PSC and alleging certain state law claims. This case has been ruled upon and appealed numerous times over the last several years. In 2019, the Georgia PSC issued an order that found Georgia Power has appropriately implemented the municipal franchise fee schedule. In March 2021, the Superior Court of Fulton County granted class certification and Georgia Power's motion for summary judgment and the plaintiffs filed a notice of appeal. In April 2021, Georgia Power filed a notice of cross appeal on the issue of class certification. In December 2021, the Georgia Court of Appeals affirmed the Superior Court's ruling that granted summary judgment to Georgia Power and dismissed Georgia Power's cross appeal on the

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issue of class certification as moot. Also in December 2021, the plaintiffs filed a petition for writ of certiorari to the Georgia Supreme Court, which was denied on January 27, 2023. On February 6, 2023, the plaintiffs filed a motion for reconsideration with the Georgia Supreme Court, which was denied on February 16, 2023. This matter is now concluded.

Plant Scherer

In July 2020, a group of individual plaintiffs filed a complaint, which was amended in December 2022, in the Superior Court of Fulton County, Georgia against Georgia Power alleging that the construction and operation of Plant Scherer has impacted groundwater and air, resulting in alleged personal injuries and property damage. The plaintiffs seek an unspecified amount of monetary damages including punitive damages, a medical monitoring fund, and injunctive relief. In December 2022, the Superior Court of Fulton County, Georgia granted Georgia Power's motion to transfer the case to the Superior Court of Monroe County, Georgia. On May 9, 2023, In May 2023, the Superior Court of Monroe County, Georgia denied Georgia Power's motion to dismiss the case for lack of subject matter jurisdiction. On July 27, 2023, In July 2023, the Superior Court of Monroe County, Georgia denied the remaining motions to dismiss certain claims and plaintiffs that Georgia Power filed at the outset of the case. On March 11, 2024, Georgia Power filed a motion to dismiss certain claims. On March 14, 2024, Georgia Power filed motions for summary judgment.

In October 2021, February 2022, and January 2023, a total of eight additional complaints were filed in the Superior Court of Monroe County, Georgia against Georgia Power alleging that releases from Plant Scherer have impacted groundwater and air, resulting in alleged personal injuries and property damage. The plaintiffs sought an unspecified amount of monetary damages including punitive damages. After Georgia Power removed these cases to the U.S. District Court for the Middle District of Georgia, the plaintiffs voluntarily dismissed their complaints without prejudice in November 2022 and January 2023. On May 12, 2023, In May 2023, the plaintiffs in the cases originally filed in October 2021, February 2022, and January 2023 refiled their eight complaints in the Superior Court of Monroe County, Georgia. Also on May 12, 2023, in May 2023, a new complaint was filed in the Superior Court of Monroe County, Georgia against Georgia Power alleging that the construction and operation of Plant Scherer have impacted groundwater and air, resulting in alleged personal injuries. The plaintiff seeks an unspecified amount of monetary damages, including punitive damages. On May 18, 2023, Also in May 2023, Georgia Power removed all of these cases to the U.S. District Court for the Middle District of Georgia. The plaintiffs are requesting the court remand the cases back to the Superior Court of Monroe County, Georgia.

The amount of possible loss, if any, from these matters cannot be estimated at this time.

Mississippi Power

In 2018, Ray C. Turnage and 10 other individual plaintiffs filed a putative class action complaint against Mississippi Power and the three then-serving members of the Mississippi PSC in the U.S. District Court for the Southern District of Mississippi, which was amended in March 2019 to include four additional plaintiffs. Mississippi Power received Mississippi PSC approval in 2013 to charge a mirror CWIP rate premised upon including in its rate base pre-construction and construction costs for the Kemper IGCC County energy facility prior to placing the Kemper IGCC County energy facility into service. The Mississippi Supreme Court reversed that approval and ordered Mississippi Power to refund the amounts paid by customers under the previously-approved mirror CWIP rate. The plaintiffs allege that

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the initial approval process, and the amount approved, were improper and make claims for gross negligence, reckless conduct, and intentional wrongdoing. They also allege that Mississippi Power underpaid customers by up to $23.5 million in the refund process by applying an incorrect interest rate. The plaintiffs seek to recover, on behalf of themselves and their putative class, actual damages, punitive damages, pre-judgment interest, post-judgment interest, attorney's fees, and costs. The district court dismissed the amended complaint; however, in March 2020, the plaintiffs filed a motion seeking to name the new members of the Mississippi PSC, the Mississippi Development Authority, and Southern Company as additional defendants and add a cause of action against all defendants based on a dormant commerce clause theory under the U.S. Constitution. In July 2020, the plaintiffs filed a motion for leave to file a third amended complaint, which included the same federal claims as the proposed second amended complaint, as well as several additional state law claims based on the allegation that Mississippi Power failed to disclose the annual percentage rate of interest applicable to refunds. In November 2020, the district court denied each of the plaintiffs' pending

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motions and entered final judgment in favor of Mississippi Power. In January 2021, the district court denied further motions by the plaintiffs to vacate the judgment and to file a revised second amended complaint. In February 2021, the plaintiffs filed a notice of appeal with the U.S. Court of Appeals for the Fifth Circuit. In March 2022, the U.S. Court of Appeals for the Fifth Circuit issued an opinion affirming the dismissal of the claims against the Mississippi PSC defendants but reversing the dismissal of the claims against Mississippi Power. In May 2022, the U.S. Court of Appeals for the Fifth Circuit denied a petition by Mississippi Power for a rehearing en banc and remanded the case to the U.S. District Court for the Southern District of Mississippi for further proceedings. In June 2022, Mississippi Power filed with the trial court a motion to dismiss the complaint with prejudice, which was granted on March 15, 2023. On March 28, 2023, the plaintiffs filed a notice of appeal with the U.S. Court of Appeals for the Fifth Circuit. An adverse outcome in this proceeding could have In December 2023, the U.S Court of Appeals for the Fifth Circuit affirmed the district court's order dismissing the plaintiffs' complaint against Mississippi Power, and the plaintiffs filed a material impact petition for panel rehearing, which was denied on Mississippi Power's financial statements. January 10, 2024. The plaintiffs did not file a petition for writ of certiorari with the U.S. Supreme Court. This matter is now concluded.

Southern Power

In July 2021, Southern Power and certain of its subsidiaries filed an arbitration demand with the American Arbitration Association against First Solar for defective design of actuators on trackers and inverters installed by First Solar under the engineering, procurement, and construction agreements associated with five solar projects owned by Southern Power and partners and managed by Southern Power. In February 2023, arbitration hearings concluded. In July 2023, Southern Power received an interim award of approximately $36 million was entered and filed for confirmation in favor the Delaware Court of Chancery. Subsequently in 2023, First Solar filed a motion to dismiss the confirmation and, in February 2024, filed a petition to vacate the arbitration award in the Supreme Court of New York County, New York. In March 2024, Southern Power dismissed the proceeding in Delaware without prejudice and was subsequently received filed an opposition to First Solar's petition in September 2023. The interim award included $18 the New York matter.

At March 31, 2024, $17 million representing recovery of losses associated with replacement costs, penalty payments, and lost revenues previously incurred. This recovery is reflected in Southern Power's third quarter and year-to-date 2023 statements of income as an $11 million reduction to other operations and maintenance expense and a $7 million increase in other revenues, with $6 million allocated through noncontrolling interests to Southern Power's partners. The remaining $18 million in award proceeds received in excess of the losses incurred is recognized award remains on the balance sheet at September 30, 2023 as restricted cash and as a liability to fund future replacement costs. The parties are awaiting issuance of a final award. The ultimate outcome of this matter cannot be determined at this time. See Note (A) under "Cash, Cash Equivalents, and Restricted Cash" for additional information.

Environmental Remediation

The Southern Company system must comply with environmental laws and regulations governing the handling and disposal of waste and releases of hazardous substances. Under these various laws and regulations, the Southern Company system could incur substantial costs to clean up affected sites. The traditional electric operating companies and the natural gas distribution utilities in Illinois and Georgia have each received authority from their respective state PSCs or other applicable state regulatory agencies to recover approved environmental remediation costs through regulatory mechanisms. These regulatory mechanisms are adjusted annually or as necessary within limits approved by the state PSCs or other applicable state regulatory agencies.

Georgia Power's environmental remediation liability was $14 million at both March 31, 2024 and $15 million at September 30, 2023 and December 31, 2022 December 31, 2023, respectively. Georgia Power has been designated or identified as a potentially responsible party at sites

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governed by the Georgia Hazardous Site Response Act and/or by the federal Comprehensive Environmental Response, Compensation, and Liability Act, and assessment and potential cleanup of such sites is expected.

Southern Company Gas' environmental remediation liability was $234 million $228 million and $256 million $222 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, based on the estimated cost of environmental investigation and remediation associated with known former manufactured gas plant operating sites.

The ultimate outcome of these matters cannot be determined at this time; however, as a result of the regulatory treatment for environmental remediation expenses described above, the final disposition of these matters is not expected to have a material impact on the financial statements of the applicable Registrants.

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Other Matters

Traditional Electric Operating Companies

In April 2019, Bellsouth Telecommunications d/b/a AT&T Alabama (AT&T) filed a complaint against Alabama Power with the FCC alleging that the pole rental rate AT&T is required to pay pursuant to the parties' joint use agreement is unjust and unreasonable under federal law. The complaint sought a new rate and approximately $87 million in refunds of alleged overpayments for the preceding six years. In August 2019, the FCC stayed the case in favor of arbitration, which AT&T has not pursued. The joint use agreement remains in effect. The ultimate outcome of this matter cannot be determined at this time, but an adverse outcome could have a material impact on the financial statements of Southern Company and Alabama Power. Georgia Power and Mississippi Power have joint use agreements with other AT&T affiliates.

Mississippi Power

In August 2022, the Mississippi Department of Revenue (Mississippi DOR) completed an audit of sales and use taxes paid by Mississippi Power from 2016 to 2019 and entered a final assessment, indicating a total amount due of $28 million, including associated penalties and interest. In October 2022, Mississippi Power filed an administrative appeal with the Mississippi DOR contesting the assessment. On October 2, 2023, Mississippi Power and the Mississippi DOR reached a settlement agreement on an assessment of approximately $11 million including associated penalties and interest, $7 million of which was previously paid by Mississippi Power. On October 5, 2023, Mississippi Power made a final $4 million payment and considers this matter closed.

Pursuant to an accounting order approved by the Mississippi PSC in December 2022, Mississippi Power deferred $3 million of the agreed upon assessment related to taxes and associated interest to a regulatory asset for disposition in a future rate proceeding.

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(D) REVENUE FROM CONTRACTS WITH CUSTOMERS AND LEASE INCOME

Revenue from Contracts with Customers

The Registrants generate revenues from a variety of sources, some of which are not accounted for as revenue from contracts with customers, such as leases, derivatives, and certain cost recovery mechanisms. Included in the wholesale electric revenues of the traditional electric operating companies and Southern Power are revenues associated with affiliate transactions. These revenues are generated through long-term PPAs or short-term energy sales made in accordance with the IIC, as approved by the FERC. Amounts related to these affiliate revenues are eliminated in consolidation for Southern Company. See Note 1 to the financial statements under "Revenues" and "Affiliate Transactions" in Item 8 of the Form 10-K for additional information on the revenue policies of the Registrants. information. See "Lease Income" herein and Note (J) for additional information on revenue accounted for under lease and derivative accounting guidance, respectively.

The following table disaggregates revenue from contracts with customers for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

Southern Company	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
(in millions)						*(in millions)*

		Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
				(in millions)			
Three Months Ended September 30, 2023							
Three Months Ended March 31, 2024							
Three Months Ended March 31, 2024							
Three Months Ended March 31, 2024							
Operating revenues							
Operating revenues							
Operating revenues	***Operating revenues***						
Retail electric revenues	Retail electric revenues						
Retail electric revenues							
Retail electric revenues							
Residential							
Residential							
Residential	Residential	$ 2,543	$ 969	$ 1,473	$ 101	$ —	$ —
Commercial	Commercial	1,845	599	1,151	95	—	—
Industrial	Industrial	1,116	498	528	90	—	—
Other	Other	30	3	25	2	—	—
Total retail electric revenues	***Total retail electric revenues***	5,534	2,069	3,177	288	—	—

Natural gas distribution revenues	Natural gas distribution revenues						
Residential							
Residential							
Residential	Residential	217	—	—	—	—	217
Commercial	Commercial	56	—	—	—	—	56
Transportation	Transportation	275	—	—	—	—	275
Industrial	Industrial	4	—	—	—	—	4
Other	Other	60	—	—	—	—	60
Total natural gas distribution revenues	***Total natural gas distribution revenues***	612	—	—	—	—	612
Wholesale electric revenues	Wholesale electric revenues						
PPA energy revenues	PPA energy revenues	317	66	31	2	226	—
PPA energy revenues							
PPA energy revenues							
PPA capacity revenues	PPA capacity revenues	151	26	13	3	110	—
Non-PPA revenues	Non-PPA revenues	101	15	21	137	126	—
Total wholesale electric revenues	***Total wholesale electric revenues***	569	107	65	142	462	—
Other natural gas revenues	Other natural gas revenues						
Gas marketing services							
Gas marketing services							
Gas marketing services	Gas marketing services	54	—	—	—	—	54
Other natural gas revenues	Other natural gas revenues	8	—	—	—	—	8
Total natural gas revenues	***Total natural gas revenues***	62	—	—	—	—	62
Other revenues	Other revenues	330	54	146	10	18	—
Total revenue from contracts with customers	***Total revenue from contracts with customers***	7,107	2,230	3,388	440	480	674
Other revenue sources(*)	Other revenue sources(*)	(127)	(147)	(151)	(4)	173	15
Total operating revenues	***Total operating revenues***	$ 6,980	$ 2,083	$ 3,237	$ 436	$ 653	$ 689
Total operating revenues							
Total operating revenues							

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued) (UNAUDITED)

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas

			(in millions)			
Nine Months Ended September 30, 2023						
Operating revenues						
Retail electric revenues						
Residential	**$ 5,717**	**$ 2,277**	**$ 3,202**	**$ 238**	**$ —**	**$ —**
Commercial	**4,464**	**1,493**	**2,733**	**238**	**—**	**—**
Industrial	**2,770**	**1,324**	**1,195**	**251**	**—**	**—**
Other	**84**	**10**	**68**	**6**	**—**	**—**
Total retail electric revenues	**13,035**	**5,104**	**7,198**	**733**	**—**	**—**
Natural gas distribution revenues						
Residential	**1,443**	**—**	**—**	**—**	**—**	**1,443**
Commercial	**370**	**—**	**—**	**—**	**—**	**370**
Transportation	**878**	**—**	**—**	**—**	**—**	**878**
Industrial	**33**	**—**	**—**	**—**	**—**	**33**
Other	**228**	**—**	**—**	**—**	**—**	**228**
Total natural gas distribution revenues	**2,952**	**—**	**—**	**—**	**—**	**2,952**
Wholesale electric revenues						
PPA energy revenues	**853**	**196**	**66**	**8**	**601**	**—**
PPA capacity revenues	**490**	**130**	**38**	**36**	**289**	**—**
Non-PPA revenues	**199**	**49**	**30**	**315**	**312**	**—**
Total wholesale electric revenues	**1,542**	**375**	**134**	**359**	**1,202**	**—**
Other natural gas revenues						
Gas marketing services	**358**	**—**	**—**	**—**	**—**	**358**
Other natural gas revenues	**28**	**—**	**—**	**—**	**—**	**28**
Total natural gas revenues	**386**	**—**	**—**	**—**	**—**	**386**
Other revenues	**971**	**159**	**422**	**31**	**46**	**—**
Total revenue from contracts with customers	**18,886**	**5,638**	**7,754**	**1,123**	**1,248**	**3,338**
Other revenue sources(*)	**322**	**(218)**	**51**	**14**	**438**	**79**
Total operating revenues	**$ 19,208**	**$ 5,420**	**$ 7,805**	**$ 1,137**	**$ 1,686**	**$ 3,417**

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	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
			(in millions)			
Three Months Ended September 30, 2022						
Operating revenues						
Retail electric revenues						
Residential	$ 2,104	$ 799	$ 1,212	$ 93	$ —	$ —
Commercial	1,637	499	1,051	87	—	—
Industrial	1,183	452	642	89	—	—
Other	27	3	22	2	—	—
Total retail electric revenues	4,951	1,753	2,927	271	—	—
Natural gas distribution revenues						
Residential	331	—	—	—	—	331
Commercial	93	—	—	—	—	93
Transportation	259	—	—	—	—	259
Industrial	12	—	—	—	—	12

Other	49	—	—	—	—	49
Total natural gas distribution revenues	744	—	—	—	—	744
Wholesale electric revenues						
PPA energy revenues	812	187	40	4	591	—
PPA capacity revenues	175	56	12	1	107	—
Non-PPA revenues	58	67	4	242	303	—
Total wholesale electric revenues	1,045	310	56	247	1,001	—
Other natural gas revenues						
Gas marketing services	84	—	—	—	—	84
Other natural gas revenues	15	—	—	—	—	15
Total natural gas revenues	99	—	—	—	—	99
Other revenues	277	65	110	13	9	—
Total revenue from contracts with customers	7,116	2,128	3,093	531	1,010	843
Other revenue sources(*)	1,262	316	796	(21)	170	14
Total operating revenues	$ 8,378	$ 2,444	$ 3,889	$ 510	$ 1,180	$ 857

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	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
	(in millions)					
Nine Months Ended September 30, 2022						
	Southern Company	**Alabama Power**	**Georgia Power**	**Mississippi Power**	**Southern Power**	**Southern Company Gas**
	(in millions)					*(in millions)*
Three Months Ended March 31, 2023						
Operating revenues						
Operating revenues						
Operating revenues	***Operating revenues***					
Retail electric revenues	Retail electric revenues					
Retail electric revenues						
Retail electric revenues						
Residential						
Residential						
Residential	Residential $ 5,282	$ 2,049	$ 2,995	$ 238	$ —	$ —
Commercial	Commercial 4,202	1,285	2,688	229	—	—
Industrial	Industrial 2,914	1,143	1,529	242	—	—
Other	Other 79	10	62	7	—	—
Total retail electric revenues	***Total retail electric revenues*** 12,477	4,487	7,274	716	—	—
Natural gas distribution revenues	Natural gas distribution revenues					
Residential						

Residential							
Residential	Residential	1,821	—	—	—	—	1,821
Commercial	Commercial	493	—	—	—	—	493
Transportation	Transportation	872	—	—	—	—	872
Industrial	Industrial	60	—	—	—	—	60
Other	Other	244	—	—	—	—	244
Total natural gas distribution revenues	***Total natural gas distribution revenues***	3,490	—	—	—	—	3,490
Wholesale electric revenues	Wholesale electric revenues						
PPA energy revenues	PPA energy revenues	1,739	354	112	11	1,285	—
PPA energy revenues							
PPA energy revenues							
PPA capacity revenues	PPA capacity revenues	443	135	35	4	273	—
Non-PPA revenues	Non-PPA revenues	182	166	19	511	572	—
Total wholesale electric revenues	***Total wholesale electric revenues***	2,364	655	166	526	2,130	—
Other natural gas revenues	Other natural gas revenues						
Gas marketing services							
Gas marketing services							
Gas marketing services	Gas marketing services	417	—	—	—	—	417
Other natural gas revenues	Other natural gas revenues	41	—	—	—	—	41
Total natural gas revenues	***Total natural gas revenues***	458	—	—	—	—	458
Other revenues	Other revenues	810	173	327	34	27	—
Total revenue from contracts with customers	***Total revenue from contracts with customers***	19,599	5,315	7,767	1,276	2,157	3,948
Other revenue sources(*)	Other revenue sources(*)	2,633	708	1,451	3	461	50
Total operating revenues	***Total operating revenues***	$ 22,232	$ 6,023	$ 9,218	$ 1,279	$ 2,618	$ 3,998
Total operating revenues							
Total operating revenues							

(*) Other revenue sources relate to revenues from customers accounted for as derivatives and leases, alternative revenue programs at Southern Company Gas, and cost recovery mechanisms and revenues (including those related to fuel costs) that meet other scope exceptions for revenues from contracts with customers at the traditional electric operating companies.

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Contract Balances

The following table reflects the closing balances of receivables, contract assets, and contract liabilities related to revenues from contracts with customers at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
	(in millions)					
Accounts Receivable						
At September 30, 2023	$ 2,680	$ 858	$ 1,175	$ 106	$ 138	$ 331
At December 31, 2022	3,123	696	922	92	237	1,107
Contract Assets						
At September 30, 2023	$ 267	$ 6	$ 146	$ —	$ —	$ 41
At December 31, 2022	156	2	89	—	—	—
Contract Liabilities						
At September 30, 2023	$ 62	$ —	$ 8	$ 2	$ 8	$ —
At December 31, 2022	45	4	9	—	1	—

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
	(in millions)					
Accounts Receivable						
At March 31, 2024	$ 2,793	$ 737	$ 986	$ 80	$ 80	$ 699
At December 31, 2023	2,820	821	1,011	90	122	684
Contract Assets						
At March 31, 2024	$ 290	$ 3	$ 119	$ —	$ —	$ 59
At December 31, 2023	271	2	121	—	—	56
Contract Liabilities						
At March 31, 2024	$ 207	$ —	$ 19	$ —	$ 1	$ —
At December 31, 2023	116	—	1	—	4	—

Contract assets for Georgia Power primarily relate to retail customer fixed bill programs, where the payment is contingent upon Georgia Power's continued performance and the customer's continued participation in the program over a one-year contract term, and unregulated service agreements, where payment is contingent on project completion. Contract liabilities for Georgia Power primarily relate to cash collections recognized in advance of revenue for unregulated service agreements. At September 30, 2023, Southern Company Gas' contract assets relate to work performed on an energy efficiency enhancement and upgrade contract with the U.S. General Services Administration. Southern Company Gas receives cash advances from a third-party financial institution to fund work performed, of which approximately $51 $65 million had been received at September 30, 2023 March 31, 2024. These advances have been accounted for as long-term debt on the balance sheets. See Note 1 to the financial statements under "Affiliate Transactions" in Item 8 of the Form 10-K for additional information regarding the construction contract. At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, Southern Company's unregulated distributed generation business had contract assets of $75 million $108 million and $65 million $91 million, respectively, and contract liabilities of $47 million $188 million and $32 million $115 million, respectively, for outstanding performance obligations. obligations, all of which are expected to be satisfied within one year.

Revenues recognized in the three and nine months ended September 30, 2023 March 31, 2024, which were included in contract liabilities at December 31, 2022 December 31, 2023, were $28 million for Southern Company and immaterial for the applicable other Registrants. Contract liabilities are primarily classified as current on the balance sheets as the corresponding revenues are generally expected to be recognized within one year.

Remaining Performance Obligations

The Subsidiary Registrants Southern Company's subsidiaries may enter into long-term contracts with customers in which revenues are recognized as performance obligations are satisfied over the contract term. For Alabama Power, Georgia Power, the traditional electric operating companies and Southern Power, these contracts primarily relate to PPAs whereby electricity and generation capacity are provided to a customer. The revenue recognized for the delivery of electricity is variable; however, certain PPAs include a fixed payment for fixed generation capacity over the term of the contract. For Southern Company Gas, these contracts primarily relate to the U.S. General Services Administration contract described above. Southern Company's unregulated distributed generation business also has partially satisfied performance obligations related to certain

obligations related to certain fixed price contracts. Revenues from contracts with customers related to these performance obligations remaining at September 30, 2023 March 31, 2024 are expected to be recognized as follows:

		2023 (remaining)	2024	2025	2026	2027	Thereafter
				(in millions)			
2024 (remaining)		2024 (remaining)	2025	2026	2027	2028	Thereafter
	(in millions)						(in millions)
Southern Company	Southern Company	$ 166	$599	$359	$318	$319	$ 2,245
Alabama Power	Alabama Power	10	24	8	—	—	—
Georgia Power	Georgia Power	23	66	34	14	14	23
Southern Power		84	356	302	303	310	2,233
Mississippi Power(*)							
Southern Power(*)							
Southern Company Gas	Southern Company Gas	4	29	—	—	—	—

(*) Includes performance obligations related to affiliate PPAs with Georgia Power. See Note 1 to the financial statements under "Affiliate Transactions" in Item 8 of the Form 10-K for additional information.

Lease Income

Lease income for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 is as follows:

		Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
Southern Company		Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
				(in millions)			
				(in millions)			
For the Three Months Ended September 30, 2023							
For the Three Months Ended March 31, 2024							
For the Three Months Ended March 31, 2024							
For the Three Months Ended March 31, 2024							
Lease income - interest income on sales-type leases	Lease income - interest income on sales-type leases	**$ 6**	**$ —**	**$ —**	**$ 4**	**$ 2**	**$ —**
Lease income - operating leases	Lease income - operating leases	**36**	**3**	**7**	**—**	**21**	**9**
Variable lease income	Variable lease income	**134**	**—**	**—**	**—**	**144**	**—**
Total lease income	Total lease income	**$ 176**	**$ 3**	**$ 7**	**$ 4**	**$ 167**	**$ 9**
For the Nine Months Ended September 30, 2023							

For the Three Months Ended March 31, 2023

For the Three Months Ended March 31, 2023

For the Three Months Ended March 31, 2023

Lease income - interest income on sales-type leases	Lease income - interest income on sales-type leases	**$ 18**	**$ —**	**$ —**	**$ 11**	**$ 7**	**$ —**
Lease income - operating leases	Lease income - operating leases	**129**	**32**	**22**	**2**	**64**	**27**
Variable lease income	Variable lease income	**327**	**1**	**—**	**—**	**351**	**—**
Total lease income	Total lease income	**$ 474**	**$ 33**	**$ 22**	**$ 13**	**$ 422**	**$ 27**

For the Three Months Ended September 30, 2022

Lease income - interest income on sales-type leases	$ 7	$ —	$ —	$ 4	$ 3	$ —
Lease income - operating leases	50	19	8	1	21	9
Variable lease income	139	—	—	—	145	—
Total lease income	$ 196	$ 19	$ 8	$ 5	$ 169	$ 9

For the Nine Months Ended September 30, 2022

Lease income - interest income on sales-type leases	$ 19	$ —	$ —	$ 11	$ 8	$ —
Lease income - operating leases	149	58	24	1	64	27
Variable lease income	355	1	—	—	372	—
Total lease income	$ 523	$ 59	$ 24	$ 12	$ 444	$ 27

Lease payments received under tolling arrangements and PPAs consist of either scheduled payments or variable payments based on the amount of energy produced by the underlying electric generating units. Lease income related to PPAs for Alabama Power and Southern Power is included in wholesale revenues.

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(E) CONSOLIDATED ENTITIES AND EQUITY METHOD INVESTMENTS

See Note 7 to the financial statements in Item 8 of the Form 10-K for additional information.

Southern Company

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, Southern Holdings had equity method investments totaling $126 million $128 million and $112 million $126 million, respectively, primarily related to investments in venture capital funds focused on energy and utility investments. Earnings from these investments were immaterial for all both periods presented.

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Southern Power

Variable Interest Entities

Southern Power has certain subsidiaries that are determined to be VIEs. Southern Power is considered the primary beneficiary of these VIEs because it controls the most significant activities of the VIEs, including operating and maintaining the respective assets, and has the obligation to absorb expected losses of these VIEs to the extent of its equity interests.

SP Solar and SP Wind

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, SP Solar had total assets of $5.8 billion and $5.9 billion $5.6 billion, respectively, total liabilities of $0.4 billion $407 million and $399 million, respectively, and noncontrolling interests of $1.1 billion $1.0 billion. Cash distributions from SP Solar are allocated 67% to Southern Power and 33% to the limited partner in accordance with their partnership interest percentage. Under the terms of the limited partnership agreement, distributions without limited partner consent are limited to available cash and SP Solar is obligated to distribute all such available cash to its partners each quarter. Available cash includes all cash generated in the quarter subject to the maintenance of appropriate operating reserves.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, SP Wind had total assets of $2.2 billion $2.1 billion, total liabilities of $184 million $196 million and $169 million $187 million, respectively, and noncontrolling interests of $38 million $37 million and $39 million $38 million, respectively. Under the terms of the limited liability agreement, distributions without Class A member consent are limited to available cash and SP Wind is obligated to distribute all such available cash to its members each quarter. Available cash includes all cash generated in the quarter subject to the maintenance of appropriate operating reserves. Cash distributions from SP Wind are generally allocated 60% to Southern Power and 40% to the three financial investors in accordance with the limited liability agreement.

Southern Power consolidates both SP Solar and SP Wind, as the primary beneficiary, since it controls the most significant activities of each entity, including operating and maintaining their assets. Certain transfers and sales of the assets in the VIEs are subject to partner consent and the liabilities are non-recourse to the general credit of Southern Power. Liabilities consist of customary working capital items and do not include any long-term debt.

Other Variable Interest Entities

Southern Power has other consolidated VIEs that relate to certain subsidiaries that have either sold noncontrolling interests to tax equity investors or acquired less than a 100% interest from facility developers. These entities are considered VIEs because the arrangements are structured similar to a limited partnership and the noncontrolling members do not have substantive kick-out rights.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the other VIEs had total assets of $1.7 billion and $1.8 billion, respectively, total liabilities of $0.2 billion, $238 million and $230 million, respectively, and noncontrolling interests of $0.8 billion. $742 million and $761 million, respectively. Under the terms of the partnership agreements, distributions of all available cash are required each month or quarter and additional distributions require partner consent.

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Equity Method Investments

At December 31, 2022, Southern Power had equity method investments in wind and battery energy storage projects totaling $49 million. During the first quarter 2023, Southern Power sold its remaining equity method investments in the projects and received proceeds of $50 million. Earnings (loss) from these investments, including the gains associated with the sales, were immaterial for all periods presented.

Southern Company Gas

Equity Method Investments

The carrying amounts of Southern Company Gas' equity method investments at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 and related earnings from those investments for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 were as follows:

Investment Balance	Investment Balance	September 30, 2023	December 31, 2022	Investment Balance	March 31, 2024	December 31, 2023
		(in millions)				
	(in millions)					*(in millions)*
SNG	SNG	$ 1,210	$ 1,243			
Other	Other	33	33			
Total	Total	$ 1,243	$ 1,276			

	Three Months Ended September 30,	Nine Months Ended September 30,

	Three Months Ended March 31,			
Earnings from Equity Method Investments	2023	2022	2023	2022
	(in millions)			
SNG	**$ 32**	$ 34	**$104**	$104
Other	**—**	—	**—**	1
Total	**$ 32**	$ 34	**$104**	$105

Earnings from Equity Method Investments	2024	2023
	(in millions)	

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(F) FINANCING AND LEASES

Bank Credit Arrangements

See Note 8 to the financial statements under "Bank Credit Arrangements" in Item 8 of the Form 10-K for additional information.

At September 30, 2023 March 31, 2024, committed credit arrangements with banks were as follows:

	Expires						
Company	2024	2025	2026	2028	Total	Unused	Expires within One Year
	(in millions)						
Southern Company parent(a)	$150	$ —	$ —	$1,850	$2,000	$ 1,998	$ 150
Alabama Power	—	—	650	700	1,350	1,350	—
Georgia Power	—	—	—	1,750	1,750	1,726	—
Mississippi Power	—	125	150	—	275	275	—

Company	Expires 2024	2026	2027	2028	Total	Unused	Expires within One Year
	(in millions)						

Southern Power(a)(b)	Southern Power(a)(b)	—	—	—	600	600	589	—
Southern Company Gas(c)	Southern Company Gas(c)	100	—	—	1,500	1,600	1,598	100
SEGCO	SEGCO	30	—	—	—	30	30	30
Southern Company	Southern Company	$280	$125	$800	$6,400	$7,605	$ 7,566	$ 280

(a) Arrangement expiring in 2028 represents a $2.45 billion combined arrangement for Southern Company and Southern Power as borrowers. Pursuant to the combined facility, the allocations between Southern Company and Southern Power may be adjusted.

(b) Does not include Southern Power Company's $75 million and $100 million continuing letter of credit facilities for standby letters of credit, expiring in 2025 and 2026, respectively, of which $9 million $8 million and $16 million $7 million, respectively, was unused at September 30, 2023. In March 2023, Southern Power amended the $100 million letter of credit facility, which, among other things, extended the expiration date from 2025 to 2026 and increased the amount from $75 million March 31, 2024. Southern Power's subsidiaries are not parties to its bank credit arrangements or letter of credit facilities.

(c) Southern Company Gas, as the parent entity, guarantees the obligations of Southern Company Gas Capital, which is the borrower of $800 million of the credit arrangement expiring in 2028. Southern Company Gas' committed credit arrangement expiring in 2028 also includes $700 million for which Nicor Gas is the borrower and which is restricted for working capital needs of Nicor Gas. Pursuant to the multi-year credit arrangement expiring in 2028, the allocations between Southern Company Gas Capital and Nicor Gas may be adjusted. Nicor Gas is also the borrower under a $100 million credit arrangement expiring in 2024.

As reflected in the table above, in May 2023, Southern Company and Southern Power combined and extended their multi-year credit arrangements previously maturing in 2026, resulting in a single aggregate $2.45 billion facility (currently allocated $1.85 billion for Southern Company and $600 million for Southern Power) maturing in 2028. Pursuant to the combined facility, the allocations between Southern Company and Southern Power may be adjusted. Alabama Power, Georgia Power, and Southern Company Gas Capital, along with Nicor Gas, amended and restated certain of their multi-year credit arrangements, which, among other things, extended the maturity dates from 2026 to 2028. March 2024, Mississippi Power amended and restated certain of its a $125 million multi-year credit arrangements aggregating $150 million, which, among other things, extended the maturity dates from 2024 to 2026. Nicor Gas also entered into a $100 million credit arrangement, maturing in 2024 to replace its $250 million credit arrangement that expired in 2023. In June 2023, Southern Company also entered into a new $150 million credit arrangement maturing in 2024. In August 2023, Alabama Power amended and restated one of its multi-year credit arrangements, which, among other things, extended the maturity date from 2024 2025 to 2026 and increased the borrowing capacity from $550 million to $650 million.

2027.

Subject to applicable market conditions, Southern Company and its subsidiaries expect to renew or replace their bank credit arrangements as needed, prior to expiration. In connection therewith, Southern Company and its subsidiaries may extend the maturity dates and/or increase or decrease the lending commitments thereunder.

These bank credit arrangements, as well as the term loan arrangements of the Registrants, Nicor Gas, and SEGCO, contain covenants that limit debt levels and contain cross-acceleration provisions to other indebtedness (including guarantee obligations) that are restricted only to the indebtedness of the individual company. The cross-acceleration provisions to other indebtedness would trigger an event of default if the applicable borrower defaulted on indebtedness, the payment of which was then accelerated. At September 30, 2023 March 31, 2024, the Registrants, Nicor Gas, and SEGCO were in compliance with all such covenants. None of the bank credit arrangements contain material adverse change clauses at the time of borrowings.

A portion of the unused credit with banks is allocated to provide liquidity support to certain revenue bonds of the traditional electric operating companies and the commercial paper programs of the Registrants, Nicor Gas, and SEGCO. At September 30, 2023 March 31, 2024, outstanding variable rate demand revenue bonds of the traditional electric operating companies with allocated liquidity support totaled approximately $1.7 billion (comprised of approximately $818 million $796 million at Alabama Power, $819 million at Georgia Power, and $69 million at Mississippi Power). In addition, at September 30, 2023 March 31, 2024, Alabama Power and Georgia Power had approximately $120 million and $325 million $155 million, respectively, of fixed rate revenue bonds outstanding that are required to be remarketed within the next 12 months. The

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

Alabama Power's $120 million of fixed rate revenue bonds are classified as securities due within one year on its balance sheets as they are not covered by long-term committed credit. All other variable rate demand revenue bonds and fixed rate revenue bonds required to be remarketed within the next 12 months are classified as long-term debt on the balance sheets as a result of available long-term committed credit.

Convertible Senior Notes

In February 2023, Southern Company issued $1.5 billion aggregate principal amount of Series 2023A 3.875% Convertible Senior Notes due December 15, 2025 (Series 2023A Convertible Senior Notes). In March 2023, Southern Company issued an additional $225 million aggregate principal amount of the Series 2023A Convertible Senior Notes upon the exercise by the initial purchasers of their over-allotment option.

Interest on the Series 2023A Convertible Senior Notes is payable semiannually, which began on June 15, 2023. The Series 2023A Convertible Senior Notes will mature on December 15, 2025, unless earlier converted or repurchased, but are not redeemable at the option of Southern Company. The Series 2023A Convertible Senior Notes are direct, unsecured, and unsubordinated obligations of Southern Company, ranking equally with all of Southern Company's other unsecured and unsubordinated indebtedness from time to time outstanding, and are effectively subordinated to all secured indebtedness of Southern Company.

Holders may convert their Series 2023A Convertible Senior Notes at their option prior to the close of business on the business day preceding September 15, 2025, but only under the following circumstances:

- during any calendar quarter (and only during such calendar quarter), if the last reported sale price of Southern Company's common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day as determined by Southern Company;
- during the five business day period after any 10 consecutive trading day period (Measurement Period) in which the trading price per $1,000 principal amount of Series 2023A Convertible Senior Notes for each trading day of the Measurement Period was less than 98% of the product of the last reported sale price of the common stock and the conversion rate on each such trading day; or
- upon the occurrence of certain corporate events specified in the indenture governing the Series 2023A Convertible Senior Notes.

On or after September 15, 2025, a holder may convert all or any portion of its Series 2023A Convertible Senior Notes at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date regardless of the foregoing conditions.

Southern Company will settle conversions of the Series 2023A Convertible Senior Notes by paying cash up to the aggregate principal amount of the Series 2023A Convertible Senior Notes to be converted and paying or delivering, as the case may be, cash, shares of common stock or a combination of cash and shares of common stock, at Southern Company's election, in respect of the remainder, if any, of Southern Company's conversion obligation in excess of the aggregate principal amount of the Series 2023A Convertible Senior Notes being converted. The Series 2023A Convertible Senior Notes are initially convertible at a rate of 11.8818 shares of common stock per $1,000 principal amount converted, which is approximately equal to $84.16 per share of common stock. The conversion rate will be subject to adjustment upon the occurrence of certain specified events but will not be adjusted for accrued and unpaid interest. In addition, upon the occurrence of a make-whole fundamental change (as defined in the indenture governing the Series 2023A Convertible Senior Notes), Southern Company will, in certain circumstances, increase the conversion rate by a number of additional shares of common stock for conversions in connection with the make-whole fundamental change.

Upon the occurrence of a fundamental change (as defined in the indenture governing the Series 2023A Convertible Senior Notes), holders of the Series 2023A Convertible Senior Notes may require Southern Company to purchase all or a portion of their Series 2023A Convertible Senior Notes, in principal amounts equal to $1,000 or an integral multiple thereof, for cash at a price equal to 100% of the principal amount of the Series 2023A Convertible Senior Notes to be purchased plus any accrued and unpaid interest.

Earnings per Share

For Southern Company, the only difference in computing basic and diluted earnings per share (EPS) is attributable to awards outstanding under stock-based compensation plans and the Series 2023A Convertible Senior Notes. convertible senior notes. EPS dilution resulting from stock-based compensation plans is determined using the treasury stock method and EPS dilution resulting from the Series 2023A Convertible Senior Notes convertible senior notes is determined using the net share settlement method. See Note 8 to the financial statements under "Convertible Senior Notes" and Note 12 to the financial statements in Item 8 of the Form 10-K and "Convertible Senior Notes" herein for additional information. Shares used to compute diluted EPS were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	Three Months Ended March 31,			

		Three Months Ended March 31,		Three Months Ended March 31,	
		2024		2024	2023
		(in millions)		(in millions)	
As reported shares	As reported shares	**1,092**	1,082	**1,092**	1,070
Effect of stock-based compensation	Effect of stock-based compensation	**7**	6	**6**	6
Diluted shares	Diluted shares	**1,099**	1,088	**1,098**	1,076

For all periods presented, the three months ended March 31, 2024, an immaterial number of stock-based compensation awards was excluded from the diluted EPS calculation because the awards were anti-dilutive. For the three months ended March 31, 2023, there were no anti-dilutive shares.

For all both periods presented, there was no dilution resulting from the Series 2023A Convertible Senior Notes.

Southern Company Leveraged Lease

See Note 9 to the financial statements in Item 8 of the Form 10-K for information on a leveraged lease agreement related to energy generation. In June 2022, the Southern Holdings subsidiary operating the generating plant for the lessee provided notice to the lessee to terminate the related operating and maintenance agreement effective June 30, 2023. Subsequently, the lessee failed to make the semi-annual lease payment due in December 2022. As a result, the Southern Holdings subsidiary was unable to make its corresponding payment to the holders of the underlying non-recourse debt related to the generation assets. The parties to the lease entered into forbearance agreements which suspended the related contractual rights of the parties while they continued restructuring negotiations, during which

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the termination date for the operating and maintenance agreement was delayed until July 31, 2023. The negotiations were completed on July 14, 2023, resulting in the Southern Holdings subsidiary agreeing to continue operating the plant for the lessee until the lessee's associated power off-take agreement ends in 2032, subject to certain terms and conditions. The restructuring had no material impact on Southern Company's financial statements. Southern Company will continue to monitor the operational performance of the underlying assets and evaluate the ability of the lessee to continue to meet its obligations, including those associated with a future closure or retirement of the generation assets and associated properties, including the dry ash landfill. convertible senior notes.

(G) INCOME TAXES

See Note 10 to the financial statements in Item 8 of the Form 10-K for additional tax information.

Current and Deferred Income Taxes

Tax Credit and Net Operating Loss Carryforwards

Southern Company had federal ITC and PTC carryforwards (primarily related to Southern Power) totaling $1.0 billion and $1.1 billion at September 30, 2023 and December 31, 2022, respectively.

Southern Company's federal PTC and ITC carryforwards begin expiring in 2031, but are expected to be fully utilized by 2028. The utilization of each Registrant's estimated tax credit and state net operating loss carryforwards and related valuation allowances could be impacted by numerous factors, including the acquisition of additional renewable projects, changes in taxable income projections, transfer of eligible credits, and potential income tax rate changes. In the third quarter 2023, Georgia Power started generating advanced nuclear PTCs for Plant Vogtle Unit 3 beginning on the in-service date of July 31, 2023. In addition, pursuant to the Global Amendments to the Vogtle Joint Ownership Agreements (as defined in Note (B) under "Georgia Power – Nuclear Construction – Joint Owner Contracts"), Georgia Power is purchasing advanced nuclear PTCs for Plant Vogtle Unit 3 from certain other Vogtle Owners. See Note (B) and Note 2 to the financial statements in Item 8 of the Form 10-K under "Georgia Power – Nuclear Construction" for additional information on Plant Vogtle Units 3 and 4.

Effective Tax Rate

Southern Company's effective tax rate is typically lower than the statutory rate due to employee stock plans' dividend deduction, non-taxable AFUDC equity at the traditional electric operating companies, flowback of excess deferred income taxes at the regulated utilities, and federal income tax benefits from ITCs and PTCs primarily at Southern Power. PTCs.

Details of significant changes in the effective tax rate for the applicable Registrants are provided herein.

Southern Company

Southern Company's effective tax rate was 13.9% 17.2% for the nine three months ended September 30, 2023 March 31, 2024 compared to 20.0% 10.8% for the corresponding period in 2022. 2023. The effective tax rate decrease increase was primarily due to an increase a decrease in the flowback of certain excess deferred income taxes at Alabama Power in 2023, lower and higher pre-tax earnings, in 2023, and an adjustment related to state tax credit carryforwards and the related valuation allowance at Georgia Power in 2022 and 2023, partially offset by the flowback of certain excess deferred income taxes ending an increase in 2022 PTCs primarily at Georgia Power.

Alabama Power

Alabama Power's effective tax rate was 8.3% 20.4% for the nine three months ended September 30, 2023 March 31, 2024 compared to 23.7% an effective tax benefit rate of (0.8)% for the corresponding period in 2022. 2023. The effective tax rate decrease increase was primarily due to an increase a decrease in the flowback of certain excess deferred income taxes in 2023. See Note 2 to the financial statements under "Alabama Power – Excess Accumulated Deferred Income Tax Accounting Order" in Item 8 of the Form 10-K for additional information. taxes.

Georgia Power

Georgia Power's effective tax rate was 18.2% 15.3% for the nine three months ended September 30, 2023 March 31, 2024 compared to 18.5% 15.1% for the corresponding period in 2022. 2023. The effective tax rate decrease increase was primarily due to an adjustment related to state tax credit carryforwards in 2022, a decrease in a valuation allowance on certain state tax credit carryforwards in 2023, and lower higher pre-tax earnings, in 2023, largely partially offset by the flowback of certain excess deferred income taxes ending an increase in 2022. PTCs.

Mississippi Southern Power

Mississippi Southern Power's effective tax benefit rate was 16.9% (57.1)% for the nine three months ended September 30, 2023 March 31, 2024 compared to 20.1% (20.7)% for the corresponding period in 2022. 2023. The effective tax rate decrease was primarily due to an increase in the flowback of certain excess deferred income taxes in 2023.

Southern Power

Southern Power's effective tax rate was 14.8% for the nine months ended September 30, 2023 compared to 18.8% for the corresponding period in 2022. The effective tax rate decrease was primarily due to changes in state apportionment methodology resulting from tax legislation enacted by the State of Tennessee in May 2023.

Unrecognized Tax Benefits

Southern Company's PTCs and Georgia Power's unrecognized tax positions balances at September 30, 2023 were $167 million and $86 million, respectively, compared to $80 million for Southern Company at December 31, 2022. The increases from prior periods are primarily related to the amendment of certain 2019 through 2021 state tax filing positions related to tax credit utilization. If effective settlement of the positions is favorable, these positions would decrease Southern Company's and Georgia Power's effective tax rates. The ultimate outcome of this unrecognized tax benefit, of which a portion is expected to be resolved within the next 12 months, is dependent on acceptance by the state or expiration of related statute of limitations.

Subsequent to September 30, 2023, a statute of limitations expired related to a 2019 state tax filing position to exclude certain gains from 2019 dispositions from taxation in a certain unitary state. This $44 million tax position and related interest will be recognized in the fourth quarter 2023 and will decrease Southern Company's annual effective tax rate. lower pre-tax earnings.

(H) RETIREMENT BENEFITS

The Southern Company system has a qualified defined benefit, trusteed, pension plan covering substantially all employees, with the exception of employees at PowerSecure. The qualified pension plan is funded in accordance with requirements of the Employee Retirement Income Security Act of 1974, as amended (ERISA). No mandatory contributions to the qualified pension plan are anticipated for the year ending December 31, 2023 December 31, 2024. The Southern Company system also provides certain non-qualified defined benefits for a select group of management and highly compensated employees, which are funded on a cash basis. In addition, the Southern Company system provides certain medical care and life insurance benefits for retired employees through other postretirement benefit plans. The traditional electric operating companies fund other postretirement trusts to the extent required by their respective regulatory commissions. Southern Company Gas has a separate unfunded supplemental retirement health care plan that provides medical care and life insurance benefits to employees of discontinued businesses.

See Note 11 to the financial statements in Item 8 of the Form 10-K for additional information.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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On each Registrant's condensed statements of income, the service cost component of net periodic benefit costs is included in other operations and maintenance expenses and all other components of net periodic benefit costs are included in other income (expense), net. Components of the net periodic benefit costs for the three and nine months ended September 30, 2023March 31, 2024 and 20222023 are presented in the following tables.

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
			(in millions)			
Three Months Ended March 31, 2024						
Pension Plans						
Service cost	$ 73	$ 17	$ 18	$ 3	$ 2	$ 7
Interest cost	159	37	48	7	2	10
Expected return on plan assets	(316)	(77)	(99)	(14)	(4)	(21)
Amortization:						
Prior service costs	—	—	—	—	—	(1)
Regulatory asset	—	—	—	—	—	4
Net loss	14	4	5	—	—	—
Net periodic pension income	$ (70)	$ (19)	$ (28)	$ (4)	$ —	$ (1)
Postretirement Benefits						
Service cost	$ 4	$ 1	$ 1	$ —	$ —	$ —
Interest cost	16	4	6	1	—	2
Expected return on plan assets	(22)	(9)	(8)	—	—	(2)
Amortization:						
Prior service costs	1	—	—	—	—	—
Regulatory asset	—	—	—	—	—	2
Net gain	(4)	—	(1)	(1)	—	(1)
Net periodic postretirement benefit cost (income)	$ (5)	$ (4)	$ (2)	$ —	$ —	$ 1

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
			(in millions)			
Three Months Ended September 30, 2023						
Pension Plans						
Service cost	$ 69	$ 16	$ 17	$ 2	$ 2	$ 6
Interest cost	156	37	48	7	2	11
Expected return on plan assets	(307)	(75)	(97)	(13)	(4)	(22)
Amortization:						
Prior service costs	—	—	—	—	—	(1)
Regulatory asset	—	—	—	—	—	4
Net (gain) loss	8	2	4	1	—	(1)
Net periodic pension income	$ (74)	$ (20)	$ (28)	$ (3)	$ —	$ (3)
Postretirement Benefits						
Service cost	$ 4	$ 1	$ 1	$ —	$ —	$ —

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
Interest cost	18	5	6	1	—	2
Expected return on plan assets	(21)	(9)	(7)	(1)	—	(2)
Amortization:						
Prior service costs	—	—	1	—	—	—
Regulatory asset	—	—	—	—	—	2
Net gain	(4)	(1)	(1)	—	—	(1)
Net periodic postretirement benefit cost (income)	$ (3)	$ (4)	$ —	$ —	$ —	$ 1
Nine Months Ended September 30, 2023						
Pension Plans						
Service cost	$ 207	$ 48	$ 51	$ 8	$ 5	$ 18
Interest cost	469	109	143	21	6	32
Expected return on plan assets	(922)	(223)	(289)	(41)	(12)	(65)
Amortization:						
Prior service costs	—	—	1	—	—	(2)
Regulatory asset	—	—	—	—	—	11
Net (gain) loss	24	7	10	1	—	(3)
Net periodic pension income	$ (222)	$ (59)	$ (84)	$ (11)	$ (1)	$ (9)
Postretirement Benefits						
Service cost	$ 11	$ 3	$ 3	$ —	$ —	$ 1
Interest cost	53	13	19	2	—	6
Expected return on plan assets	(62)	(26)	(22)	(1)	—	(5)
Amortization:						
Prior service costs	1	—	1	—	—	—
Regulatory asset	—	—	—	—	—	5
Net gain	(10)	(2)	(3)	—	—	(3)
Net periodic postretirement benefit cost (income)	$ (7)	$ (12)	$ (2)	$ 1	$ —	$ 4

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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Southern Company	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
(in millions)						(in millions)

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
	(in millions)					
Three Months Ended September 30, 2022						

Three Months Ended March 31, 2023

Three Months Ended March 31, 2023

Three Months Ended March 31, 2023

Pension Plans

Pension Plans

Pension Plans

		Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
Service cost	Service cost	$ 103	$ 25	$ 26	$ 5	$ 2	$ 9
Interest cost	Interest cost	102	24	31	5	2	7

Expected return on plan assets	Expected return on plan assets	(316)	(77)	(99)	(15)	(4)	(22)
Amortization:	Amortization:						
Prior service costs	Prior service costs	—	—	—	—	—	(1)
Prior service costs							
Prior service costs							
Regulatory asset	Regulatory asset	—	—	—	—	—	3
Net loss		60	16	18	2	1	2
Net periodic pension cost (income)		$ (51)	$ (12)	$ (24)	$ (3)	$ 1	$ (2)
Net (gain) loss							
Net periodic pension income							
Postretirement Benefits							
Postretirement Benefits							
Postretirement Benefits	***Postretirement Benefits***						
Service cost	Service cost	$ 6	$ 2	$ 2	$ 1	$ 1	$ —
Interest cost	Interest cost	10	3	4	—	—	1
Expected return on plan assets	Expected return on plan assets	(20)	(9)	(8)	—	—	(2)
Amortization:	Amortization:						
Prior service costs		(1)	—	—	—	—	—
Regulatory asset	Regulatory asset	—	—	—	—	—	2
Net (gain)/loss		1	—	—	—	—	(1)
Regulatory asset							
Regulatory asset							
Net gain							
Net periodic postretirement benefit cost (income)	Net periodic postretirement benefit cost (income)	$ (4)	$ (4)	$ (2)	$ 1	$ 1	$ —
Nine Months Ended September 30, 2022							
Pension Plans							
Service cost		$ 309	$ 74	$ 78	$ 13	$ 7	$ 26
Interest cost		306	72	92	14	5	21
Expected return on plan assets		(949)	(229)	(298)	(44)	(12)	(68)
Amortization:							
Prior service costs		—	—	1	—	—	(2)
Regulatory asset		—	—	—	—	—	11
Net loss		180	47	55	9	2	5
Net periodic pension cost (income)		$ (154)	$ (36)	$ (72)	$ (8)	$ 2	$ (7)
Postretirement Benefits							
Service cost		$ 17	$ 5	$ 5	$ 1	$ 1	1
Interest cost		31	8	11	1	—	4
Expected return on plan assets		(60)	(25)	(21)	(1)	—	(6)
Amortization:							

Prior service costs	(1)	—	—	—	—	—
Regulatory asset	—	—	—	—	—	5
Net (gain) loss	1	—	1	—	—	(2)
Net periodic postretirement benefit cost (income)	$ (12)	$ (12)	$ (4)	$ 1	$ 1	$ 2

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(I) FAIR VALUE MEASUREMENTS

At September 30, 2023 March 31, 2024, assets and liabilities measured at fair value on a recurring basis during the period, together with their associated level of the fair value hierarchy, were as follows:

At September 30, 2023	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value as a Practical Expedient (NAV)	Total
		(in millions)			

Fair Value Measurements Using:

At March 31, 2024

At March 31, 2024

At March 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value as a Practical Expedient (NAV)	Total
(in millions)				(in millions)	

Southern Company	**Southern Company**					
Assets:	Assets:					
Assets:						
Assets:						
Energy-related derivatives(a)						
Energy-related derivatives(a)						
Energy-related derivatives(a)	Energy-related derivatives(a)	$ 7	$ 73	$ —	$ —	$ 80
Investments in trusts:(b)	Investments in trusts:(b)					
Investments in trusts:(b)						
Investments in trusts:(b)						
Domestic equity						
Domestic equity						
Domestic equity	Domestic equity	692	196	—	—	888
Foreign equity	Foreign equity	131	154	—	—	285

U.S. Treasury and government agency securities	U.S. Treasury and government agency securities	—	337	—	—	337
Municipal bonds	Municipal bonds	—	42	—	—	42
Pooled funds – fixed income	Pooled funds – fixed income	—	6	—	—	6
Corporate bonds	Corporate bonds	—	368	—	—	368
Mortgage and asset backed securities	Mortgage and asset backed securities	—	85	—	—	85
Private equity	Private equity	—	—	—	169	169
Cash and cash equivalents	Cash and cash equivalents	3	—	—	—	3
Other	Other	33	3	—	8	44
Cash equivalents and restricted cash	Cash equivalents and restricted cash	919	11	—	—	930
Other investments	Other investments	9	34	8	—	51
Total	Total	$ 1,794	$ 1,309	$ 8	$ 177	$3,288
Liabilities:	Liabilities:					
Energy-related derivatives(a)	Energy-related derivatives(a)	$ 34	$ 217	$ —	$ —	$ 251
Energy-related derivatives(a)						
Energy-related derivatives(a)						
Interest rate derivatives	Interest rate derivatives	—	351	—	—	351
Foreign currency derivatives	Foreign currency derivatives	—	192	—	—	192
Contingent consideration	Contingent consideration	5	—	19	—	24
Other	Other	—	13	—	—	13
Total	Total	$ 39	$ 773	$ 19	$ —	$ 831

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued) (UNAUDITED)

Fair Value Measurements Using:

Fair Value Measurements Using:

At March 31, 2024

At March 31, 2024

At March 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value as a Practical Expedient (NAV)	Total
			(in millions)		

At September 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value as a Practical Expedient (NAV)	Total
		(in millions)			
Alabama Power					
Assets:					
Energy-related derivatives	$ —	$ 26	$ —	$ —	$ 26
Nuclear decommissioning trusts:(b)					
Domestic equity	404	188	—	—	592
Foreign equity	131	—	—	—	131
U.S. Treasury and government agency securities	—	20	—	—	20
Municipal bonds	—	1	—	—	1
Corporate bonds	—	215	—	—	215
Mortgage and asset backed securities	—	22	—	—	22
Private equity	—	—	—	169	169
Other	10	—	—	8	18
Cash equivalents and restricted cash	489	11	—	—	500
Other investments	—	34	—	—	34
Total	$ 1,034	$ 517	$ —	$ 177	$1,728

Alabama Power
Assets:
Assets:
Assets:
Energy-related derivatives
Energy-related derivatives
Energy-related derivatives
Nuclear decommissioning trusts:(b)
Nuclear decommissioning trusts:(b)
Nuclear decommissioning trusts:(b)
Domestic equity
Domestic equity
Domestic equity
Foreign equity
U.S. Treasury and government agency securities
Municipal bonds
Corporate bonds
Mortgage and asset backed securities
Private equity
Other
Cash equivalents and restricted cash
Other investments
Total

Liabilities:					
Energy-related derivatives	$ —	$ 75	$ —	$ —	$ 75
Georgia Power					
Assets:					
Energy-related derivatives	$ —	$ 14	$ —	$ —	$ 14
Nuclear decommissioning trusts:(b)					
Domestic equity	288	1	—	—	289
Foreign equity	—	153	—	—	153
U.S. Treasury and government agency securities	—	317	—	—	317
Municipal bonds	—	41	—	—	41
Corporate bonds	—	153	—	—	153
Mortgage and asset backed securities	—	63	—	—	63
Other	23	3	—	—	26
Total	$ 311	$ 745	$ —	$ —	$1,056
Liabilities:					
Energy-related derivatives	$ —	$ 83	$ —	$ —	$ 83

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	Fair Value Measurements Using:
At March 31, 2024	

At March 31, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value as a Practical Expedient (NAV)	Total
	(in millions)				
Mississippi Power					
Assets:					
Energy-related derivatives					

At March 31, 2024

(in millions)

Assets:
Assets:

Energy-related derivatives
Energy-related derivatives

	Fair Value Measurements Using:				
At September 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value as a Practical Expedient (NAV)	Total
	(in millions)				
Mississippi Power					
Assets:					
Liabilities:					
Liabilities:					
Liabilities:					
Energy-related derivatives	$ —	$ 24	$ —	$ —	$ 24
Cash equivalents	3	—	—	—	3
Total	$ 3	$ 24	$ —	$ —	$ 27
Liabilities:					
Energy-related derivatives					
Energy-related derivatives	$ —	$ 44	$ —	$ —	$ 44
Southern Power					
Southern Power					
Southern Power					
Assets:					
Assets:					
Assets:					
Energy-related derivatives	$ —	$ 5	$ —	$ —	$ 5
Energy-related derivatives					
Energy-related derivatives					
Cash equivalents	23	—	—	—	23
Total	$ 23	$ 5	$ —	$ —	$ 28

Liabilities:	Liabilities:					
Liabilities:						
Liabilities:						
Energy-related derivatives						
Energy-related derivatives						
Energy-related derivatives	Energy-related derivatives	$ —	$ 6	$ —	$ —	$ 6
Foreign currency derivatives	Foreign currency derivatives	—	42	—	—	42
Contingent consideration	Contingent consideration	5	—	19	—	24
Other	Other	—	13	—	—	13
Total	Total	$ 5	$ 61	$ 19	$ —	$ 85
Southern Company Gas	**Southern Company Gas**					
Southern Company Gas						
Southern Company Gas						
Assets:	Assets:					
Assets:						
Assets:						
Energy-related derivatives(a)						
Energy-related derivatives(a)						
Energy-related derivatives(a)	Energy-related derivatives(a)	$ 7	$ 4	$ —	$ —	$ 11
Non-qualified deferred compensation trusts:	Non-qualified deferred compensation trusts:					
Non-qualified deferred compensation trusts:						
Non-qualified deferred compensation trusts:						
Domestic equity						
Domestic equity						
Domestic equity	Domestic equity	—	7	—	—	7
Foreign equity	Foreign equity	—	1	—	—	1
Pooled funds – fixed income	Pooled funds – fixed income	—	6	—	—	6
Cash equivalents		3	—	—	—	3
Cash equivalents		294	—	—	—	294
Cash and cash equivalents						
Total						
Total						
Total	Total	$ 304	$ 18	$ —	$ —	$322
Liabilities:	Liabilities:					

Energy-related derivatives(a)	Energy-related derivatives(a)	$	34	$	9	$	—	$	—	$ 43
Energy-related derivatives(a)										
Energy-related derivatives(a)										
Interest rate derivatives	Interest rate derivatives		—		99		—		—	99
Total	Total	$	34	$	108	$	—	$	—	$142
Total										
Total										

(a) Excludes cash collateral of $49 million $54 million.

(b) Excludes receivables related to investment income, pending investment sales, payables related to pending investment purchases, and currencies. See Note 6 to the financial statements in Item 8 of the Form 10-K for additional information.

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Southern Company, Alabama Power, and Georgia Power continue to elect the option to fair value investment securities held in the nuclear decommissioning trust funds. The fair value of the funds, including reinvested interest and dividends and excluding the funds' expenses, increased (decreased) by the amounts shown in the table below for

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the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023. The changes were recorded as a change to the regulatory assets and liabilities related to AROs for Georgia Power and Alabama Power, respectively.

		Three Months Ended		Nine Months Ended				
		Three Months Ended						
		Three Months Ended						
		Three Months Ended						
Fair value increases (decreases)	Fair value increases (decreases)	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	Fair value increases (decreases)	March 31, 2024	March 31, 2023
			(in millions)					
		(in millions)						(in millions)
Southern Company	Southern Company	$ (4)	$ (106)	$ 211	$ (486)			
Alabama Power	Alabama Power	(36)	(53)	54	(245)			
Georgia Power	Georgia Power	32	(53)	157	(241)			

Valuation Methodologies

The energy-related derivatives primarily consist of exchange-traded and over-the-counter financial products for natural gas and physical power products, including, from time to time, basis swaps. These are standard products used within the energy industry and are valued using the market approach. The inputs used are mainly from observable market sources, such as forward natural gas prices, power prices, implied volatility, and overnight index swap interest rates. Interest rate derivatives are also standard over-the-counter products that are valued using observable market data and assumptions commonly used by market participants. The fair value of interest rate derivatives reflects the net present value of expected payments and receipts under the swap agreement based on the market's expectation of future interest rates. Additional inputs to the net present value calculation may include the contract terms, counterparty credit risk, and occasionally, implied volatility of interest rate options. The fair value of cross-currency swaps reflects the net present value of expected payments and receipts under the swap agreement based on the market's expectation of future foreign currency exchange rates. Additional inputs to the net present value calculation may include the contract terms, counterparty credit risk, and discount rates. The interest rate derivatives and cross-currency swaps are categorized as Level 2 under Fair Value Measurements as these inputs are based on observable data and valuations of similar instruments. See Note (J) for additional information on how these derivatives are used.

For fair value measurements of the investments within the nuclear decommissioning trusts and the non-qualified deferred compensation trusts, external pricing vendors are designated for each asset class with each security specifically assigned a primary pricing source. For investments held within commingled funds, fair value is determined at the end of each business day through the net asset value, which is established by obtaining the underlying securities' individual prices from the primary pricing source. A market price secured from the primary source vendor is then evaluated by management in its valuation of the assets within the trusts. As a general approach, fixed income market pricing vendors gather market data (including indices and market research reports) and integrate relative credit information, observed market movements, and sector news into proprietary pricing models, pricing systems, and mathematical tools. Dealer quotes and other market information, including live trading levels and pricing analysts' judgments, are also obtained when available.

The NRC requires licensees of commissioned nuclear power reactors to establish a plan for providing reasonable assurance of funds for future decommissioning. See Note 6 to the financial statements under "Nuclear Decommissioning" in Item 8 of the Form 10-K for additional information.

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Southern Power has contingent payment obligations related to two of its acquisitions whereby it is primarily obligated to make generation-based payments to the seller, commencing at the commercial operation of each facility and continuing through 2026 and 2035, respectively. The obligations are primarily categorized as Level 3 under Fair Value Measurements as the fair value is determined using significant unobservable inputs for the forecasted facility's generation in MW-hours, as well as other inputs such as a fixed dollar amount per MW-hour, and a discount rate. The fair value of contingent consideration reflects the net present value of expected payments and any periodic change arising from forecasted generation is expected to be immaterial.

Southern Power also has payment obligations through 2040 whereby it must reimburse the transmission owners for interconnection facilities and network upgrades constructed to support connection of a Southern Power generating

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facility to the transmission system. The obligations are categorized as Level 2 under Fair Value Measurements as the fair value is determined using observable inputs for the contracted amounts and reimbursement period, as well as a discount rate. The fair value of the obligations reflects the net present value of expected payments.

"Other investments" primarily includes investments traded in the open market that have maturities greater than 90 days, which are categorized as Level 2 under Fair Value Measurements and are comprised of corporate bonds, bank certificates of deposit, treasury bonds, and/or agency bonds.

At September 30, 2023 March 31, 2024, the fair value measurements of private market investments held in Alabama Power's nuclear decommissioning trusts that are calculated at net asset value per share (or its equivalent) as a practical expedient totaled $177 million $179 million and unfunded commitments related to the private market investments totaled $72 million $83 million. Private market investments include high-quality private equity funds across several market sectors, funds that invest in real estate assets, and a private credit fund. Private market funds do not have redemption rights. Distributions from these funds will be received as the underlying investments in the funds are liquidated.

At September 30, 2023 March 31, 2024, other financial instruments for which the carrying amount did not equal fair value were as follows:

	Southern Company(*)	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas(*)
			(in billions)			

	Southern Company(*)	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas(*)
	(in billions)					(in billions)
Long-term debt, including securities due within one year:						
Long-term debt, including securities due within one year:						

Carrying amount	Carrying amount	$ 58.8	$ 11.2	$ 15.8	$ 1.6	$ 2.7	$ 8.1
Carrying amount							
Carrying amount							
Fair value	Fair value	50.8	9.4	13.4	1.3	2.4	6.5

(*) The carrying amount of Southern Company Gas' long-term debt includes fair value adjustments from the effective date of the 2016 merger with Southern Company. Southern Company Gas amortizes the fair value adjustments over the remaining lives of the respective bonds, the latest being through 2043.

The fair values are determined using Level 2 measurements and are based on quoted market prices for the same or similar issues or on the current rates available to the Registrants.

(J) DERIVATIVES

The Registrants are exposed to market risks, including commodity price risk, interest rate risk, weather risk, and occasionally foreign currency exchange rate risk. To manage the volatility attributable to these exposures, each company nets its exposures, where possible, to take advantage of natural offsets and enters into various derivative transactions for the remaining exposures pursuant to each company's policies in areas such as counterparty exposure and risk management practices. For the traditional electric operating companies, Southern Power, and Southern Company Gas' other businesses, each company's policy is that derivatives are to be used primarily for hedging purposes and mandates strict adherence to all applicable risk management policies. Derivative positions are monitored using techniques including, but not limited to, market valuation, value at risk, stress testing, and sensitivity analysis. Derivative instruments are recognized at fair value in the balance sheets as either assets or liabilities and are presented on a net basis. See Note (I) for additional fair value information. In the statements of cash flows, any cash impacts of settled energy-related and interest rate derivatives are recorded as operating activities. Any cash impacts of settled foreign currency derivatives are classified as operating or financing activities

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to correspond with the classification of the hedged interest or principal, respectively. See Note 1 to the financial statements under "Financial Instruments" in Item 8 of the Form 10-K for additional information.

Energy-Related Derivatives

The Subsidiary Registrants enter into energy-related derivatives to hedge exposures to electricity, natural gas, and other fuel price changes. However, due to cost-based rate regulations and other various cost recovery mechanisms, the traditional electric operating companies and the natural gas distribution utilities have limited exposure to market volatility in energy-related commodity prices. Each of the traditional electric operating companies and certain of the

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natural gas distribution utilities of Southern Company Gas manage fuel-hedging programs, implemented per the guidelines of their respective state PSCs or other applicable state regulatory agencies, through the use of financial derivative contracts, which are expected to continue to mitigate price volatility. The traditional electric operating companies (with respect to wholesale generating capacity) and Southern Power have limited exposure to market volatility in energy-related commodity prices because their long-term sales contracts shift substantially all fuel cost responsibility to the purchaser. However, the traditional electric operating companies and Southern Power may be exposed to market volatility in energy-related commodity prices to the extent any uncontracted capacity is used to sell electricity. Southern Company Gas retains exposure to price changes that can, in a volatile energy market, be material and can adversely affect its results of operations.

Southern Company Gas also enters into weather derivative contracts as economic hedges in the event of warmer-than-normal weather. Exchange-traded options are carried at fair value, with changes reflected in operating natural gas revenues. Non-exchange-traded options are accounted for using the intrinsic value method. Changes in the intrinsic value for non-exchange-traded contracts are reflected in operating natural gas revenues.

Energy-related derivative contracts are accounted for under one of three methods:

- *Regulatory Hedges* – Energy-related derivative contracts designated as regulatory hedges relate primarily to the traditional electric operating companies' and the natural gas distribution utilities' fuel-hedging programs, where gains and losses are initially recorded as regulatory liabilities and assets, respectively, and then are included in fuel expense as the underlying fuel is used in operations and ultimately recovered through an approved cost recovery mechanism.
- *Cash Flow Hedges* – Gains and losses on energy-related derivatives designated as cash flow hedges (which are mainly used to hedge anticipated purchases and sales) are initially deferred in accumulated OCI before being recognized in the statements of income in the same period and in the same income statement line item as the earnings effect of the hedged transactions.

- *Not Designated* – Gains and losses on energy-related derivative contracts that are not designated or fail to qualify as hedges are recognized in the statements of income as incurred.

Some energy-related derivative contracts require physical delivery as opposed to financial settlement, and this type of derivative is both common and prevalent within the electric and natural gas industries. When an energy-related derivative contract is settled physically, any cumulative unrealized gain or loss is reversed and the contract price is recognized in the respective line item representing the actual price of the underlying goods being delivered.

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At September 30, 2023March 31, 2024, the net volume of energy-related derivative contracts for natural gas positions, together with the longest hedge date over which the respective entity is hedging its exposure to the variability in future cash flows for forecasted transactions and the longest non-hedge date for derivatives not designated as hedges, were as follows:

		Net Purchased mmBtu	Longest Hedge Date	Longest Non-Hedge Date		Net Purchased mmBtu	Longest Hedge Date	Longest Non-Hedge Date
		(in millions)						
Southern Company(*)								
Southern Company(*)								
Southern Company(*)	Southern Company(*)	422	2030	2028		475	2030	2028
Alabama Power	Alabama Power	109	2026	—	Alabama Power	125	2027	2024
Georgia Power	Georgia Power	104	2026	—	Georgia Power	142	2026	2024
Mississippi Power	Mississippi Power	80	2027	—	Mississippi Power	108	2028	2024
Southern Power	Southern Power	8	2030	2024	Southern Power	7	2030	2024
Southern Company Gas(*)	Southern Company Gas(*)	121	2027	2028	Southern Company Gas(*)	93	2027	2028

(*) Southern Company Gas' derivative instruments include both long and short natural gas positions. A long position is a contract to purchase natural gas and a short position is a contract to sell natural gas. Southern Company Gas' volume represents the net of 135.5100.7 million mmBtu long natural gas positions and 14.27.8 million mmBtu short natural gas positions at September 30, 2023March 31, 2024, which is also included in Southern Company's total volume.

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In addition to the volumes discussed above, the traditional electric operating companies and Southern Power enter into physical natural gas supply contracts that provide the option to sell back excess natural gas due to operational constraints. The maximum expected volume of natural gas subject to such a feature is 14 million13 million mmBtu for Southern Company, which includes 4 million3 million mmBtu for Alabama Power, 5 million mmBtu for Georgia Power, 2 million mmBtu for Mississippi Power, and 3 million mmBtu for Southern Power.

For cash flow hedges of energy-related derivatives, the estimated pre-tax losses expected to be reclassified from accumulated OCI to earnings for the 12-month period ending September 30, 2024March 31, 2025 are $30 million$20 million for Southern Company, $25 million$16 million for Southern Company Gas, and immaterial for Southern Power.

Interest Rate Derivatives

Southern Company and certain subsidiaries may enter into interest rate derivatives to hedge exposure to changes in interest rates. Derivatives related to existing variable rate securities or forecasted transactions are accounted for as cash flow hedges where the derivatives' fair value gains or losses are recorded in OCI and are reclassified into earnings at the same time and presented on the same income statement line item as the earnings effect of the hedged transactions. Derivatives related to existing fixed rate securities are accounted for as fair value hedges, where the derivatives' fair value gains or losses and hedged items' fair value gains or losses are both recorded directly to earnings on the same income statement line item. Fair value gains or losses on derivatives that are not designated or fail to qualify as hedges are recognized in the statements of income as incurred.

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At September 30, 2023March 31, 2024, the following interest rate derivatives were outstanding:

	Notional Amount							Notional Amount	Weighted Average Interest Rate Paid	Interest Rate Received	Hedge Maturity Date	Fair Value Gain (Loss) at March 31, 2024
		Notional Amount	Weighted Average Interest Rate Paid	Interest Rate Received	Hedge Maturity Date	Fair Value Gain (Loss) at September 30, 2023		*(in millions)*			*(in millions)*	
		(in millions)				*(in millions)*						
Fair Value Hedges of Existing Debt	***Fair Value Hedges of Existing Debt***											
Fair Value Hedges of Existing Debt												
Fair Value Hedges of Existing Debt												
Southern Company parent												
Southern Company parent												
Southern Company parent	Southern Company parent	$ 400	1-month SOFR + 0.80%	1.75%	March 2028	$ (56)						
Southern Company parent	Southern Company parent	1,000	1-month SOFR + 2.48%	3.70%	April 2030	(196)						
Southern Company Gas	Southern Company Gas	500	1-month SOFR + 0.49%	1.75%	January 2031	(99)						
Southern Company	Southern Company	$ 1,900				$ (351)						

For cash flow hedges of interest rate derivatives, the estimated pre-tax lossesgains and (losses) expected to be reclassified from accumulated OCI to interest expense for the 12-month period ending September 30, 2024March 31, 2025 are $19 million$(17) million for Southern Company and immaterial for the traditional electric operating companies and Southern Company Gas. Deferred gains and losses related to interest rate derivatives are expected to be amortized into earnings through 20522054 for Southern Company, AlabamaGeorgia Power, and GeorgiaMississippi Power, 20282052 for MississippiAlabama Power, and 2046 for Southern Company Gas.

Foreign Currency Derivatives

Southern Company and certain subsidiaries, including Southern Power, may enter into foreign currency derivatives to hedge exposure to changes in foreign currency exchange rates, such as that arising from the issuance of debt denominated in a currency other than U.S. dollars. Derivatives related to forecasted transactions are accounted for as cash flow hedges where the derivatives' fair value gains or losses are recorded in OCI and are reclassified into earnings at the same time and on the same income statement line as the earnings effect of the hedged transactions, including foreign currency gains or losses arising from changes in the U.S. currency exchange rates. Derivatives related to existing fixed rate securities are accounted for as fair value hedges, where the derivatives' fair value gains or losses and hedged items' fair value gains or losses are both recorded directly to earnings on the same income

statement line item, including foreign currency gains or losses arising from changes in the U.S. currency exchange rates. Southern Company has elected to exclude the cross-currency basis spread from the assessment of effectiveness in the fair value hedges of its foreign currency risk and record any difference between the change in the fair value of the excluded components and the amounts recognized in earnings as a component of OCI.

At September 30, 2023March 31, 2024, the following foreign currency derivatives were outstanding:

		Pay Notional	Pay Rate	Receive Notional	Receive Rate	Hedge Maturity Date	Fair Value Gain (Loss) at September 30, 2023
		(in millions)		*(in millions)*			*(in millions)*
	Pay Notional	Pay Notional	Pay Rate	Receive Notional	Receive Rate	Hedge Maturity Date	Fair Value Gain (Loss) at March 31, 2024
	(in millions)	*(in millions)*			*(in millions)*		*(in millions)*
Cash Flow Hedges of Existing Debt	***Cash Flow Hedges of Existing Debt***						
Southern Power							
Southern Power							
Southern Power	Southern Power	$ 564	3.78%	€ 500	1.85%	June 2026	$ (42)
Fair Value Hedges of Existing Debt	***Fair Value Hedges of Existing Debt***						
Fair Value Hedges of Existing Debt							
Fair Value Hedges of Existing Debt							
Southern Company parent							
Southern Company parent							
Southern Company parent	Southern Company parent	1,476	3.39%	1,250	1.88%	September 2027	(150)
Southern Company	Southern Company	$ 2,040		€ 1,750			$ (192)

Southern Company

Southern Company

For cash flow hedges of foreign currency derivatives, the estimated pre-tax losses expected to be reclassified from accumulated OCI to earnings for the 12-month period ending September 30, 2024 March 31, 2025 are $10 million immaterial for Southern Power.

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Derivative Financial Statement Presentation and Amounts

The Registrants enter into derivative contracts that may contain certain provisions that permit intra-contract netting of derivative receivables and payables for routine billing and offsets related to events of default and settlements. Southern Company and certain subsidiaries also utilize master netting agreements to mitigate exposure to counterparty credit risk. These agreements may contain provisions that permit netting across product lines and against cash collateral. The fair value amounts of derivative assets and liabilities on the balance sheets are presented net to the extent that there are netting arrangements or similar agreements with the counterparties.

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The fair value of energy-related derivatives, interest rate derivatives, and foreign currency derivatives was reflected in the balance sheets as follows:

At March 31, 2024		At March 31, 2024		At December 31, 2023	
Derivative Category and Balance Sheet Location	**Derivative Category and Balance Sheet Location**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
(in millions)		*(in millions)*		*(in millions)*	
Southern Company					
Energy-related derivatives designated as hedging instruments for regulatory purposes					
Energy-related derivatives designated as hedging instruments for regulatory purposes					
Energy-related derivatives designated as hedging instruments for regulatory purposes					
Other current assets/Liabilities from risk management activities, net of collateral					
Other current assets/Liabilities from risk management activities, net of collateral					
Other current assets/Liabilities from risk management activities, net of collateral					

Other current assets/Other deferred credits and liabilities					

Derivative Category and Balance Sheet Location		At September 30, 2023 Assets	At September 30, 2023 Liabilities	At December 31, 2022 Assets	At December 31, 2022 Liabilities
Total derivatives designated as hedging instruments for regulatory purposes					
		(in millions)			
Southern Company					
Energy-related derivatives designated as hedging instruments for regulatory purposes					
Assets from risk management activities/Liabilities from risk management activities		**$ 34**	**$ 134**	$ 123	$ 121
Other deferred charges and assets/Other deferred credits and liabilities		**36**	**77**	52	44
Total derivatives designated as hedging instruments for regulatory purposes					
Total derivatives designated as hedging instruments for regulatory purposes	**Total derivatives designated as hedging instruments for regulatory purposes**	**70**	**211**	175	165
Derivatives designated as hedging instruments in cash flow and fair value hedges	**Derivatives designated as hedging instruments in cash flow and fair value hedges**				
Energy-related derivatives:	Energy-related derivatives:				
Assets from risk management activities/Liabilities from risk management activities		**—**	**28**	3	27
Energy-related derivatives:					
Energy-related derivatives:					
Other current assets/Liabilities from risk management activities, net of collateral					
Other current assets/Liabilities from risk management activities, net of collateral					
Other current assets/Liabilities from risk management activities, net of collateral					

Other deferred charges and assets/Other deferred credits and liabilities	Other deferred charges and assets/Other deferred credits and liabilities	**4**	**2**	6	4
Interest rate derivatives:	Interest rate derivatives:				
Assets from risk management activities/Liabilities from risk management activities		**—**	**80**	12	62
Other current assets/Liabilities from risk management activities, net of collateral					
Other current assets/Liabilities from risk management activities, net of collateral					
Other current assets/Liabilities from risk management activities, net of collateral					
Other deferred charges and assets/Other deferred credits and liabilities	Other deferred charges and assets/Other deferred credits and liabilities	**—**	**271**	—	240
Foreign currency derivatives:	Foreign currency derivatives:				
Assets from risk management activities/Liabilities from risk management activities		**—**	**35**	—	34
Other current assets/Liabilities from risk management activities, net of collateral					
Other current assets/Liabilities from risk management activities, net of collateral					
Other current assets/Liabilities from risk management activities, net of collateral					
Other deferred charges and assets/Other deferred credits and liabilities	Other deferred charges and assets/Other deferred credits and liabilities	**—**	**157**	—	182
Total derivatives designated as hedging instruments in cash flow and fair value hedges	**Total derivatives designated as hedging instruments in cash flow and fair value hedges**	**4**	**573**	21	549

Energy-related derivatives not designated as hedging instruments	**Energy-related derivatives not designated as hedging instruments**				
Assets from risk management activities/Liabilities from risk management activities		**5**	**8**	13	13
Other current assets/Liabilities from risk management activities, net of collateral					
Other current assets/Liabilities from risk management activities, net of collateral					
Other current assets/Liabilities from risk management activities, net of collateral					
Other deferred charges and assets/Other deferred credits and liabilities	Other deferred charges and assets/Other deferred credits and liabilities	**1**	**2**	2	1
Total derivatives not designated as hedging instruments					
Total derivatives not designated as hedging instruments					
Total derivatives not designated as hedging instruments	**Total derivatives not designated as hedging instruments**	**6**	**10**	15	14
Gross amounts recognized	**Gross amounts recognized**	**80**	**794**	211	728
Gross amounts offset(a)	**Gross amounts offset(a)**	**(37)**	**(86)**	(70)	(111)
Net amounts recognized in the Balance Sheets(b)	**Net amounts recognized in the Balance Sheets(b)**	**$ 43**	**$ 708**	$ 141	$ 617

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued) (UNAUDITED)

		At September 30, 2023		At December 31, 2022	
	At March 31, 2024				
Derivative Category and Balance Sheet Location	**Derivative Category and Balance Sheet Location**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
		(in millions)			
	(in millions)				

	At March 31, 2024		At December 31, 2023	
Derivative Category and Balance Sheet Location	**Assets**	**Liabilities**	**Assets**	**Liabilities**
	(in millions)		*(in millions)*	

Alabama Power(c)	**Alabama Power(c)**				
Energy-related derivatives designated as hedging instruments for regulatory purposes	**Energy-related derivatives designated as hedging instruments for regulatory purposes**				
Energy-related derivatives designated as hedging instruments for regulatory purposes					
Energy-related derivatives designated as hedging instruments for regulatory purposes					
Other current assets/Other current liabilities					
Other current assets/Other current liabilities					
Other current assets/Other current liabilities	Other current assets/Other current liabilities	**$ 15**	**$ 46**	$ 42	$ 21
Other deferred charges and assets/Other deferred credits and liabilities	Other deferred charges and assets/Other deferred credits and liabilities	**11**	**29**	20	18
Total derivatives designated as hedging instruments for regulatory purposes	**Total derivatives designated as hedging instruments for regulatory purposes**	**26**	**75**	62	39
Gross amounts offset	**Gross amounts offset**	**(17)**	**(17)**	(24)	(24)
Gross amounts offset					
Gross amounts offset					
Net amounts recognized in the Balance Sheets	**Net amounts recognized in the Balance Sheets**	**$ 9**	**$ 58**	$ 38	$ 15
Georgia Power	**Georgia Power**				
Georgia Power					
Georgia Power					

Energy-related derivatives designated as hedging instruments for regulatory purposes	**Energy-related derivatives designated as hedging instruments for regulatory purposes**				
Energy-related derivatives designated as hedging instruments for regulatory purposes					
Energy-related derivatives designated as hedging instruments for regulatory purposes					
Other current assets/Other current liabilities					
Other current assets/Other current liabilities					
Other current assets/Other current liabilities	Other current assets/Other current liabilities	**$ 4**	**$ 57**	$ 36	$ 43
Other deferred charges and assets/Other deferred credits and liabilities	Other deferred charges and assets/Other deferred credits and liabilities	**10**	**26**	6	18
Total derivatives designated as hedging instruments for regulatory purposes	**Total derivatives designated as hedging instruments for regulatory purposes**	**14**	**83**	42	61
Energy-related derivatives not designated as hedging instruments	**Energy-related derivatives not designated as hedging instruments**				
Energy-related derivatives not designated as hedging instruments					
Energy-related derivatives not designated as hedging instruments					
Other current assets/Other current liabilities	Other current assets/Other current liabilities	**—**	**—**	—	1
Other current assets/Other current liabilities					
Other current assets/Other current liabilities					

Gross amounts recognized					
Gross amounts recognized					
Gross amounts recognized	**Gross amounts recognized**	**14**	**83**	42	62
Gross amounts offset	**Gross amounts offset**	**(11)**	**(11)**	(21)	(21)
Net amounts recognized in the Balance Sheets	**Net amounts recognized in the Balance Sheets**	**$ 3**	**$ 72**	$ 21	$ 41
Mississippi Power(c)	**Mississippi Power(c)**				
Mississippi Power(c)					
Mississippi Power(c)					
Energy-related derivatives designated as hedging instruments for regulatory purposes	**Energy-related derivatives designated as hedging instruments for regulatory purposes**				
Energy-related derivatives designated as hedging instruments for regulatory purposes					
Energy-related derivatives designated as hedging instruments for regulatory purposes					
Other current assets/Other current liabilities					
Other current assets/Other current liabilities					
Other current assets/Other current liabilities	Other current assets/Other current liabilities	**$ 9**	**$ 22**	$ 33	$ 24
Other deferred charges and assets/Other deferred credits and liabilities	Other deferred charges and assets/Other deferred credits and liabilities	**15**	**22**	26	8
Total derivatives designated as hedging instruments for regulatory purposes	**Total derivatives designated as hedging instruments for regulatory purposes**	**24**	**44**	59	32
Gross amounts offset	**Gross amounts offset**	**(17)**	**(17)**	(17)	(17)
Gross amounts offset					
Gross amounts offset					

Net amounts recognized in the Balance Sheets	**Net amounts recognized in the Balance Sheets**	**$ 7**	**$ 27**	$ 42	$ 15

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)**

		At September 30, 2023		At December 31, 2022	
	At March 31, 2024				
Derivative Category and Balance Sheet Location	Derivative Category and Balance Sheet Location	Assets	Liabilities	Assets	Liabilities
		(in millions)			
	(in millions)				
Southern Power	**Southern Power**				
Derivatives designated as hedging instruments in cash flow and fair value hedges	**Derivatives designated as hedging instruments in cash flow and fair value hedges**				
Derivatives designated as hedging instruments in cash flow and fair value hedges					
Derivatives designated as hedging instruments in cash flow and fair value hedges					
Energy-related derivatives:	Energy-related derivatives:				
Energy-related derivatives:					
Energy-related derivatives:					
Other current assets/Other current liabilities					
Other current assets/Other current liabilities					
Other current assets/Other current liabilities	Other current assets/Other current liabilities	**$ —**	**$ 5**	$ —	$ 12
Other deferred charges and assets/Other deferred credits and liabilities	Other deferred charges and assets/Other deferred credits and liabilities	**4**	**—**	5	—

Derivative Category and Balance Sheet Location	At March 31, 2024		At December 31, 2023	
	Assets	Liabilities	Assets	Liabilities
	(in millions)		(in millions)	

Foreign currency derivatives:	Foreign currency derivatives:				
Other current assets/Other current liabilities					
Other current assets/Other current liabilities					
Other current assets/Other current liabilities	Other current assets/Other current liabilities	**—**	**11**	—	11
Other deferred charges and assets/Other deferred credits and liabilities	Other deferred charges and assets/Other deferred credits and liabilities	**—**	**31**	—	36
Total derivatives designated as hedging instruments in cash flow and fair value hedges	**Total derivatives designated as hedging instruments in cash flow and fair value hedges**	**4**	**47**	5	59
Energy-related derivatives not designated as hedging instruments	**Energy-related derivatives not designated as hedging instruments**				
Other current assets/Other current liabilities	Other current assets/Other current liabilities	**1**	**1**	2	—
Other deferred charges and assets/Other deferred credits and liabilities		**—**	**—**	1	—
Total derivatives not designated as hedging instruments		**1**	**1**	3	—
Gross amounts recognized		**5**	**48**	8	59
Gross amounts offset		**(1)**	**(1)**	—	—
Other current assets/Other current liabilities					
Other current assets/Other current liabilities					
Net amounts recognized in the Balance Sheets					
Net amounts recognized in the Balance Sheets					
Net amounts recognized in the Balance Sheets	**Net amounts recognized in the Balance Sheets**	**$ 4**	**$ 47**	$ 8	$ 59

Southern Company Gas	**Southern Company Gas**				
Southern Company Gas					
Southern Company Gas					
Energy-related derivatives designated as hedging instruments for regulatory purposes					
Energy-related derivatives designated as hedging instruments for regulatory purposes					
Energy-related derivatives designated as hedging instruments for regulatory purposes	**Energy-related derivatives designated as hedging instruments for regulatory purposes**				
Other current assets/Other current liabilities	Other current assets/Other current liabilities	**$ 6**	**$ 9**	$ 12	$ 33
Other current assets/Other current liabilities					
Other current assets/Other current liabilities					
Other deferred charges and assets/Other deferred credits and liabilities					
Total derivatives designated as hedging instruments for regulatory purposes					
Derivatives designated as hedging instruments in cash flow and fair value hedges	**Derivatives designated as hedging instruments in cash flow and fair value hedges**				
Energy-related derivatives:	Energy-related derivatives:				
Energy-related derivatives:					
Energy-related derivatives:					
Other current assets/Other current liabilities					
Other current assets/Other current liabilities					

Other current assets/Other current liabilities	Other current assets/Other current liabilities	**—**	**23**	3	15
Other deferred charges and assets/Other deferred credits and liabilities	Other deferred charges and assets/Other deferred credits and liabilities	**—**	**2**	1	4
Interest rate derivatives:	Interest rate derivatives:				
Other current assets/Other current liabilities					
Other current assets/Other current liabilities					
Other current assets/Other current liabilities	Other current assets/Other current liabilities	**—**	**21**	—	14
Other deferred charges and assets/Other deferred credits and liabilities	Other deferred charges and assets/Other deferred credits and liabilities	**—**	**78**	—	72
Total derivatives designated as hedging instruments in cash flow and fair value hedges	**Total derivatives designated as hedging instruments in cash flow and fair value hedges**	**—**	**124**	4	105
Energy-related derivatives not designated as hedging instruments	**Energy-related derivatives not designated as hedging instruments**				
Other current assets/Other current liabilities	Other current assets/Other current liabilities	**4**	**7**	11	12
Other current assets/Other current liabilities					
Other current assets/Other current liabilities					

Other deferred charges and assets/Other deferred credits and liabilities	Other deferred charges and assets/Other deferred credits and liabilities	**1**	**2**	1	1
Total derivatives not designated as hedging instruments					
Total derivatives not designated as hedging instruments					
Total derivatives not designated as hedging instruments	**Total derivatives not designated as hedging instruments**	**5**	**9**	12	13
Gross amounts recognized	**Gross amounts recognized**	**11**	**142**	28	151
Gross amounts offset(a)	**Gross amounts offset(a)**	**9**	**(40)**	—	(41)
Net amounts recognized in the Balance Sheets(b)	**Net amounts recognized in the Balance Sheets(b)**	**$ 20**	**$ 102**	$ 28	$ 110

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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(a) Gross amounts offset includes cash collateral held on deposit in broker margin accounts of $49 million $54 million and $41 million $62 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

(b) Net amounts of derivative instruments outstanding exclude immaterial premium and intrinsic value associated with weather derivatives for both periods presented.

(c) Energy-related derivatives not designated as hedging instruments were immaterial for Alabama Power and Mississippi Power at December 31, 2022 March 31, 2024. There were no such instruments for Alabama Power and Mississippi Power at September 30, 2023 December 31, 2023.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the pre-tax effects of unrealized derivative gains (losses) arising from energy-related derivative instruments designated as regulatory hedging instruments and deferred were as follows:

							Regulatory Hedge Unrealized Gain (Loss) Recognized in the Balance Sheet						
Derivative Category and Balance Sheet Location	**Derivative Category and Balance Sheet Location**	**Southern Company**	**Alabama Power**	**Georgia Power**	**Mississippi Power**	**Southern Company Gas**	**Derivative Category and Balance Sheet Location**		**Southern Company**	**Alabama Power**	**Georgia Power**	**Mississippi Power**	**Southern Company Gas**
				(in millions)							*(in millions)*		
At September 30, 2023:													
At March 31, 2024:													
Energy-related derivatives:	Energy-related derivatives:												
Energy-related derivatives:													
Energy-related derivatives:													

Other regulatory assets, current

Other regulatory assets, current

Other regulatory assets, current	Other regulatory assets, current	$	(113)	$	(39)	$	(54)	$	(16)	$	(4)
Other regulatory assets, deferred	Other regulatory assets, deferred		(48)		(19)		(18)		(11)		—
Other regulatory liabilities, current	Other regulatory liabilities, current		23		8		1		4		10

Other regulatory liabilities, current

Other regulatory liabilities, current

Other regulatory liabilities, deferred	Other regulatory liabilities, deferred		6		1		2		3		—
Total energy-related derivative gains (losses)	**Total energy-related derivative gains (losses)**	$	(132)	$	(49)	$	(69)	$	(20)	$	6

At December 31, 2022:

At December 31, 2023:

At December 31, 2023:

At December 31, 2023:

Energy-related derivatives: Energy-related derivatives:

Energy-related derivatives:

Energy-related derivatives:

Other regulatory assets, current

Other regulatory assets, current

Other regulatory assets, current	Other regulatory assets, current	$	(71)	$	(8)	$	(26)	$	(13)	$	(24)
Other regulatory assets, deferred	Other regulatory assets, deferred		(23)		(7)		(14)		(2)		—

Other regulatory liabilities, current	Other regulatory liabilities, current	72	29	19	22	2
Other regulatory liabilities, deferred	Other regulatory liabilities, deferred	31	9	2	20	—
Total energy-related derivative gains (losses)	**Total energy-related derivative gains (losses)**	$ 9	$ 23	$ (19)	$ 27	$ (22)

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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For the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, the pre-tax effects of cash flow and fair value hedge accounting on accumulated OCI for the applicable Registrants were as follows:

Gain (Loss) Recognized in OCI on Derivatives	Gain (Loss) Recognized in OCI on Derivatives	For the Three Months Ended September 30, 2023	2022	For the Nine Months Ended September 30, 2023	2022
		(in millions)			

Gain (Loss) Recognized in OCI on Derivatives	Gain (Loss) Recognized in OCI on Derivatives	For the Three Months Ended March 31, 2024	2023
(in millions)			*(in millions)*

Southern Company	**Southern Company**				
Cash flow hedges:	Cash flow hedges:				
Cash flow hedges:					
Cash flow hedges:					
Energy-related derivatives					
Energy-related derivatives					
Energy-related derivatives	Energy-related derivatives	$ (4)	$ 11	$ (55)	$ 51
Interest rate derivatives	Interest rate derivatives	(3)	6	(12)	36
Foreign currency derivatives	Foreign currency derivatives	(15)	(35)	(6)	(137)
Fair value hedges(*):	Fair value hedges(*):				

Foreign currency derivatives	Foreign currency derivatives	27	20	28	18
Foreign currency derivatives					
Foreign currency derivatives					
Total	Total	$ 5	$ 2	$(45)	$ (32)
Georgia Power	**Georgia Power**				
Georgia Power					
Georgia Power					
Cash flow hedges:					
Cash flow hedges:					
Cash flow hedges:	Cash flow hedges:				
Interest rate derivatives	Interest rate derivatives	$ —	$ —	$ (3)	$ 31
Interest rate derivatives					
Interest rate derivatives					
Mississippi Power					
Mississippi Power					
Mississippi Power					
Cash flow hedges:					
Cash flow hedges:					
Cash flow hedges:					
Interest rate derivatives					
Interest rate derivatives					
Interest rate derivatives					
Southern Power	**Southern Power**				
Cash flow hedges:	Cash flow hedges:				
Cash flow hedges:					
Cash flow hedges:					
Energy-related derivatives					
Energy-related derivatives					
Energy-related derivatives	Energy-related derivatives	$ —	$(11)	$(14)	$ (4)
Foreign currency derivatives					
Foreign currency derivatives					
Foreign currency derivatives	Foreign currency derivatives	(15)	(35)	(6)	(137)
Total	Total	$(15)	$(46)	$(20)	$(141)
Southern Company Gas	**Southern Company Gas**				

Cash flow hedges:	Cash flow hedges:				
Cash flow hedges:					
Cash flow hedges:					
Energy-related derivatives					
Energy-related derivatives					
Energy-related derivatives	Energy-related derivatives	$ (4)	$ 22	$(41)	$ 55
Interest rate derivatives	Interest rate derivatives	(4)	5	—	—
Total	Total	$ (8)	$ 27	$(41)	$ 55

(*) Represents amounts excluded from the assessment of effectiveness for which the difference between changes in fair value and periodic amortization is recorded in OCI.

For the three and nine months ended September 30, 2022, the pre-tax effects of interest rate derivatives designated as cash flow hedging instruments on accumulated OCI were immaterial for Alabama Power and there were no such effects in 2023.

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For the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, the pre-tax effects of cash flow and fair value hedge accounting on income were as follows:

Location and Amount of Gain (Loss) Recognized in Income on Cash Flow and Fair Value Hedging Relationships	Location and Amount of Gain (Loss) Recognized in Income on Cash Flow and Fair Value Hedging Relationships	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
		2023	2022	2023	2022
		(in millions)			

Location and Amount of Gain (Loss) Recognized in Income on Cash Flow and Fair Value Hedging Relationships	For the Three Months Ended March 31,	
	2024	2023
	2024	
	2024	
	2024	
	2024	
	2024	
	2024	
	2024	
	2024	
	2024	
	2024	
	2024	
	2024	
	2024	
	2024	
	(in millions)	(in millions)

Southern Company	Southern Company				
Total cost of natural gas					
Total cost of natural gas					
Total cost of natural gas	**Total cost of natural gas**	$ 102	$ 294	$1,199	$1,840
Gain (loss) on energy-related cash flow hedges(a)	*Gain (loss) on energy-related cash flow hedges(a)*	(4)	9	(32)	28
Total other operations and maintenance	**Total other operations and maintenance**	1,424	1,527	4,352	4,568
Gain (loss) on energy-related cash flow hedges(a)	*Gain (loss) on energy-related cash flow hedges(a)*	(1)	—	(2)	—
Total depreciation and amortization	**Total depreciation and amortization**	1,143	922	3,365	2,728
Gain (loss) on energy-related cash flow hedges(a)	*Gain (loss) on energy-related cash flow hedges(a)*	(5)	(1)	(18)	5
Total interest expense, net of amounts capitalized	**Total interest expense, net of amounts capitalized**	(620)	(511)	(1,812)	(1,461)
Gain (loss) on interest rate cash flow hedges(a)	*Gain (loss) on interest rate cash flow hedges(a)*	(22)	(7)	(31)	(19)
Gain (loss) on foreign currency cash flow hedges(a)	*Gain (loss) on foreign currency cash flow hedges(a)*	(3)	(3)	(8)	(16)
Gain (loss) on interest rate fair value hedges(b)	*Gain (loss) on interest rate fair value hedges(b)*	(47)	(102)	(50)	(300)
Total other income (expense), net	**Total other income (expense), net**	141	132	428	414
Gain (loss) on foreign currency cash flow hedges(a)(c)	*Gain (loss) on foreign currency cash flow hedges(a)(c)*	(14)	(32)	(4)	(129)
Gain (loss) on foreign currency fair value hedges	*Gain (loss) on foreign currency fair value hedges*	(7)	(59)	19	(180)

Amount excluded from effectiveness testing recognized in earnings	*Amount excluded from effectiveness testing recognized in earnings*	(27)	(21)	(28)	(17)
Southern Power	**Southern Power**				
Southern Power					
Southern Power					
Total depreciation and amortization					
Total depreciation and amortization					
Total depreciation and amortization	**Total depreciation and amortization**	$ 130	$ 133	$ 380	$ 384
Gain (loss) on energy-related cash flow hedges[a]	*Gain (loss) on energy-related cash flow hedges*[a]	(5)	(1)	(18)	5
Total interest expense, net of amounts capitalized	**Total interest expense, net of amounts capitalized**	(32)	(32)	(98)	(105)
Gain (loss) on foreign currency cash flow hedges[a]	*Gain (loss) on foreign currency cash flow hedges*[a]	(3)	(3)	(8)	(16)
Total other income (expense), net	**Total other income (expense), net**	4	3	8	5
Gain (loss) on foreign currency cash flow hedges[a][c]	*Gain (loss) on foreign currency cash flow hedges*[a][c]	(14)	(32)	(4)	(129)
Southern Company Gas	**Southern Company Gas**				
Total cost of natural gas	**Total cost of natural gas**	$ 102	$ 294	$1,199	$1,840
Total cost of natural gas					
Total cost of natural gas					
Gain (loss) on energy-related cash flow hedges[a]	*Gain (loss) on energy-related cash flow hedges*[a]	(4)	9	(32)	28
Total other operations and maintenance	**Total other operations and maintenance**	264	252	879	824

Gain (loss) on energy-related cash flow hedges(a)	*Gain (loss) on energy-related cash flow hedges(a)*	(1)	—	(2)	—
Total interest expense, net of amounts capitalized	**Total interest expense, net of amounts capitalized**	(77)	(65)	(226)	(187)
Gain (loss) on interest rate cash flow hedges(a)	*Gain (loss) on interest rate cash flow hedges(a)*	(18)	(2)	(18)	(3)
Gain (loss) on interest rate fair value hedges(b)	*Gain (loss) on interest rate fair value hedges(b)*	(11)	(30)	(14)	(87)

(a) Reclassified from accumulated OCI into earnings.

(b) For fair value hedges, changes in the fair value of the derivative contracts are generally equal to changes in the fair value of the underlying debt and have no material impact on income.

(c) The reclassification from accumulated OCI into other income (expense), net completely offsets currency gains and losses arising from changes in the U.S. currency exchange rates used to record the euro-denominated notes.

The pre-tax effects of cash flow and fair value hedge accounting on income for interest rate derivatives were immaterial for the traditional electric operating companies for all both periods presented.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the following amounts were recorded on the balance sheets related to cumulative basis adjustments for fair value hedges:

		Carrying Amount of the Hedged Item		Cumulative Amount of Fair Value Hedging Adjustment included in Carrying Amount of the Hedged Item			Carrying Amount of the Hedged Item		Cumulative Amount of Fair Value Hedging Adjustment included in Carrying Amount of the Hedged Item	
Balance Sheet Location of Hedged Items	**Balance Sheet Location of Hedged Items**	**At September 30, 2023**	**At December 31, 2022**	**At September 30, 2023**	**At December 31, 2022**	**Balance Sheet Location of Hedged Items**	**At March 31, 2024**	**At December 31, 2023**	**At March 31, 2024**	**At December 31, 2023**
		(in millions)		*(in millions)*			*(in millions)*		*(in millions)*	
Southern Company	**Southern Company**									
Long-term debt	Long-term debt	$ (2,873)	$ (2,927)	$ 328	$ 282					
Long-term debt										
Long-term debt										
Southern Company Gas										
Southern Company Gas										

Southern Company Gas	Southern Company Gas							
Long-term debt	Long-term debt	$	(402)	$	(415)	$	95	$ 81

Long-term debt

Long-term debt

For the three and nine months ended September 30, 2023March 31, 2024 and 2022, the 2023, pre-tax effects of gains on energy-related derivatives not designated as hedging instruments were $47 million and $13 million, respectively, and reflected in cost of natural gas on the statements of income of Southern Company and Southern Company Gas were as follows:

		Gain (Loss)						
		Three Months Ended September 30,			Nine Months Ended September 30,			
Derivatives in Non-Designated Hedging Relationships	Statements of Income Location		2023	2022		2023	2022	
		(in millions)			(in millions)			
Energy-related derivatives:	Natural gas revenues(*)	$	—	$ 3	$	—	$	(10)
	Cost of natural gas		7	(2)		36		(7)
Total derivatives in non-designated hedging relationships		$	7	$ 1	$	36	$	(17)

(*) Excludes $14 million of gains for the nine months ended September 30, 2023, and immaterial amounts for all other periods presented, recorded in natural gas revenues associated with weather derivatives.

For the three and nine months ended September 30, 2023 and 2022, the pre-tax effects of energy-related derivatives not designated as hedging instruments were immaterial for the other Registrants.

Contingent Features

The Registrants do not have any credit arrangements that would require material changes in payment schedules or terminations as a result of a credit rating downgrade. There are certain derivatives that could require collateral, but not accelerated payment, in the event of various credit rating changes of certain Southern Company subsidiaries. Generally, collateral may be provided by a Southern Company guaranty, letter of credit, or cash. At September 30, 2023March 31, 2024, the Registrants had no collateral posted with derivative counterparties to satisfy these arrangements.

For Southern Company, the fair value of foreign currency derivative liabilities and interest rate derivative liabilities with contingent features, and the maximum potential collateral requirements arising from the credit-risk-related contingent features at a rating below BBB- and/or Baa3, was $78$66 million at September 30, 2023March 31, 2024. For Southern Power, the fair value of foreign currency derivative liabilities with contingent features, and the maximum potential collateral requirements arising from the credit-risk-related contingent features at a rating below BBB- and/or Baa3, was $20$17 million at September 30, 2023March 31, 2024. For the traditional electric operating companies and Southern Power, energy-related derivative liabilities with contingent features and the maximum potential collateral requirements arising from the credit-risk-related contingent features, at a rating below BBB- and/or Baa3, were immaterial at September 30, 2023March 31, 2024. The maximum potential collateral requirements arising from the credit-risk-related contingent features for the traditional electric operating companies and Southern Power include certain agreements that could

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require collateral in the event that one or more Southern Company power pool participants has a credit rating change to below investment grade.

Alabama Power and Southern Power maintain accounts with certain regional transmission organizations to facilitate financial derivative transactions and they may be required to post collateral based on the value of the positions in these accounts and the associated margin requirements. At September 30, 2023March 31, 2024, cash collateral posted in these accounts was $18 million$13 million for Southern Power and immaterial for Alabama Power. Southern Company Gas maintains accounts with brokers or the clearing houses of certain exchanges to facilitate financial derivative transactions. Based on the value of the positions in these accounts and the associated margin requirements, Southern Company Gas may be required to deposit cash into these accounts. At September 30, 2023March 31, 2024, cash collateral held on deposit in broker margin accounts was $49 million$54 million.

The Registrants are exposed to losses related to financial instruments in the event of counterparties' nonperformance. The Registrants only generally enter into agreements and material transactions with counterparties that have investment grade credit ratings by Moody's and S&P or with counterparties who have posted collateral to

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cover potential credit exposure. The Registrants have also established risk management policies and controls to determine and monitor the creditworthiness of counterparties in order to mitigate their exposure to counterparty credit risk.

Southern Company Gas uses established credit policies to determine and monitor the creditworthiness of counterparties, including requirements to post collateral or other credit security, as well as the quality of pledged collateral. Collateral or credit security is most often in the form of cash or letters of credit from an investment-grade financial institution, but may also include cash or U.S. government securities held by a trustee. Prior to entering a physical transaction, Southern Company Gas assigns its counterparties an internal credit rating and credit limit based on the counterparties' Moody's, S&P, and Fitch ratings, commercially available credit reports, and audited financial statements. Southern Company Gas may require counterparties to pledge additional collateral when deemed necessary.

Southern Company Gas utilizes netting agreements whenever possible to mitigate exposure to counterparty credit risk. Netting agreements enable Southern Company Gas to net certain assets and liabilities by counterparty across product lines and against cash collateral, provided the netting and cash collateral agreements include such provisions. While the amounts due from, or owed to, counterparties are settled net, they are recorded on a gross basis on the balance sheet as energy marketing receivables and energy marketing payables.

The Registrants do not anticipate a material adverse effect on their respective financial statements as a result of counterparty nonperformance.

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(K) ACQUISITIONS AND DISPOSITIONS

See Note 15 to the financial statements in Item 8 of the Form 10-K for additional information.

Southern Power

Asset Acquisitions Construction Projects

Southern Power's asset acquisitions during During the nine three months ended September 30, 2023 are detailed March 31, 2024, Southern Power continued construction of the Millers Branch and South Cheyenne solar facilities. At March 31, 2024, total costs of construction incurred for these projects were $272 million, which is primarily included in the following table: CWIP.

Project Facility	Resource	Seller	Approximate Nameplate Capacity (*MW*)	Location	Southern Power Ownership Percentage	Expected COD	PPA Contract Period
Millers Branch(*)	Solar	EDF Renewables, Inc.	200	Haskell County, TX	100%	Fourth quarter 2025	20 years
South Cheyenne	Solar	Hanwha Q Cells USA Corp.	150	Laramie County, WY	100%	First quarter 2024	20 years

Project Facility	Resource	Approximate Nameplate Capacity (*MW*)	Location	Projected/ Actual COD	PPA Contract Period
Projects Under Construction at March 31, 2024					
Millers Branch(a)					
Phase I	Solar	200	Haskell County, TX	Fourth quarter 2025	20 years
Phase II	Solar	180	Haskell County, TX	Second quarter 2026	15 years
South Cheyenne	Solar	150	Laramie County, WY	Second quarter 2024(b)	20 years

(*) (a) The Millers Branch project includes an option to expand capacity up to an additional 300 a total of approximately 500 MWs.

The aggregate purchase price for the two projects was $193 million, which is primarily recorded within construction work in progress on the balance sheet.

Southern Company Gas

On September 22, 2023(b) Subsequent to March 31, 2024, Southern Company Gas Power completed construction of and placed in service the sale of its California natural gas storage facility, resulting in an immaterial loss. 150-MW South Cheyenne solar facility.

(L) SEGMENT AND RELATED INFORMATION

Southern Company

The primary businesses of the Southern Company system are electricity sales by the traditional electric operating companies and Southern Power and the distribution of natural gas by Southern Company Gas. The traditional electric operating companies are vertically integrated utilities providing electric service in three

Southeastern states. Southern Power develops, constructs, acquires, owns, and manages power generation assets, including renewable energy and battery energy storage projects, and sells electricity at market-based rates in the wholesale market.

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Southern Company Gas distributes natural gas through its natural gas distribution utilities and is involved in several other complementary businesses including gas pipeline investments and gas marketing services.

Southern Company's reportable business segments are the sale of electricity by the traditional electric operating companies, the sale of electricity in the competitive wholesale market by Southern Power, and the sale of natural gas and other complementary products and services by Southern Company Gas. Revenues from sales by Southern Power to the traditional electric operating companies were $156 million $92 million and $406 million $135 million for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $336 million and $673 million for the three and nine months ended September 30, 2022, 2023, respectively. Revenues from sales of natural gas from Southern Company Gas to the traditional electric operating companies and Southern Power were immaterial for all both periods presented. The "All Other" column includes the Southern Company parent entity, which does not allocate operating expenses to business segments. Also, this category includes segments below the quantitative threshold for separate disclosure. These segments include providing distributed energy and resilience solutions and deploying microgrids for commercial, industrial, governmental, and utility customers, as well as investments in telecommunications. All other inter-segment revenues are not material.

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Financial data for business segments and products and services for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 was as follows:

	Electric Utilities							
	Traditional Electric Operating Companies							
	Traditional Electric Operating Companies							
	Traditional Electric Operating Companies	Southern Power	Eliminations	Total	Southern Company Gas	All Other	Eliminations	Consolidated
	(in millions)							

	Electric Utilities							
	Traditional Electric Operating Companies	Southern Power	Eliminations	Total	Southern Company Gas	All Other	Eliminations	Consolidated
Three Months Ended March 31, 2024								
	(in millions)							
Three Months Ended September 30, 2023								
Three Months Ended March 31, 2024								
Three Months Ended March 31, 2024								

Operating revenues	Operating revenues	$ 5,674	$ 653	$ (160)	$ 6,167	$ 689	$ 154	$ (30)	$ 6,980
Segment net income (loss)(a)(b)(c)		1,419	100	—	1,519	82	(179)	—	1,422
Nine Months Ended September 30, 2023									
Operating revenues	Operating revenues	$ 14,145	$ 1,686	$ (417)	$ 15,414	$ 3,417	$ 499	$ (122)	$ 19,208
Segment net income (loss)(a)(b)(c)(d)		2,852	288	—	3,140	475	(490)	(4)	3,121
At September 30, 2023									
Operating revenues									
Segment net income (loss)(a)									
At March 31, 2024									
Goodwill									
Goodwill									
Goodwill	Goodwill	$ —	$ 2	$ —	$ 2	$ 5,015	$ 144	$ —	$ 5,161
Total assets	Total assets	99,464	13,090	(568)	111,986	24,823	2,370	(858)	138,321
Three Months Ended September 30, 2022									
Three Months Ended March 31, 2023									
Three Months Ended March 31, 2023									
Three Months Ended March 31, 2023									
Operating revenues									
Operating revenues									
Operating revenues	Operating revenues	$ 6,938	$ 1,180	$ (691)	$ 7,427	$ 857	$ 135	$ (41)	$ 8,378
Segment net income (loss)(a)(b)	Segment net income (loss)(a)(b)	1,445	95	—	1,540	83	(152)	1	1,472
Nine Months Ended September 30, 2022									
Operating revenues		$ 16,716	$ 2,618	$ (1,391)	$ 17,943	$ 3,998	$ 418	$ (127)	$ 22,232
Segment net income (loss)(a)(b)		3,256	265	—	3,521	516	(415)	(11)	3,611
At December 31, 2022									
At December 31, 2023									
Goodwill									
Goodwill									
Goodwill	Goodwill	$ —	$ 2	$ —	$ 2	$ 5,015	$ 144	$ —	$ 5,161
Total assets	Total assets	95,861	13,081	(659)	108,283	24,621	2,665	(678)	134,891

(a) Attributable to Southern Company.

(b) For the traditional electric operating companies, includes pre-tax charges (credits) to income at Georgia Power for the estimated probable loss associated with the construction of Plant Vogtle Units 3 and 4 of $160 million ($120 million after tax) for the three and nine months ended September 30, 2023 and $(70) million ($(52) million after tax) and $(18) million ($(13) million after tax) for the three and nine months ended September 30, 2022, respectively. See Note (B) and Note 2 to the financial statements in Item 8 of the Form 10-K under "Georgia Power – Nuclear Construction" for additional information.

(c) For Southern Power, includes an $18 million pre-tax loss recovery ($9 million after tax and partnership allocations) for the three and nine months ended September 30, 2023 related to an arbitration interim award and a $16 million pre-tax gain ($12 million after tax) on the sale of spare parts for the nine months ended September 30, 2023. See Note (C) under "General Litigation Matters – Southern Power" for additional information.

(d) For Southern Company Gas, includes a pre-tax charge of approximately $38 million ($28 million after tax) associated with the disallowance of certain capital expenditures at Nicor Gas. See Note (B) under "Southern Company Gas" for additional information. parts.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

Products and Services

	Electric Utilities' Revenues			
	Retail	Wholesale	Other	Total
	(in millions)			
Three Months Ended September 30, 2023	**$ 5,139**	**$ 727**	**$ 301**	**$ 6,167**
Three Months Ended September 30, 2022	5,961	1,197	269	7,427
Nine Months Ended September 30, 2023	**$ 12,597**	**$ 1,930**	**$ 887**	**$ 15,414**
Nine Months Ended September 30, 2022	14,363	2,798	782	17,943

	Electric Utilities' Revenues			
	Retail	Wholesale	Other	Total
	(in millions)			
Three Months Ended March 31, 2024	**$ 3,941**	**$ 571**	**$ 303**	**$ 4,815**
Three Months Ended March 31, 2023	3,599	599	285	4,483

	Southern Company Gas' Revenues			
	Gas Distribution Operations	Gas Marketing Services	Other	Total
	(in millions)			
Three Months Ended September 30, 2023	**$ 617**	**$ 56**	**$ 16**	**$ 689**
Three Months Ended September 30, 2022	748	85	24	857
Nine Months Ended September 30, 2023	**$ 2,989**	**$ 376**	**$ 52**	**$ 3,417**
Nine Months Ended September 30, 2022	3,513	420	65	3,998

	Southern Company Gas' Revenues			
	Gas Distribution Operations	Gas Marketing Services	Other	Total
	(in millions)			
Three Months Ended March 31, 2024	**$ 1,459**	**$ 235**	**$ 13**	**$ 1,707**
Three Months Ended March 31, 2023	1,610	246	19	1,875

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
(UNAUDITED)

Southern Company Gas

Southern Company Gas manages its business through three reportable segments – gas distribution operations, gas pipeline investments, and gas marketing services. The non-reportable segments are combined and presented as all other.

Gas distribution operations is the largest component of Southern Company Gas' business and includes natural gas local distribution utilities that construct, manage, and maintain intrastate natural gas pipelines and gas distribution facilities in four states.

Gas pipeline investments consists of joint ventures in natural gas pipeline investments including a 50% interest in SNG and a 50% joint ownership interest in the Dalton Pipeline. These natural gas pipelines enable the provision of diverse sources of natural gas supplies to the customers of Southern Company Gas. See Note 7 to the financial statements under "Southern Company Gas" in Item 8 of the Form 10-K for additional information.

Gas marketing services provides natural gas marketing to end-use customers primarily in Georgia and Illinois through SouthStar.

The all other "All other" column includes segments and subsidiaries that fall below the quantitative threshold for separate disclosure, including storage and fuels operations. The all other "All other" column included a natural gas storage facility in Texas through its sale in November 2022 and a natural gas storage facility in California through its sale in September 2023. See Note 15 to the financial statements in Item 8 of the Form 10-K and Note (K) under "Southern Company Gas" for additional information.

Business segment financial data for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 was as follows:

	Gas Distribution Operations	Gas Pipeline Investments	Gas Marketing Services	Total	All Other	Eliminations	Consolidated
				(in millions)			
Three Months Ended September 30, 2023							
Operating revenues	**$ 619**	**$ 8**	**$ 56**	**$ 683**	**$ 8**	**$ (2)**	**$ 689**
Segment net income (loss)	**70**	**24**	**2**	**96**	**(14)**	**—**	**82**
Nine Months Ended September 30, 2023							
Operating revenues	**$ 3,002**	**$ 24**	**$ 376**	**$ 3,402**	**$ 30**	**$ (15)**	**$ 3,417**
Segment net income(*)	**352**	**73**	**59**	**484**	**(9)**	**—**	**475**
Total assets at September 30, 2023	**22,625**	**1,542**	**1,519**	**25,686**	**9,795**	**(10,658)**	**24,823**
Three Months Ended September 30, 2022							
Operating revenues	$ 751	$ 8	$ 85	$ 844	$ 16	$ (3)	$ 857
Segment net income (loss)	59	24	(2)	81	2	—	83
Nine Months Ended September 30, 2022							
Operating revenues	$ 3,533	$ 24	$ 420	$ 3,977	$ 43	$ (22)	$ 3,998
Segment net income	365	76	65	506	10	—	516
Total assets at December 31, 2022	22,040	1,577	1,616	25,233	8,943	(9,555)	24,621

(*) For gas distribution operations, includes a pre-tax charge of approximately $38 million ($28 million after tax) associated with the disallowance of certain capital expenditures at Nicor Gas. See Note (B) under "Southern Company Gas" for additional information.

	Gas Distribution Operations	Gas Pipeline Investments	Gas Marketing Services	Total	All Other	Eliminations	Consolidated
				(in millions)			
Three Months Ended March 31, 2024							
Operating revenues	**$ 1,463**	**$ 8**	**$ 235**	**$ 1,706**	**$ 6**	**$ (5)**	**$ 1,707**
Segment net income	**302**	**30**	**65**	**397**	**12**	**—**	**409**
Total assets at March 31, 2024	**23,017**	**1,557**	**1,677**	**26,251**	**9,798**	**(10,958)**	**25,091**
Three Months Ended March 31, 2023							
Operating revenues	$ 1,618	$ 8	$ 246	$ 1,872	$ 12	$ (9)	$ 1,875
Segment net income	221	31	50	302	7	—	309
Total assets at December 31, 2023	22,906	1,534	1,615	26,055	9,675	(10,647)	25,083

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The following Management's Discussion and Analysis of Financial Condition and Results of Operations is a combined presentation; however, information contained herein relating to any individual Registrant is filed by such Registrant on its own behalf and each Registrant makes no representation as to information related to the other Registrants.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Southern Company is a holding company that owns all of the common stock of three traditional electric operating companies (Alabama Power, Georgia Power, and Mississippi Power), Southern Power, and Southern Company Gas and owns other direct and indirect subsidiaries. The primary businesses of the Southern Company system are electricity sales by the traditional electric operating companies and Southern Power and the distribution of natural gas by Southern Company Gas. Southern Company's reportable segments are the sale of electricity by the traditional electric operating companies, the sale of electricity in the competitive wholesale market by Southern Power, and the sale of natural gas and other complementary products and services by Southern Company Gas. Southern Company Gas' reportable segments are gas distribution operations, gas pipeline investments, and gas marketing services. See Note (L) to the Condensed Financial Statements herein for additional information on segment reporting. Alabama Power, Georgia Power, and Mississippi Power each operate with one reportable business segment, since substantially all of their business is providing electric service to customers. Southern Power also operates its business with one reportable business segment, the sale of electricity in the competitive wholesale market. For additional information on the Registrants' primary business activities, see BUSINESS – "The Southern Company System" in Item 1 of the Form 10-K.

The Registrants continue to focus on several key performance indicators. For the traditional electric operating companies and Southern Company Gas, these indicators include, but are not limited to, customer satisfaction, plant availability, electric and natural gas system reliability, and execution of major construction projects. Southern Company Gas also continues to focus on several operating metrics, including Heating Degree Days, customer count, and volumes of natural gas sold. Southern Company Gas measures weather and the effect on its business using Heating Degree Days. Generally, increased Heating Degree Days result in higher demand for natural gas on Southern Company Gas' distribution system. For Southern Power, these key performance indicators include, but are not limited to, the equivalent forced outage rate and contract availability to evaluate operating results and help ensure its ability to meet its contractual commitments to customers. In addition, Southern Company and the Subsidiary Registrants focus on earnings per share and net income, respectively, as a key performance indicator.

Recent Developments

Alabama Power

On March 24, 2023, Alabama Power filed Rate CNP New Plant with the Alabama PSC to recover costs associated with the acquisition of the Central Alabama Generating Station. The filing reflected an annual increase in retail revenues of $78 million effective with June 2023 billings. Through May 2023, Alabama Power recovered substantially all costs associated with the Central Alabama Generating Station through Rate RSE, offset by revenues from a power sales agreement. On May 24, 2023, the Central Alabama Generating Station was placed into retail service.

On June 14, 2023, the Alabama PSC issued an order approving modifications to Alabama Power's Renewable Generation Certificate. The modifications authorized Alabama Power to procure an additional 2,400 MWs of renewable capacity and energy by June 14, 2029 and to market the related energy and environmental attributes to customers and other third parties. The modifications also increased the size of allowable renewable projects from 80 MWs to 200 MWs and increased the annual approval limit from 160 MWs to 400 MWs.

On July 11, 2023, the Alabama PSC issued an order authorizing Alabama Power to expand the existing authority of its reliability reserve to include certain production-related expenses that are intended to maintain reliability in periods between scheduled generating unit outages.

On August 18, 2023, Alabama Power notified the Alabama PSC of its intent to use a portion of its $166 million reliability reserve balance during 2023. The ultimate outcome of this matter cannot be determined at this time.

On October 3, 2023, the Alabama PSC issued an order modifying its December 2022 order and authorizing Alabama Power to (i) flow back in 2023 approximately $24 million of certain federal excess accumulated deferred income taxes resulting from the Tax Cuts and Jobs Act of 2017 and (ii) make available any remaining balance of excess accumulated deferred income taxes at the end of 2023 for the benefit of customers in 2024 and/or 2025. The ultimate outcome of this matter cannot be determined at this time.

On November 1, 2023, Alabama Power placed Plant Barry Unit 8 in service. At September 30, 2023, project expenditures associated with Plant Barry Unit 8 totaled approximately $583 million.

See Note (B) to the Condensed Financial Statements under "Alabama Power" herein for additional information.

Georgia Power

Plant Vogtle Units 3 and 4 Construction and Start-Up Status

Georgia Power placed Plant Vogtle Unit 3 in service on July 31, 2023 and continues construction on placed Plant Vogtle Unit 4 in service on April 29, 2024 (each with electric generating capacity of approximately 1,100 MWs), in each of which it holds a 45.7% ownership interest. Georgia Power's share of the total project capital cost forecast, to complete Plant Vogtle Units 3 and 4, including contingency, through July 2023 and March 2024, respectively, demobilizing the site after Unit 4's in-service date, is $10.8 billion.

Hot functional testing for Unit 4 was completed on May 1, 2023. On July 20, 2023, Southern Nuclear announced that all Unit 4 ITAACs had been submitted to the NRC, and, on July 28, 2023, the NRC published its 103(g) finding that the accepted criteria in the combined license for Unit 4 had been met, which allowed nuclear fuel to be loaded and start-up testing to begin. Fuel load for Unit 4 was completed on August 19, 2023. On October 6, 2023, Georgia Power announced that during the start-up and pre-operational testing for Plant Vogtle Unit 4, Southern Nuclear identified a motor fault in one of four reactor coolant pumps (RCPs) and has started the process to replace this RCP with an on-site spare RCP from inventory. Considering this remediation and the remaining pre-operational testing, Unit 4 is projected to be placed in service during the first quarter 2024. The projected schedule for Unit 4 significantly depends on the pace and success of replacing the RCP, which involves removing and re-installing commodities around the RCP. In addition, any findings related to the root cause of the motor fault on the single Unit 4 RCP could require engineering changes or remediation related to the other seven Unit 3 and Unit 4 RCPs. Any further delays could result in a later in-service date and cost increases.

During the first nine months of 2023, established construction contingency totaling $43 million was assigned to the base capital cost forecast for costs primarily associated with the Unit 3 schedule extension and completion of start-up and pre-operational testing, including continued need of support resources for Unit 3 testing, as well as additional craft and support resources and subcontract work for Unit 4.

Georgia Power and the other Vogtle Owners did not agree on the starting dollar amount for the determination of cost increases subject to the cost-sharing and tender provisions of the Global Amendments (as defined in Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction – Joint Owner Contracts" herein). The other Vogtle Owners notified Georgia Power that they believed the project capital cost forecast approved by the Vogtle Owners in February 2022 triggered the tender provisions.

In June 2022 and July 2022, OPC and Dalton, respectively, notified Georgia Power of their purported exercises of their tender options. Georgia Power did not accept these purported tender exercises. In June 2022, OPC and MEAG Power each filed a separate lawsuit against Georgia Power in the Superior Court of Fulton County, Georgia seeking a declaratory judgment that the starting dollar amount is $17.1 billion and that the cost-sharing and tender provisions had been triggered. In July 2022, Georgia Power filed its answers in the lawsuits filed by MEAG Power and OPC and included counterclaims seeking a declaratory judgment that the starting dollar amount is $18.38 billion and that costs related to force majeure events are excluded prior to calculating the cost-sharing and tender provisions and when calculating Georgia Power's related financial obligations. In September 2022, Dalton filed complaints in each of these lawsuits.

Also in September 2022, Georgia Power and MEAG Power reached an agreement to resolve their dispute regarding the proper interpretation of the cost-sharing and tender provisions of the Global Amendments. Under the terms of the agreement, among other items, (i) MEAG Power will not exercise its tender option and will retain its full ownership interest in Plant Vogtle Units 3 and 4; (ii) Georgia Power will reimburse a portion of MEAG Power's costs of construction for Plant Vogtle Units 3 and 4 as such costs are incurred and with no further adjustment for force majeure costs, which payments will total approximately $92 million based on the current project capital cost forecast; and (iii) Georgia Power will reimburse 20% of MEAG Power's costs of construction with respect to any amounts over the current project capital cost forecast, with no further adjustment for force majeure costs. In October 2022, MEAG Power and Georgia Power filed a notice of settlement and voluntary dismissal of the pending litigation described above, including Georgia Power's counterclaim, and Dalton dismissed its related complaint.

On October 5, 2023 and October 17, 2023, Georgia Power reached agreements with OPC and Dalton, respectively, to resolve its respective dispute with each of OPC and Dalton regarding the proper interpretation of the cost-sharing and tender provisions of the joint ownership agreements relating to the Global Amendments. Under the terms of the agreements with OPC and Dalton, among other items, (i) each of OPC and Dalton retracted its exercise of the tender option and will retain its full ownership interest in Plant Vogtle Units 3 and 4, (ii) Georgia Power made payments immediately after execution of the agreements of $308 million and $17 million to OPC and Dalton, respectively, representing payment for a portion of each of OPC's and Dalton's costs of construction for Plant Vogtle Units 3 and 4 previously incurred, (iii) Georgia Power will pay a portion of each of OPC's and Dalton's further costs of construction for Plant Vogtle Units 3 and 4 as such costs are incurred and with no further adjustment for force majeure costs, which payments will be in an aggregate amount of approximately $105 million and $6 million for OPC and Dalton, respectively, based on the current project capital cost forecast, and (iv) Georgia Power will pay 66% of each of OPC's and Dalton's costs of construction with respect to any amounts above the current project capital cost forecast, with no further adjustment for force majeure costs. On October 23, 2023, OPC, Dalton, and Georgia Power filed a stipulation of dismissal with prejudice of their litigation described above, including Georgia Power's counterclaims.

Georgia Power recorded pre-tax charges to income through the fourth quarter 2022 of $407 million ($304 million after tax) associated with the cost-sharing provisions of the Global Amendments, including the settlement with MEAG Power. Based on the current project capital cost forecast and the settlements with OPC and Dalton described above, Georgia Power recorded a pre-tax charge to income of approximately $160 million ($120 million after tax) in the third quarter 2023. These charges are included in the total project capital cost forecast and will not be recovered from retail customers.

The ultimate impact of these matters on the construction schedule and project capital cost forecast and related cost recovery for Plant Vogtle Units 3 and 4 cannot be determined at this time. See Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction" herein for additional information.

Plant Vogtle Unit 3 and Common Facilities Rate Proceeding

In compliance with a Georgia PSC order approved in November 2021, Georgia Power increased annual retail base rates by $318 million effective August 1, 2023 based on the in-service date of July 31, 2023 for Plant Vogtle Unit 3. See Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction" herein for additional information on Plant Vogtle Units 3 and 4.

Plant Vogtle Units 3 and 4 Prudency Proceeding Regulatory Matters

On August 30, 2023, as provided for in the December 2017 Georgia PSC approval of the seventeenth VCM report, Georgia Power filed with the Georgia PSC an application to adjust rates to include reasonable and prudent Plant Vogtle Units 3 and 4 costs (Application). The Application provides the necessary support to justify the reasonableness, prudence, and recovery of $8.826 billion in total construction and capital costs, $1.07 billion in associated retail rate base items, and the operating costs related to the full operation and output of Plant Vogtle Units 3 and 4.

Also on August 30, 2023, the staff of the Georgia PSC filed a stipulated agreement (Prudency Stipulation) among Georgia Power, the staff of the Georgia PSC, and certain intervenors. If the Prudency Stipulation is approved, Georgia Power will recover $7.562 billion in total construction and capital costs and associated retail rate base items of $1.02 billion, which includes AFUDC financing costs above $4.418 billion (the Georgia PSC-certified amount) up to $7.562 billion.

The Prudency Stipulation also provides for the recovery of projected operations and maintenance expenses, depreciation expense, nuclear decommissioning accruals, and property taxes, net of projected production tax credits.

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After considering construction and capital costs already in retail base rates of $2.1 billion and $362 million of associated retail rate base items (approved by the Georgia PSC in November 2021), and upon achieving commercial operation of Unit 4, Georgia Power will include included in retail rate base the remaining $5.462 billion of construction and capital costs as well as $656 $647 million of associated retail rate base items.

If items effective with the April 29, 2024 in-service date for Unit 4, pursuant to the approved Prudency Stipulation is approved by the Georgia PSC, annual Stipulation. Annual retail base revenues will increase increased approximately $729 $730 million and the average retail base rates will be were adjusted by approximately 5% effective the first day (net of the month after elimination of the NCCR tariff described below) effective May 1, 2024.

Further, as included in the approved Prudency Stipulation, since commercial operation for Unit 4 achieves commercial operation.

Georgia Power expects the Georgia PSC to render a final decision on these matters on December 19, 2023. The ultimate outcome of these matters cannot be determined at this time. See Note (B) to the Condensed Financial Statements under "Georgia Power – Plant Vogtle Units 3 and 4 Prudency Proceeding" herein for additional information.

Rate Plans

In accordance with the terms of the 2022 ARP, on October 2, 2023 was not achieved by March 31, 2024, Georgia Power filed Power's ROE used to determine the NCCR tariff adjustments and calculate AFUDC was reduced to become zero effective January 1, 2024 that would result in a net increase in rates April 1, 2024. Effective May 1, 2024, following commercial operation of $191 million pending approval by the Georgia PSC. The ultimate outcome of this matter cannot be determined at this time. See Note (B) to the Condensed Financial Statements under "Georgia Power – Rate Plans" herein for additional information.

Fuel Cost Recovery

On May 16, 2023, the Georgia PSC approved a stipulation agreement between Georgia Power and the staff of the Georgia PSC to increase annual fuel billings by 54%, or approximately $1.1 billion,effective June 1, 2023. The increase reflects a three-year recovery period for $2.2 billion of Unit 4, Georgia Power's under recovered fuel balance at May 31, 2023. Changes NCCR tariff was eliminated and related financing costs are included in fuel rates have no significant effect on Southern Company's or Georgia Power's net income but do impact the related operating cash flows. See Note (B) to the Condensed Financial Statements under "Georgia Power – Fuel Cost Recovery" herein for additional information.

Integrated Resource Plan

On October 27, 2023, Georgia Power filed an updated IRP (2023 IRP Update) with the Georgia PSC, which sets forth a plan to support the recent increase in the state of Georgia's projected energy needs since the 2022 IRP. The schedule for the Georgia PSC to consider the 2023 IRP Update has not been determined. Georgia Power has requested that the Georgia PSC evaluate the 2023 IRP Update by the end of April 2024. The ultimate outcome of this matter cannot be determined at this time. See Note (B) to the Condensed Financial Statements under "Georgia Power – Integrated Resource Plans" herein for additional information.

Mississippi Power

On October 27, 2023, the FERC approved a settlement agreement filed by Mississippi Power general retail revenue requirements and Cooperative Energy on July 31, 2023 related to Mississippi Power's July 2022 request for a $23 million increase in annual wholesale collected through retail base revenues under the MRA tariff. The settlement agreement provides for a $16 million increase in annual wholesale base revenues, effective September 14, 2022, and a refund to customers of approximately $6 million primarily related to the difference between the approved rates and interim rates.

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Southern See Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction – Regulatory Matters" herein for additional information.

Integrated Resource Plan

On April 16, 2024, the Georgia PSC approved Georgia Power's updated IRP (2023 IRP Update) as modified by a stipulated agreement among Georgia Power, the staff of the Georgia PSC, and certain intervenors, which includes the authority to develop, own, and operate up to 1,400 MWs from three simple cycle combustion turbines at Plant Yates. See Note (B) to the Condensed Financial Statements under "Georgia Power – Integrated Resource Plan" herein for additional information.

Mississippi Power

On September 20, 2023 April 26, 2024, Southern Mississippi Power acquired 100% filed its 2024 IRP with the Mississippi PSC. The filing includes a schedule to retire Plant Watson Unit 4 (268 MWs) and Plant Greene County Units 1 and 2 (206 MWs based on 40% ownership) and to retire early Plant Daniel Units 1 and 2 (502 MWs based on 50% ownership), all by the end of 2028. The 2024 IRP is subject to review by the membership interests in the 200-MW Millers Branch solar project located in Haskell County, Texas from EDF Renewables Development, Inc. Mississippi PSC and is continuing development and construction. The facility's output is contracted under a 20-year PPA and commercial operation is expected to occur conclude in the fourth third quarter 2025. The project includes an option to expand capacity up to an additional 300 MWs. 2024.

On September 22, 2023 March 29, 2024, Southern Mississippi Power acquired 100% filed a request with the FERC for an $8 million increase in annual wholesale base revenues under the MRA tariff and requested an effective date of May 29, 2024. On April 19, 2024, Cooperative Energy challenged the membership interests new rates in a filing with the 150-MW South Cheyenne solar project located in Laramie County, Wyoming from Hanwha Q Cells USA Corp. and is continuing construction. The facility's output is contracted under a 20-year PPA and commercial operation is expected to occur in the first quarter 2024. FERC.

The ultimate outcome of these matters cannot be determined at this time.

See Note (B) to the Condensed Financial Statements under "Mississippi Power" herein for additional information.

Southern Power

During the three months ended March 31, 2024, Southern Power continued construction of the 200-MW Millers Branch solar facility and began construction of the 180-MW second phase of the solar project. The second phase of the facility's output is contracted under seven 15-year PPAs and commercial operation is projected to occur in the second quarter 2026. Southern Power also continued construction of the 150-MW South Cheyenne solar facility. Subsequent to March 31, 2024, Southern Power completed construction of and placed in service the 150-MW South Cheyenne solar facility. See Note (K) to the Condensed Financial Statements under "Southern Power" herein for additional information.

At September 30, 2023 March 31, 2024, Southern Power's average investment coverage ratio for its generating assets, including those owned with various partners, based on the ratio of investment under contract to total investment using the respective facilities' net book value (or expected in-service value for facilities under construction) as the investment amount was 97% through 2027 2028 and 91% 89% through 2032, 2033, with an average remaining contract duration of approximately 13 12 years.

Southern Company Gas

On July 14, 2023, Atlanta Gas Light filed its annual GRAM update with the Georgia PSC. The filing requests an annual base rate increase of $53 million based on the projected 12-month period beginning January 1, 2024. Resolution of the GRAM filing is expected by December 31, 2023, with new rates effective January 1, 2024.

On August 28, 2023, the Virginia Commission approved a stipulation agreement related to Virginia Natural Gas' August 2022 general base rate case filing. The approved agreement provides for a $48 million increase in annual base rate revenues, including the recovery of investments under the SAVE program, an ROE of 9.70%, and an equity ratio of 49.06%. Interim rates became effective January 1, 2023, subject to refund, based on Virginia Natural Gas' original requested increase of approximately $69 million. Refunds to customers related to the difference between the approved rates effective September 1, 2023 and the interim rates will be completed later in the fourth quarter 2023.

On June 15, 2023, the Illinois Commission concluded its review of the Qualifying Infrastructure Plant (QIP) capital investments by Nicor Gas for calendar year 2019 under the QIP Rider, also referred to as Investing in Illinois, program. The Illinois Commission disallowed $32 million of the $415 million of capital investments commissioned in 2019, together with the related return on investment. Nicor Gas recorded a pre-tax charge to income in the second quarter 2023 of $38 million ($28 million after tax) associated with the disallowance of capital investments. The disallowance is reflected on the statement of income as an $8 million reduction to revenues and a $30 million increase in operating expenses. On August 3, 2023, the Illinois Commission denied a rehearing request filed by Nicor Gas. On August 24, 2023, Nicor Gas filed a notice of appeal with the Illinois Appellate Court. Nicor Gas defends these investments in infrastructure as prudently incurred. The Illinois Commission has not yet conducted its review for calendar years 2020 through 2022 or the nine months ended September 30, 2023. Any further disallowance by the Illinois Commission could be material.

The ultimate outcome of these matters cannot be determined at this time. See Note (B) to the Condensed Financial Statements under "Southern Company Gas" herein for additional information.

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RESULTS OF OPERATIONS

Southern Company

Net Income

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(50)	(3.4)	$(490)	(13.6)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$267	31.0

Consolidated net income attributable to Southern Company in the third first quarter 2023 2024 was $1.4 billion $1.1 billion ($1.30 1.03 per share) compared to $1.5 billion $862 million ($1.36 0.79 per share) for the corresponding period in 2022. 2023. The decrease increase was primarily due to an increase of $172 million in after-tax charges related to the construction of Plant Vogtle Units 3 and 4, higher depreciation and amortization, and higher interest expense, partially offset by an increase in retail electric revenues associated with warmer weather and rates and pricing, lower non-fuel operations and maintenance costs, a decrease colder weather in income tax expense, and an increase in other revenues.

Consolidated net income attributable to Southern Company for year-to-date 2023 was $3.1 billion ($2.86 per share) the first quarter 2024 as compared to $3.6 billion ($3.38 per share) for the corresponding period in 2022. The decrease was primarily due to an increase of $133 million in after-tax charges related to the construction of Plant Vogtle Units 3 2023, and 4, higher depreciation sales growth and amortization, higher interest expense, and a decrease in retail electric revenues associated with milder weather in the first and second quarters of 2023 compared to the corresponding periods in 2022, partially offset by lower non-fuel operations and maintenance costs, an increase in other revenues, an increase in natural gas revenues from rate increases and continued infrastructure replacement, and a decrease in income tax expense.

See Note 2 to the financial statements in Item 8 of the Form 10-K and Note (B) to the Condensed Financial Statements herein under "Georgia Power" for additional information.

Retail Electric Revenues

In the third quarter 2023, retail electric revenues were $5.1 billion compared to $6.0 billion for the corresponding period in 2022. For year-to-date 2023, retail electric revenues were $12.6 billion compared to $14.4 billion for the corresponding period in 2022. Details of the changes in retail electric revenues were as follows:

	Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
	(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
Rates and pricing	$ 76	1.3 %	$ 63	0.4 %

Sales decline		(28)	(0.5)		(48)	(0.3)
Weather		132	2.2		(194)	(1.4)
Fuel and other cost recovery		(1,002)	(16.8)		(1,587)	(11.0)
Retail electric revenues	$	(822)	(13.8)%	$	(1,766)	(12.3)%

Revenues associated with changes in rates and pricing increased in the third quarter and year-to-date 2023 when compared to the corresponding periods in 2022 primarily due to base tariff increases in accordance with Georgia Power's 2022 ARP and an increase in Rate CNP Compliance revenues at Alabama Power, partially offset by lower contributions from commercial and industrial customers with variable demand-driven pricing and a decrease in the revenues recognized under the NCCR tariff, both at Georgia Power. In addition, in the third quarter and year-to-date 2023, revenues associated with Rate CNP Depreciation increased $94 million and $234 million, respectively, and were fully offset by customer bill credits related to the flowback of excess accumulated deferred income taxes at Alabama Power. See Note 2 to the financial statements under "Alabama Power" and "Georgia Power" in Item 8 of the Form 10-K for additional information.

from rate increases, partially offset by increases in interest expense, depreciation and amortization, non-fuel operations and maintenance costs, and income taxes.

Retail Electric Revenues

In the first quarter 2024, retail electric revenues were $3.9 billion compared to $3.6 billion for the corresponding period in 2023. Details of the changes in retail electric revenues were as follows:

		First Quarter 2024 vs. First Quarter 2023	
		(change in millions)	*(% change)*
Rates and pricing	$	239	6.6 %
Sales growth		49	1.4
Weather		92	2.6
Fuel and other cost recovery		(38)	(1.1)
Retail electric revenues	$	342	9.5 %

Revenues associated with changes in rates and pricing increased in the first quarter 2024 when compared to the corresponding period in 2023 primarily due to the inclusion of Plant Vogtle Unit 3 in retail rates at Georgia Power, base tariff increases at Georgia Power in accordance with its 2022 ARP, customer bill credits in 2023 at Alabama Power related to the flowback of certain excess accumulated deferred income taxes, and an increase in Rate CNP New Plant revenues at Alabama Power. See Note 2 to the financial statements under "Alabama Power" and "Georgia Power" in Item 8 of the Form 10-K for additional information.

Revenues attributable to changes in sales decreased increased in the third first quarter and year-to-date 2023 2024 when compared to the corresponding periods period in 2022. 2023. Weather-adjusted residential KWH sales decreased 1.8% and 0.4% in the third quarter and year-to-date 2023, respectively, when compared to the corresponding periods in 2022 increased 1.0% primarily due to decreased customer usage, partially offset by customer growth. Weather-adjusted commercial KWH sales increased 1.3% in both the third quarter and year-to-date 2023 when compared to the corresponding periods in 2022 3.8% primarily due to increased customer usage and customer growth. usage. Industrial KWH sales decreased 2.3% and 2.1% in the third quarter and year-to-date 2023, respectively, when compared to the corresponding periods in 2022 increased 0.4% primarily due to a decrease increases in the lumber and paper sectors, partially offset by decreases in the chemicals and forest products primary metals sectors. Also contributing to the year-to-date 2023 industrial KWH sales decrease was a decrease in the textiles sector.

Fuel and other cost recovery revenues decreased $1.0 billion and $1.6 billion $38 million in the third first quarter and year-to-date 2023, respectively, 2024 compared to the corresponding periods period in 2022 2023 primarily due to lower fuel and purchased power costs. Electric rates for the traditional electric operating companies include provisions to adjust billings for fluctuations in fuel costs, including the energy component of purchased power costs. Under these provisions, fuel revenues generally equal fuel expenses, including the energy component of PPA costs, and do not affect net income. The traditional electric operating companies each have one or more regulatory mechanisms to recover other costs such as environmental and other compliance costs, storm damage, new plants, and PPA capacity costs. See Note 2 to the financial statements in Item 8 of the Form 10-K and Note (B) to the Condensed Financial Statements herein for additional information.

Wholesale Electric Revenues

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(470)	(39.3)	$(868)	(31.0)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$(28)	(4.7)

In the third first quarter 2023, 2024, wholesale electric revenues were $0.7 billion $571 million compared to $1.2 billion $599 million for the corresponding period in 2022. 2023. The decrease was primarily due to a decrease decreases of $452 million $18 million in energy revenues as a result of fuel and purchased power price decreases when compared to the corresponding period in 2022 and a net decrease in the volume of KWHs sold primarily associated with resulting from lower natural gas PPAs at Southern Power. In addition, a decrease prices and $10 million in capacity revenues of $18 million primarily resulted resulting from power sales agreements that ended in May 2023 at Alabama Power, partially offset by an increase related to new capacity contracts at Georgia Power.

For year-to-date 2023, wholesale electric revenues were $1.9 billion compared to $2.8 billion for the corresponding period in 2022. The decrease was primarily due to a decrease of $892 million in energy revenues as a result of fuel Power and purchased power price decreases when compared to the corresponding period in 2022 and a net decrease in the volume of KWHs sold primarily an increase associated with natural gas PPAs at Southern Power. The decrease a change in energy revenues was partially offset by an increase in capacity revenues of $24 million primarily resulting from a net increase in capacity sales rates from natural gas PPAs at Southern Power and an increase related to new capacity contracts at Georgia Power.

Wholesale electric revenues consist of revenues from PPAs and short-term opportunity sales. Wholesale electric revenues from PPAs (other than solar and wind PPAs) have both capacity and energy components. Capacity

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revenues generally represent the greatest contribution to net income and are designed to provide recovery of fixed costs plus a return on investment. Energy revenues will vary depending on fuel prices, the market prices of wholesale energy compared to the Southern Company system's generation, demand for energy within the Southern Company system's electric service territory, and the availability of the Southern Company system's generation. Increases and decreases in energy revenues that are driven by fuel prices are accompanied by an increase or decrease in fuel costs and do not have a significant impact on net income. Energy sales from solar and wind PPAs do not have a capacity charge and customers either purchase the energy output of a dedicated renewable facility through an energy charge or through a fixed price related to the energy. As a result, the ability to recover fixed and variable operations and maintenance expenses is dependent upon the level of energy generated from these facilities, which can be impacted by weather conditions, equipment performance, transmission constraints, and other factors.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (Continued)

Wholesale electric revenues at Mississippi Power include FERC-regulated municipal and rural association sales under cost-based tariffs as well as market-based sales. Short-term opportunity sales are made at market-based rates that generally provide a margin above the Southern Company system's variable cost to produce the energy.

Other Electric Revenues

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$18	9.7	$48	8.7

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$9	4.7

In the third first quarter 2023, 2024, other electric revenues were $203 million $199 million compared to $185 million $190 million for the corresponding period in 2022. 2023. The increase was primarily due to increases of $10 million resulting from receipts of liquidated damages associated with generation facility production guarantees and an arbitration interim award at Southern Power, $10 million in retail solar program fees at Georgia Power, and $9 million $13 million in transmission revenues primarily associated with open access transmission tariff sales and $6 million in regulated outdoor lighting sales at Georgia Power, partially offset by a $6 million decrease in gains on the resale of $11 million in cogeneration steam revenue primarily associated with lower natural gas prices at Alabama Power.

For year-to-date 2023, other electric revenues were $602 million compared to $554 million for the corresponding period in 2022. The increase was primarily due to increases of $19 million resulting from receipts of liquidated damages associated with generation facility production guarantees Power and an arbitration interim award at Southern Power, $18 million in transmission revenues primarily associated with open access transmission tariff sales, $18 million in realized gains a $5 million decrease associated with price stability products for retail customers on variable demand-driven pricing tariffs at Georgia Power, and $18 million in outdoor lighting sales at Georgia Power, partially offset by a decrease of $23 million in cogeneration steam revenue primarily associated with lower natural gas prices at Alabama Power.

See Note (C) to the Condensed Financial Statements under "General Litigation Matters – Southern Power" herein for additional information.

Natural Gas Revenues

In the third first quarter 2023, 2024, natural gas revenues were $0.7 billion $1.7 billion compared to $0.9 billion $1.9 billion for the corresponding period in 2022. For year-to-date 2023, natural gas revenues were $3.4 billion compared to $4.0 billion for the corresponding period in 2022. 2023. Details of the changes in natural gas revenues were as follows:

		Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022					
		(change in millions)	*(% change)*	*(change in millions)*	*(% change)*				
Infrastructure replacement programs and rate changes		$ 9	1.1 %	$ 97	2.4 %				
		First Quarter 2024 vs. First Quarter 2023 First Quarter 2024 vs. First Quarter 2023 First Quarter 2024 vs. First Quarter 2023							
	(change in millions)							*(change in millions)*	*(% change)*
Rate changes						Rate changes	$	152	8.1 %
Gas costs and other cost recovery	Gas costs and other cost recovery	(181)	(21.1)	(645)	(16.1)				
Gas marketing services	Gas marketing services	(22)	(2.6)	(44)	(1.1)				
Other	Other	26	3.0	11	0.3				
Natural gas revenues	Natural gas revenues	$(168)	(19.6)%	$(581)	(14.5)%	Natural gas revenues	$	(168)	(9.0) (9.0) %

Revenues from infrastructure replacement programs and rate changes at the natural gas distribution utilities increased in the third first quarter and year-to-date 2023 2024 compared to the corresponding periods period in 2022 2023 primarily due to rate increases at the natural gas distribution utilities and continued investment a change in infrastructure replacement. The year-to-date 2023 increase was partially offset by a regulatory disallowance timing of revenues at Nicor Gas. See Note 2 to the financial statements under "Southern Company Gas – Rate Proceedings" in Item 8 of the Form 10-K and Note (B) to the Condensed Financial Statements under "Southern Company Gas – Infrastructure Replacement Programs and Capital Projects" herein for additional information.

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Revenues from gas costs and other cost recovery decreased in the third first quarter and year-to-date 2023 2024 compared to the corresponding periods period in 2022 2023 primarily due to lower natural gas cost recovery associated with lower natural gas prices and lower demand associated with warmer weather in the timing of natural gas purchases, and first quarter 2024 when compared to the recovery of those costs from customers. corresponding period in 2023. Natural gas distribution rates include provisions to adjust billings for fluctuations in natural gas costs. Therefore, gas costs recovered through natural gas revenues generally equal the amount expensed in cost of natural gas and do not affect net income from the natural gas distribution utilities.

Revenues from gas marketing services decreased in the third first quarter and year-to-date 2023 2024 compared to the corresponding periods period in 2022 2023 primarily due to lower natural gas prices and lower variable price spreads. commodity prices.

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Other Revenues

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$44	24.7	$143	27.6

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$11	5.1

In the third first quarter 2023, 2024, other revenues were $222 million $228 million compared to $178 million $217 million for the corresponding period in 2022. For year-to-date 2023, other revenues were $662 million compared to $519 million for the corresponding period in 2022. 2023. The increases in the third quarter and year-to-date 2023 were increase was primarily due to increases of $9 million and $41 million, respectively, in unregulated sales at Georgia Power primarily associated with energy conservation projects, power delivery construction and maintenance projects, at Georgia Power, $12 million and $40 million, respectively, related to distributed infrastructure projects at PowerSecure, $9 million and $26 million, respectively, primarily related to sales associated with commercial customers at Southern Linc, $4 million and $20 million, respectively, in unregulated sales of products and services at Alabama Power, and $11 million and $16 million, respectively, associated with energy conservation projects at Georgia Power. outdoor lighting.

Fuel and Purchased Power Expenses

		Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022		First Quarter 2024 vs. First Quarter 2023	
		(change in millions)	*(% change)*	*(change in millions)*	*(% change)*	*(change in millions)*	*(% change)*
Fuel	Fuel	$ (1,056)	(43.6)	$ (1,873)	(35.7)		
Purchased power	Purchased power	(438)	(67.9)	(605)	(47.1)		
Total fuel and purchased power expenses	Total fuel and purchased power expenses	$ (1,494)		$ (2,478)			

In the third first quarter 2023, 2024, total fuel and purchased power expenses were $1.6 billion $1.2 billion compared to $3.1 billion $1.3 billion for the corresponding period in 2022. 2023. The decrease was due to a $1.2 billion $52 million net decrease in the average cost of fuel and purchased power and a $262 million net decrease in the volume of KWHs generated and purchased.

For year-to-date 2023, total fuel and purchased power expenses were $4.1 billion compared to $6.5 billion for the corresponding period in 2022. The decrease was due to a $2.1 billion decrease in the average cost of fuel and purchased power and a $349 million $46 million net decrease in the volume of KWHs generated and purchased.

Fuel and purchased power energy transactions at the traditional electric operating companies are generally offset by fuel revenues and do not have a significant impact on net income. See Note 2 to the financial statements in Item 8 of the Form 10-K for additional information. Fuel expenses incurred under Southern Power's PPAs are generally the responsibility of the counterparties and do not significantly impact net income.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Details of the Southern Company system's generation and purchased power were as follows:

		Third Quarter 2023	Third Quarter 2022	**Year-To-Date 2023**	Year-To-Date 2022			
Total generation *(in billions of KWHs)*(a)(b)		**53**	50	**141**	141			
		First Quarter 2024 **First Quarter 2024** **First Quarter 2024**						First Quarter 2023
Total generation *(in billions of KWHs)*(a)						Total generation *(in billions of KWHs)*(a)	**45**	44
Total purchased power *(in billions of KWHs)*	Total purchased power *(in billions of KWHs)*	**5**	9	**14**	20	Total purchased power *(in billions of KWHs)*	**4**	5
Sources of generation *(percent)*(a) —								
Sources of generation *(percent)* —								
Gas	Gas	**54**	54	**54**	50			
Gas								
Gas							**50**	54
Nuclear(a)						Nuclear(a)	**20**	17
Coal	Coal	**21**	21	**18**	22	Coal	**17**	15
Nuclear(b)		**16**	16	**17**	16			
Hydro	Hydro	**2**	2	**3**	4	Hydro	**5**	5
Wind, Solar, and Other	Wind, Solar, and Other	**7**	7	**8**	8	Wind, Solar, and Other	**8**	9
Cost of fuel, generated *(in cents per net KWH)*—	Cost of fuel, generated *(in cents per net KWH)*—							
Gas(a)		**2.80**	6.75	**2.78**	5.42			
Gas								

Gas								
Gas							**2.89**	3.13
Nuclear(a)						Nuclear(a)	**0.81**	0.71
Coal	Coal	**4.52**	4.12	**4.40**	3.58	Coal	**3.81**	4.02
Nuclear(b)		**0.79**	0.71	**0.74**	0.72			
Average cost of fuel, generated *(in cents per net KWH)*(a)(b)		**2.84**	5.05	**2.71**	4.07			
Average cost of purchased power *(in cents per net KWH)*(c)		**4.80**	8.94	**5.08**	7.84			
Average cost of fuel, generated *(in cents per net KWH)*(a)						Average cost of fuel, generated *(in cents per net KWH)*(a)	**2.59**	2.80
Average cost of purchased power *(in cents per net KWH)*(b)						Average cost of purchased power *(in cents per net KWH)*(b)	**5.72**	5.50

(a) Excludes Central Alabama Generating Station KWHs and associated cost of fuel through July 12, 2022 as its fuel was previously provided by the purchaser under a power sales agreement. See Note 15 to the financial statements under "Alabama Power" in Item 8 of the Form 10-K for additional information.

(b) Excludes KWHs generated from test period energy at Plant Vogtle Unit 3 4 prior to its in-service date. The related fuel costs are charged to CWIP in accordance with FERC guidance. See Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction" herein for additional information on Plant Vogtle Units 3 and 4.

(c) (b) Average cost of purchased power includes fuel purchased by the Southern Company system for tolling agreements where power is generated by the provider.

Fuel

In the third quarter 2023, fuel expense was $1.4 billion compared to $2.4 billion for the corresponding period in 2022. The decrease was primarily due to a 58.5% decrease in the average cost of natural gas per KWH generated, partially offset by a 10.0% increase in the volume of KWHs generated by nuclear, a 9.7% increase in the average cost of coal per KWH generated, a 6.4% increase in the volume of KWHs generated by coal, and a 6.0% increase in the volume of KWHs generated by natural gas.

For year-to-date 2023, fuel expense was $3.4 billion compared to $5.2 billion for the corresponding period in 2022. The decrease was primarily due to a 48.7% decrease in the average cost of natural gas per KWH generated and a 20.4% decrease in the volume of KWHs generated by coal, partially offset by a 22.9% increase in the average cost of coal per KWH generated, an 11.0% decrease in the volume of KWHs generated by hydro, and a 9.0% increase in the volume of KWHs generated by natural gas.

Purchased Power

In the third quarter 2023, purchased power expense was $207 million compared to $645 million for the corresponding period in 2022. For year-to-date 2023, purchased power expense was $0.7 billion compared to $1.3 billion for the corresponding period in 2022. The decreases for the third quarter and year-to-date 2023 were primarily due to decreases of 46.3% and 35.2%, respectively, in the average cost per KWH purchased primarily due to a decrease in natural gas prices and decreases of 48.1% and 29.0%, respectively, in the volume of KWHs purchased.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Fuel

In the first quarter 2024, fuel expense was $1.0 billion compared to $1.1 billion for the corresponding period in 2023. The decrease was primarily due to a 7.7% decrease in the average cost of natural gas per KWH generated, a 6.6% decrease in the volume of KWHs generated by natural gas, and a 5.2% decrease in the average cost of coal per KWH generated, partially offset by an 18.2% increase in the volume of KWHs generated by nuclear, a 17.7% increase in the volume of KWHs generated by coal, a 14.1% increase in the average cost of nuclear per KWH generated, and a 13.0% decrease in the volume of KWHs generated by hydro.

Purchased Power

In the first quarter 2024, purchased power expense was $198 million compared to $242 million for the corresponding period in 2023. The decrease was primarily due to a 21.2% decrease in the volume of KWHs purchased primarily as a result of a PPA that ended in May 2023 and the availability of Plant Barry Unit 8 and Central Alabama Generating Station generation, both at Alabama Power, partially offset by a 4.0% increase in the average cost per KWH purchased.

Energy purchases will vary depending on demand for energy within the Southern Company system's electric service territory, the market prices of wholesale energy as compared to the cost of the Southern Company system's generation, and the availability of the Southern Company system's generation.

Cost of Natural Gas

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(192)	(65.3)	$(641)	(34.8)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$(293)	(32.6)

Excluding Atlanta Gas Light, which does not sell natural gas to end-use customers, the natural gas distribution utilities' rates include provisions to adjust billings for fluctuations in natural gas costs. Therefore, gas costs recovered through natural gas revenues generally equal the amount expensed in cost of natural gas and do not affect net income from the natural gas distribution utilities. See Note 2 to the financial statements under "Southern Company Gas – Natural Gas Cost Recovery" in Item 8 of the Form 10-K for additional information. Cost of natural gas at the natural gas distribution utilities represented 76% and 84% 81% of the total cost of natural gas in the third first quarter and year-to-date 2023, respectively. 2024.

In the third first quarter 2023, 2024, cost of natural gas was $102 million $605 million compared to $294 million $898 million for the corresponding period in 2022. For year-to-date 2023, cost of natural gas was $1.2 billion compared to $1.8 billion for the corresponding period in 2022. 2023. The decreases reflect decrease reflects lower gas cost recovery as a result of decreases of 69% and 60% a 35% decrease in natural gas prices in the third quarter prices.

Other Operations and year-to-date 2023, respectively, compared to the corresponding periods in 2022. Maintenance Expenses

Cost of Other Sales

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$34	37.0	$106	38.5

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$32	2.2

In the third first quarter 2023, cost of 2024, other sales was $126 million operations and maintenance expenses were $1.5 billion compared to $92 million $1.4 billion for the corresponding period in 2022. 2023. The increase was primarily due to increases an increase of $12 million from unregulated power delivery construction and maintenance projects $52 million in generation expenses primarily associated with Plant Vogtle Unit 3 being placed in service in July 2023 at Georgia Power $7 million and Rate CNP Compliance-related expenses at Southern Linc primarily related to Alabama Power, $20 million in gains in 2023 from sales associated with commercial customers, $6 million related to distributed infrastructure projects at PowerSecure, and $5 million related to energy service contracts at Southern Company Gas.

For year-to-date 2023, cost of other sales was $381 million compared to $275 million for the corresponding period in 2022. The increase was primarily due to increases of $35 million from unregulated power delivery construction and maintenance projects integrated transmission system assets at Georgia Power, $23 million a $16 million gain on the sale of spare parts in 2023 at Southern Linc primarily related to sales associated with commercial customers, $21 million related to distributed infrastructure projects at PowerSecure, $20 million related to energy service contracts at Southern Company Gas, Power, and $10 million a $12 million increase in employee compensation and benefit expenses, related to unregulated products and services at Alabama Power.

Other Operations and Maintenance Expenses

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(103)	(6.7)	$(216)	(4.7)

In the third quarter 2023, other operations and maintenance expenses were $1.4 billion compared to $1.5 billion for the corresponding period in 2022. The decrease was primarily due to partially offset by decreases of $88 million in transmission and distribution expenses primarily related to line maintenance, $45 million in storm damage recovery as authorized in Georgia Power's 2022 ARP, $22 million$26 million in technology infrastructure and application production costs, and $14 million in generation non-outage maintenance expenses and planned outages, partially offset by a $23 million

increase in generation environmental projects primarily at Georgia Power and a $14 million gain recorded in the third quarter 2022 as a result of the early termination of the transition services agreement related to the 2019 sale of Gulf Power.

For year-to-date 2023, other operations and maintenance expenses were $4.4 billion compared to $4.6 billion for the corresponding period in 2022. The decrease was primarily due to decreases of $147 million in transmission and distribution expenses primarily related to line maintenance, $136 million in storm damage recovery as authorized in Georgia Power's 2022 ARP, $91 million in generation non-outage maintenance expenses and planned outages, and $32 million$18 million in expenses passed through to customers primarily related to bad debt and energy efficiency programs at Southern Company Gas, partially offset by a $47 million increase in technology infrastructure and application production costs, a $43 million increase in generation environmental projects primarily at Georgia Power, $30 million related to a regulatory disallowance at Nicor Gas, a $25 million decrease in nuclear property insurance refunds at Georgia Power and Alabama Power, a $16 million increase in employee compensation and benefits, and a $14 million gain recorded in the third quarter 2022 as a result of the early termination of the transition services agreement$10 million related to the 2019 sale of Gulf Power.

See Note (B) to the Condensed Financial Statements under "Southern Company Gas – Infrastructure Replacement Programsinjuries and Capital Projects" herein for additional information on the regulatory disallowance at Nicor Gas and Note 2 to the financial statements under "Georgia Power – Storm Damage Recovery" in Item 8 of the Form 10-K for additional information.

Depreciation and Amortization

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$221	24.0	$637	23.4

In the third quarter 2023, depreciation and amortization was $1.1 billion compared to $0.9 billion for the corresponding period in 2022. For year-to-date 2023, depreciation and amortization was $3.4 billion compared to $2.7 billion for the corresponding period in 2022. The increases in the third quarter and year-to-date 2023 weredamages reserve primarily due to increases of $181 million and $544 million, respectively, resulting from higher depreciation rates at Alabama Power and Georgia Power and increases of $28 million and $74 million, respectively, from additional plant in service. See Notes 2 and 5 to the financial statements under "Alabama Power" and "Depreciation and Amortization," respectively, in Item 8 of the Form 10-K for additional information.

Taxes Other Than Income Taxes

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(11)	(3.1)	$3	0.3

In the third quarter 2023, taxes other than income taxes were $341 million compared to $352 million for the corresponding period in 2022. The decrease was primarily due to decreases of $15 million in municipal franchise fees resulting from lower retail revenues at Georgia Power, partially offset by an increase of $4 million in property taxes primarily at Georgia Power resulting from an increase in the assessed value of property.

For year-to-date 2023, taxes other than income taxes were $1.08 billion compared to $1.07 billion for the corresponding period in 2022. The increase was primarily due to increases of $26 million in property taxes primarily at Georgia Power resulting from an increase in the assessed value of property, $18 million in utility license taxes at Alabama Power, and $8 million in payroll taxes primarily at Southern Company Gas, largely offset by decreases of $33 million in municipal franchise fees resulting from lower retail revenues at Georgia Power and $15 million in revenue tax expenses at Southern Company Gas.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (Continued)

Estimated Loss on Plant Vogtle Units 3Depreciation and 4Amortization

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$230	N/M	$178	N/M

First Quarter 2024 vs. First Quarter 2023

(change in millions)	(% change)
$34	3.1

In the first quarter 2024, depreciation and amortization was $1.15 billion compared to $1.11 billion for the corresponding period in 2023. The increase was primarily due to an increase of $60 million from additional plant in service, partially offset by a $15 million decrease in amortization of regulatory assets related to CCR AROs at Georgia Power recorded pre-tax charges (credits) to income for the estimated probable loss on Plant Vogtle Units 3 and 4 totaling $160 million and $(70) million as approved in the third quarter 2023 2024 compliance filing under the terms of the 2022 ARP, a $5 million decrease from insurance proceeds received for damaged generation equipment at Southern Power, and 2022, respectively, and $160 million and $(18) million for year-to-date 2023 and 2022, respectively. The charges (credits) reflected revisions a $5 million decrease in units-of-production depreciation at Southern Power related to the total project capital cost forecast to complete construction and start-up of Plant Vogtle Units 3 and 4. lower production from natural gas generating facilities. See Note (B) to the Condensed Financial Statements herein and Note 2 to the financial statements under "Georgia Power" in Item 8 of the Form 10-K under "Georgia Power – Nuclear Construction" for additional information.

Taxes Other Than Income Taxes

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$2	0.5

In the first quarter 2024, taxes other than income taxes were $396 million compared to $394 million for the corresponding period in 2023. The increase was primarily due to an increase of $14 million in property taxes at Georgia Power primarily resulting from an increase in the assessed value of property, partially offset by a decrease of $13 million in revenue taxes as a result of lower natural gas revenues at Nicor Gas.

Allowance for Equity Funds Used During Construction

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$7	11.9	$37	22.7

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$(7)	(10.8)

In the third first quarter 2023, 2024, allowance for equity funds used during construction was $66 million $58 million compared to $59 million $65 million for the corresponding period in 2022. For year-to-date 2023, allowance for equity funds used during construction 2023. The decrease was $200 million compared to $163 million for the corresponding period in 2022. The increases were primarily associated with an increase Plant Vogtle Unit 3 being placed in capital expenditures related to service in July 2023 at Georgia Power and Plant Barry Unit 8 construction, as well as an increase being placed in capital expenditures related to hydro production, both service in November 2023 at Alabama Power. Also contributing to the increase for year-to-date 2023 was Power, partially offset by an increase in capital expenditures subject to AFUDC at Georgia Power. AFUDC. See Note 2 to the financial statements under "Alabama Power" and "Georgia Power" in Item 8 of the Form 10-K and Note (B) to the Condensed Financial Statements herein under "Alabama Power – Certificates of Convenience and Necessity" for additional information.

Interest Expense, Net of Amounts Capitalized

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$109	21.3	$351	24.0

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$83	14.3

In the third first quarter 2023, 2024, interest expense, net of amounts capitalized was $620 million $665 million compared to $511 million $582 million for the corresponding period in 2022. For year-to-date 2023, interest expense, net of amounts capitalized was $1.8 billion compared to $1.5 billion for the corresponding period in 2022. 2023. The increases in the third quarter and year-to-date 2023 increase primarily reflect reflects approximately $63 million and $222 million, respectively, $51 million related to higher interest rates and $48 million and $134 million, respectively, $45 million related to higher average outstanding borrowings. borrowings, partially offset by the deferral of $9 million in financing costs related to Plant Vogtle Unit 3 at Georgia Power. See FINANCIAL CONDITION

AND LIQUIDITY – "Sources of Capital" and "Financing Activities" herein for additional information on borrowings. borrowings and Note (B) to the Condensed Financial Statements herein under "Georgia Power – Nuclear Construction" for additional information on Plant Vogtle Unit 3.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Other Income (Expense), Net Taxes

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$9	6.8	$14	3.4

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$126	129.9

For year-to-date 2023, other In the first quarter 2024, income (expense), net was $428 million taxes were $223 million compared to $414 million $97 million for the corresponding period in 2022. 2023. The increase was primarily due to a $29 million increase in interest income, a $13 million decrease in non-operating benefit-related expenses at Alabama Power, an $8 million gain on investments at Southern Holdings, higher pre-tax earnings and a $6 million $42 million decrease in non-operating marketing expenses at Georgia Power, partially offset by decreases of $30 million in non-service cost-related retirement benefits income and $13 million in customer charges related to contributions in aid of construction at Georgia Power. See Note (H) to the Condensed Financial Statements herein for additional information.

Income Taxes

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(117)	(28.3)	$(399)	(44.8)

In the third quarter 2023, income taxes were $297 million compared to $414 million for the corresponding period in 2022. For year-to-date 2023, income taxes were $492 million compared to $891 million for the corresponding period in 2022. The decreases were primarily due to lower pre-tax earnings, an increase in the flowback of certain excess deferred income taxes at Alabama Power, and a decrease in a valuation allowance on certain state tax credit carryforwards at Georgia Power in 2023, partially offset by a decrease in the flowback generation of certain excess deferred income taxes at Georgia Power that ended in 2022. Also contributing to the year-to-date 2023 decrease was an adjustment in the second quarter 2022 related to a prior year state tax credit carryforward $19 million of advanced nuclear PTCs at Georgia Power. See Note 2 to the financial statements in Item 8 of the Form 10-K and Note (G) to the Condensed Financial Statements herein for additional information.

Alabama Power

Net Income (Loss) Attributable to Noncontrolling Interests

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(2)	(16.7)	$(13)	(23.6)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$78	30.6

Substantially all noncontrolling interests relate to renewable projects at Southern Power. In the third quarter 2023, Alabama Power's net income attributable to noncontrolling interests in the first quarter 2024 was $10 million $333 million compared to $12 million $255 million for the corresponding period in 2022. The decrease was primarily due to $7 million in higher HLBV loss allocations to Southern Power's wind tax equity partners, largely offset by an allocation of $6 million to Southern Power's equity partners related to an arbitration interim award.

For year-to-date 2023, net loss attributable to noncontrolling interests was $68 million compared to $55 million for the corresponding period in 2022. 2023. The increase was primarily due to $16 million an increase in higher HLBV loss allocations retail revenues associated with customer bill credits in 2023 related to Southern Power's wind tax equity partners the flowback of certain excess accumulated deferred income taxes, an increase in Rate CNP New Plant revenues, and

$12 million colder weather in lower the Alabama Power service territory in the first quarter 2024 compared to the corresponding period in 2023. These increases to income allocations to Southern Power's equity partners, were partially offset by $15 million an increase in lower loss allocations income tax expense related to Southern Power's battery energy storage partners.

a decrease in the flowback of certain excess deferred income taxes. See Note (C) 2 to the Condensed Financial Statements financial statements under "General Litigation Matters – Southern "Alabama Power" herein in Item 8 of the Form 10-K for additional information.

Retail Revenues

In the first quarter 2024, retail revenues were $1.57 billion compared to $1.38 billion for the corresponding period in 2023. Details of the changes in retail revenues were as follows:

	First Quarter 2024 vs. First Quarter 2023	
	(change in millions)	*(% change)*
Rates and pricing	$ 126	9.1 %
Sales growth	3	0.2
Weather	40	2.9
Fuel and other cost recovery	15	1.1
Retail revenues	$ 184	13.3 %

Revenues associated with changes in rates and pricing increased in the first quarter 2024 when compared to the corresponding period in 2023 primarily due to customer bill credits in 2023 related to the flowback of certain excess accumulated deferred income taxes as well as an increase in Rate CNP New Plant revenues. See Note 2 to the financial statements under "Alabama Power" in Item 8 of the Form 10-K for additional information.

Revenues attributable to changes in sales were relatively flat in the first quarter 2024 when compared to the corresponding period in 2023. Weather-adjusted residential KWH sales decreased 0.6% primarily due to a decrease in customer usage. Weather-adjusted commercial KWH sales increased 2.5% primarily due to an increase in customer usage. Industrial KWH sales decreased 0.8% primarily due to a decrease in the primary metals sector.

Fuel and other cost recovery revenues increased in the first quarter 2024 when compared to the corresponding period in 2023 primarily as a result of higher recoverable fuel costs.

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Alabama Power

Net Income

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$40	7.6	$(124)	(9.9)

Alabama Power's net income after dividends on preferred stock in the third quarter 2023 was $565 million compared to $525 million for the corresponding period in 2022. The increase was primarily due to a decrease in income tax expense and an increase in retail revenues associated with Rate CNP Compliance and warmer weather in Alabama Power's service territory in the third quarter 2023 compared to the corresponding period in 2022. These increases to income were partially offset by an increase in depreciation and amortization associated with a change in depreciation rates effective January 2023.

Alabama Power's net income after dividends on preferred stock for year-to-date 2023 was $1.13 billion compared to $1.26 billion for the corresponding period in 2022. The decrease was primarily due to an increase in depreciation rates effective January 2023, a decrease in retail revenues associated with milder weather in Alabama Power's service territory in the first and second quarters of 2023 compared to the corresponding periods in 2022, and an increase in capacity-related expenses. These decreases to income were partially offset by a decrease in income tax expense and an increase in Rate CNP Compliance revenues.

See Note 2 to the financial statements in Item 8 of the Form 10-K under "Alabama Power" for additional information.

Retail Revenues

In the third quarter 2023, retail revenues were $1.86 billion compared to $2.01 billion for the corresponding period in 2022. For year-to-date 2023, retail revenues were $4.71 billion compared to $5.02 billion for the corresponding period in 2022. Details of the changes in retail revenues were as follows:

	Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
	(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
Rates and pricing	$ 62	3.1 %	$ 178	3.5 %

Sales decline		(2)	(0.1)		(36)	(0.7)
Weather		35	1.7		(84)	(1.7)
Fuel and other cost recovery		(243)	(12.1)		(365)	(7.3)
Retail revenues	$	(148)	(7.4)%	$	(307)	(6.2)%

Revenues associated with changes in rates and pricing increased in the third quarter and year-to-date 2023 when compared to the corresponding periods in 2022 primarily due to an increase in Rate CNP Compliance revenues. In addition, in the third quarter and year-to-date 2023, revenues associated with Rate CNP Depreciation increased $94 million and $234 million, respectively, and were fully offset by customer bill credits related to the flowback of excess accumulated deferred income taxes. See Note 2 to the financial statements under "Alabama Power" in Item 8 of the Form 10-K for additional information.

Revenues attributable to changes in sales decreased in the third quarter and year-to-date 2023 when compared to the corresponding periods in 2022. Weather-adjusted residential KWH sales decreased 0.8% in the third quarter 2023 compared to the corresponding period in 2022 primarily due to decreased customer usage and remained flat for year-to-date 2023 when compared to the corresponding period in 2022. Weather-adjusted commercial KWH sales increased 1.1% and 0.8% in the third quarter and year-to-date 2023, respectively, when compared to the corresponding periods in 2022 primarily due to increases in customer usage and customer growth. Industrial KWH sales decreased 4.8% and 3.9% in the third quarter and year-to-date 2023, respectively, primarily due to decreases in

the chemicals and forest products sectors. Also contributing to the industrial KWH sales decrease in the third quarter 2023 was a decrease in the primary metals sector.

Fuel and other cost recovery revenues decreased in the third quarter and year-to-date 2023 when compared to the corresponding periods in 2022 primarily as a result of lower fuel and purchased power costs.

Electric rates include provisions to recognize the recovery of fuel costs, purchased power costs, PPAs certificated by the Alabama PSC, and costs associated with the NDR. Under these provisions, fuel and other cost recovery revenues generally equal fuel and other cost recovery expenses and do not affect net income. See Note 2 to the financial statements under "Alabama Power" in Item 8 of the Form 10-K for additional information.

Wholesale Revenues – Non-Affiliates

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(144)	(57.6)	$(164)	(31.4)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$(56)	(39.7)

In the third first quarter 2023, 2024, wholesale revenues from sales to non-affiliates were $106 million $85 million compared to $250 million $141 million for the corresponding period in 2022. 2023. The decrease was primarily due to a 47.0% 59.5% decrease in the volume of KWHs sold as a result of power sales agreements that ended in May 2023 and a 19.8% 49.5% decrease in the price of energy primarily as a result of due to lower natural gas prices in the third quarter 2023 compared to the corresponding period in 2022.

For year-to-date 2023, wholesale revenues from sales to non-affiliates were $358 million compared to $522 million for the corresponding period in 2022. The decrease was primarily due to a 20.4% decrease in the price of energy primarily as a result of lower natural gas prices and a 13.8% decrease in the volume of KWHs sold due to lower customer demand as a result of milder weather in 2023 compared to the corresponding period in 2022. prices.

Wholesale revenues from sales to non-affiliates will vary depending on fuel prices, the market prices of wholesale energy compared to the cost of Alabama Power's and the Southern Company system's generation, demand for energy within the Southern Company system's electric service territory, and the availability of the Southern Company system's generation. Increases and decreases in energy revenues that are driven by fuel prices are accompanied by an increase or decrease in fuel costs and do not affect net income. Short-term opportunity energy sales are also included in wholesale energy sales to non-affiliates. These opportunity sales are made at market-based rates that generally provide a margin above Alabama Power's variable cost to produce the energy.

Wholesale Revenues – Affiliates

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(56)	(80.0)	$(127)	(74.7)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$22	115.8

In the third first quarter 2023, 2024, wholesale revenues from sales to affiliates were $14 million $41 million compared to $70 million $19 million for the corresponding period in 2022. For year-to-date 2023, wholesale revenues from sales to affiliates were $43 million compared to $170 million for the corresponding period in 2022. 2023. The decreases for the third quarter and year-to-date 2023 were increase was primarily due to decreases a 207.9% increase in the volume of 60.6% and 45.6%, respectively, KWH sales due to affiliated company energy needs, partially offset by a 31.6% decrease in the price of energy due to lower natural gas prices and 51.2% and 53.5%, respectively, in the volume of KWH sales due to lower customer demand as a result of milder weather in 2023 compared to the corresponding periods in 2022. prices.

Wholesale revenues from sales to affiliated companies will vary depending on demand and the availability and cost of generating resources at each company. These affiliate sales are made in accordance with the IIC, as approved by the FERC. Energy revenues related to these transactions do not have a significant impact on earnings since this energy is generally sold at marginal cost and energy purchases are generally offset by energy revenues through Alabama Power's energy cost recovery clause.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Other Revenues

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(13)	(11.2)	$(5)	(1.6)

In the third quarter 2023, other revenues were $103 million compared to $116 million for the corresponding period in 2022. For year-to-date 2023, other revenues were $311 million compared to $316 million for the corresponding period in 2022. The decreases for the third quarter and year-to-date 2023 were primarily due to decreases of $11 million and $23 million, respectively, in cogeneration steam revenue primarily associated with lower natural gas prices. The decrease for year-to-date 2023 was largely offset by a $20 million increase in unregulated sales of products and services.

Fuel and Purchased Power Expenses

		Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
		(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
		First Quarter 2024 vs. First Quarter 2023 First Quarter 2024 vs. First Quarter 2023 First Quarter 2024 vs. First Quarter 2023			
	(change in millions)			*(change in millions)*	*(% change)*
Fuel	Fuel	$ (264)	(39.6)	$ (386)	(27.6)
Purchased power – non-affiliates	Purchased power – non-affiliates	(143)	(77.3)	(150)	(43.2)
Purchased power – affiliates	Purchased power – affiliates	(33)	(29.2)	(67)	(25.8)
Total fuel and purchased power expenses	Total fuel and purchased power expenses	$ (440)		$ (603)	

In the third first quarter 2023, 2024, total fuel and purchased power expenses were $524 million$425 million compared to $964 million $468 million for the corresponding period in 2022. For year-to-date 2023, total fuel and purchased power expenses were $1.40 billion compared to $2.01 billion for the corresponding period in 2022. 2023. The decreases for the third quarter and year-to-date 2023 were decrease was due to decreases of $301 million and $540 million, respectively, in the average cost of fuel and purchased power and decreases of $139 million and $63 million, respectively, a $38 million net decrease related to the volume of KWHs generated and purchased. purchased and a $5 million net decrease in the cost of fuel and purchased power.

Fuel and purchased power energy transactions do not have a significant impact on earnings, since energy expenses are generally offset by energy revenues through Alabama Power's energy cost recovery clause. See Note 2 to the financial statements under "Alabama Power – Rate ECR" in Item 8 of the Form 10-K for additional information.

Details of Alabama Power's generation and purchased power were as follows:

	First Quarter 2024	First Quarter 2023
Total generation *(in billions of KWHs)*	**15**	14
Total purchased power *(in billions of KWHs)*	**1**	3
Sources of generation *(percent)* —		
Gas	**33**	29
Coal	**30**	30
Nuclear	**26**	28
Hydro	**11**	13
Cost of fuel, generated *(in cents per net KWH)* —		
Gas	**2.95**	3.37
Coal	**3.27**	3.33
Nuclear	**0.69**	0.67
Average cost of fuel, generated *(in cents per net KWH)*	**2.40**	2.49
Average cost of purchased power *(in cents per net KWH)*(*)	**7.81**	6.35

(*) Average cost of purchased power includes fuel, energy, and transmission purchased by Alabama Power for tolling agreements where power is generated by the provider.

Fuel

In the first quarter 2024, fuel expense was $331 million compared to $308 million for the corresponding period in 2023. The increase was primarily due to a 28.8% increase in the volume of KWHs generated by natural gas, an 8.3% increase in the volume of KWHs generated by coal, and a 15.0% decrease in the volume of KWHs generated by hydro facilities as a result of less rainfall, partially offset by a 12.5% decrease in the average cost of natural gas per KWH generated, which excludes tolling agreements.

Purchased Power – Non-Affiliates

In the first quarter 2024, purchased power expense from non-affiliates was $52 million compared to $101 million for the corresponding period in 2023. The decrease was primarily due to a 55.5% decrease in the volume of KWHs purchased as a result of a PPA that ended in May 2023 and the availability of Plant Barry Unit 8 and Central Alabama Generating Station generation.

Details of Alabama Power's generation and purchased power were as follows:

	Third Quarter 2023	Third Quarter 2022	**Year-To-Date 2023**	Year-To-Date 2022
Total generation *(in billions of KWHs)*(a)	**15**	16	**43**	45
Total purchased power *(in billions of KWHs)*	**3**	4	**8**	9
Sources of generation *(percent)*(a) —				
Coal	**40**	47	**35**	45
Gas	**31**	28	**30**	23
Nuclear	**26**	22	**27**	24
Hydro	**3**	3	**8**	8
Cost of fuel, generated *(in cents per net KWH)* —				
Coal	**3.57**	3.89	**3.48**	3.40

Gas(a)	**3.07**	6.55	**3.05**	5.20
Nuclear	**0.68**	0.67	**0.68**	0.67
Average cost of fuel, generated *(in cents per net KWH)*(a)	**2.64**	3.91	**2.51**	3.13
Average cost of purchased power *(in cents per net KWH)*(b)	**4.57**	8.55	**4.97**	8.33

(a) Excludes Central Alabama Generating Station KWHs and associated cost of fuel through July 12, 2022 as its fuel was previously provided by the purchaser under a power sales agreement. See Note 15 to the financial statements under "Alabama Power" in Item 8 of the Form 10-K for additional information.

(b) Average cost of purchased power includes fuel, energy, and transmission purchased by Alabama Power for tolling agreements where power is generated by the provider.

Fuel

In the third quarter 2023, fuel expense was $402 million compared to $666 million for the corresponding period in 2022. The decrease was primarily due to a 53.1% decrease in the average cost of natural gas per KWH generated, which excludes tolling agreements, and an 18.9% decrease in the volume of KWHs generated by coal.

For year-to-date 2023, fuel expense was $1.01 billion compared to $1.40 billion for the corresponding period in 2022. The decrease was primarily due to a 41.3% decrease in the average cost of natural gas per KWH generated, which excludes tolling agreements, and a 25.3% decrease in the volume of KWHs generated by coal, partially offset by a 23.4% increase in the volume of KWHs generated by natural gas and a 10.6% decrease in the volume of KWHs generated by hydro facilities as a result of less rainfall for year-to-date 2023 compared to the corresponding period in 2022.

Purchased Power – Non-Affiliates

In the third quarter 2023, purchased power expense from non-affiliates was $42 million compared to $185 million for the corresponding period in 2022. For year-to-date 2023, purchased power expense from non-affiliates was $197 million compared to $347 million for the corresponding period in 2022. The decreases for the third quarter and year-to-date 2023 were primarily due to decreases of 41.0% and 37.6%, respectively, in the average cost per KWH purchased due to lower purchase prices as a result of lower natural gas prices and decreases of 64.2% and 21.8%, respectively, in the volume of KWHs purchased due to a new PPA that began in July 2022 and ended in May 2023.

Energy purchases from non-affiliates will vary depending on the market prices of wholesale energy as compared to the cost of the Southern Company system's generation, demand for energy within the Southern Company system's electric service territory, and the availability of the Southern Company system's generation.

Purchased Power – Affiliates

In the third first quarter 2023, 2024, purchased power expense from affiliates was $80 million $42 million compared to $113 million $59 million for the corresponding period in 2022. For year-to-date 2023, purchased power expense from affiliates 2023. The decrease was $193 million

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compared to $260 million for the corresponding period in 2022. The decreases for the third quarter and year-to-date 2023 were primarily due to decreases of 65.8% and 51.3%, respectively, in the average cost per KWH purchased due to lower purchase prices as a result of lower natural gas prices, partially offset by increases of 107.6% and 52.6%, respectively, 35.8% decrease in the volume of KWHs purchased due to the availability of lower cost gas generation in the Southern Company system. Plant Barry Unit 8 and Central Alabama Generating Station generation.

Energy purchases from affiliates will vary depending on demand for energy and the availability and cost of generating resources at each company within the Southern Company system. These purchases are made in accordance with the IIC or other contractual agreements, as approved by the FERC.

Other Operations and Maintenance Expenses

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(7)	(1.7)	$5	0.4

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$(12)	(2.8)

In the third first quarter 2023, 2024, other operations and maintenance expenses were $411 million $412 million compared to $418 million $424 million for the corresponding period in 2022. 2023. The decrease was primarily due to decreases of $15 million in transmission and distribution expenses related to line maintenance, $9 million $7 million in technology infrastructure and application production costs, $7 million related to the injuries and $9 million in certain employee compensation and benefit expenses. The decreases were largely offset by an increase of $26 million in planned outages and generation non-outage maintenance expenses.

For year-to-date 2023, other operations and maintenance expenses were $1.28 billion compared to $1.27 billion for the corresponding period in 2022. The increase was primarily due to a $14 million decrease in nuclear property insurance refunds and increases of $19 million damages reserve, $5 million in expenses related to unregulated products and services, $9 million and $3 million in technology infrastructure employee compensation and application production costs, and $9 million benefits, as well as a $5 million increase in customer accounts expenses primarily associated with bad debt expense. nuclear property insurance refunds. The increases decreases were largely partially offset by decreases of $21 million a $17 million increase in generation expenses primarily associated with planned outages and generation non-outage maintenance expenses, $15 million in certain employee compensation and benefit expenses, and $10 million in transmission and distribution related to line maintenance.

Depreciation and Amortization

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$131	59.5	$393	60.3

In the third quarter 2023, depreciation and amortization was $351 million compared to $220 million for the corresponding period in 2022. For year-to-date 2023, depreciation and amortization was $1.05 billion compared to $652 million for the corresponding period in 2022. The increases were primarily due to an increase in depreciation rates effective in 2023. Rate CNP Compliance-related expenses. See Notes Note 2 and 5 to the financial statements under "Alabama Power" and "Depreciation and Amortization," respectively, Power – Rate CNP Compliance" in Item 8 of the Form 10-K for additional information.

Taxes Other Than Income Taxes Depreciation and Amortization

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$4	3.8	$24	7.8

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$16	4.6

In the third first quarter 2023, taxes other than income taxes were $110 million 2024, depreciation and amortization was $361 million compared to $106 million $345 million for the corresponding period in 2022. For year-to-date 2023, taxes other than income taxes were $333 million compared to $309 million for the corresponding period in 2022. 2023. The increases were increase was primarily due to an increase additional plant in utility license taxes.

Table service related to transmission and distribution systems as well as Plant Barry Unit 8 being placed in service in November 2023. See Note 2 to the financial statements under "Alabama Power" in Item 8 of ContentsIndex to Financial Statements

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (Continued)

the Form 10-K for additional information.

Allowance for Equity Funds Used During Construction

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$5	27.8	$14	27.5

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$(7)	(33.3)

In the third first quarter 2023, 2024, allowance for equity funds used during construction was $23 million $14 million compared to $18 million $21 million for the corresponding period in 2022. For year-to-date 2023, allowance for equity funds used during construction 2023. The decrease was $65 million compared to $51 million for the corresponding period in 2022. The increases were primarily due to an increase in capital expenditures related to Plant Barry Unit 8 construction, as well as an increase being placed in capital expenditures related to hydro production. See Note (B) to the Condensed Financial Statements under "Alabama Power – Certificates of Convenience and Necessity" herein for additional information.

Interest Expense, Net of Amounts Capitalized

Third Quarter 2023 vs. Third Quarter 2022	Year-To-Date 2023 vs. Year-To-Date 2022

(change in millions)	(% change)	(change in millions)	(% change)
$6	6.1	$33	11.9

In the third quarter 2023, interest expense, net of amounts capitalized was $104 million compared to $98 million for the corresponding period service in 2022. For year-to-date 2023, interest expense, net of amounts capitalized was $311 million compared to $278 million for the corresponding period in 2022. The increases for the third quarter and year-to-date 2023 were primarily associated with increases of approximately $5 million and $25 million, respectively, related to higher average outstanding borrowings and $4 million and $15 million, respectively, related to higher interest rates. See FINANCIAL CONDITION AND LIQUIDITY – "Sources of Capital" herein for additional information on borrowings.

Other Income (Expense), Net

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$—	—	$16	15.8

For year-to-date 2023, other income (expense), net was $117 million compared to $101 million for the corresponding period in 2022. The increase was primarily due to a decrease in non-operating benefit-related expenses and an increase in interest income, partially offset by a decrease in non-service cost-related retirement benefits income. See Note (H) to the Condensed Financial Statements herein for additional information.

Income Taxes

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(87)	(52.4)	$(291)	(73.9)

In the third quarter 2023, income taxes were $79 million compared to $166 million for the corresponding period in 2022. For year-to-date 2023, income taxes were $103 million compared to $394 million for the corresponding period in 2022. The decreases were primarily due to an increase in the flowback of certain excess deferred income taxes and lower pre-tax earnings. November 2023. See Note 2 to the financial statements under "Alabama Power – Excess Accumulated Deferred Income Tax Accounting Order" in Item 8 of the Form 10-K and Note (G) to the Condensed Financial Statements herein for additional information.

Georgia Power

Net Income

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(78)	(9.1)	$(304)	(16.4)

Georgia Power's net income in the third quarter 2023 was $780 million compared to $858 million for the corresponding period in 2022. The decrease was primarily due to an increase of $172 million in after-tax charges related to the construction of Plant Vogtle Units 3 and 4, as well as higher interest expense, partially offset by an increase in retail revenues associated with warmer weather in the third quarter 2023 compared to the corresponding period in 2022 and lower non-fuel operations and maintenance costs. Also partially offsetting the net income reductions were the impacts of the 2022 ARP effective January 1, 2023, including increased retail rates, largely offset by higher depreciation and amortization.

For year-to-date 2023, net income was $1.55 billion compared to $1.85 billion for the corresponding period in 2022. The decrease was primarily due to a decrease in retail revenues associated with lower contributions from variable demand-driven pricing and milder weather in the first and second quarters of 2023 compared to the corresponding periods in 2022, an increase of $133 million in after-tax charges related to the construction of Plant Vogtle Units 3 and 4, and higher interest expense, partially offset by lower non-fuel operations and maintenance costs. Also partially offsetting the net income reductions were the impacts of the 2022 ARP effective January 1, 2023, including increased retail rates, largely offset by higher depreciation and amortization.

See Note 2 to the financial statements in Item 8 of the Form 10-K and Note (B) to the Condensed Financial Statements herein under "Georgia Power" for additional information.

Retail Revenues

In the third quarter 2023, retail revenues were $3.00 billion compared to $3.70 billion for the corresponding period in 2022. For year-to-date 2023, retail revenues were $7.14 billion compared to $8.63 billion for the corresponding period in 2022. Details of the changes in retail revenues were as follows:

	Third Quarter 2023 vs. Third Quarter 2022	Year-To-Date 2023 vs. Year-To-Date 2022

		(change in millions)	(% change)		(change in millions)	(% change)
Rates and pricing	$	17	0.4 %	$	(115)	(1.3)%
Sales decline		(31)	(0.8)		(17)	(0.2)
Weather		88	2.4		(109)	(1.3)
Fuel cost recovery		(781)	(21.1)		(1,246)	(14.4)
Retail revenues	$	(707)	(19.1)%	$	(1,487)	(17.2)%

Revenues associated with changes in rates and pricing increased in the third quarter 2023 when compared to the corresponding period in 2022 primarily due to base tariff increases in accordance with the 2022 ARP, partially offset by lower contributions from commercial and industrial customers with variable demand-driven pricing and a decrease in revenues recognized under the NCCR tariff. Revenues associated with changes in rates and pricing decreased for year-to-date 2023 when compared to the corresponding period in 2022 primarily due to lower contributions from commercial and industrial customers with variable demand-driven pricing and a decrease in revenues recognized under the NCCR tariff, partially offset by base tariff increases in accordance with the 2022 ARP. See Note 2 to the financial statements under "Georgia Power – Rate Plans" and " – Nuclear Construction" CNP New Plant" in Item 8 of the Form 10-K for additional information.

Income Taxes (Benefit)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$87	N/M

In the first quarter 2024, income tax expense was $85 million compared to income tax benefit of $2 million for the corresponding period in 2023. The change was primarily due to higher pre-tax earnings and a $42 million decrease in the flowback of certain excess deferred income taxes. See Note 2 to the financial statements under "Alabama Power – Excess Accumulated Deferred Income Tax Accounting Order" in Item 8 of the Form 10-K and Note (G) to the Condensed Financial Statements herein for additional information.

Georgia Power

Net Income

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$141	47.6

Georgia Power's net income in the first quarter 2024 was $437 million compared to $296 million for the corresponding period in 2023. The increase was primarily due to higher retail revenues associated with the inclusion of Plant Vogtle Unit 3 in retail rates, base tariff increases in accordance with the 2022 ARP, and colder weather in the first quarter 2024 as compared to the corresponding period in 2023. See Note 2 to the financial statements under "Georgia Power" in Item 8 of the Form 10-K for additional information.

Retail Revenues

In the first quarter 2024, retail revenues were $2.16 billion compared to $1.98 billion for the corresponding period in 2023. Details of the changes in retail revenues were as follows:

	First Quarter 2024 vs. First Quarter 2023		
		(change in millions)	*(% change)*
Rates and pricing	$	110	5.6 %
Sales growth		41	2.1
Weather		53	2.7
Fuel cost recovery		(30)	(1.5)
Retail revenues	$	174	8.9 %

Revenues associated with changes in rates and pricing increased in the first quarter 2024 when compared to the corresponding period in 2023 primarily due to the inclusion of Plant Vogtle Unit 3 in retail rates and base tariff increases in accordance with the 2022 ARP. See Note 2 to the financial statements under "Georgia Power" in Item 8 of the Form 10-K for additional information.

Revenues attributable to changes in sales decreased increased in the third first quarter and year-to-date 2023 2024 when compared to the corresponding periods period in 2022. 2023. Weather-adjusted residential KWH sales decreased 2.6% and 0.7% in the third quarter and year-to-date 2023, respectively, when compared to the corresponding periods in 2022 increased 1.8% primarily due to decreased customer usage, partially offset by customer growth. Weather-adjusted commercial KWH sales increased 0.4% and 1.1% in the third quarter and year-to-date 2023, respectively, when compared to the corresponding periods in 2022 4.1% primarily due to increased customer usage and customer growth. The increase in weather-adjusted commercial KWH sales in the third quarter 2023 was partially offset by decreased customer usage. Weather-adjusted industrial KWH sales decreased 1.3% in the third quarter 2023 when compared to the corresponding period in 2022 increased 1.8% primarily due to decreases increases in the pipeline primary metals, lumber, and chemicals paper sectors, partially offset by an increase in the paper sector. Weather-adjusted industrial KWH sales decreased 1.0% for year-to-date 2023 when compared to the corresponding period in 2022 primarily due to decreases in the textile chemicals, electronics, and mining sectors, partially offset by increases in the paper and electronics pipeline sectors.

Fuel revenues and costs are allocated between retail and wholesale jurisdictions. Retail fuel cost recovery revenues decreased in the third first quarter and year-to-date 2023 2024 when compared to the corresponding periods period in 2022 2023 due to lower fuel and

purchased power costs. Electric rates include provisions to adjust billings for fluctuations in fuel costs, including the energy component of purchased power costs. Under these fuel cost recovery provisions, fuel revenues generally equal fuel expenses and do not affect net income. See Note (B) to the Condensed Financial Statements herein and Note 2 to the financial statements under "Georgia Power – Fuel Cost Recovery" in Item 8 of the Form 10-K under "Georgia Power – Fuel Cost Recovery" for additional information.

Wholesale Revenues

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$13	23.2	$(39)	(21.0)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$27	87.1

In the third first quarter 2023, 2024, wholesale revenues were $69 million $58 million compared to $56 million $31 million for the corresponding period in 2022. 2023. The increase was primarily due to a $22 million $20 million increase related to new capacity contracts and a $9 million increase related to the volume of KWH sales associated with higher market demand, and a $17 million increase related to new capacity contracts, partially offset by a $26 million $6 million decrease related to the average cost per KWH sold due to lower Southern Company system fuel and purchased power costs.

For year-to-date 2023, wholesale revenues were $147 million compared to $186 million for the corresponding period in 2022. The decrease was primarily due to a $41 million decrease related to the average cost per KWH sold due to lower Southern Company system fuel and purchased power costs and a $13 million decrease related to the volume of KWH sales associated with lower market demand, partially offset by a $19 million increase related to new capacity contracts.

Wholesale revenues from sales to non-affiliates consist of PPAs and short-term opportunity sales. Wholesale revenues from PPAs have both capacity and energy components. Wholesale capacity revenues from PPAs are recognized in amounts billable under the contract terms and provide for recovery of fixed costs and a return on investment. Wholesale revenues from sales to non-affiliates will vary depending on fuel prices, the market prices of wholesale energy compared to the cost of Georgia Power's and the Southern Company system's generation, demand for energy within the Southern Company system's electric service territory, and the availability of the Southern Company system's generation. Increases and decreases in energy revenues that are driven by fuel prices are accompanied by an increase or decrease in fuel costs and do not have a significant impact on net income. Short-term opportunity sales are made at market-based rates that generally provide a margin above Georgia Power's variable cost of energy.

Wholesale revenues from sales to affiliated companies will vary depending on demand and the availability and cost of generating resources at each company. These affiliate sales are made in accordance with the IIC, as approved by the FERC. Energy revenues related to these transactions do not have a significant impact on earnings since this energy is generally sold at marginal cost.

Other Revenues

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$21	12.8

In the first quarter 2024, other revenues were $185 million compared to $164 million for the corresponding period in 2023. The increase was primarily due to increases of $8 million in unregulated sales primarily associated with energy conservation projects, power delivery construction and maintenance, and outdoor lighting, $6 million in regulated outdoor lighting sales, and $5 million in open access transmission tariff sales.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

the FERC. Energy revenues related to these transactions do not have a significant impact on earnings since this energy is generally sold at marginal cost.

Other Revenues

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$42	32.3	$113	28.0

In the third quarter 2023, other revenues were $172 million compared to $130 million for the corresponding period in 2022. For year-to-date 2023, other revenues were $516 million compared to $403 million for the corresponding period in 2022. The increases for the third quarter and year-to-date 2023 were primarily due to increases of $27 million and $78 million, respectively, in unregulated sales associated with power delivery construction and maintenance, outdoor lighting, and energy conservation projects, net increases of $7 million and $18 million, respectively, in realized gains associated with price stability products for retail customers on variable demand-driven pricing tariffs, and increases of $10 million in retail solar program fees. Also contributing to the increase for year-to-date 2023 was an $11 million increase in open access transmission tariff sales.

Fuel and Purchased Power Expenses

		Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
		(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
		First Quarter 2024 vs. First Quarter 2023 First Quarter 2024 vs. First Quarter 2023 First Quarter 2024 vs. First Quarter 2023			
	(change in millions)			*(change in millions)*	*(% change)*
Fuel	Fuel	$ (265)	(31.5)	$ (495)	(26.2)
Purchased power – non-affiliates	Purchased power – non-affiliates	(173)	(56.9)	(303)	(43.3)
Purchased power – affiliates	Purchased power – affiliates	(350)	(61.3)	(521)	(47.4)
Total fuel and purchased power expenses	Total fuel and purchased power expenses	$ (788)		$ (1,319)	

In the third first quarter 2023, 2024, total fuel and purchased power expenses were $0.9 billion $710 million compared to $1.7 billion $731 million for the corresponding period in 2022. For year-to-date 2023, total fuel and purchased power expenses were $2.4 billion compared to $3.7 billion for the corresponding period in 2022. 2023. The decreases for the third quarter and year-to-date 2023 were decrease was primarily due to decreases a net decrease of $689 million and $1.0 billion, respectively, $37 million related to the average cost of fuel and purchased power, and partially offset by a net decreases increase of $99 million and $293 million, respectively, $16 million related to the volume of KWHs generated and purchased.

Fuel and purchased power energy transactions do not have a significant impact on earnings since these fuel expenses are generally offset by fuel revenues through Georgia Power's fuel cost recovery mechanism. See Note (B) to the Condensed Financial Statements herein and Note 2 to the financial statements under "Georgia Power – Fuel Cost Recovery" in Item 8 of the Form 10-K under "Georgia Power – Fuel Cost Recovery" for additional information.

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Details of Georgia Power's generation and purchased power were as follows:

	Third Quarter 2023	Third Quarter 2022	**Year-To-Date 2023**	Year-To-Date 2022
Total generation *(in billions of KWHs)*(a)	**18**	15	**46**	45
Total purchased power *(in billions of KWHs)*	**9**	11	**23**	27
Sources of generation *(percent)* —				
Gas	**47**	53	**51**	48
Nuclear(a)	**26**	28	**27**	26
Coal	**25**	16	**19**	22
Hydro and other	**2**	3	**3**	4
Cost of fuel, generated *(in cents per net KWH)* —				
Gas	**2.99**	6.10	**3.07**	4.99
Nuclear(a)	**0.87**	0.75	**0.79**	0.76
Coal	**5.69**	4.73	**5.80**	3.84

	First Quarter 2024	First Quarter 2023
Total generation *(in billions of KWHs)*(a)	**15**	13
Total purchased power *(in billions of KWHs)*	**7**	8
Gas	**46**	55
Nuclear(a)	**32**	26
Coal	**18**	14
Hydro and other	**4**	5
Gas	**3.15**	3.57
Nuclear(a)	**0.90**	0.75
Coal	**4.35**	5.24

Average cost of fuel, generated *(in cents per net KWH)*(a)	Average cost of fuel, generated *(in cents per net KWH)*(a)	**3.11**	4.32	**2.98**	3.56	Average cost of fuel, generated *(in cents per net KWH)*(a)	**2.62**	3.05
Average cost of purchased power *(in cents per net KWH)*(b)	Average cost of purchased power *(in cents per net KWH)*(b)	**4.55**	10.14	**4.64**	8.00	Average cost of purchased power *(in cents per net KWH)*(b)	**4.63**	4.52

(a) Excludes KWHs generated from test period energy at Plant Vogtle Unit 3 4 prior to its in-service date. The related fuel costs are charged to CWIP in accordance with FERC guidance. See Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction" herein for additional information on Plant Vogtle Units 3 and 4.

(b) Average cost of purchased power includes fuel purchased by Georgia Power for tolling agreements where power is generated by the provider.

Fuel

In the third first quarter 2023, 2024, fuel expense was $576 million $389 million compared to $841 million $402 million for the corresponding period in 2022. 2023. The decrease was primarily due to a decrease decreases of 51.0% in the average cost per KWH generated by natural gas, partially offset by increases of 78.6% in the volume of KWHs generated by coal, 20.3% 17.0% in the average cost per KWH generated by coal, 16.0% in the average cost per KWH generated by nuclear, 8.8% in the volume of KWHs generated by nuclear, and 3.0% in the volume of KWHs generated by natural gas.

For year-to-date 2023, fuel expense was $1.39 billion compared to $1.89 billion for the corresponding period in 2022. The decrease was primarily due to decreases of 38.5% 11.8% in the average cost per KWH generated by natural gas, and 10.2% 6.6% in the volume of KWHs generated by natural gas, partially offset by increases of 37.6% in the volume of KWHs generated by coal, partially offset 36.2% in the volume of KWHs generated by increases of 51.0% nuclear, and 20.0% in the average cost per KWH generated by coal and 7.0% in the volume nuclear.

Table of KWHs generated by natural gas. ContentsIndex to Financial Statements

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Purchased Power – Non-Affiliates

In the third first quarter 2023, 2024, purchased power expense from non-affiliates was $131 million $140 million compared to $304 million $123 million for the corresponding period in 2022. For year-to-date 2023, purchased power expense from non-affiliates was $397 million compared to $700 million 2023. The increase for the corresponding period in 2022. The decreases for the third first quarter and year-to-date 2023 were 2024 was primarily due to decreases an increase of 38.1% and 37.8%, respectively, 26.3% in the volume of KWHs purchased as Georgia Power and other Southern Company system units generally dispatched at a lower higher cost than available market resources, and 45.1% and 24.1%, respectively, partially offset by a decrease of 8.8% in the average cost per KWH purchased primarily due to lower natural gas prices.

Energy purchases from non-affiliates will vary depending on the market prices of wholesale energy as compared to the cost of the Southern Company system's generation, demand for energy within the Southern Company system's electric service territory, and the availability of the Southern Company system's generation.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Purchased Power – Affiliates

In the third first quarter 2023, 2024, purchased power expense from affiliates was $221 million $181 million compared to $571 million $206 million for the corresponding period in 2022. For year-to-date 2023, purchased power expense from affiliates 2023. The decrease was $579 million compared to $1.1 billion for the corresponding period in 2022. The decreases for the third quarter and year-to-date 2023 reflect decreases of 60.0% and 49.8%, respectively, in the average cost per KWH purchased primarily due to lower natural gas prices. Also contributing to the a decrease in the third quarter 2023 was a 5.5% decrease of 13.9% in the volume of KWHs purchased. purchased as Southern Company system units generally dispatched at a higher cost than available market resources, partially offset by capacity purchased through a new PPA with Mississippi Power. See Note (B) to the Condensed Financial Statements herein under "Georgia Power – Integrated Resource Plan" for additional information.

Energy purchases from affiliates will vary depending on the demand and the availability and cost of generating resources at each company within the Southern Company system. These purchases are made in accordance with the IIC or other contractual agreements, all as approved by the FERC.

Other Operations and Maintenance Expenses

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(83)	(13.9)	$(181)	(10.7)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$19	3.8

In the third first quarter 2023, 2024, other operations and maintenance expenses were $512 million $515 million compared to $595 million $496 million for the corresponding period in 2022. 2023. The decrease increase was primarily due to decreases $20 million in gains in 2023 from sales of $64 million integrated transmission system assets and an increase of $17 million in transmission and distribution generation expenses primarily associated with line maintenance, $45 million in storm damage recovery as authorized in the 2022 ARP, and $25 million in generation non-outage maintenance expenses. These decreases were costs primarily due to Plant Vogtle Unit 3 being placed in service in July 2023, partially offset by increases a decrease of $21 million in generation environmental projects and $20 million from unregulated power delivery construction and maintenance and energy conservation projects.

For year-to-date 2023, other operations and maintenance expenses were $1.51 billion compared to $1.69 billion for the corresponding period in 2022. The decrease was primarily due to decreases of $136 million in storm damage recovery as authorized in the 2022 ARP, $121 million in transmission and distribution expenses primarily associated with line maintenance, $74 million in generation non-outage maintenance expenses, and $14 million in certain employee compensation and benefit expenses. These decreases were partially offset by increases of $48 million from unregulated power delivery construction and maintenance and energy conservation projects, $41 million in generation environmental projects, and $39 million in technology infrastructure and application production costs, costs. See Note (B) to the Condensed Financial Statements herein under "Georgia Power – Nuclear Construction" for additional information on Plant Vogtle Unit 3.

Depreciation and Amortization

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$17	4.2

In the first quarter 2024, depreciation and amortization was $425 million compared to $408 million for the corresponding period in 2023. The increase was primarily due to an increase of $29 million associated with additional plant in service, partially offset by a decrease of $15 million in amortization of regulatory assets related to CCR AROs as well as a $12 million decrease approved in nuclear property insurance refunds.

the 2024 compliance filing under the terms of the 2022 ARP. See Note 2 to the financial statements under "Georgia Power – Storm Damage Recovery" in Item 8 of the Form 10-K for additional information.

Depreciation and Amortization

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$70	19.5	$182	17.1

In the third quarter 2023, depreciation and amortization was $429 million compared to $359 million for the corresponding period in 2022. For year-to-date 2023, depreciation and amortization was $1.25 billion compared to $1.07 billion for the corresponding period in 2022. The increases for the third quarter and year-to-date 2023 were primarily due to increases of $48 million and $142 million, respectively, resulting from higher depreciation rates as authorized in the 2022 ARP and $21 million and $51 million, respectively, associated with additional plant in service. Partially offsetting the increase for year-to-date 2023 was a decrease of $11 million in amortization of regulatory assets related to the retirement of certain generating units that ended in 2022.

See Note 5 to the financial statements under "Depreciation and Amortization" Rate Plans" in Item 8 of the Form 10-K for additional information.

Taxes Other Than Income Taxes

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(11)	(7.1)	$(14)	(3.3)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$16	12.2

In the third first quarter 2023, 2024, taxes other than income taxes were $144 million $147 million compared to $155 million $131 million for the corresponding period in 2022. For year-to-date 2023, taxes other than income taxes were $406 million compared to $420 million for the corresponding period in 2022. 2023. The decreases for the third quarter and year-to-date 2023 were increase was primarily due to decreases an increase of $15 million and $33 million, respectively, in municipal franchise fees resulting from lower retail revenues, partially offset by increases of $3 million and $21 million, respectively, $14 million in property taxes primarily resulting from an increase in the assessed value of property.

Estimated Loss on Plant Vogtle Units 3 and 4

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$230	N/M	$178	N/M

Georgia Power recorded pre-tax charges (credits) to income for the estimated probable loss on Plant Vogtle Units 3 and 4 totaling $160 million and $(70) million in the third quarter 2023 and 2022, respectively, and $160 million and $(18) million for year-to-date 2023 and 2022, respectively. The charges (credits) reflected revisions to the total project capital cost forecast to complete construction and start-up of Plant Vogtle Units 3 and 4. See Note (B) to the Condensed Financial Statements herein and Note 2 to the financial statements in Item 8 of the Form 10-K under "Georgia Power – Nuclear Construction" for additional information.

Allowance for Equity Funds Used During Construction

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$—	—	$19	18.6

For year-to-date 2023, allowance for equity funds used during construction was $121 million compared to $102 million for the corresponding period in 2022. The increase was primarily due to an increase in capital expenditures subject to AFUDC.

Interest Expense, Net of Amounts Capitalized

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$43	35.0	$125	36.0

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$27	18.5

In the third first quarter 2023, 2024, interest expense, net of amounts capitalized was $166 million $173 million compared to $123 million $146 million for the corresponding period in 2022. For year-to-date 2023, interest expense, net of amounts capitalized 2023. The increase was $472 million compared to $347 million for the corresponding period in 2022. The increases for the third quarter and year-to-date 2023 were primarily associated with increases of approximately $20 million $17 million related to higher interest rates and $64 million, respectively, $15 million related to higher average outstanding borrowings, and $19 million and $59 million, respectively, partially offset by the deferral of $9 million in financing costs related to higher interest rates. Plant Vogtle Unit 3. See FINANCIAL CONDITION AND LIQUIDITY – "Sources of Capital" and "Financing Activities" herein for additional information on borrowings.

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Other Income (Expense), Net

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$9	25.0	$(15)	(10.7)

In the third quarter 2023, other income (expense), net was $45 million compared to $36 million for the corresponding period in 2022. The increase was primarily due to a $6 million decrease in non-operating marketing expenses.

For year-to-date 2023, other income (expense), net was $125 million compared to $140 million for the corresponding period in 2022. The decrease was primarily due to a decrease of $13 million in customer charges related to contributions in aid of construction borrowings and a $7 million charge in the second quarter 2023 under a stipulation agreement approved by the Georgia PSC related to Georgia Power's fuel cost recovery case, partially offset by a $6 million decrease in non-operating marketing expenses. See Note (B) to the Condensed Financial Statements herein under "Georgia Power – Fuel Cost Recovery" Nuclear Construction" for additional information. information on Plant Vogtle Unit 3.

Income Taxes

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(26)	(11.5)	$(76)	(18.1)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$26	49.1

In the third first quarter 2023, 2024, income taxes were $200 million $79 million compared to $226 million $53 million for the corresponding period in 2022. For year-to-date 2023, income taxes were $345 million compared to $421 million for the corresponding period in 2022. 2023. The decreases were increase was primarily due to lower higher pre-tax earnings, largely resulting from higher charges associated with the construction of Plant Vogtle Units 3 and 4 and a decrease in a valuation allowance on certain state tax credit carryforwards in 2023, partially offset by the flowback generation of certain excess deferred income taxes that ended in 2022. Also contributing to the year-to-date 2023 decrease was an adjustment in the second quarter 2022 related to a prior year state tax credit carryforward. $19 million of advanced nuclear PTCs. See Note (G) to the Condensed Financial Statements herein for additional information.

Mississippi Power

Net Income

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$13	21.0	$23	15.3

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$(8)	(13.8)

Mississippi Power's net income for the third first quarter 2023 2024 was $75 50 million compared to $62 million $58 million for the corresponding period in 2022. 2023. The increase decrease was primarily due to an increase in revenues due to warmer weather in the third quarter 2023 when compared to the corresponding period in 2022.

Mississippi Power's net income for year-to-date 2023 was $173 million compared to $150 million for the corresponding period in 2022. The increase was primarily due to an increase a decrease in affiliate wholesale capacity revenues, partially offset by an increase in interest expense. revenues.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Retail Revenues

In the third first quarter 2023, 2024, retail revenues were $284 221 million compared to $250 million for the corresponding period in 2022. For year-to-date 2023, retail revenues were $747 million compared to $718 million $236 million for the corresponding period in 2022. 2023. Details of the changes in retail revenues were as follows:

Third Quarter 2023 vs. Third Quarter 2022	Year-To-Date 2023 vs. Year-To-Date 2022	First Quarter 2024 vs. First Quarter 2023

			(change in millions)	(% change)			(change in millions)	(% change)				(change in millions)		(% change)	
Rates and pricing	Rates and pricing	$	(3)	(1.2)	%	$	2	0.2	%	Rates and pricing	$	3	1.3	1.3	%
Sales growth	Sales growth		5	2.0			4	0.6							
Weather	Weather		9	3.6			(1)	(0.1)							
Fuel and other cost recovery	Fuel and other cost recovery		23	9.2			24	3.3							
Retail revenues	Retail revenues	$	34	13.6	%	$	29	4.0	%	Retail revenues	$	(15)	(6.4)	(6.4)	%

Revenues associated with changes in rates and pricing decreased increased in the third first quarter 2023 and increased year-to-date 2023 when compared to the corresponding periods in 2022. The third quarter 2023 decrease was primarily due to lower contributions from commercial and industrial customers with variable demand-driven pricing and the expiration of a PEP surcharge at the end of 2022 that became effective for the first billing cycle of April 2022, partially offset by higher revenues associated with a tolling arrangement accounted for as a sales-type lease. The year-to-date 2023 increase was primarily due to ECO Plan rates that became effective in May 2022 and higher revenues associated with a tolling arrangement accounted for as a sales-type lease, partially offset by the expiration of the PEP surcharge at the end of 2022 that became effective for the first billing cycle of April 2022. See Notes 2 and 9 to the financial statements under "Mississippi Power" and "Lessor," respectively, in Item 8 of the Form 10-K and Note (D) to the Condensed Financial Statements under "Lease Income" herein for additional information.

Revenues attributable to changes in sales increased in the third quarter and year-to-date 2023 when compared to the corresponding periods in 2022. Weather-adjusted residential KWH sales increased0.9% in the third quarter 2023 2024 when compared to the corresponding period in 20222023 primarily due toan increase in customer usage. Weather-adjusted residential KWH sales decreased the amortization of certain regulatory assets that ended in December 2023.0.3% year-to-date 2023

Revenues attributable to changes in sales increased in the first quarter 2024 when compared to the corresponding period in 2022 due to a decrease in customer usage. 2023. Weather-adjusted residential and commercial KWH sales increased 11.8% 4.7% and 6.4% in the third quarter and year-to-date 2023, 7.4%, respectively, when compared to the corresponding periods in 2022 primarily due to sales growth associated with new commercial contracts.increased customer usage. Industrial KWH sales increased 1.1% and 1.3% in the third quarter and year-to-date 2023, respectively, when compared to the corresponding periods in 2022 decreased 1.7% primarily due to an increase decreases in the non-manufacturing sector, partially offset by a decrease in the chemicals sector.petroleum and transportation sectors.

Fuel and other cost recovery revenues increased in decreased in the third first quarter and year-to-date 2023 2024 when compared to the corresponding periods period in 2022 2023 primarily as a result of higher lower recoverable fuel costs. costs. Recoverable fuel costs include fuel and purchased power expenses reduced by the fuel and emissions portion of wholesale revenues from energy sold to customers outside Mississippi Power's service territory. Electric rates include provisions to adjust billings for fluctuations in fuel costs, including the energy component of purchased power costs. Under these provisions, fuel revenues generally equal fuel expenses, including the energy component of purchased power costs, and do not affect net income. See Note 2 to the financial statements in Item 8 of the Form 10-K for additional information.

Wholesale Revenues – Non-Affiliates

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$17	28.3	$10	5.2

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$(9)	(13.2)

In the third first quarter 2023, 2024, wholesale revenues from sales to non-affiliates were $77 million$59 million compared to $60 million $68 million for the corresponding period in 2022. 2023. The increasedecrease was primarily due to an $11 million increase a $6 million decrease associated with

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

AND RESULTS OF OPERATIONS (Continued)

MRA customers and a $6 million increase associated with opportunity sales. The increase from MRA customers was primarily largely due to higher lower recoverable fuel costs and an increase in demand as a result of weather impacts.

For year-to-date 2023, wholesale revenues from sales to non-affiliates were $201 million compared to $191 million for the corresponding period in 2022. The increase was due to a $6 million increase $4 million decrease associated with MRA customers and a $4 million increase associated with opportunity sales. The increase from MRA customers was primarily due to a rate increase under the MRA tariff effective September 2022 and higher recoverable fuel costs, partially offset by a decrease changes in demand as a result of weather impacts. power supply agreements.

Wholesale revenues from sales to non-affiliates will vary depending on fuel prices, the market prices of wholesale energy compared to the cost of Mississippi Power's and the Southern Company system's generation, demand for energy within the Southern Company system's electric service territory, and the availability of the Southern Company system's generation. Increases and decreases in energy revenues that are driven by fuel prices are accompanied by an increase or decrease in fuel costs and do not have a significant impact on net income. In addition, Mississippi Power provides service under long-term contracts with rural electric cooperative associations and municipalities located in southeastern Mississippi under cost-based electric tariffs which are subject to regulation by the FERC. Short-term opportunity energy sales are also included in sales for resale to non-affiliates. These opportunity sales are made at market-based rates that generally provide a margin above Mississippi Power's variable cost to produce the energy. See Note 2 to the financial statements under "Mississippi Power" Power – Municipal and Rural Associations Tariff" in Item 8 of the Form 10-K for additional information.

See Note (B)Table of ContentsIndex to the Condensed Financial Statements under "Mississippi Power – Municipal and Rural Associations Tariff" herein for additional information.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Wholesale Revenues – Affiliates

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(122)	(65.2)	$(178)	(53.0)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$(24)	(32.0)

In the third first quarter 2023, 2024, wholesale revenues from sales to affiliates were $65 million were $51 million compared to $187 million $75 million for the corresponding period in 2022. 2023. The decrease was primarily due to a $141 million decrease of $31 million in capacity revenues mainly associated with Mississippi Power's lower availability of generation reserves to the Southern Company power pool and a $9 million decrease primarily associated with lower natural gas prices, KWH sales. These decreases were partially offset by a $19 million increase associated with higher KWH sales.

For year-to-date 2023, wholesale revenues from sales to affiliates were $158 million compared to $336 million for the corresponding period in 2022. The decrease was primarily due to a $216 million decrease associated with lower natural gas prices, partially offset by a $29 million $15 million increase in capacity revenues resulting from an increase in pricing and volume of generation reserves and a $9 million increase associated with higher KWH sales. a new PPA with Georgia Power. See Note 2 to the financial statements under "Mississippi Power – Integrated Resource Plan" in Item 8 of the Form 10-K for additional information.

Wholesale revenues from sales to affiliated companies will vary depending on demand and the availability and cost of generating resources at each company. These affiliate sales are made in accordance with the IIC or other contractual agreements, as approved by the FERC. Energy revenues related to these transactions do not have a significant impact on earnings since this energy is generally sold at marginal cost.

Fuel and Purchased Power Expenses

	Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
	(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
	First Quarter 2024 vs. First Quarter 2023			
	First Quarter 2024 vs. First Quarter 2023			
	First Quarter 2024 vs. First Quarter 2023			
(change in millions)			*(change in millions)*	*(% change)*

Fuel	Fuel	$	(80)	(33.1)	$	(167)	(29.6)
Purchased power	Purchased power		(13)	(65.0)		(18)	(50.0)
Total fuel and purchased power expenses	Total fuel and purchased power expenses	$	(93)		$	(185)	

In the third first quarter 2023, 2024, total fuel and purchased power expenses were $169 million$111 million compared to $262 million $151 million for the corresponding period in 2022. For year-to-date 2023, total fuel and purchased power expenses were $416 million compared to $601 million for the corresponding period in 2022. 2023. The decreases for the third quarter and year-to-date 2023 were primarilydecrease was due to decreases of $122 million and $203 million, respectively, a $27 million decrease related to the

average cost of fuel and purchased power partially offset by and a $13 million net increases of $29 million and $18 million, respectively, decrease related to the volume of KWHs generated and purchased.

Fuel and purchased power energy transactions do not have a significant impact on earnings since energy expenses are generally offset by energy revenues through Mississippi Power's fuel cost recovery clause.

Details of Mississippi Power's generation and purchased power were as follows:

	Third Quarter 2023	Third Quarter 2022	**Year-To-Date 2023**	Year-To-Date 2022
Total generation *(in millions of KWHs)*	**5,783**	5,093	**14,123**	13,650
Total purchased power *(in millions of KWHs)*	**153**	241	**427**	527
Sources of generation *(percent)* –				
Gas	**87**	89	**92**	89
Coal	**13**	11	**8**	11
Cost of fuel, generated *(in cents per net KWH)* –				
Gas	**2.52**	5.10	**2.72**	4.43
Coal	**5.49**	4.50	**5.64**	4.12
Average cost of fuel, generated *(in cents per net KWH)*	**2.92**	5.02	**2.97**	4.40
Average cost of purchased power *(in cents per net KWH)*	**4.61**	8.15	**4.27**	6.83

Fuel

In the third quarter 2023, fuel expense was $162 million compared to $242 million for the corresponding period in 2022. The decrease was due to a 50.6% decrease in the average cost of natural gas per KWH generated, partially offset by a 28.5% increase in the volume of KWHs generated by coal, a 22.0% increase in the average cost of coal per KWH generated, and a 13.5% increase in the volume of KWHs generated by natural gas.

For year-to-date 2023, fuel expense was $398 million compared to $565 million for the corresponding period in 2022. The decrease was due to a 38.6% decrease in the average cost of natural gas per KWH generated and a 21.7% decrease in the volume of KWHs generated by coal, partially offset by a 36.9% increase in the average cost of coal per KWH generated and a 7.5% increase in the volume of KWHs generated by natural gas.

Purchased Power

In the third quarter 2023, purchased power expense was $7 million compared to $20 million for the corresponding period in 2022. For year-to-date 2023, purchased power expense was $18 million compared to $36 million for the corresponding period in 2022. The decreases for the third quarter and year-to-date 2023 were due to decreases of 43.4% and 37.5%, respectively, in the average cost per KWH purchased primarily due to lower natural gas prices and decreases of 36.4% and 18.9%, respectively, in the volume of KWHs purchased.

Other Operations and Maintenance Expenses

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(2)	(2.3)	$6	2.4

For year-to-date 2023, other operations and maintenance expenses were $258 million compared to $252 million for the corresponding period in 2022. The increase was primarily due to increases of $5 million in generation expenses and $4 million in storm reserve accruals, partially offset by a decrease of $5 million in sales and use taxes associated with the Kemper County energy facility.

	First Quarter 2024	First Quarter 2023
Total generation *(in millions of KWHs)*	**3,952**	4,443
Total purchased power *(in millions of KWHs)*	**171**	100
Sources of generation *(percent)* –		
Gas	**91**	94
Coal	**9**	6
Cost of fuel, generated *(in cents per net KWH)* –		
Gas	**2.69**	3.34
Coal	**4.70**	5.78
Average cost of fuel, generated *(in cents per net KWH)*	**2.88**	3.51
Average cost of purchased power *(in cents per net KWH)*	**3.64**	4.10

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See Notes 2 and 3 to the financial statements under "Mississippi Power – System Restoration Rider" and "Other Matters – Mississippi Power," respectively, in Item 8 of the Form 10-K and Notes (B) and (C) to the Condensed Financial Statements under "Mississippi Power – System Restoration Rider" and "Other Matters – Mississippi Power," respectively, herein for additional information.

Interest Expense, Net of Amounts Capitalized

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$4	26.7	$11	26.2

Fuel

In the third first quarter 2023, interest 2024, fuel expense net of amounts capitalized was $19 million $105 million compared to $15 million to $147 million for the corresponding period in 2022. 2023. The decrease was primarily due to a 19.5% decrease in the average cost of natural gas per KWH generated and a 15.2% decrease in the volume of KWHs generated by natural gas.

Other Operations and Maintenance Expenses

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$6	7.3

For year-to-date 2023, interest expense, net of amounts capitalized was $53 million first quarter 2024, other operations and maintenance expenses were $88 million compared to $42 million for the corresponding period in 2022. The increases for the third quarter and year-to-date 2023 were associated with increases of approximately $2 million and $8 million, respectively, related to higher interest rates and $2 million and $4 million, respectively, related to higher average outstanding borrowings. See FINANCIAL CONDITION AND LIQUIDITY – "Sources of Capital" and "Financing Activities" herein for additional information on borrowings.

Income Taxes

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$1	5.9	$(3)	(7.9)

For year-to-date 2023, income taxes were $35 million compared to $38 million $82 million for the corresponding period in 2022. 2023. The decrease increase was primarily due to an to a decrease of $7 million increase in generation expenses primarily associated with the flowback of certain excess deferred income taxes, largely offset by an increase of $5 million associated with higher pre-tax earnings. See Note (G) to the Condensed Financial Statements herein for additional information. planned outages and maintenance.

Other Income (Expense), Net

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$5	55.6

In the first quarter 2024, other income (expense), net was $14 million compared to $9 million for the corresponding period in Table 2023. The increase was primarily due to customer charges related to contributions in aid of ContentsIndex to Financial Statementsconstruction.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (Continued)

Southern Power

Net Income Attributable to Southern Power

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$5	5.3	$23	8.7

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$(6)	(5.9)

Net income attributable to Southern Power in the third first quarter 2023 2024 was $100 million $96 million compared to $95 million $102 million for the corresponding period in 2022. 2023. The increase decrease was primarily due related to an arbitration interim award received for losses previously incurred, higher HLBV income associated with tax equity partnerships, and receipts of liquidated damages associated with generation facility production guarantees, partially offset by lower revenues driven by lower market prices of energy.

Net income attributable to Southern Power for year-to-date 2023 was $288 million compared to $265 million for the corresponding period in 2022. The increase was primarily due to an arbitration interim award received for losses previously incurred, a gain on the sale of spare parts higher HLBV income associated with tax equity partnerships, and receipts of liquidated damages and insurance proceeds related to generation facility production and equipment, as well as changes in state apportionment methodology related to tax legislation enacted by the State of Tennessee. These increases were largely offset by lower revenues driven by lower market prices of energy.

See Note (C) to the Condensed Financial Statements under "General Litigation Matters – Southern Power" herein for additional information. 2023.

Operating Revenues

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(527)	(44.7)	$(932)	(35.6)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$(35)	(6.9)

Total operating revenues include PPA capacity revenues, which are derived primarily from long-term contracts involving natural gas facilities, and PPA energy revenues from Southern Power's generation facilities. To the extent Southern Power has capacity not contracted under a PPA, it may sell power into an accessible wholesale market, or, to the extent those generation assets are part of the FERC-approved IIC, it may sell power into the Southern Company power pool.

Natural Gas Capacity and Energy Revenue

Capacity revenues generally represent the greatest contribution to operating income and are designed to provide recovery of fixed costs plus a return on investment.

Energy is generally sold at variable cost or is indexed to published natural gas indices. Energy revenues will vary depending on the energy demand of Southern Power's customers and their generation capacity, as well as the market

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

prices of wholesale energy compared to the cost of Southern Power's energy. Energy revenues also include fees for support services, fuel storage, and unit start charges. Increases and decreases in energy revenues under PPAs that are driven by fuel or purchased power prices are accompanied by an increase or decrease in fuel and purchased power costs and do not have a significant impact on net income.

Solar and Wind Energy Revenue

Southern Power's energy sales from solar and wind generating facilities are predominantly through long-term PPAs that do not have capacity revenue. Customers either purchase the energy output of a dedicated renewable facility through an energy charge or pay a fixed price related to the energy generated from the respective facility and sold to the grid. As a result, Southern Power's ability to recover fixed and variable operations and maintenance expenses is

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dependent upon the level of energy generated from these facilities, which can be impacted by weather conditions, equipment performance, transmission constraints, and other factors.

See FUTURE EARNINGS POTENTIAL – "Southern Power's Power Sales Agreements" in Item 7 of the Form 10-K for additional information regarding Southern Power's PPAs.

Operating Revenues Details

Details of Southern Power's operating revenues were as follows:

		Third Quarter 2023	Third Quarter 2022	**Year-To-Date 2023**	Year-To-Date 2022		
			(in millions)				
		First Quarter 2024					
		First Quarter 2024					
		First Quarter 2024				First Quarter 2023	
	(in millions)						*(in millions)*
PPA capacity revenues	PPA capacity revenues	**$ 134**	$ 131	**$ 360**	$ 344		
PPA energy revenues	PPA energy revenues	**370**	736	**953**	1,657		
Total PPA revenues	Total PPA revenues	**504**	867	**1,313**	2,001		
Non-PPA revenues	Non-PPA revenues	**131**	304	**327**	590		
Other revenues	Other revenues	**18**	9	**46**	27		
Total operating revenues	Total operating revenues	**$ 653**	$1,180	**$1,686**	$2,618		

In the third first quarter 2023, 2024, total operating revenues were $653 million $473 million, reflecting a $527 million $35 million, or 44.7% 6.9%, decrease from the corresponding period in 2022. The change in operating revenues was primarily due to the following:

- PPA energy revenues decreased $366 million, or 49.7%, primarily due to a $378 million decrease in sales under natural gas PPAs resulting from a $304 million decrease in the price of fuel and purchased power and a $75 million decrease in the volume of KWHs sold.
- Non-PPA revenues decreased $173 million, or 56.9%, primarily due to a $252 million decrease in the market price of energy, partially offset by a $76 million increase in the volume of KWHs sold through short-term sales.
- Other revenues increased $9 million, or 100.0%, primarily due to an arbitration interim award received for losses previously incurred. See Note (C) to the Condensed Financial Statements under "General Litigation Matters – Southern Power" herein for additional information.

For year-to-date 2023, total operating revenues were $1.7 billion, reflecting a $932 million, or 35.6%, decrease from the corresponding period in 2022. 2023. The change in operating revenues was primarily due to the following:

- PPA capacity revenues increased $16 million $8 million, or 4.7% 7.1%, primarily due to a net increase in MW capacity under contract from natural gas PPAs and an increase associated with a change in rates from natural gas PPAs.
- PPA energy Non-PPA revenues decreased $704 million $48 million, or 42.5% 44.4%, primarily due to a $706 million $51 million decrease in sales under natural gas PPAs resulting from a $577 million decrease in the price of fuel and purchased power and a $129 million decrease in the volume of KWHs sold.
  - Non-PPA revenues decreased $263 million, or 44.6%, primarily due to a $522 million decrease in the market price of energy, partially offset by a $255 million increase in the volume of KWHs sold through short-term sales.
- Other revenues increased $19 million, or 70.4%, primarily due to receipts

Fuel and Purchased Power Expenses

Details of liquidated damages associated with Southern Power's generation facility production guarantees, an arbitration interim award received for losses previously incurred, and business interruption insurance proceeds for damaged generation equipment. See Note (C) to the Condensed Financial Statements under "General Litigation Matters – Southern Power" herein for additional information. purchased power were as follows:

	First Quarter 2024	First Quarter 2023
	(in billions of KWHs)	
Generation	**10.3**	12.3
Purchased power	**0.4**	0.7
Total generation and purchased power	**10.7**	13.0
Total generation and purchased power (excluding solar, wind, fuel cells, and tolling agreements)	**6.7**	8.4

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Fuel and Purchased Power Expenses

Details of Southern Power's generation and purchased power were as follows:

	Third Quarter 2023	Third Quarter 2022	**Year-To-Date 2023**	Year-To-Date 2022
			(in billions of KWHs)	
Generation	**12.9**	12.8	**36.9**	36.7
Purchased power	**0.8**	1.2	**2.4**	2.3
Total generation and purchased power	**13.7**	14.0	**39.3**	39.0
Total generation and purchased power (excluding solar, wind, fuel cells, and tolling agreements)	**8.5**	8.8	**24.7**	23.2

Southern Power's PPAs for natural gas generation generally provide that the purchasers are responsible for either procuring the fuel (tolling agreements) or reimbursing Southern Power for substantially all of the cost of fuel relating to the energy delivered under such PPAs. Consequently, changes in such fuel costs are generally accompanied by a corresponding change in related fuel revenues and do not have a significant impact on net income. Southern Power is responsible for the cost of fuel for generating units that are not covered under PPAs. Power from these generating units is sold into the wholesale market or into the Southern Company power pool for capacity owned directly by Southern Power.

Purchased power expenses will vary depending on demand, availability, and the cost of generating resources throughout the Southern Company system and other contract resources. Load requirements are submitted to the Southern Company power pool on an hourly basis and are fulfilled with the lowest cost alternative, whether that is generation owned by Southern Power, an affiliate company, or external parties. Such purchased power costs are generally recovered through PPA revenues.

Details of Southern Power's fuel and purchased power expenses were as follows:

		Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022		First Quarter 2024 vs. First Quarter 2023	
		(change in millions)	*(% change)*	*(change in millions)*	*(% change)*	*(change in millions)*	*(% change)*
Fuel	Fuel	$ (409)	(67.6)	$ (748)	(58.7)		
Purchased power	Purchased power	(111)	(77.1)	(146)	(62.7)		
Total fuel and purchased power expenses	Total fuel and purchased power expenses	$ (520)		$ (894)			

In the third first quarter 2023, 2024, total fuel and purchased power expenses decreased $520 million $43 million, or 69.4% 19.8%, compared to the corresponding period in 2022. 2023. Fuel expense decreased $409 million $35 million primarily due to a $421 million $36 million decrease associated with the average cost of fuel. Purchased power expense decreased $111 million due to a $61 million decrease associated with the average cost of purchased power and a $50 million decrease associated with the volume of KWHs purchased.

For year-to-date 2023, total fuel and purchased power expenses decreased $894 million, or 59.3%, compared to the corresponding period in 2022. Fuel expense decreased $748 million due to an $835 million decrease associated with the average cost of fuel, partially offset by an $87 million increase associated with the volume of KWHs generated. Purchased power expense decreased $146 million $8 million primarily due to a $152 million $10 million decrease associated with the average cost volume of purchased power. KWHs purchased.

Other Operations and Maintenance Expenses

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$14	13.1

In the first quarter 2024, other operations and maintenance expenses were $121 million compared to $107 million for the corresponding period in 2023. The increase was primarily due to the timing of generation maintenance and scheduled outage expenses.

Depreciation and Amortization

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$(10)	(7.8)

In the first quarter 2024, depreciation and amortization was $118 million compared to $128 million for the corresponding period in 2023. The decrease was primarily due to insurance proceeds received for damaged generation equipment and a decrease in units-of-production depreciation related to lower production from natural gas generating facilities.

Other Operations and Maintenance Expenses Gain on Dispositions, Net

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(9)	(8.0)	$(5)	(1.5)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$(20)	(100.0)

In the third first quarter 2023, other operations and maintenance expenses were $104 million 2024, gain on dispositions, net decreased by $20 million compared to $113 million for the corresponding period in 2022. For year-to-date 2023, other operations and maintenance expenses were $327 million compared to $332 million for the corresponding period in 2022. 2023. The decreases were primarily due to $11 million from an arbitration interim award received for losses previously incurred. The year-to-date 2023 decrease was largely offset by an increase in generation maintenance expenses. See Note (C) to the Condensed Financial Statements under "General Litigation Matters – Southern Power" herein for additional information.

Gain on Dispositions, Net

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$—	—	$18	N/M

For year-to-date 2023, gain on dispositions, net was $20 million compared to $2 million for the corresponding period in 2022. The increase was primarily due to a $16 million gain on the sale of spare parts in 2023.

Interest Expense, Net of Amounts Capitalized

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$—	—	$(7)	(6.7)

For year-to-date 2023, interest expense, net of amounts capitalized was $98 million compared to $105 million for the corresponding period in 2022. The decrease was primarily due to lower average outstanding borrowings.

Income Taxes

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$3	8.3	$(11)	(22.4)

For year-to-date 2023, income tax expense was $38 million compared to $49 million for the corresponding period in 2022. The decrease was primarily due to a change in state apportionment methodology resulting from tax legislation enacted by the State of Tennessee in the second quarter 2023, partially offset by higher pre-tax earnings. See Note (G) to the Condensed Financial Statements herein for additional information.

Net Income (Loss) Attributable to Noncontrolling Interests

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(2)	(16.7)	$(13)	(23.6)

In the third quarter 2023, net income attributable to noncontrolling interests was $10 million compared to $12 million for the corresponding period in 2022. The decrease was primarily due to $7 million in higher HLBV loss allocations to wind tax equity partners, largely offset by an allocation of $6 million to equity partners related to an arbitration interim award received for losses previously incurred.

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For year-to-date 2023, net loss attributable to noncontrolling interests was $68 million compared to $55 million for the corresponding period in 2022. The increase was primarily due to $16 million in higher HLBV loss allocations to wind tax equity partners and $12 million in lower income allocations to equity partners, partially offset by $15 million in lower loss allocations to battery energy storage partners.

See Note (C) to the Condensed Financial Statements under "General Litigation Matters – Southern Power" herein for additional information.

Southern Company Gas

Operating Metrics

Southern Company Gas continues to focus on several operating metrics, including Heating Degree Days, customer count, and volumes of natural gas sold.

Southern Company Gas measures weather and the effect on its business using Heating Degree Days. Generally, increased Heating Degree Days result in higher demand for natural gas on Southern Company Gas' distribution system. Southern Company Gas has various regulatory mechanisms, such as weather and revenue normalization and straight-fixed-variable rate design, which limit its exposure to weather changes within typical ranges in each of its utility's respective service territory. Southern Company Gas also utilizes weather hedges to limit the negative income impacts in the event of warmer-than-normal weather.

The number of customers served by gas distribution operations and gas marketing services can be impacted by natural gas prices, economic conditions, and competition from alternative fuels. Gas distribution operations and gas marketing services' customers are primarily located weather in Georgia and Illinois.

Southern Company Gas' natural gas volume metrics Illinois for gas distribution operations and in Illinois and Georgia for gas marketing services illustrate the effects of services. Therefore, weather and customer demand for natural gas.

Seasonality of Results typically does not have a significant net income impact.

During the Heating Season, natural gas usage and operating revenues are generally higher as more customers are connected to the gas distribution systems and natural gas usage is higher in periods of colder weather. In addition, because of a rate design change affecting volumetric rates ordered by the Illinois Commission in Nicor Gas' 2023 rate case, additional revenues are expected in the Heating Season, with a corresponding decrease expected in revenues in the second and third quarters of each year. This change will affect the comparison of the prior year revenue for the impacted quarters. Southern Company Gas' base operating expenses, excluding cost of natural gas and bad debt expense, are incurred relatively evenly throughout the year. Seasonality also affects the comparison of certain balance sheet items across quarters, including receivables, unbilled revenues, natural gas for sale, and notes payable. However, these items are comparable when reviewing Southern Company Gas' annual results. Thus, Southern Company Gas' operating results for the interim periods presented are not necessarily indicative of annual results and can vary significantly from quarter to quarter.

Net Income

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(1)	(1.2)	$(41)	(7.9)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$100	32.4

Southern Company Gas' net income for year-to-date 2023 in the first quarter 2024 was $475 million $409 million compared to $516 million $309 million for the corresponding period in 2022. 2023. The decrease increase was primarily due to lower an $81 million increase in net income at gas distribution operations primarily as a result of a $28 million regulatory disallowance at Nicor Gas and a $6 million decrease $15 million increase in net income at gas marketing services primarily related to hedge losses. See Note (B) to the Condensed Financial Statements under "Southern Company Gas – Infrastructure Replacement Programs and Capital Projects" herein for additional information. services.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Natural Gas Revenues

In the third first quarter 2023, 2024, natural gas revenues were $0.7 billion $1.7 billion compared to $0.9 billion $1.9 billion for the corresponding period in 2022. For year-to-date 2023, natural gas revenues were $3.4 billion compared to $4.0 billion for the corresponding period in 2022. 2023. Details of the changes in natural gas revenues were as follows:

	First Quarter 2024 vs. First Quarter 2023 First Quarter 2024 vs. First Quarter 2023 First Quarter 2024 vs. First Quarter 2023			
(change in millions)			*(change in millions)*	*(% change)*
	Third Quarter 2023 vs. Third Quarter 2022	Year-To-Date 2023 vs. Year-To-Date 2022		
Rate changes				
	(change in millions) *(% change)*	*(change in millions)* *(% change)*		

Rate changes									
Infrastructure replacement programs and rate changes		$ 9	1.1 %	$ 97	2.4 %				
Rate changes							$ 152	8.1	%
Gas costs and other cost recovery	Gas costs and other cost recovery	(181)	(21.1)	(645)	(16.1)				
Gas marketing services	Gas marketing services	(22)	(2.6)	(44)	(1.1)				
Other	Other	26	3.0	11	0.3				
Other									
Other									
Natural gas revenues	Natural gas revenues	$(168)	(19.6) %	$(581)	(14.5) %	Natural gas revenues	$ (168)	(9.0)	(9.0) %

Revenues from infrastructure replacement programs and rate changes increased in the third first quarter and year-to-date 2023 2024 compared to the corresponding periods period in 2022 2023 primarily due to rate increases at the natural gas distribution utilities and continued investment a change in infrastructure replacement. The year-to-date 2023 increase was partially offset by a regulatory disallowance timing of revenues at Nicor Gas. See Note 2 to the financial statements under "Southern Company Gas – Rate Proceedings" in Item 8 of the Form 10-K and Note (B) to the Condensed Financial Statements under "Southern Company Gas – Infrastructure Replacement Programs and Capital Projects" herein for additional information.

Revenues from gas costs and other cost recovery decreased in the third first quarter and year-to-date 2023 2024 compared to the corresponding periods period in 2022 2023 primarily due to lower natural gas cost recovery associated with lower natural gas prices and lower demand associated with warmer weather when compared to the timing of natural gas purchases, and the recovery of those costs from customers. corresponding period in 2023. See "Cost of Natural Gas" herein for additional information. Revenue impacts from weather and customer growth are described further below.

Revenues from gas marketing services decreased in the third first quarter and year-to-date 2023 2024 compared to the corresponding periods period in 2022 2023 primarily due to lower natural gas prices and lower variable price spreads.

Southern Company Gas' natural gas distribution utilities have various regulatory mechanisms that limit their exposure to weather changes. Southern Company Gas also uses hedges for the majority of any remaining exposure to warmer-than-normal weather in Illinois for gas distribution operations and in Illinois and Georgia for gas marketing services; therefore, weather typically does not have a significant net income impact. The following table presents Heating Degree Days information for Illinois and Georgia, the primary locations where Southern Company Gas' operations are impacted by weather:

	Third Quarter					Year-to-Date				
				2023 vs. normal	2023 vs. 2022				2023 vs. normal	2023 vs. 2022
	Normal(*)	**2023**	**2022**	**warmer**	**warmer**	**Normal(*)**	**2023**	**2022**	**warmer**	**warmer**
	(in thousands)					*(in thousands)*				
Illinois	**40**	**18**	56	(55.0)%	(67.9)%	**3,755**	**3,216**	3,683	(14.4)%	(12.7)%
Georgia	**3**	**—**	—	— %	— %	**1,461**	**1,029**	1,361	(29.6)%	(24.4)%

(*) Normal represents the 10-year average from January 1, 2013 through September 30, 2022 for Illinois at Chicago Midway International Airport and for Georgia at Atlanta Hartsfield-Jackson International Airport, based on information obtained from the National Oceanic and Atmospheric Administration, National Climatic Data Center.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

The following table provides the number of customers served by Southern Company Gas at September 30, 2023 and 2022:

	September 30,		
	2023	**2022**	**2023 vs. 2022**
	(in thousands, except market share %)		*(% change)*

Gas distribution operations	**4,316**	4,300	0.4 %
Gas marketing services			
Energy customers(*)	**656**	598	9.7 %
Market share of energy customers in Georgia	**29.9 %**	28.3 %	

(*) Gas marketing services' customers are primarily located in Georgia, Ohio, and Illinois.

Southern Company Gas anticipates customer growth and uses a variety of targeted marketing programs to attract new customers and to retain existing customers. commodity prices.

Cost of Natural Gas

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(192)	(65.3)	$(641)	(34.8)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$(293)	(32.6)

Excluding Atlanta Gas Light, which does not sell natural gas to end-use customers, natural gas distribution rates include provisions to adjust billings for fluctuations in natural gas costs. Therefore, gas costs recovered through natural gas revenues generally equal the amount expensed in cost of natural gas and do not affect net income from gas distribution operations. Cost of natural gas at gas distribution operations represented 76% and 84% 81% of the total cost of natural gas in the third first quarter and year-to-date 2023, respectively. 2024. See MANAGEMENT'S DISCUSSION AND ANALYSIS – RESULTS OF OPERATIONS – "Southern Company Gas – Cost of Natural Gas" in Item 7 of the Form 10-K and "Natural Gas Revenues" herein for additional information.

In the third first quarter 2023, 2024, cost of natural gas was $102 million $605 million compared to $294 million $898 million for the corresponding period in 2022. For year-to-date 2023, cost of natural gas was $1.2 billion compared to $1.8 billion for the corresponding period in 2022. 2023. The decreases reflect decrease reflects lower gas cost recovery as a result of decreases of 69% and 60% a 35% decrease in natural gas prices in the third quarter and year-to-date 2023, respectively, compared to the corresponding periods in 2022.

The following table details the volumes of natural gas sold during both periods presented:

	Third Quarter			Year-to-Date		
	2023	**2022**	**2023 vs. 2022**	**2023**	**2022**	**2023 vs. 2022**
Gas distribution operations *(mmBtu in millions)*						
Firm	**71**	70	1.4 %	**429**	485	(11.5)%
Interruptible	**22**	22	—	**70**	69	1.4
Total	**93**	92	1.1 %	**499**	554	(9.9)%
Gas marketing services *(mmBtu in millions)*						
Firm:						
Georgia	**3**	3	— %	**21**	24	(12.5)%
Illinois	**1**	—	100.0	**5**	4	25.0
Other	**3**	2	50.0	**9**	8	12.5
Interruptible large commercial and industrial	**2**	3	(33.3)	**10**	11	(9.1)
Total	**9**	8	12.5 %	**45**	47	(4.3)%

prices.

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The following table details the volumes of natural gas sold during both periods presented:

	First Quarter		
	2024	**2023**	**2024 vs. 2023**

Gas distribution operations *(mmBtu in millions)*			
Firm	**266**	258	3.1 %
Interruptible	**25**	25	—
Total	**291**	283	2.8 %
Gas marketing services *(mmBtu in millions)*			
Firm:			
Georgia	**17**	13	30.8 %
Illinois	**2**	3	(33.3)
Other	**6**	5	20.0
Interruptible large commercial and industrial	**4**	4	—
Total	**29**	25	16.0 %

Other Operations and Maintenance Expenses

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$12	4.8	$55	6.7

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$(12)	(3.9)

In the thirdfirst quarter 2023, 2024, other operationsoperations and maintenance expenses were $264 million$293 million compared to $252 million$305 million for the corresponding period in 2022. 2023. The increase for the third quarter 2023decrease was primarily due to increasesdecreases of $8 million in compensation and benefits, $5 million related to energy service contracts, and $4 million at gas marketing services primarily related to customer service and information. The increases were partially offset by a decrease of $12 million$18 million in expenses passed through to customers primarily related to bad debt and energy efficiency programs at gas distribution operations.

For year-to-date 2023, other operationsoperations, $4 million in operating expenses, $4 million in service maintenance and meter sets maintenance expenses at Nicor Gas, and $3 million in bad debt expenses. The decreases were $879 million partially offset by increases of $14 million in compensation and benefit expenses and $3 million related to energy service contracts.

Depreciation and Amortization

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$14	9.9

In the first quarter 2024, depreciation and amortization was $155 million compared to $824 million$141 million for the corresponding period in 2022. 2023. The increase was primarily due to increases of $52 million in compensation and benefits, $30 million related to a regulatory disallowance at Nicor Gas, and an increase of $20 million related to energy service contracts, partially offset by a decrease of $32 million in expenses passed through to customers primarily related to bad debt and energy efficiency programs at gas distribution operations. See Note (B) to the Condensed Financial Statements under "Southern Company Gas – Infrastructure Replacement Programs and Capital Projects" herein for additional information on the regulatory disallowance.

Depreciation and Amortization

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$5	3.6	$15	3.6

In the third quarter 2023, depreciation and amortization was $145 million compared to $140 million for the corresponding period in 2022. For year-to-date 2023, depreciation and amortization was $429 million compared to $414 million for the corresponding period in 2022. The increases were primarily due to continued infrastructure investments at the natural gas distribution utilities.

Taxes Other Than Income Taxes

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(3)	(6.7)	$(5)	(2.4)

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$(15)	(14.7)

In the third first quarter 2023, 2024, taxes other than income taxes was $42 million $87 million compared to $45 million $102 million for the corresponding period in 2022. For year-to-date 2023, taxes other than income taxes was $203 million compared to $208 million for the corresponding period in 2022. 2023. The decreases for the third quarter and year-to-date 2023 were decrease primarily due to decreases reflects a decrease of $3 million and $15 million, respectively, $13 million in revenue taxes. The year-to-date 2023 decrease was largely offset by increases taxes as a result of $8 million and $2 million in payroll and property taxes, respectively.

Interest Expense, Net of Amounts Capitalized

Third Quarter 2023 vs. Third Quarter 2022		Year-To-Date 2023 vs. Year-To-Date 2022	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$12	18.5	$39	20.9

In the third quarter 2023, interest expense, net of amounts capitalized was $77 million compared to $65 million for the corresponding period in 2022. For year-to-date 2023, interest expense, net of amounts capitalized was $226 million compared to $187 million for the corresponding period in 2022. The increases for the third quarter and year-to-date 2023 were primarily associated with increases of approximately $8 million and $31 million, respectively,lower natural gas revenues at Nicor Gas.

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Interest Expense, Net of Amounts Capitalized

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$8	10.5

In the first quarter 2024, interest expense, net of amounts capitalized was $84 million compared to $76 million for the corresponding period in 2023. The increase was primarily associated with increases of approximately $5 million related to higher interest rates and approximately $3 million and $7 million, respectively, related to higher outstanding debt. See FINANCIAL CONDITION AND LIQUIDITY – "Sources of Capital" and "Financing Activities" herein for additional information on borrowings.

Income Taxes

First Quarter 2024 vs. First Quarter 2023	
(change in millions)	*(% change)*
$35	34.0

In the first quarter 2024, income taxes were $138 million compared to $103 million for the corresponding period in 2023. The increase was primarily due to higher pre-tax earnings.

Segment Information

Operating revenues, operating expenses, and net income for each segment are provided in the table below. See Note (L) to the Condensed Financial Statements under "Southern Company Gas" herein for additional information.

	2024			2023		
Operating Revenues	Operating Revenues	Operating Expenses	Net Income	Operating Revenues	Operating Expenses	Net Income
(in millions)			*(in millions)*		*(in millions)*	

2023			2022		
Operating Revenues	Operating Expenses	Net Income (Loss)	Operating Revenues	Operating Expenses	Net Income (Loss)
(in millions)			*(in millions)*		

Third Quarter						
Gas distribution operations	**$ 619**	**$ 485**	**$ 70**	$ 751	$ 629	$ 59
Gas pipeline investments	**8**	**2**	**24**	8	3	24
Gas marketing services	**56**	**53**	**2**	85	87	(2)
All other	**8**	**12**	**(14)**	16	12	2
Intercompany eliminations	**(2)**	**1**	**—**	(3)	—	—
Consolidated	**$ 689**	**$ 553**	**$ 82**	$ 857	$ 731	$ 83

							Year-to-Date
First Quarter							
First Quarter							
First Quarter							
Gas distribution operations	Gas distribution operations	**$ 3,002**	**$ 2,386**	**$ 352**	$ 3,533	$ 2,922	$ 365
Gas pipeline investments	Gas pipeline investments	**24**	**7**	**73**	24	8	76
Gas marketing services	Gas marketing services	**376**	**292**	**59**	420	327	65
All other	All other	**30**	**30**	**(9)**	43	48	10
Intercompany eliminations	Intercompany eliminations	**(15)**	**(5)**	**—**	(22)	(19)	—
Consolidated	Consolidated	**$ 3,417**	**$ 2,710**	**$ 475**	$ 3,998	$ 3,286	$ 516

Gas Distribution Operations

Gas distribution operations is the largest component of Southern Company Gas' business and is subject to regulation and oversight by regulatory agencies in each of the states it serves. These agencies approve natural gas rates designed to provide Southern Company Gas with the opportunity to generate revenues to recover the cost of natural gas delivered to its customers and its fixed and variable costs, including depreciation, interest expense, operations and maintenance, taxes, and overhead costs, and to earn a reasonable return on its investments.

With the exception of Atlanta Gas Light, Southern Company Gas' second largest utility that operates in a deregulated natural gas market and has a straight-fixed-variable rate design that minimizes the variability of its revenues based on consumption, the earnings of the natural gas distribution utilities can be affected by customer consumption patterns that are a function of weather conditions, price levels for natural gas, and general economic conditions that may impact customers' ability to pay for natural gas consumed. Southern Company Gas has various regulatory and other mechanisms, such as weather and revenue normalization mechanisms and weather derivative instruments, that limit its exposure to changes in customer consumption, including weather changes within typical

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ranges in its natural gas distribution utilities' service territories. See Note 2 to the financial statements under "Southern Company Gas" in Item 8 of the Form 10-K for additional information.

In the thirdfirst quarter 2023, 2024, net income increased $11 million $81 million, or 18.6% 36.7%, when compared to the corresponding period in 2022, as described further below:

- Operating revenues decreased $132 million primarily due to lower gas cost recovery, partially offset by rate increases and continued investment in infrastructure replacement. Gas costs recovered through natural gas revenues generally equal the amount expensed in cost of natural gas.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (Continued)

- Operating expenses decreased $144 million primarily due to a $152 million decrease in cost of natural gas as a result of lower gas prices compared to 2022, partially offset by higher depreciation resulting from additional assets placed in service and an increase related to energy service contracts. The decrease in operating expenses also includes costs passed through directly to customers, primarily related to bad debt expenses, energy efficiency programs, and revenue taxes.

- Interest expense, net of amounts capitalized increased $7 million primarily due to higher interest rates and higher average outstanding debt.

For year-to-date 2023, net income decreased $13 million, or 3.6%, when compared to the corresponding period in 2022, as described further below:

- Operating revenues decreased $531 million $155 million primarily due to lower gas cost over recovery, partially offset by rate increases and continued investment a change in infrastructure replacement. timing of revenues at Nicor Gas. Gas costs recovered through natural gas revenues generally equal the amount expensed in cost of natural gas.
- Operating expenses decreased $536 million $275 million primarily due to a $599 million $273 million decrease in cost of natural gas as a result of lower gas prices and lower volumes volume sold compared to 2022, 2023, partially offset by higher depreciation resulting from additional assets placed in service, higher compensation and benefits, $30 million related to the regulatory disallowance at Nicor Gas, benefit expenses, and a $20 million increase related to energy service contracts. The decrease in operating expenses also includes costs passed through directly to customers, primarily related to bad debt expenses, energy efficiency programs, and higher revenue taxes.
- Interest expense, net of amounts capitalized increased $32 million $10 million primarily due to higher interest rates and higher average outstanding debt.
- Income taxes decreased $13 million increased $32 million primarily as a result of the tax benefit resulting from the regulatory disallowance at Nicor Gas. higher pre-tax earnings.

See Note (B) to the Condensed Financial Statements under "Southern Company Gas – Infrastructure Replacement Programs and Capital Projects" herein for additional information.

Gas Pipeline Investments

Gas pipeline investments consists primarily of joint ventures in natural gas pipeline investments including SNG and Dalton Pipeline. See Note (E) to the Condensed Financial Statements under "Southern Company Gas" herein for additional information.

Gas Marketing Services

Gas marketing services provides energy-related products and services to natural gas markets and participants in customer choice programs that were approved in various states to increase competition. These programs allow customers to choose their natural gas supplier while the local distribution utility continues to provide distribution and transportation services. Gas marketing services is weather sensitive and uses a variety of hedging strategies, such as weather derivative instruments and other risk management tools, to partially mitigate potential weather impacts.

In the third first quarter 2023, 2024, net income increased $4 million $15 million, or 30.0%, when compared to the corresponding period in 2022 2023 primarily due to a $39 million decrease retail margins and decreases in cost of gas, largely offset by a $29 million decrease in operating revenue primarily due to lower price spreads and lower gas prices and a $4 million increase in operations and maintenance expenses primarily related to customer service and information.

For year-to-date 2023, net income decreased $6 million, or 9.2%, when compared to the corresponding period in 2022 primarily due to a $44 million decrease in operating revenue, primarily due to lower price spreads, lower gas prices, and lower volumes sold, as well as a $9 million increase in operations and maintenance expenses, largely offset by a $44 million decrease in cost of natural gas.

All Other

All other includes natural gas storage businesses, a renewable natural gas business, AGL Services Company, and Southern Company Gas Capital, as well as various corporate operating expenses that are not allocated to the reportable segments and interest income (expense) associated with affiliate financing arrangements. All other included a natural gas storage facility in Texas through its sale in November 2022 and a natural gas storage facility in California through its sale in September 2023. See Note 15 to the financial statements in Item 8 of the Form 10-K and Note (K) to the Condensed Financial Statements herein under "Southern Company Gas" for additional information.

In the third first quarter 2023, 2024, net income decreased $16 million increased $5 million when compared to the corresponding period in 2022, primarily due to a decrease in operating revenue and increases in operating expenses, interest expenses, and income taxes.

For year-to-date 2023, net income decreased $19 million when compared to the corresponding period in 2022. 2023. The decrease increase was primarily related to a decrease decreases in operating revenue and increases in interest expenses and income taxes, partially offset by a decrease in operating expenses primarily related to lower depreciation in 2023, lower cost of gas, and lower taxes other than income taxes. revenue.

FUTURE EARNINGS POTENTIAL

Each Registrant's results of operations are not necessarily indicative of its future earnings potential. The level of the Registrants' future earnings depends on numerous factors that affect the opportunities, challenges, and risks of the Registrants' primary businesses of selling electricity and/or distributing natural gas, as described further herein.

For the traditional electric operating companies, these factors include the ability to maintain constructive regulatory environments that allow for the timely recovery of prudently-incurred costs during a time of increasing costs, including those related to projected long-term demand growth, stringent environmental standards, including CCR rules, safety, system reliability and resiliency, fuel, restoration following major storms, and capital expenditures, including constructing new electric generating plants and expanding and improving the transmission and distribution systems; continued customer growth; and the trends of higher inflation and reduced electricity usage per customer, especially in residential and commercial markets. For Georgia Power, other major factors are completing construction and start-up of Plant Vogtle Unit 4, meeting the related cost and schedule projections, and completing the related cost recovery proceedings for Plant Vogtle Units 3 and 4.

Earnings in the electricity business will also depend upon maintaining and growing sales, considering, among other things, recent trends driving projected growth in electricity consumption including the adoption and/or penetration ratesincreasing digitization of increasingly energy-efficient technologiesthe economy and increasing volumesgrowth in data centers, an increase in industrial activity in the Southern Company system's electric service territory, and continued electrification of electronic commerce transactions, whichtransportation. These growth opportunities could contribute to a net reductionbe offset by energy efficiency trends in customer usage.each market.

Global and U.S. economic conditions continue to be significantly affected by a serieshigher-than-expected inflation that arose from the COVID-19 pandemic and associated policy responses of demandgovernments and supply shocks that caused a global and national economic recession in 2020 and have been further impacted bycentral banks. In response to elevated inflation levels, the invasion of Ukraine and significant declines in labor force participation rates. The confluence of these disruptions has resulted in the highest levels of inflation globally in 40 years and driven a significant policy response by central banks across the global economy. The U.S. Federal Reserve has increasedraised interest rates faster than any rate increase cycle in the last 40 years and to levels high enoughyears. The actions by the U.S. Federal Reserve have helped to slow the rate of inflation and curtail economic activity. Although target levels of inflation have yet to be achieved, the U.S. Federal Reserve has indicated its current intention to pause future rate increases and evaluate rate cuts depending on the current economic data. The shifting economic policy variables and weakening of historic relationships among economic activity, prices, and reduce inflation rates, although target inflationemployment have increased the uncertainty of future levels have not yet been achieved. These actions and impacts, including increased costs for goods and services and borrowing costs, have led to a slowing of some economic activity which will directly impact future energy demand and an increased risk of recession. Additionally, inflation remains elevated in part due to continued supply chain and labor market constraints. Electricity sales across all classes have recovered to pre-COVID-19 pandemic levels and customer growth at both the traditional electric operating companies and natural gas distribution utilities has remained strong. However, weakeningcosts. Weakening economic activity increases the risk of slowing toor declining energy sales. Additionally, the current economic environment has increased the uncertainty of future energy demand and operating costs. See RESULTS OF OPERATIONS herein for information on energy sales in the Southern Company system's service territory during the first ninethree months of 2023.

2024.

The level of future earnings for Southern Power's competitive wholesale electric business depends on numerous factors including the parameters of the wholesale market and the efficient operation of its wholesale generating assets; Southern Power's ability to execute its growth strategy through the development, construction, or acquisition of renewable facilities and other energy projects while containing costs; regulatory matters; customer creditworthiness; total electric generating capacity available in Southern Power's market areas; Southern Power's ability to successfully remarket capacity as current contracts expire; renewable portfolio standards; continued availability of federal and state ITCs and PTCs, which could be impacted by future tax legislation; transmission constraints; cost of generation from units within the Southern Company power pool; and operational limitations. See MANAGEMENT'S DISCUSSION AND ANALYSIS – FUTURE EARNINGS POTENTIAL – "Income Tax Matters" in Item 7 of the Form 10-K for information regarding the Inflation Reduction Act's expansion of the availability of federal ITCs and PTCs and Note (K) to the Condensed Financial Statements under "Southern Power" herein for information regarding acquisitions.construction projects.

The level of future earnings for Southern Company Gas' primary business of distributing natural gas and its complementary businesses in the gas pipeline investments and gas marketing services sectors depends on numerous factors. These factors include the natural gas distribution utilities' ability to maintain constructive regulatory environments that allow for the timely recovery of prudently-incurred costs, including those related to projected long-term demand growth, safety, system reliability and resiliency, natural gas, and capital expenditures, including expanding and improving the natural gas distribution systems; the completion and subsequent operation of ongoing infrastructure and other construction projects; customer creditworthiness; and certain policies to limit the use of natural gas, such as the potential in Illinois and across certain other parts of the U.S. for state or municipal bans on the use of natural gas or policies designed to promote electrification. The volatility of natural gas prices has an impact on Southern Company Gas' customer rates, its long-term competitive position against other energy sources, and the ability of Southern Company Gas' gas marketing services business to capture value from locational and seasonal spreads. Additionally, changes in commodity prices, primarily driven by tight gas supplies, geopolitical events, and diminished gas production, subject a portion of Southern Company Gas' operations to earnings variability and may result in higher natural gas prices. Additional economic factors may contribute to this environment. The demand for natural gas may increase, which may cause natural gas prices to rise and drive higher volatility in the natural gas markets on a longer-term basis. Alternatively, a significant drop in oil and natural gas prices could lead to a consolidation of natural gas producers or reduced levels of natural gas production.

Earnings for both the electricity and natural gas businesses are subject to a variety of other factors. These factors include weather; competition; developing new and maintaining existing energy contracts and associated load requirements with wholesale customers; customer energy conservation practices; the use of alternative energy sources by customers; government incentives to reduce overall energy usage; fuel, labor, and material prices in an environment of heightened inflation and material and labor supply chain disruptions; and the price elasticity of demand. Demand for electricity and natural gas in the Registrants' service territories is primarily driven by the pace of economic growth or decline that may be affected by changes in regional and global economic conditions, which may impact future earnings.

As part of its ongoing effort to adapt to changing market conditions, Southern Company continues to evaluate and consider a wide array of potential business strategies. These strategies may include business combinations, partnerships, and acquisitions involving other utility or non-utility businesses or properties, disposition of, or the sale of interests in, certain assets or businesses, internal restructuring, or some combination thereof. Furthermore, Southern Company may engage in new business ventures that arise from competitive and regulatory changes in the utility industry. Pursuit of any of the above strategies, or any combination thereof, may significantly affect the business operations, risks, and financial condition of Southern Company. In addition, Southern Power and Southern Company Gas regularly consider and evaluate joint development arrangements as well as acquisitions and dispositions of businesses and assets as part of their business strategies. See Note 15 to the financial statements in Item 8 of the Form 10-K and Note (K) to the Condensed Financial Statements herein for additional information.

For additional information relating to these issues, see RISK FACTORS in Item 1A and MANAGEMENT'S DISCUSSION AND ANALYSIS – FUTURE EARNINGS POTENTIAL in Item 7 of the Form 10-K.

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Environmental Matters

See MANAGEMENT'S DISCUSSION AND ANALYSIS – FUTURE EARNINGS POTENTIAL – "Environmental Matters" in Item 7 and Note 3 to the financial statements under "Environmental Remediation" in Item 8 of the Form 10-K, as well as Note (C) to the Condensed Financial Statements under "General Litigation Matters" and "Environmental Remediation" herein, for additional information.

Environmental Laws and Regulations

Air Quality

On February 13, 2023, the EPA published a final rule disapproving 19 state implementation plans (SIPs), including the States of Alabama and Mississippi, under the interstate transport (good neighbor) provisions of the Clean Air Act for the 2015 Ozone National Ambient Air Quality Standards (NAAQS). On March 14, 2023 and March 15, 2023, the State of Mississippi and Mississippi Power, respectively, challenged the EPA's disapproval of the Mississippi SIP in the U.S. Court of Appeals for the Fifth Circuit. On May 11, 2023, the State of Mississippi and Mississippi Power filed a joint motion for stay of the EPA's disapproval of the Mississippi SIP, which was granted on June 8, 2023. On April 13, 2023 and April 14, 2023, the State of Alabama, Alabama Power, and PowerSouth Energy Cooperative challenged the EPA's disapproval of the Alabama SIP in the U.S. Court of Appeals for the Eleventh Circuit. On June 13, 2023, the State of Alabama, Alabama Power, and PowerSouth Energy Cooperative filed a joint motion for stay of the EPA's disapproval of the Alabama SIP, which was granted on August 17, 2023.

On June 5, 2023, the EPA published the 2015 Ozone NAAQS Good Neighbor federal implementation plans (FIP), which became effective on August 4, 2023. On June 16, 2023 and June 27, 2023, the State of Mississippi and Mississippi Power, respectively, challenged the FIP for Mississippi in the U.S. Court of Appeals for the Fifth Circuit. On June 30, 2023, the State of Mississippi and Mississippi Power filed in the U.S. Court of Appeals for the Fifth Circuit a joint motion for stay of the FIP for Mississippi and a request to hold the case in abeyance pending resolution of the Mississippi SIP disapproval case. On July 20, 2023, the U.S. Court of Appeals for the Fifth Circuit denied the motion for stay but granted the motion to hold the case in abeyance. On August 4, 2023, the State of Alabama, Alabama Power, and PowerSouth Energy Cooperative challenged the FIP for Alabama in the U.S. Court of Appeals for the Eleventh Circuit. On August 16, 2023, the State of Alabama, Alabama Power, and PowerSouth Energy Cooperative filed in the U.S. Court of Appeals for the Eleventh Circuit a joint motion requesting an abeyance of the case pending resolution of the Alabama SIP disapproval case, which was granted on August 30, 2023.

On July 31, 2023, the EPA published an Interim Final Rule that stays the implementation of the FIPs for states with judicially stayed SIP disapprovals, including Mississippi. On September 29, 2023, the EPA published an updated Interim Final Rule addressing judicial stays of states' interstate transport SIP disapprovals, including Alabama. The Interim Final Rule revises the existing regulations to maintain currently applicable trading programs for those states.

The ultimate impact of the rule and associated legal matters cannot be determined at this time; however, implementation of the FIPs will likely result in increased compliance costs for the traditional electric operating companies.

Water Quality

On March 29, 2023 April 25, 2024, the EPA published released a proposed ELG Supplemental Rule revising certain effluent limits pre-publication copy of the 2020 and 2015 ELG rules. The proposal imposes final rule revising the Steam Effluent Guidelines (ELG Final Rule), which will establish more stringent requirements limits for flue gas desulfurization wastewater, bottom ash transport water, and combustion residual leachate to be met no later than December 31, 2029. The EPA is also proposing that ELG Final Rule maintains the existing rule's permanent cessation of coal subcategory and the existing rule's voluntary incentive program and adds a limited number of facilities already achieving compliance with the 2020 ELG Reconsideration Rule be allowed new cessation subcategory which allows units to elect retirement or repowering cease coal combustion by December 31, 2032 December 31, 2034 as opposed to meeting the new more stringent requirements. The proposal maintains ELG Final Rule will also establish limitations for legacy wastewater which will be effective 60 days from the 2020 ELG Reconsideration Rule's permanent cessation date of coal combustion subcategory allowing units to continue to operate until the end of 2028 without having to install additional technologies. A final rule is anticipated in 2024. publication. The ultimate impact of the ELG Final Rule cannot be determined at this proposal time; however, it may result in significant compliance costs.

Coal Combustion Residuals

On April 25, 2024, the EPA released a pre-publication copy of the final legacy CCR surface impoundments rule which will establish two new categories of federally regulated CCR, legacy surface impoundments and CCR management units (CCRMU). The rule will require legacy surface impoundments and CCRMUs to meet certain existing regulatory requirements, including a requirement to initiate closure within 42 months after the effective date of the final rule for legacy surface impoundments and within 54 months after the effective date of the final rule for CCRMUs. The final rule also includes an option to defer closure of previously closed units where certain criteria have been met. The EPA is also finalizing an alternative provision for closure by removal. The ultimate impact of the final rule cannot be determined at this time; however, it may result in significant compliance costs.

In 2021, Alabama Power submitted its notice of planned participation (NOPP) to the Alabama Department of Environmental Management (ADEM), which included plans to retire Plant Barry Unit 5. Alabama Power subsequently indicated that it expected to retire Plant Barry Unit 5 in late 2023 or early 2024 subject to certain operating conditions. Alabama Power has continued to evaluate operating conditions relevant to the expected retirement of Plant Barry Unit 5 in late 2023 or early 2024 and now expects the unit to remain in service beyond these periods. Alabama Power plans to retire the unit on or before the NOPP compliance date of December 31, 2028. The ultimate impact of this matter cannot be determined at this time.

Coal Combustion Residuals

On May 18, 2023, the EPA published a proposal to establish two new categories of federally regulated CCR, legacy surface impoundments and CCR management units (CCRMUs). The EPA is proposing to define a legacy surface impoundment as a CCR surface impoundment that no longer receives CCR but contained both CCR and liquids on or after October 19, 2015 and that is located at an inactive electric generating facility. The EPA is proposing that owners and operators of legacy surface impoundments comply with all of the existing CCR Rule requirements with the exception of location restrictions and liner demonstrations. The proposal establishes accelerated compliance deadlines for legacy surface impoundments to meet regulatory requirements, including a requirement to initiate closure within 12 months after the effective date of the final rule. The EPA is also proposing to define CCRMUs as any area of land on which any non-containerized accumulation of CCR is received, placed, or otherwise managed at any time, that is not a CCR unit, including inactive CCR landfills and CCR units that closed prior to October 17, 2015. The EPA's proposal would require evaluations to be completed at both active facilities and inactive facilities with one or more legacy surface impoundment. CCRMUs must comply with the CCR Rule's provisions for groundwater monitoring, corrective action, closure, and post-closure activities. A final rule is anticipated in 2024. The ultimate impact of this proposal cannot be determined at this time; however, it may result in significant compliance costs.

On August 14, 2023, the EPA published a proposal to deny the ADEM's CCR permit program application. Alabama Power's permits to close its CCR facilities remain valid under state law. In the absence of an EPA-approved state permit program, CCR facilities in Alabama will remain subject to both the federal and state CCR rules.

Based on requirements for closure and monitoring of landfills and ash ponds pursuant to the CCR Rule and applicable state rules, the traditional electric operating companies have periodically updated, and expect to continue periodically updating, their related cost estimates and ARO liabilities for each CCR unit as additional information related to closure methodologies, schedules, and/or costs becomes available. Some of these updates have been, and future updates may be, material. Additionally, the closure designs and plans in the States of Alabama and Georgia are subject to approval by environmental regulatory agencies. Absent continued recovery of ARO costs through regulated rates, results of operations, cash flows, and financial condition for Southern Company and the traditional electric operating companies could be materially impacted. See Note 6 to the financial statements in Item 8 of the Form 10-K and Notes (A) and (C) to the Condensed Financial Statements under "Asset Retirement Obligations" and "General Litigation Matters – Alabama Power," respectively, herein for additional information.

Greenhouse Gases

On May 23, 2023 April 25, 2024, the EPA published released pre-publication copies of the proposed final GHG standards and state plan guidelines rules for existing fossil fuel-fired power plants. The proposal includes steam electric generating units and new fossil fuel-fired combustion turbines and combined cycle generation facilities, which will require GHG limits for subcategories of both new and existing units. The new rules do not include standards for existing fossil fuel-fired combustion turbines and combined cycle generation facilities, which will be deferred to a future rulemaking. Requirements for existing coal-fired units are based on technologies such as carbon capture and sequestration low-GHG hydrogen co-firing, (CCS) and natural gas co-firing. States have 24 months after the rule's publication to submit state plans for existing units. The proposed rule allows states to consider remaining useful life and other factors to specify alternative, unit-specific emissions limits and compliance timelines for existing units, as needed to address reliability and other concerns. Existing source compliance will begin as early as January 1, 2030, depending on the subcategory. The final rule incorporates some limited reliability mechanisms including a provision for short-term grid emergencies and a "reliability assurance mechanism" that allows for a one-time, up to one year, extension of existing coal unit retirement dates specified in an approved state plan. The standards for new combustion turbines include subcategories for different operational uses including peaking, low, intermediate, and base load. load operations. Compliance with new source standards once finalized, begins when the unit comes online. The EPA proposes a phased approach online, with requirements for intermediate and base load units that increases in stringency over time. The proposed state plan guidelines for existing units include subcategories based CCS beginning on unit type, retirement date, size, and capacity factor. The EPA is proposing a 24-month state plan submission deadline for the existing unit implementation and proposes to potentially allow some limited form of trading and averaging for the state plans. Existing source compliance is proposed to begin as early as January 1, 2030, depending on the unit type and

subcategory. January 1, 2032. The EPA also proposes to simultaneously repeal repealed the Affordable Clean Energy rule. A final rule is anticipated in 2024. The ultimate impact of this proposal the final rules cannot be determined at this time; however, it may result in significant compliance costs.

Regulatory Matters

See Note 2 to the financial statements in Item 8 of the Form 10-K, OVERVIEW – "Recent Developments" herein, and Note (B) to the Condensed Financial Statements herein for a discussion of regulatory matters related to Alabama Power, Georgia Power, Mississippi Power, and Southern Company Gas, including items that could impact the applicable Registrants' future earnings, cash flows, and/or financial condition.
Alabama Power

On July 14, 2023, Alabama Power issued a request for proposals of between 100 MWs and 1,200 MWs of capacity beginning no later than December 1, 2028, with consideration for commencement as early as 2025. Any purchases will depend upon the cost competitiveness of the respective offers, as well as other options available to Alabama Power, and would ultimately require approval by the Alabama PSC. The ultimate outcome of this matter cannot be determined at this time.

Construction Programs

The Subsidiary Registrants are engaged in continuous construction programs to accommodate existing and estimated future loads on their respective systems. The Southern Company system strategy continues to include developing and constructing new electric generating facilities, expanding and improving the electric transmission and electric and natural gas distribution systems, and undertaking projects to comply with environmental laws and regulations.

For the The traditional electric operating companies major are engaged in continuous construction programs to accommodate existing and estimated future loads on their respective systems. Major generation construction projects are subject to state PSC approval in order to be included in retail rates. The largest construction project currently underway in the Southern Company system is Plant Vogtle Unit 4. See Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction" herein for additional information. Also see Note 2 to the financial statements in Item 8 of the Form 10-K and Note (B) to the Condensed Financial Statements herein under "Alabama "Georgia Power – Certificates of Convenience and Necessity" Integrated Resource Plan" for information regarding Alabama Georgia Power's construction of three simple cycle combustion turbines at Plant Barry Unit 8, which was placed in service on November 1, 2023. Yates.

See Note (K) to the Condensed Financial Statements under "Southern Power" herein for information relating to Southern Power's construction of renewable energy facilities.

Southern Company Gas is engaged in various infrastructure improvement programs designed to update or expand the natural gas distribution systems of the natural gas distribution utilities to improve reliability and resiliency, reduce emissions, and meet operational flexibility and growth. The natural gas distribution utilities recover their investment and a return associated with these infrastructure programs through their regulated rates. See Note 2 to the financial statements under "Southern Company Gas" in Item 8 of the Form 10-K and Note (B) to the Condensed Financial Statements herein under "Southern Company Gas" for additional information on Southern Company Gas' construction program.

See FINANCIAL CONDITION AND LIQUIDITY – "Cash Requirements" herein for additional information regarding the Registrants' capital requirements for their construction programs.

Income Tax Matters

In June 2023, the Internal Revenue Service issued temporary regulations related to the transferability of tax credits. Southern Company and certain subsidiaries are considering the sale of tax credits that are eligible to be transferred. See Note (G) to the Condensed Financial Statements herein for additional information. Additionally, see MANAGEMENT'S DISCUSSION AND ANALYSIS – FUTURE EARNINGS POTENTIAL – "Income Tax Matters" in Item 7 of the Form 10-K for information regarding the Inflation Reduction Act's expansion of the availability of federal ITCs and PTCs.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (Continued)

Income Tax Matters

See Note (G) to the Condensed Financial Statements herein and MANAGEMENT'S DISCUSSION AND ANALYSIS – FUTURE EARNINGS POTENTIAL – "Income Tax Matters" in Item 7 of the Form 10-K for additional information.

Inflation Reduction Act

Alabama Power and Georgia Power have nuclear generating facilities that may qualify to generate and claim PTCs under the Inflation Reduction Act beginning in 2024, subject to the issuance of additional guidance by the U.S. Treasury Department and the Internal Revenue Service. The ultimate outcome of this matter cannot be determined at this time.

Georgia State Tax Legislation

On April 18, 2024, the State of Georgia enacted tax legislation that reduces the corporate income tax rate from 5.75% to 5.39% effective for the 2024 tax year. This legislation will reduce the amount of Southern Company's and certain subsidiaries' income tax expense in the State of Georgia, reduce existing state accumulated deferred tax liabilities, and increase regulatory liabilities at Georgia Power and Southern Company Gas. The impacted Registrants are still evaluating the impacts of this legislation, which is not expected to have a material impact on net income. The ultimate outcome of this matter cannot be determined at this time.

General Litigation and Other Matters

The Registrants are involved in various matters being litigated and/or regulatory and other matters that could affect future earnings, cash flows, and/or financial condition. The ultimate outcome of such pending or potential litigation against each Registrant and any subsidiaries or regulatory and other matters cannot be determined at this time; however, for current proceedings and/or matters not specifically reported herein or in Notes (B) and (C) to the Condensed Financial Statements herein, management does not anticipate that the ultimate liabilities, if any, arising from such current proceedings and/or matters would have a material effect on such Registrant's financial statements. See Notes (B) and (C) to the Condensed Financial Statements for a discussion of various contingencies, including matters being litigated, regulatory matters, and other matters which may affect future earnings potential.

Traditional Electric Operating Companies

See BUSINESS – "The Southern Company System – Traditional Electric Operating Companies" in Item 1 of the Form 10-K for information regarding the Southeast Energy Exchange Market (SEEM). On July 14, 2023, the U.S. Court of Appeals for the District of Columbia Circuit vacated the FERC's orders related to SEEM and remanded the proceeding to the FERC. The ultimate outcome of this matter cannot be determined at this time.

ACCOUNTING POLICIES

See MANAGEMENT'S DISCUSSION AND ANALYSIS – ACCOUNTING POLICIES in Item 7 of the Form 10-K for a complete discussion of the Registrants' critical accounting policies and estimates, as well as recently issued accounting standards.

Application of Critical Accounting Policies and Estimates

The Registrants prepare their financial statements in accordance with GAAP. Significant accounting policies are described in the notes to the financial statements in Item 8 of the Form 10-K. In the application of these policies, certain estimates are made that may have a material impact on the Registrants' results of operations and related disclosures. Different assumptions and measurements could produce estimates that are significantly different from those recorded in the financial statements.

Estimated Cost, Schedule, and Rate Recovery for the Construction of Plant Vogtle Units 3 and 4
(Southern Company and Georgia Power)

On August 30, 2023, as provided for in the December 2017 Georgia PSC approval of the seventeenth VCM report, Georgia Power filed with the Georgia PSC an application to adjust rates to include reasonable and prudent Plant Vogtle Units 3 and 4 costs (Application). The Application provides the necessary support to justify the reasonableness, prudence, and recovery of $8.826 billion in total construction and capital costs, $1.07 billion in associated retail rate base items, and the operating costs related to the full operation and output of Plant Vogtle Units 3 and 4. Also on August 30, 2023, the staff of the Georgia PSC filed a stipulated agreement (Prudency Stipulation) among Georgia Power, the staff of the Georgia PSC, and certain intervenors. If the Prudency Stipulation is approved, Georgia Power will recover $7.562 billion in total construction and capital costs and associated retail rate base items of $1.02 billion, which includes AFUDC financing costs above $4.418 billion (the Georgia PSC-certified amount) up to $7.562 billion. Georgia Power expects the Georgia PSC to render a final decision on these matters on December 19, 2023.

As of September 30, 2023, Georgia Power revised its total project capital cost forecast to $10.8 billion (net of $1.7 billion received under the Guarantee Settlement Agreement and approximately $188 million in related customer refunds). This forecast includes construction contingency of $17 million and is based on the actual in-service date of July 2023 for Unit 3 and a projected in-service date of March 2024 for Unit 4.

On October 5, 2023 and October 17, 2023, Georgia Power reached agreements with OPC and Dalton, respectively, to resolve its respective dispute with each of OPC and Dalton regarding the proper interpretation of the cost-sharing and tender provisions of the joint ownership agreements relating to the Global Amendments. Under the terms of the agreements with OPC and Dalton, among other items, (i) each of OPC and Dalton retracted its exercise of the tender

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option and will retain its full ownership interest in Plant Vogtle Units 3 and 4, (ii) Georgia Power made payments immediately after execution of the agreements of $308 million and $17 million to OPC and Dalton, respectively, representing payment for a portion of each of OPC's and Dalton's costs of construction for Plant Vogtle Units 3 and 4 previously incurred, (iii) Georgia Power will pay a portion of each of OPC's and Dalton's further costs of construction for Plant Vogtle Units 3 and 4 as such costs are incurred and with no further adjustment for force majeure costs, which payments will be in an aggregate amount of approximately $105 million and $6 million for OPC and Dalton, respectively, based on the current project capital cost forecast, and (iv) Georgia Power will pay 66% of each of OPC's and Dalton's costs of construction with respect to any amounts above the current project capital cost forecast, with no further adjustment for force majeure costs.

Georgia Power recorded a pre-tax charge to income in the third quarter 2023 of approximately $160 million ($120 million after tax) associated with the cost-sharing provisions of the Global Amendments, including the settlements with OPC and Dalton, which is included in the total project capital cost forecast and will not be recovered from retail customers.

The ultimate outcome of these matters cannot be determined at this time. However, any extension of the in-service date beyond the March 2024 for Unit 4, including the current level of cost sharing described in Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction" herein, is estimated to result in additional base capital costs for Georgia Power of up to $25 million per month, as well as the related AFUDC and any additional related construction, support resources, or testing costs. See Note 2 to the financial statements in Item 8 of the Form 10-K under "Georgia Power – Nuclear Construction" and Note (B) to the Condensed Financial Statements herein under "Georgia Power – Plant Vogtle Units 3 and 4 Prudency Proceeding" and " – Nuclear Construction" for additional information.

FINANCIAL CONDITION AND LIQUIDITY

Overview

See MANAGEMENT'S DISCUSSION AND ANALYSIS – FINANCIAL CONDITION AND LIQUIDITY – "Overview" in Item 7 of the Form 10-K for additional information. The financial condition of each Registrant remained stable at September 30, 2023 March 31, 2024. The Registrants intend to continue to monitor their access to short-term and long-term capital markets as well as their bank credit arrangements to meet future capital and liquidity needs. See "Cash Requirements," "Sources of Capital," and "Financing Activities" herein for additional information.

At the end of the third first quarter 2023, 2024, the market price of Southern Company's common stock was $64.72 $71.74 per share (based on the closing price as reported on the NYSE) and the book value was $28.77 $29.19 per share, representing a market-to-book ratio of 225% 246%, compared to $71.41, $27.93, $70.12, $28.83, and 256% 243%, respectively, at the end of 2022. 2023. Southern Company's common stock dividend for the third first quarter 2023 2024 was $0.70 per share compared to $0.68 per share in the third first quarter 2022. 2023.

Cash Requirements

See MANAGEMENT'S DISCUSSION AND ANALYSIS – FINANCIAL CONDITION AND LIQUIDITY – "Cash Requirements" in Item 7 of the Form 10-K for a description of the Registrants' significant cash requirements.

The Registrants' significant cash requirements include estimated capital expenditures associated with their construction programs and, for the traditional electric operating companies, operating cash flows related to fuel cost under recovery. The fuel cost under recovery balances are primarily the result of higher than forecasted prices for natural gas and purchased power. See Note (B) to the Condensed Financial Statements herein under "Georgia Power – Fuel Cost Recovery" for additional information.

The construction programs are subject to periodic review and revision, and actual construction costs may vary from these estimates because of numerous factors. These factors include: changes in business conditions; changes in load projections; changes in environmental laws and regulations; the outcome of any legal challenges to environmental rules; changes in electric generating plants, including unit retirements and replacements and adding or changing fuel

sources at existing electric generating units, to meet regulatory requirements; changes in FERC rules and regulations; state regulatory agency approvals; changes in the expected environmental compliance program; changes in legislation and/or regulation; the cost, availability, and efficiency of construction labor, equipment, and materials; project scope and design changes; abnormal weather; delays in construction due to judicial or regulatory action; storm impacts; and the cost of capital. In addition, there can be no assurance that costs related to capital expenditures and AROs will be fully recovered. Additionally, expenditures associated with Southern Power's planned acquisitions may vary due to market opportunities and the execution of its growth strategy.

The construction program of Georgia Power includes Plant Vogtle Unit 4, which includes components based on new technology that only within the last few years began initial operation in the global nuclear industry at this scale and which may be subject to additional revised cost estimates during construction. See Note 2 to the financial statements in Item 8 of the Form 10-K and Note (B) to the Condensed Financial Statements herein under "Georgia Power – Nuclear Construction" for information regarding Plant Vogtle Units 3 and 4 and additional factors that may impact construction expenditures.

See Note (B) to the Condensed Financial Statements under "Georgia Power – Integrated Resource Plans" Plan" herein for information regarding Georgia Power's 2023 IRP Update, which includes requests that, if approved, would result in incremental cash requirements for capital expenditures and PPAs. through 2027 of approximately $700 million.

Southern Power's construction program includes the Millers Branch and South Cheyenne and Millers Branch solar projects. The remaining aggregate construction costs for these projects are expected to be between $300 million $500 million and $375 million $620 million. The ultimate outcome of this matter these matters cannot be determined at this time. See Note (K) to the Condensed Financial Statements under "Southern Power" herein for additional information.

Long-term debt maturities and the interest payable on long-term debt each represent a significant cash requirement for the Registrants. See "Financing Activities" herein for information on changes in the Registrants' long-term debt balances since December 31, 2022 December 31, 2023.

Sources of Capital

See MANAGEMENT'S DISCUSSION AND ANALYSIS – FINANCIAL CONDITION AND LIQUIDITY – "Sources of Capital" in Item 7 of the Form 10-K for additional information. Southern Company intends to meet its future capital needs through operating cash flows, borrowings from financial institutions, and debt, hybrid, and/or equity issuances. Equity capital can be provided from any combination of Southern Company's stock plans, private placements, or public offerings.

The Subsidiary Registrants plan to obtain the funds to meet their future capital needs from sources similar to those they used in the past, which were primarily from operating cash flows, external securities issuances, borrowings from financial institutions, and equity contributions from Southern Company. Operating cash flows provide a substantial portion of the Registrants' cash needs. Georgia Power intends to utilize a mix of senior note issuances, short-term floating rate bank loans, and commercial paper issuances to continue funding operating cash flows related to fuel cost under recovery.

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The amount, type, and timing of any financings in 2023, 2024, as well as in subsequent years, will be contingent on investment opportunities and the Registrants' capital requirements and will depend upon prevailing market conditions, regulatory approvals (for certain of the Subsidiary Registrants), and other factors. See "Cash Requirements" and "Financing Activities" herein for additional information.

Southern Power utilizes tax equity partnerships as one of its financing sources, where the tax partner takes significantly all of the federal tax benefits. These tax equity partnerships are consolidated in Southern Power's financial statements and are accounted for using HLBV methodology to allocate partnership gains and losses. During the nine three months ended September 30, 2023 March 31, 2024, Southern Power obtained Power's tax equity funding for existing tax equity partnerships totaling $21 million. was immaterial. See Note 1 to the financial statements under "General" in Item 8 of the Form 10-K for additional information.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (Continued)**

By regulation, Nicor Gas is restricted, up to the extent of its retained earnings balance, in the amount it can dividend or loan to affiliates and is not permitted to make money pool loans to affiliates. At September 30, 2023 March 31, 2024, the amount of subsidiary retained earnings restricted to dividend totaled $1.6 billion $1.9 billion. This restriction did not impact Southern Company Gas' ability to meet its cash obligations, nor does management expect such restriction to materially impact Southern Company Gas' ability to meet its currently anticipated cash obligations.

Certain Registrants' current liabilities frequently exceed their current assets because of long-term debt maturities and the periodic use of short-term debt as a funding source, as well as significant seasonal fluctuations in cash needs. The Registrants generally plan to refinance long-term debt as it matures. The following table shows the amount by which current liabilities exceeded current assets at September 30, 2023 March 31, 2024 for the applicable Registrants:

At September 30, 2023		Southern Company	Georgia Power	Mississippi Power	Southern Company Gas
			(in millions)		
At March 31, 2024					
At March 31, 2024					
At March 31, 2024		Southern Company		Mississippi Power	Southern Company Gas
(in millions)					*(in millions)*
Current liabilities in excess of current assets	Current liabilities in excess of current assets	$ 2,126	$ 1,690	$ 239	$ 176

The Registrants believe the need for working capital can be adequately met by utilizing operating cash flows, as well as commercial paper, lines of credit, and short-term bank notes, as market conditions permit. In addition, under certain circumstances, the Subsidiary Registrants may utilize equity contributions and/or loans from

Southern Company.

Bank Credit Arrangements

At September 30, 2023 March 31, 2024, the Registrants' unused committed credit arrangements with banks were as follows:

At September 30, 2023	Southern Company parent	Alabama Power	Georgia Power	Mississippi Power	Southern Power(a)	Southern Company Gas(b)	SEGCO	Southern Company
At March 31, 2024	Southern Company parent	Alabama Power	Georgia Power	Mississippi Power	Southern Power(a)	Southern Company Gas(b)	SEG	
				(in millions)				
Unused committed credit	$ 1,998	$ 1,350	$ 1,726	$ 275	$ 589	$ 1,598	$ 30	$ 7,566

(a) At September 30, 2023 March 31, 2024, Southern Power also had two continuing letters of credit facilities for standby letters of credit, of which $25 million $15 million was unused. Southern Power's subsidiaries are not parties to its bank credit arrangements or letter of credit facilities.

(b) Includes $798 million and $800 million at Southern Company Gas Capital and Nicor Gas, respectively.

Subject to applicable market conditions, the Registrants, Nicor Gas, and SEGCO expect to renew or replace their bank credit arrangements as needed, prior to expiration. In connection therewith, the Registrants, Nicor Gas, and SEGCO may extend the maturity dates and/or increase or decrease the lending commitments thereunder.

A portion of the unused credit with banks is allocated to provide liquidity support to certain revenue bonds of the traditional electric operating companies and the commercial paper programs of the Registrants, Nicor Gas, and SEGCO. At September 30, 2023 March 31, 2024, outstanding variable rate demand revenue bonds of the traditional electric operating companies with allocated liquidity support totaled approximately $1.7 billion (comprised of approximately $818 million $796

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million at Alabama Power, $819 million at Georgia Power, and $69 million at Mississippi Power). In addition, at September 30, 2023 March 31, 2024, Alabama Power and Georgia Power had approximately $120 million and $325 million $155 million, respectively, of fixed rate revenue bonds outstanding that are required to be remarketed within the next 12 months. The Alabama Power's $120 million of fixed rate revenue bonds are classified as securities due within one year on its balance sheets as they are not covered by long-term committed credit. All other variable rate demand revenue bonds and fixed rate revenue bonds required to be remarketed within the next 12 months are classified as long-term debt on the balance sheets as a result of available long-term committed credit.

See Note 8 to the financial statements in Item 8 of the Form 10-K and Note (F) to the Condensed Financial Statements herein under "Bank Credit Arrangements" for additional information.

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Short-term Borrowings

The Registrants, Nicor Gas, and SEGCO make short-term borrowings primarily through commercial paper programs that have the liquidity support of the committed bank credit arrangements described above. Southern Power's subsidiaries are not issuers or obligors under its commercial paper program. Commercial paper and short-term bank term loans are included in notes payable in the balance sheets. Details of the Registrants' short-term borrowings were as follows:

	Short-term Debt at September 30, 2023		Short-term Debt During the Period(*)			Short-term Debt at March 31, 2024		Short-term Debt During the Period(*)			
	Amount Outstanding	Weighted Average Interest Rate	Average Amount Outstanding	Weighted Average Interest Rate	Maximum Amount Outstanding	Amount Outstanding	Weighted Average Interest Rate	Average Amount Outstanding		Weighted Average Interest Rate	Maximum Amount Outstanding

		(in millions)		(in millions)		(in millions)	(in millions)	(in millions)	(in millions)
Southern Company	Southern Company	$ 1,726	6.0 %	$ 2,069	5.9 %	$ 2,615			
Alabama Power	Alabama Power	—	—	2	5.3	25			
Georgia Power	Georgia Power	1,250	6.2	1,534	6.0	1,910			
Mississippi Power	Mississippi Power	20	5.5	41	5.5	76			
Southern Power	Southern Power	359	5.6	88	5.9	359			
Southern Company Gas:	Southern Company Gas:								
Southern Company Gas Capital	Southern Company Gas Capital	$ 75	5.5 %	$ 211	5.5 %	$ 440			
Southern Company Gas Capital									
Southern Company Gas Capital									
Nicor Gas									
Southern Company Gas Total									

(*) Average and maximum amounts are based upon daily balances during the three-month period ended September 30, 2023 March 31, 2024.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

Analysis of Cash Flows

Net cash flows provided from (used for) operating, investing, and financing activities for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 are presented in the following table:

Net cash provided from (used for):	Net cash provided from (used for):	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas	Net cash provided from (used for):	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
				(in millions)										
Nine Months Ended September 30, 2023														
			(in millions)											(in millions)
Three Months Ended March 31, 2024														

Operating activities							
Operating activities							
Operating activities	Operating activities	$ 5,740	$ 1,522	$ 1,969	$ 260	$ 799	$ 1,644
Investing activities	Investing activities	(6,721)	(1,546)	(3,376)	(280)	(224)	(1,226)
Financing activities	Financing activities	834	66	1,183	(12)	(451)	(102)
Nine Months Ended September 30, 2022							
Three Months Ended March 31, 2023							
Three Months Ended March 31, 2023							
Three Months Ended March 31, 2023							
Operating activities							
Operating activities							
Operating activities	Operating activities	$ 5,017	$ 1,072	$ 1,482	$ 279	$ 827	$ 1,532
Investing activities	Investing activities	(5,952)	(1,641)	(2,653)	(219)	(128)	(1,239)
Financing activities	Financing activities	1,119	967	1,171	(72)	(603)	(313)

Fluctuations in cash flows from financing activities vary from year to year based on capital needs and the maturity or redemption of securities.

Southern Company

Net cash provided from operating activities increased $467 million for the three months ended March 31, 2024 as compared to the corresponding period in 2023 primarily due to the timing of vendor payments and increased fuel cost recovery at the traditional electric operating companies, partially offset by the timing of customer receivable collections and decreased natural gas cost recovery at the natural gas distribution utilities.

The net cash used for investing activities for the three months ended March 31, 2024 was primarily related to the Subsidiary Registrants' construction programs.

The net cash provided from financing activities for the three months ended March 31, 2024 was primarily related to net issuances of long-term debt, partially offset by common stock dividend payments.

Alabama Power

Net cash provided from operating activities increased $218 million for the three months ended March 31, 2024 as compared to the corresponding period in 2023 primarily due to an increase in retail revenues associated with customer bill credits in 2023 and timing of fuel stock purchases.

The net cash used for investing activities for the three months ended March 31, 2024 was primarily related to gross property additions.

The net cash provided from financing activities for the three months ended March 31, 2024 was primarily related to capital contributions from Southern Company, partially offset by the payment of common stock dividends.

Georgia Power

Net cash provided from operating activities increased $546 million for the three months ended March 31, 2024 as compared to the corresponding period in 2023 primarily due to increased fuel cost recovery and the timing of vendor payments, partially offset by the timing of customer receivable collections.

The net cash used for investing activities for the three months ended March 31, 2024 was primarily related to gross property additions.

The net cash provided from financing activities for the three months ended March 31, 2024 was primarily related to the issuances of senior notes and capital contributions from Southern Company, partially offset by a net decrease in short-term borrowings and the payment of common stock dividends.

Mississippi Power

Net cash provided from used for operating activities increased $0.7 billion $4 million for the nine three months ended September 30, 2023 March 31, 2024 as compared to the corresponding period in 2022 2023 primarily due to increased fuel cost recovery and the timing of customer receivable collections, partially offset by the timing of vendor payments.

The net cash used for investing activities for the nine three months ended September 30, 2023 March 31, 2024 was primarily related to the Subsidiary Registrants' construction programs. gross property additions.

The net cash provided from financing activities for the nine three months ended September 30, 2023 March 31, 2024 was primarily related to net the issuances of long-term debt, senior notes, partially offset by common stock dividend payments, net repayments of short-term bank loans, and a reduction in commercial paper borrowings. payments.

Alabama Southern Power

Net cash provided from operating activities increased $450 million decreased $14 million for the nine three months ended September 30, 2023 March 31, 2024 as compared to the corresponding period in 2022 2023 primarily due to an increase in fuel cost recovery and the timing of customer receivable collections, partially offset by the timing of vendor payments and fuel stock purchases.

The net cash used for investing activities for the nine months ended September 30, 2023 was primarily related to gross property additions, including approximately $66 million related to the construction of Plant Barry Unit 8. See Note (B) to the Condensed Financial Statements under "Alabama Power" herein for additional information.

The net cash provided from financing activities for the nine months ended September 30, 2023 was primarily related to capital contributions from Southern Company and issuances of revenue bonds and senior notes, largely offset by common stock dividend payments.

Georgia Power

Net cash provided from operating activities increased $487 million for the nine months ended September 30, 2023 as compared to the corresponding period in 2022 primarily due to increased fuel cost recovery, partially offset by the timing of vendor payments.

The net cash used for investing activities for the nine three months ended September 30, 2023 March 31, 2024 was primarily related to gross property additions, including a total of approximately $590 million related to the construction of Plant Vogtle Units 3 and 4. See Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction" herein for additional information on Plant Vogtle Units 3 and 4.

The net cash provided from financing activities for the nine months ended September 30, 2023 was primarily related to capital contributions from Southern Company, net issuances of senior notes, and reofferings of pollution control revenue bonds which were previously held by Georgia Power, partially offset by common stock dividend payments and a net decrease in short-term borrowings.

Mississippi Power

Net cash provided from operating activities decreased $19 million for the nine months ended September 30, 2023 as compared to the corresponding period in 2022 primarily due to the timing of vendor payments, partially offset by the timing of customer receivable collections.

The net cash used for investing activities for the nine months ended September 30, 2023 was primarily related to gross property additions.

The net cash used for financing activities for the nine months ended September 30, 2023 was primarily related to common stock dividend payments, partially offset by the issuance of senior notes.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (Continued)

Southern Power

Net cash provided from operating activities decreased $28 million for the nine months ended September 30, 2023 as compared to the corresponding period in 2022 primarily due to the timing of vendor payments and a change in the utilization of tax credits, partially offset by the timing of customer receivable collections.

The net cash used for investing activities for the nine months ended September 30, 2023 was primarily related to the acquisitions of the South Cheyenne and Millers Branch solar facilities and ongoing construction activities, partially offset by proceeds from the sale of equity investments. activities. See Note (K) to the Condensed Financial Statements under "Southern Power" herein for additional information.

The net cash used for financing activities for the nine three months ended September 30, 2023 March 31, 2024 was primarily related to repayment of senior notes at maturity, common stock dividend payments and net distributions to noncontrolling interests, partially offset by net proceeds from short-term debt. interests.

Southern Company Gas

Net cash provided from operating activities increased $112 million decreased $380 million for the nine three months ended September 30, 2023 March 31, 2024 as compared to the corresponding period in 2022 2023 primarily due to the timing of customer receivable collections and lower natural gas cost recovery, partially offset by the timing of vendor payments.

The net cash used for investing activities for the nine three months ended September 30, 2023 March 31, 2024 was primarily related to construction of transportation and distribution assets recovered through base rates and infrastructure investment recovered through replacement programs at gas distribution operations. rates.

The net cash used for financing activities for the nine three months ended September 30, 2023 March 31, 2024 was primarily related to repayment of short-term borrowings and common stock dividend payments partially offset by capital contributions from Southern Company and proceeds from other long-term debt. a decrease in commercial paper borrowings.

Significant Balance Sheet Changes

Southern Company

Significant balance sheet changes for the nine three months ended September 30, 2023 March 31, 2024 included:

- an increase of $4.1 billion $1.6 billion in long-term debt (including securities due within one year) primarily related to new issuances; net issuances of senior notes;
- a decrease of $0.7 billion in accounts payable primarily related to the timing of vendor payments;
- an increase of $3.7 billion $0.6 billion in total property, plant, and equipment primarily related to the Subsidiary Registrants' construction programs;
- a decrease of $0.9 billion $0.5 billion in notes payable accrued compensation due to the repayment timing of short-term bank loans payments; and a reduction in commercial paper borrowings;
- an increase of $0.8 billion $0.4 billion in total stockholders' equity primarily related to net income, partially offset by common stock dividend payments;
- an increase of $0.7 billion in accumulated deferred income taxes primarily related to the expected utilization of ITCs in 2023, as well as an increase in property-related timing differences;
- a decrease of $0.6 billion in accounts payable primarily related to the timing of vendor payments; and
- a decrease of $0.5 billion in unbilled revenues as a result of seasonality. payments.

See "Financing Activities" herein and Notes (B) and (G) to the Condensed Financial Statements herein for additional information.

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Alabama Power

Significant balance sheet changes for the nine three months ended September 30, 2023 March 31, 2024 included:

- an increase of $664 million in common stockholder's equity primarily due to net income and capital contributions from Southern Company, partially offset by dividends paid to Southern Company;
- an increase of $553 million in long-term debt (including securities due within one year) primarily due to the issuance of revenue bonds and senior notes;
- an increase of $426 million in total property, plant, and equipment primarily related to the construction of Plant Barry Unit 8 and transmission and distribution facilities;
- a decrease of $401 million in other regulatory assets, deferred primarily due to a decrease in the under recovered fuel clause balance;
- a decrease of $299 million in deferred credits related to income taxes primarily due to the amortization of accumulated deferred income taxes; and
- a decrease of $264 million in other accounts payable primarily due to the timing of vendor payments.

See "Financing Activities – Alabama Power" herein and Notes (B) and (G) to the Condensed Financial Statements herein under "Alabama Power" for additional information.

Georgia Power

Significant balance sheet changes for the nine months ended September 30, 2023 included:

- an increase of $2.5 billion in total property, plant, and equipment primarily related to the construction of generation, transmission, and distribution facilities, including $944 million for Plant Vogtle Units 3 and 4;
- an increase of $2.0 billion $464 million in common stockholder's equity primarily due to capital contributions from Southern Company and net income, partially offset by dividends paid to Southern Company;
- an increase a decrease of $1.1 billion in long-term debt (including securities due within one year) primarily due to net issuances of senior notes;
- an increase of $556 million $304 million in other accounts payable primarily due to the timing of vendor payments;
- an increase of $154 million in accrued taxes primarily due to the timing of income tax payments;
- a decrease of $350 million $136 million in affiliated accounts payable primarily due to the timing of payments; and
- an increase of $95 million in total property, plant, and equipment primarily related to the construction of transmission and distribution facilities.

Georgia Power

Significant balance sheet changes for the three months ended March 31, 2024 included:

- an increase of $1.4 billion in long-term debt (including securities due within one year) primarily due to issuances of senior notes;
- an increase of $687 million in common stockholder's equity primarily due to capital contributions from Southern Company and net income, partially offset by dividends paid to Southern Company;
- a decrease of $645 million in notes payable primarily due to repayments of short-term bank debt; and
- an increase of $321 million $481 million in customer accounts receivable, net total property, plant, and equipment primarily related to the construction of generation, transmission, and distribution facilities, including costs associated with Plant Vogtle Units 3 and 4; and
- a decrease of $282 million in accrued taxes primarily due to the timing of collections. payments for municipal franchise fees and property taxes.

See "Financing Activities – Georgia Power" herein and Note (B) to the Condensed Financial Statements herein under "Georgia Power – Nuclear Construction" for additional information.

Mississippi Power

Significant balance sheet changes for the nine three months ended September 30, 2023 March 31, 2024 included:

- an increase of $120 million in total property, plant, and equipment primarily related to the construction of transmission and distribution facilities;
- an increase of $99 million $149 million in long-term debt (including securities due within one year) primarily due to issuances of senior notes;
- a decrease of $45 million $59 million in accrued taxes primarily due to the payment of ad valorem taxes;
- an increase of $39 million in other accounts payable due and notes receivable primarily related to the timing on collections of vendor payments; contributions in aid of construction; and
- decreases a decrease of $44 million in affiliated receivables and $42 million $37 million in affiliated accounts payable primarily due to fluctuations in affiliate sales/purchases and the timing of payments; and
- an increase of $43 million in common stockholder's equity related to net income and capital contributions from Southern Company, partially offset by dividends paid to Southern Company. payments.

See "Financing Activities – Mississippi Power" herein for additional information.

Southern Power

Significant balance sheet changes for the three months ended March 31, 2024 included:

- a decrease of $92 million in total property, plant, and equipment due to continued depreciation of assets, partially offset by an increase in CWIP primarily related to the construction of the Millers Branch and South Cheyenne solar facilities;
- a decrease of $55 million in total stockholders' equity primarily due to dividends paid to Southern Company;
- increases of $53 million in accumulated deferred income tax liabilities and $40 million in prepaid income taxes primarily related to the expected utilization of ITCs in 2024; and
- a decrease of $43 million in affiliated accounts payable due to the timing of vendor payments.

Southern Power

Significant balance sheet changes for the nine months ended September 30, 2023 included:

- increases of $340 million in accumulated deferred income tax liabilities and $125 million in prepaid income taxes primarily related to the expected utilization of ITCs in 2023;
- a decrease of $292 million in long-term debt (including securities due within one year) primarily related to the repayment of senior notes at maturity;
- a decrease of $137 million in total property, plant, and equipment due to the continued depreciation of assets, partially offset by an increase in construction work in progress, primarily related to the acquisition of the South Cheyenne and Millers Branch solar facilities;
- an increase of $134 million in notes payable primarily due to net issuances of commercial paper; and
- an increase of $105 million in cash and cash equivalents, as discussed further under "Analysis of Cash Flows – Southern Power" herein.

See "Financing Activities – Southern Power" herein and Notes (G) and Note (K) to the Condensed Financial Statements herein for additional information.

Southern Company Gas

Significant balance sheet changes for the nine three months ended September 30, 2023 March 31, 2024 included:

- an increase of $807 million $271 million in common stockholder's equity related to net income, partially offset by dividends paid to Southern Company;
- a decrease of $210 million in natural gas for sale due to lower gas prices;

- an increase of $154 million in total property, plant, and equipment primarily related to the construction of transportation and distribution assets and additional infrastructure investment; assets;
- a decrease of $777 million in total accounts receivable primarily related to decreases of $379 million in unbilled revenues and $374 million in customer accounts receivable as a result of seasonality;
- a decrease of $693 million in notes payable due to a reduction in commercial paper borrowings and the repayment of short-term bank loans;
- an increase of $615 million in long-term debt due to issuances by Southern Company Gas Capital and Nicor Gas;
- an increase of $436 million in common stockholder's equity related to net income and capital contributions from Southern Company, partially offset by dividends paid to Southern Company;
- a decrease of $327 million $116 million in other accounts payable due to seasonality and the timing of vendor payments; and
- an increase a decrease of $316 million $81 million in cash and cash equivalents, as discussed further under "Analysis of Cash Flows – Southern Company Gas" herein. notes payable due to a reduction in commercial paper borrowings.

See "Financing Activities – Southern Company Gas" herein and Note (B) to the Condensed Financial Statements herein for additional information.

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Financing Activities

The following table outlines the Registrants' long-term debt financing activities for the first nine three months of 2023: 2024:

		Issuances and Reofferings			Maturities and Redemptions	
Company	Company	Senior Notes	Revenue Bonds	Other Long-Term Debt	Senior Notes	Other Long-Term Debt(a)
			(in millions)			
Southern Company parent	Southern Company parent	$4,525	$ —	$ —	$1,850	$ 550
Alabama Power	Alabama Power	200	326	28	—	1
Georgia Power	Georgia Power	1,750	229	—	800	72
Mississippi Power	Mississippi Power	100	—	—	—	—
Southern Power		—	—	—	290	—
Southern Company Gas	Southern Company Gas	500	—	154	—	—
Other		—	—	—	—	6
Elimination(b)		—	—	—	—	(3)

	Issuances and Reofferings			Maturities and Redemptions		
	Issuances and Reofferings					
	Issuances and Reofferings					
Company	Senior Notes	Other Long-Term Debt	Senior Notes	Revenue Bonds	Other Long-Term Debt(a)	
	(in millions)					*(in millions)*
Southern Company Gas						
Southern Company Gas						
Other(b)						

Elimination(c)						
Southern Company	Southern Company	$7,075	$ 555	$ 182	$2,940	$ 626

(a) Includes reductions in finance lease obligations resulting from cash payments under finance leases and, for Georgia Power, principal amortization payments totaling $64 $21 million for FFB borrowings. See Note 8 to the financial statements under "Long-term Debt – DOE Loan Guarantee Borrowings" in Item 8 of the Form 10-K for additional information.

(b) Includes repayment by SEGCO of $10 million of its $100 million principal amount long-term bank loan due November 15, 2024, which is guaranteed by Alabama Power. See Note 3 to the financial statements under "Guarantees" in Item 8 of the Form 10-K for additional information.

(c) Represents reductions in affiliate finance lease obligations at Georgia Power, which are eliminated in Southern Company's consolidated financial statements.

Except as otherwise described herein, the Registrants used the proceeds of debt issuances for their redemptions and maturities shown in the table above, to repay short-term indebtedness, and for general corporate purposes, including working capital. The Subsidiary Registrants also used the proceeds for their construction programs.

In addition to any financings that may be necessary to meet capital requirements and contractual obligations, the Registrants plan to continue, when economically feasible, a program to retire higher-cost securities and replace these obligations with lower-cost capital if market conditions permit.

Southern Company

During the first nine three months of 2023, 2024, Southern Company issued approximately 1.9 million 2.6 million shares of common stock primarily through employee equity compensation plans and received proceeds of approximately $26 million. plans.

In January 2023, February 2024, Southern Company redeemed all $550 million issued an additional $400 million aggregate principal amount of its Series 2016B Junior Subordinated Notes due March 15, 2057.

In February 2023, Southern Company issued $1.5 billion aggregate principal amount of its Series 2023A 3.875% Convertible 2023D 5.50% Senior Notes due December 15, 2025 March 15, 2029 (Series 2023A Convertible 2023D Senior Notes) in a private offering. In March 2023, Southern Company issued and an additional $225 million aggregate principal amount of the Series 2023A Convertible Senior Notes upon the exercise by the initial purchasers of their over-allotment option. See Note (F) to the Condensed Financial Statements under "Convertible Senior Notes" herein for additional information.

In May 2023, Southern Company repaid at maturity $600 million aggregate principal amount of its 2021C Floating Rate Senior Notes.

Also in May 2023, Southern Company issued $750 million aggregate principal amount of Series 2023B 4.85% Senior Notes due June 15, 2028 and $750 million aggregate principal amount of Series 2023C 5.20% Senior Notes due June 15, 2033.

In July 2023, Southern Company repaid at maturity $1.25 billion aggregate principal amount of its 2.95% Senior Notes. $400 million

In September 2023, Southern Company issued $600 million aggregate principal amount of Series 2023D 5.50% Senior Notes due March 15, 2029 and $700 million aggregate principal amount of its Series 2023E 5.70% Senior Notes due March 15, 2034 (Series 2023E Senior Notes).

Alabama Power

During Upon these issuances, the first nine months of 2023, a subsidiary of Alabama Power borrowed $19 million under a $39 million long-term floating rate bank loan entered into in December 2022 with a maturity date of December 12, 2029.

In May 2023, Alabama Power issued $200 million aggregate principal amount of outstanding Series 2023A Floating Rate 2023D Senior Notes due May 15, 2073.

In August 2023, the Walker County Economic and Industrial Development Authority issued for the benefit of Alabama Power $228 million aggregate principal amount of Solid Waste Disposal Revenue Bonds (Alabama Power Company Plant Gorgas Project) Series 2023E Senior Notes was $1.0 billion and $1.1 billion, First Series 2023 ($140 million aggregate principal amount) and Second Series 2023 ($88 million aggregate principal amount) due August 1, 2063. The proceeds from the revenue bonds are being used to finance certain solid waste disposal facilities at Plant Gorgas. respectively.

Also in August 2023, the Industrial Development Board of the Town of West Jefferson issued for the benefit of Alabama Power $98 million aggregate principal amount of Solid Waste Disposal Revenue Bonds (Alabama Power February 2024, Southern Company Plant Miller Project), Series 2023 due August 1, 2063. The proceeds from the revenue bonds are being used to finance certain solid waste disposal facilities at Plant Miller.

In September 2023, a subsidiary of Alabama Power assumed two fixed rate bank loans totaling $9 million, both maturing on August 30, 2028.

Georgia Power

In March 2023, Georgia Power reoffered to the public the following pollution control revenue bonds that previously had been purchased and were held by Georgia Power at December 31, 2022:

- approximately $28 million aggregate principal amount of Development Authority of Monroe County (Georgia) Pollution Control Revenue Bonds (Georgia Power Company Plant Scherer Project), Second Series 2006;

- approximately $89 million aggregate principal amount of Development Authority of Monroe County (Georgia) Pollution Control Revenue Bonds (Georgia Power Company Plant Scherer Project), Second Series 2009;
- approximately $49 million aggregate principal amount of Development Authority of Monroe County (Georgia) Pollution Control Revenue Bonds (Georgia Power Company Plant Scherer Project), First Series 2012;
- approximately $18 million aggregate principal amount of Development Authority of Monroe County (Georgia) Pollution Control Revenue Bonds (Georgia Power Company Plant Scherer Project), First Series 2013; and
- $46 million aggregate principal amount of Development Authority of Burke County (Georgia) Pollution Control Revenue Bonds (Georgia Power Company Plant Vogtle Project), First Series 1996.

Also in March 2023, Georgia Power borrowed $100 million $300 million pursuant to a short-term uncommitted bank credit arrangement, bearing interest which was repaid in March 2024.

Also in February 2024, Southern Company repaid at a mutually agreed upon rate and payable on demand. maturity $600 million aggregate principal amount of its Series 2021A 0.60% Senior Notes.

Alabama Power

In April 2023, January 2024, Alabama Power repaid at maturity its obligations with respect to approximately $21 million aggregate principal amount of The Industrial Development Board of the Town of Wilsonville (Alabama) Pollution Control Revenue Bonds (Alabama Power Company Gaston Plant Project), Series D.

Georgia Power

In January 2024, Georgia Power borrowed an additional $150 million under the pursuant to a short-term uncommitted bank credit arrangement. In May 2023, February 2024, Georgia Power repaid the aggregate $250 million outstanding.

Also in March 2023, Georgia Power repaid at maturity a $200 million short-term floating rate bank loan entered into in March 2022.

In April 2023, Georgia Power repaid at maturity $100 million aggregate principal amount of its Series N 5.750% Senior Notes.

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Also in April 2023, Georgia Power repaid at maturity a $200 million short-term floating rate bank loan entered into in April 2022.

In May 2023, February 2024, Georgia Power issued $750 million $500 million aggregate principal amount of Series 2023A 4.65% 2024A 5.004% Senior Notes due May 16, 2028 February 23, 2027 and $1.0 billion $900 million aggregate principal amount of Series 2023B 4.95% 2024B 5.250% Senior Notes due May 17, 2033 March 15, 2034.

In July 2023, Georgia Power repaid at maturity $700 million aggregate principal amount of its Series 2020A 2.10% Senior Notes.

Mississippi Power

In March 2023, Mississippi Power borrowed $50 million of short-term debt pursuant to its $125 million revolving credit arrangement, which it repaid in June 2023.

In June 2023, 2024, Mississippi Power issued in a private placement $65 million $100 million aggregate principal amount of Series 2023A 5.64% 2024A 5.62% Senior Notes due July 15, 2026 March 15, 2034 and $35 million $50 million aggregate principal amount of Series 2023B 5.63% 2024B 5.72% Senior Notes due July 15, 2033 March 15, 2036.

Southern Power

In January 2023, Southern Pursuant to the same agreement, Mississippi Power borrowed agreed to issue in a private placement in June 2024 $100 million pursuant to a short-term uncommitted bank credit arrangement bearing interest at a mutually agreed upon rate and payable on demand. During the second quarter 2023, Southern Power made net repayments of $50 million of the $100 million borrowed. Subsequent to September 30, 2023, Southern Power borrowed the remaining $50 million under the arrangement.

In September 2023, Southern Power repaid at maturity $290 million aggregate principal amount of its Series 2016C 2.75% 2024C 5.91% Senior Notes. Notes due June 15, 2054.

Southern Company Gas

In February 2023, Nicor Gas repaid its $150 million and $50 million short-term floating rate bank loans entered into in February 2022 and March 2022, respectively.

During the first nine three months of 2023, 2024, Southern Company Gas received cash advances totaling $29 million $6 million under a long-term financing agreement related to a construction contract.

In July 2023, Nicor Gas issued in a private placement $50 million aggregate principal amount of 5.28% Series First Mortgage Bonds due July 31, 2030 and $75 million aggregate principal amount of 5.43% Series First Mortgage Bonds due July 31, 2035. Subsequent to September 30, 2023, pursuant to the same agreement, Nicor Gas issued in a private placement $75 million aggregate principal amount of 5.67% Series First Mortgage Bonds due October 31, 2053 and $75 million aggregate principal amount of 5.77% Series First Mortgage Bonds due October 31, 2063.

In September 2023, Southern Company Gas Capital issued $500 million aggregate principal amount of Series 2023A 5.75% Senior Notes due September 15, 2033, guaranteed by Southern Company Gas.

Subsequent to September 30, 2023, Southern Company Gas Capital repaid at maturity $350 million aggregate principal amount of its 2.450% Senior Notes.

Credit Rating Risk

At September 30, 2023 March 31, 2024, the Registrants did not have any credit arrangements that would require material changes in payment schedules or terminations as a result of a credit rating downgrade.

There are certain contracts that could require collateral, but not accelerated payment, in the event of a credit rating change of certain Registrants to BBB and/or Baa2 or below. These contracts are primarily for physical electricity and natural gas purchases and sales, fuel purchases, fuel transportation and storage, energy price risk management, transmission, interest rate management, and, for Georgia Power, services at Plant Vogtle Units 3 and 4.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

The maximum potential collateral requirements under these contracts at September 30, 2023 March 31, 2024 were as follows:

Credit Ratings	Credit Ratings	Southern Company(*)	Alabama Power	Georgia Power	Mississippi Power	Southern Power(*)	Southern Company Gas	Credit Ratings	Southern Company(*)	Alabama Power	Georgia Power	Mississippi Power	Southern Power(*)	Southern Company Gas
	(in millions)													
	(in millions)													*(in millions)*
At BBB and/or Baa2	At BBB and/or Baa2	$ 33	$ 1	$ —	$ —	$ 32	$ —							
At BBB- and/or Baa3	At BBB- and/or Baa3	415	2	60	1	353	—							
At BB+ and/or Ba1 or below	At BB+ and/or Ba1 or below	2,084	411	939	315	1,275	16							

(*) Southern Power has PPAs that could require collateral, but not accelerated payment, in the event of a downgrade of Southern Power's credit. The PPAs require credit assurances without stating a specific credit rating. The amount of collateral required would depend upon actual losses resulting from a credit downgrade. Southern Power had $106 million of cash collateral posted related to PPA requirements at September 30, 2023 March 31, 2024.

The amounts in the previous table for the traditional electric operating companies and Southern Power include certain agreements that could require collateral if either Alabama Power or Georgia Power has a credit rating change to below investment grade. Generally, collateral may be provided by a Southern Company guaranty, letter of credit, or cash. Additionally, a credit rating downgrade could impact the ability of the Registrants to access capital markets and would be likely to impact the cost at which they do so.

On August 2, 2023, S&P revised its credit rating outlook for Southern Company and its subsidiaries to positive from stable.

On September 26, 2023, Moody's upgraded Mississippi Power's senior unsecured long-term debt rating to A3 from Baa1 and revised its rating outlook to stable from positive.

Also on September 26, 2023, Moody's revised its ratings outlooks for Southern Company and Georgia Power to positive from stable.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk.

During the nine three months ended September 30, 2023 March 31, 2024, there were no material changes to Southern Company's, Alabama Power's, Georgia Power's, Mississippi Power's, Southern Power's, or Southern Company Gas' disclosures about market risk. For an in-depth discussion of each Registrant's market risks, see MANAGEMENT'S DISCUSSION AND ANALYSIS – FINANCIAL CONDITION AND LIQUIDITY – "Market Price Risk" in Item 7 of the Form 10-K and Note 1 to the financial statements under "Financial Instruments" and Notes 13 and 14 to the financial statements in Item 8 of the Form 10-K, as well as Notes (I) and (J) to the Condensed Financial Statements herein.

Item 4. Controls and Procedures.

(a) Evaluation of disclosure controls and procedures.

As of the end of the period covered by this Quarterly Report on Form 10-Q, Southern Company, Alabama Power, Georgia Power, Mississippi Power, Southern Power, and Southern Company Gas conducted separate evaluations under the supervision and with the participation of each company's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon these evaluations, the Chief Executive Officer and the Chief Financial Officer, in each case, concluded that the disclosure controls and procedures are effective.

(b) Changes in internal control over financial reporting.

There have been no changes in Southern Company's, Alabama Power's, Georgia Power's, Mississippi Power's, Southern Power's, or Southern Company Gas' internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) during the third first quarter 2023 2024 that have materially affected or are reasonably likely to materially affect Southern Company's, Alabama Power's, Georgia Power's, Mississippi Power's, Southern Power's, or Southern Company Gas' internal control over financial reporting.

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PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

See the Notes to the Condensed Financial Statements herein for information regarding certain legal and administrative proceedings in which the Registrants are involved. The Registrants' threshold for disclosing material environmental legal proceedings involving a governmental authority where potential monetary sanctions are involved is $1 million.

Item 1A. Risk Factors.

See RISK FACTORS in Item 1A of the Form 10-K for a discussion of the risk factors of the Registrants. There have been no material changes to these risk factors from those previously disclosed in the Form 10-K.

Item 5. Other Information.

There were no adoptions, modifications, or terminationsThe following table reports information regarding the adoption of "Rule 10b5-1 trading arrangements" or "non-Rule 10b5-1 trading arrangements," as defined in Item 408(a) of Regulation S-K, during the three months ended September 30, 2023 by the Registrants' March 31, 2024 for Southern Company's directors and "officers," as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended. There were no modifications or terminations of such trading arrangements during the three months ended March 31, 2024. Unless otherwise indicated, each trading arrangement listed below is a "Rule 10b5-1 trading arrangement," provides for the sale of shares of Southern Company's common stock, commences no earlier than the 120th day after the "Date of Adoption" listed below, and terminates upon the earlier of the "Expiration Date" listed below or the completion of all sales. The Subsidiary Registrants had no reportable trading arrangements for the three months ended March 31, 2024.

Name	Title	Date of Adoption	Expiration Date	Aggregate Number of Shares Covered
Christopher Cummiskey	Executive Vice President	February 26, 2024	February 3, 2026	3,248(1)
Sloane N. Drake	Executive Vice President and Chief Human Resources Officer	March 4, 2024	July 1, 2025	12,000
Sterling A. Spainhour	Executive Vice President and Chief Legal Officer	March 6, 2024	September 5, 2025	5,553
Anthony L. Wilson	Chairman, President, and Chief Executive Officer of Mississippi Power	March 6, 2024	July 7, 2025	6,900

(1) Includes shares underlying equity awards subject to accrual of dividend-equivalent rights. Accordingly, the total number of shares ultimately available for sale could be more than the amount shown. The amount shown is based on the dividend-equivalent rights accrued as of the date of adoption.

Item 6. Exhibits.

The exhibits below with an asterisk (*) preceding the exhibit number are filed herewith. The remaining exhibits have previously been filed with the SEC and are incorporated herein by reference. The exhibits marked with a pound sign (#) are management contracts or compensatory plans or arrangements.

(3) Articles of Incorporation and By-Laws

Alabama Power

*	(b)1	-	Amended and Restated By-laws of Alabama Power effective October 16, 2023, and as presently in effect.

(4) Instruments Describing Rights of Security Holders, Including Indentures

Georgia Power

Southern Company

(c)1		
(a)1	-	Thirtieth Sixty-Ninth Supplemental Indenture to Senior Note Indenture dated as of September 8, 2023, February 23, 2024 providing for the issuance of the Series 2023D 5.50% 2024A 5.004% Senior Notes due March 15, 2029. (February 23, 2027.(Designated in Form 8-K dated September5February 20, 2024, 2023, File No. 1-3526, 1-6468 as Exhibit 4.4(a) 4.2(a).)
(c)2	(a)2	- Thirty-First Seventieth Supplemental Indenture to Senior Note Indenture dated as of September 8, 2023, February 23, 2024 providing for the issuance of the Series 2023E 5.70% 2024B 5.250% Senior Notes due March 15, 2034. (. (Designated in Form 8-K dated September 5February 20, 2024, 2023, File No. 1-3526, 1-6468 as Exhibit 4.4(b) 4.2(b).)

Southern Company Gas

	(f)1	-	Southern Company Gas Capital Corporation's Series 2023A 5.75% Senior Notes due September 15, 2033, Form of Note. (Designated in Form 8-K dated September 11, 2023. File No. 1-14174 as Exhibit 4.1.)
	(f)2	-	Southern Company Gas' Guarantee related to the Series 2023A 5.75% Senior Notes due September 15, 2023, Form of Guarantee. (Designated in Form 8-K dated September 11, 2023. File No. 1-14174 as Exhibit 4.3.)
*	(f)3	-	Supplemental Indenture dated as of July 11, 2023 of Northern Illinois Gas Company to U.S. Bank Trust Company National Association under Indenture dated as of January 1, 1954.

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Mississippi Power

*	(d)1	Third Supplemental Indenture to Senior Note Indenture dated as of March 27, 2024, providing for the issuance of the Series 2024A 5.62% Senior Notes due March 15, 2034.	
*	(d)2	Fourth Supplemental Indenture to Senior Note Indenture dated as of March 27, 2024, providing for the issuance of the Series 2024B 5.72% Senior Notes due March 15, 2036.	

(24) Power of Attorney and Resolutions

Southern Company

(a) - Power of Attorney and resolution. (Designated in the Form 10-K for the year ended December 31, 2023, File No. 1-3526 as Exhibit 24(a)1.)

Alabama Power

(a)1

(b) - Power of Attorney and resolution. (Designated in the Form 10-K for the year ended December 31, 2022 December 31, 2023, File No. 1-3526 1-3164 as Exhibit 24(a)1. 24(b)1.)

(a)2 - Power of Attorney of Christopher C. Womack. (Designated in the Form 10-Q for the quarter ended June 30, 2023, File No. 1-3526 as Exhibit 24(a)2.)

Alabama Georgia Power

(b)1(c) - Power of Attorney and resolution. (Designated in the Form 10-K for the year ended December 31, 2022, File No. 1-3164 as Exhibit 24(b)1 December 31, 202.)

(b)2 - Power of Attorney of Moses H. Feagin. (Designated in the Form 10-Q for the quarter ended March 31, 2023, File No. 1-3164 as Exhibit 24(b)2. 3)

Georgia Power

(c)1 - Power of Attorney and resolution. (Designated in the Form 10-K for the year ended December 31, 2022, File No. 1-6468 as Exhibit 24(c)1.)

(c)2 - Power of Attorney of Kimberly S. Greene. (Designated in the Form 10-Q for the quarter ended March 31, 2023, File No. 1-6468 as Exhibit 24(c)2 1.)

Mississippi Power

(d) - Power of Attorney and resolution. (Designated in the Form 10-K for the year ended December 31, 2022 December 31, 2023, File No. 001-11229 as Exhibit 24(d)1.)

2023, File No. 001-11229 as Exhibit 24(d)1.)

Southern Power

(e) - Power of Attorney and resolution. (Designated in the Form 10-K for the year ended December 31, 2022 December 31, 2023, File No. 001-37803 as Exhibit 24(e)1. 1.)

Southern Company Gas

(f)1 - Power of Attorney and resolution. (Designated in the Form 10-K for the year ended December 31, 2022 December 31, 2023, File No. 1-14174 as Exhibit 24(f)1. 1.)

(f)2 - Power of Attorney of James Y. Kerr II. (Designated in the Form 10-Q for the quarter ended March 31, 2023, File No. 1-14174 as Exhibit 24(f)2.)

(31) Section 302 Certifications

Southern Company

* (a)1 - Certificate of Southern Company's Chief Executive Officer required by Section 302 of the Sarbanes-Oxley Act of 2002.

* (a)2 - Certificate of Southern Company's Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002.

Alabama Power

* (b)1 - Certificate of Alabama Power's Chief Executive Officer required by Section 302 of the Sarbanes-Oxley Act of 2002.

* (b)2 - Certificate of Alabama Power's Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002 2002..

Georgia Power

* (c)1 - Certificate of Georgia Power's Chief Executive Officer required by Section 302 of the Sarbanes-Oxley Act of 2002 2002..

* (c)2 - Certificate of Georgia Power's Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002.

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Mississippi Power

* (d)1 - Certificate of Mississippi Power's Chief Executive Officer required by Section 302 of the Sarbanes-Oxley Act of 2002.

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*	(d)2	-	Certificate of Mississippi Power's Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002.
	Southern Power		
*	(e)1	-	Certificate of Southern Power Company's Chief Executive Officer required by Section 302 of the Sarbanes-Oxley Act of 2002.
*	(e)2	-	Certificate of Southern Power Company's Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002.
	Southern Company Gas		
*	(f)1	-	Certificate of Southern Company Gas' Chief Executive Officer required by Section 302 of the Sarbanes-Oxley Act of 2002 2002..
*	(f)2	-	Certificate of Southern Company Gas' Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002.
	(32) Section 906 Certifications		
	Southern Company		
*	(a)	-	Certificate of Southern Company's Chief Executive Officer and Chief Financial Officer required by Section 906 of the Sarbanes-Oxley Act of 2002.
	Alabama Power		
*	(b)	-	Certificate of Alabama Power's Chief Executive Officer and Chief Financial Officer required by Section 906 of the Sarbanes-Oxley Act of 2002.
	Georgia Power		
*	(c)	-	Certificate of Georgia Power's Chief Executive Officer and Chief Financial Officer required by Section 906 of the Sarbanes-Oxley Act of 2002 2002..
	Mississippi Power		
*	(d)	-	Certificate of Mississippi Power's Chief Executive Officer and Chief Financial Officer required by Section 906 of the Sarbanes-Oxley Act of 2002 2002..
	Southern Power		
*	(e)	-	Certificate of Southern Power Company's Chief Executive Officer and Chief Financial Officer required by Section 906 of the Sarbanes-Oxley Act of 2002.
	Southern Company Gas		
*	(f)	-	Certificate of Southern Company Gas' Chief Executive Officer and Chief Financial Officer required by Section 906 of the Sarbanes-Oxley Act of 2002.
	(101) Interactive Data Files		
*	INS	-	Inline XBRL Instance Document – The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
*	SCH	-	Inline XBRL Taxonomy Extension Schema Document
*	CAL	-	Inline XBRL Taxonomy Calculation Linkbase Document
*	DEF	-	Inline XBRL Definition Linkbase Document
*	LAB	-	Inline XBRL Taxonomy Label Linkbase Document
*	PRE	-	Inline XBRL Taxonomy Presentation Linkbase Document
	(104) Cover Page Interactive Data File		
*			Formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.

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THE SOUTHERN COMPANY

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof included in such company's report.

THE SOUTHERN COMPANY

By *Christopher C. Womack*
Chairman, President, and Chief Executive Officer
(Principal Executive Officer)

By *Daniel S. Tucker*
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

By */s/ Melissa K. Caen*
(Melissa K. Caen, Attorney-in-fact)

Date: November 1, 2023 May 1, 2024

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ALABAMA POWER COMPANY

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof included in such company's report.

ALABAMA POWER COMPANY

By *J. Jeffrey Peoples*
Chairman, President, and Chief Executive Officer
(Principal Executive Officer)

By *Moses H. Feagin*
Executive Vice President, Chief Financial Officer, and Treasurer
(Principal Financial Officer)

By */s/ Melissa K. Caen*
(Melissa K. Caen, Attorney-in-fact)

Date: November 1, 2023 May 1, 2024

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GEORGIA POWER COMPANY

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof included in such company's report.

GEORGIA POWER COMPANY

By *Kimberly S. Greene*
Chairman, President, and Chief Executive Officer
(Principal Executive Officer)

By *Aaron P. Abramovitz*
Executive Vice President, Chief Financial Officer, and Treasurer
(Principal Financial Officer)

By */s/ Melissa K. Caen*
(Melissa K. Caen, Attorney-in-fact)

Date: November 1, 2023 May 1, 2024

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MISSISSIPPI POWER COMPANY

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof included in such company's report.

MISSISSIPPI POWER COMPANY

By *Anthony L. Wilson*
Chairman, President, and Chief Executive Officer
(Principal Executive Officer)

By *Matthew P. Grice*
Vice President, Chief Financial Officer, and Treasurer
(Principal Financial Officer)

By */s/ Melissa K. Caen*
(Melissa K. Caen, Attorney-in-fact)

Date: November 1, 2023 May 1, 2024

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SOUTHERN POWER COMPANY

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof included in such company's report.

SOUTHERN POWER COMPANY

By *Christopher Cummiskey*
Chairman and Chief Executive Officer
(Principal Executive Officer)

By *Gary Kerr*
Senior Vice President, Chief Financial Officer, and Treasurer
(Principal Financial Officer)

By */s/ Melissa K. Caen*
(Melissa K. Caen, Attorney-in-fact)

Date: November 1, 2023 May 1, 2024

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SOUTHERN COMPANY GAS

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof included in such company's report.

SOUTHERN COMPANY GAS

By *James Y. Kerr II*
Chairman, President, and Chief Executive Officer
(Principal Executive Officer)

By *Grace A. Kolvereid*
Executive Vice President, Chief Financial Officer, and Treasurer
(Principal Financial Officer)

By */s/ Melissa K. Caen*
(Melissa K. Caen, Attorney-in-fact)

Date: November 1, 2023 May 1, 2024

169 132

Exhibit 3(b) 4(d)1

ALABAMA POWER COMPANY
AMENDED AND RESTATED
BY-LAWS

ARTICLE I

NAME, DURATION, PURPOSE AND LOCATION OF CORPORATION

Section 1. The name of this corporation is ALABAMA POWER COMPANY. Its duration is perpetual. Its purposes are expressed in the original certificate of incorporation of Alabama Power Company and the additions thereto and the amendments and changes which have been or which may be made therein from time to time; in the certificate of incorporation and the several amendments thereto of the corporations which have been or may hereafter be merged into or consolidated with this corporation; and the joint agreements of merger or consolidation heretofore made or which may hereafter be made with this corporation (the “Charter”). Its principal office and place of business shall be in Birmingham, Jefferson County, Alabama; but the corporation may also have offices in other counties, cities and towns in the State of Alabama, and in the City of New York, and in such other places beyond the State of Alabama as the board of directors may from time to time appoint, or the business of the corporation may require.

ARTICLE II

STOCKHOLDERS’ MEETINGS
Place or Manner of Meeting

Section 1. All meetings of the stockholders shall be held, either within or without the State of Alabama, at such place or in such manner as designated in the call for or notice of the meeting.

Annual Meeting

Section 2. The annual meeting of the stockholders shall be held on the fourth Friday in April in each year, if not a legal holiday, and if a legal holiday, then on the following Friday, or on such other date as shall be designated from time to time by the board of directors, when the stockholders entitled to vote shall elect by ballot a board of twenty-five directors to serve until the next annual meeting of the stockholders and until their successors are elected or chosen and qualified and shall transact such other business as may come before the meeting.

Special Meetings

Section 3. Special meetings of stockholders for any purpose or purposes, unless otherwise prescribed by statute or by the Charter, may be called by (i) the president or the board of directors; (ii) the holders of not less than ten percent (10%) of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting or if such holders sign, date and deliver to the corporation's president or secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held, who shall, within 21 days of the receipt of such demand, cause notice to be given of the meeting to be held within the minimum time following the notice prescribed in Section 4 below; or (iii) the holders of not less than ten percent (10%) of the votes entitled to be cast at the special meeting who signed a demand under clause (ii) above if notice was not given within the 21 days after such demand or the special meeting was not held in accordance with the notice.

Notice of Meeting

Section 4. Written notice of the time and place or manner of holding all meetings shall, unless waived, be given to each stockholder entitled to vote not less than ten or more than sixty days before the date of the meeting, either personally or by mail, to such address as appears on the books of the corporation, unless by statute other or further notice is required, and in this event the required statutory notice shall be given; and, in the case of special meetings, the purpose thereof shall be stated in the notice.

Stockholder List

Section 5. After fixing a record date for a meeting, the officer or entity designated by the corporation having charge of the stock transfer books of the corporation shall prepare an alphabetical list of the names of all its stockholders who are entitled to notice of a stockholders' meeting. The list must be arranged by voting group (and within each voting group by class or series of shares) and show the address of and number of shares held by each stockholder. The stockholders' list must be available for inspection by any stockholder, beginning two business days after notice of the meeting is given for which the list was prepared and continuing through the meeting, at the corporation's principal office. A stockholder, or his or her agent or attorney, is entitled on written demand to inspect and, for a proper purpose, to copy the list, during regular hours and at its expense, during the period it is available for inspection. The corporation shall

make the list available at the meeting, and any stockholder, or his or her agent or attorney, is entitled to inspect the list at any time during the meeting or any adjournment thereof. The stock transfer records of the corporation shall be prima facie evidence as to who are the stockholders entitled to examine the stockholders' list or transfer records or to vote at any meeting of stockholders.

Voting

Section 6. The voting rights of the stockholders shall be set forth in the Charter. Any stockholder entitled to vote may vote in person or by proxy appointed by an instrument in writing subscribed by such stockholder. The proxy holder need not be a stockholder. All elections shall be had and, subject to the provisions of the Charter, all questions decided by a majority vote of the stock voting at the meeting in person or by proxy and entitled to vote thereat.

Quorum

Section 7. Subject to the provisions of the Charter, the holders of a majority of the stock issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall be requisite to constitute a quorum at all meetings of the stockholders for the transaction of business. If, however, such majority shall not be present or represented at any meeting, the stockholders present in person or by proxy and so entitled to vote, shall have power to adjourn the meeting until the requisite amount of stock shall be represented; and at such adjourned meeting any business may be transacted as at the original meeting. Every meeting of the stockholders may be adjourned from time to time until its business is completed.

Action Without a Meeting

Section 8. Any action required or permitted to be taken at any meeting of the stockholders may be taken without a meeting, if the action is taken by all stockholders entitled to vote on the action and evidenced by one or more consents in writing, setting forth the action so taken, signed by all stockholders entitled to vote on the action and delivered to the corporation for inclusion in the minutes for filing with the corporate records. Action taken is effective when the last stockholder signs the consent, unless the consent specifies a different effective date. Such consent shall have the same effect as a unanimous vote.

ARTICLE III

DIRECTORS

Election Of

Section 1. The property and business of the corporation shall be managed by its board of directors, the members of which shall be elected by the stockholders as aforesaid.

Eligibility

Section 2. Directors shall be natural persons of the age of at least twenty-five (25) but need not be residents of the State of Alabama or stockholders of the corporation.

A person being a full time executive employee of the corporation or its parent company or any affiliated company when first elected a director of the corporation (hereinafter sometimes referred to as an “employee-director”) shall not be eligible for election as a director when they cease to be an executive employee; whether by reason of resignation, retirement or other cause. Any employee-director shall resign as a director effective on the date they cease to be an executive employee.

A person not an employee-director shall not be eligible for election or re-election as a director of the corporation(1) after the director's 72nd birthday (2) after permanent separation from the business or professional organization with which the director was primarily associated when elected a director, (3) after other material change in the director's primary occupation or executive position from that which the director pursued or held when elected a director, or (4) after moving the director's principal residence outside the state in which the director was a resident when elected, whichever event first occurs. The application to an individual of any provision of this paragraph may be waived by the board of directors. Any such waiver shall only be effective on a year-to-year basis.

Compensation

Section 3. Directors, other than “employee-directors”, shall receive directors’ fees in the amounts and by the method fixed by the board of directors. All directors shall be reimbursed for actual expenses incurred in connection with their attendance of meetings of the board of directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE IV

BOARD OF DIRECTORS

Meetings of the Board

Section 1. The directors may hold their meetings either within or outside the State of Alabama at such places as they may from time to time determine and as authorized by the laws of the State of Alabama.

Annual Meeting

Section 2. The annual meeting of the board of directors shall be held as soon as practicable after the annual meeting of the stockholders, for the purpose of electing officers and for the transaction of such other business as may come before the meeting; at least three days' notice of the time and place of holding the meeting to be given to each member of the board.

Regular Meetings

Section 3. Regular meetings of the board may be held without notice at such time and place as may from time to time be appointed by the board.

Special Meetings

Section 4. Special meetings of the board may be called by the president, on two days' notice to each director, by delivered letter, by e-mail, or by personal communication either over the telephone or otherwise. Special meetings shall be called by the secretary in like manner and on like notice, on the written request of one-third of the directors for the time being in office.

Quorum

Section 5. At all meetings of the board of directors, a majority of the directors in office shall be necessary and sufficient to constitute a quorum for the transaction of business, except as otherwise provided in Section 15 of this Article IV, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically permitted or provided by statute or by the Charter or by these by-laws. A director is, unless established to the contrary, presumed present for quorum purposes for the remainder of the meeting at which the director has been present for any purpose. A director who is present at a meeting of the board or any committee of the board when corporate action is taken is deemed to assent to the

action taken place unless (i) the director objects at the beginning of the meeting (or promptly upon arrival) to holding it or transacting business at the meeting or, as to a matter required under the Charter or these by-laws to be included in the notice of the purpose of the meeting, the director objects before action is taken on the matter; (ii) the director's dissent or abstention from action taken is entered in the minutes of the meeting; or (iii) the director delivers written notice of his dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

If at any meeting of the board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum is obtained and no further notice thereof need be given other than by announcement at the meeting which shall be so adjourned.

Meetings by Conference Telephone, etc

Section 6.Meetings of the board of directors and of any committee thereof may be held by means of a conference telephone or other communication by which all directors participating may simultaneously hear each other during the meeting. Participation by such means shall constitute presence in person at any such meeting.

Action Without a Meeting

Section 7. Any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, if the action is taken by all members of the board and evidenced by one or more consents in writing, setting forth the action so taken, shall be signed by each member of the board or committee, as the case may be, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken is effective when the last director signs the consent, unless the consent specifies a different effective date. Such consent shall have the same effect as a unanimous vote.

General Powers

Section 8. In addition to the powers and authority by these by-laws expressly conferred on it, the board may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Charter or by these by-laws, directed or required to be exercised or done by the stockholders.

Specific Powers

Section 9. Without prejudice to the general powers conferred by Section 8 of this Article IV, the board of directors shall in addition thereto have the following specific powers, that is to say:

(a) From time to time to make and change rules and regulations not inconsistent with these by-laws for the management of the property and business of the corporation;

(b) To purchase or otherwise acquire for the corporation any property, rights, privileges or franchises which the corporation is authorized to acquire, at such prices or consideration and generally on such terms and conditions as the board shall think fit; and at its discretion to pay for the same either wholly or partly in money, stock or other securities or property of the corporation;

(c) To sell, exchange or otherwise dispose of any property of the corporation less than all, for such price or consideration, and generally on such terms and conditions as the board thinks fit; and at its discretion to accept in whole or partial payment therefor, money, stock or other securities or properties;

(d) To appoint and at the discretion of the board to remove or suspend such officers, agents or employees, permanently or temporarily, as it may think fit, and to determine their duties, and to require bonds in such instances and in such amounts and with such sureties as it may think fit;

(e) To appoint any person or corporation to accept and hold in trust for the corporation any property belonging to the corporation or in which it is interested, or for any other purpose, and to execute all such deeds and instruments and perform such acts as may be requisite in relation to any such trust;

(f) To determine who shall be authorized on behalf of the corporation to sign bills, notes, receipts, acceptances, endorsements, checks, releases, contracts and documents;

(g) To authorize the execution and delivery of notes and other evidences of indebtedness of the corporation for money borrowed or other indebtedness incurred by the corporation; and to authorize the execution, certification,

delivery and sale of the mortgage bonds of the corporation, from time to time upon such terms and conditions as the board may approve; and

(h) To delegate any of the powers of the board in the course of the current business of the corporation, to any standing or special committee or to any officer or agent, or to appoint any persons to be agents of the corporation, with such powers and upon such terms as the board thinks fit.

Record of Proceedings

Section 10. The board of directors shall cause a record of its proceedings and of all board meetings to be properly kept by the secretary of the corporation or by a secretary pro tempore. The records shall be verified by the signature of the person acting as secretary.

Books of Account

Section 11. The board of directors shall cause regular and correct books of account to be kept, and to be balanced and certified by some public accountant at least once every year.

Election of Officers

Section 12. The board of directors at its annual meeting shall elect from their own number a president and shall elect a secretary. In addition, the board of directors at its annual meeting or any other meeting duly held from time to time may elect vice presidents, a treasurer and such other officers as the board shall deem necessary or appropriate.

Books, Papers, Etc.

Section 13. The property and funds, books, correspondence and papers of the corporation, in the possession or control of any officer or agent thereof, shall at all times be subject to the inspection of the board of directors, the executive committee or a committee appointed for the purpose at a general meeting of the holders of the common stock. The minutes, including the resolutions and proceedings of the board, shall be produced when required by the stockholders at any general meeting.

Vacancies

Section 14. If a vacancy occurs on the board: (i) the board of directors may fill the vacancy, except that the directors shall not have the power to fill a vacancy

resulting from an increase in the number of directors or (ii) if the directors remaining in office constitute fewer than a quorum of the board, they may fill the vacancy, if it is one that the directors are authorized to fill, by the affirmative vote of a majority of all the directors remaining in office. A director elected to fill a vacancy shall be elected to serve until the next annual meeting of stockholders. If there are no directors in office, then the stockholders may hold a special meeting to elect directors.

ARTICLE V

EXECUTIVE AND OTHER COMMITTEES

Executive Committee

Section 1. The board of directors may, by resolution adopted by a majority of the whole board in office, designate no fewer than three (3) of the directors to constitute an executive committee, of which the president shall be a member. Three members of such committee shall constitute a quorum. The president shall act as chairman of the executive committee. During the intervals between the meetings of the board, the executive committee shall have and may exercise all the powers of the board of directors in the management of the property and business of the corporation and shall have power to authorize the seal of the corporation to be affixed to all instruments that may require it, all except as otherwise provided by law.

Other Standing Committees

Section 2. The board of directors may also, by resolution or resolutions adopted by a majority of the whole board in office, designate one or more other standing committees as it deems necessary and desirable. Each such committee shall consist of at least two directors of the corporation and shall have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation to the extent provided in such resolution or resolutions and these by-laws. The board of directors shall designate the name of and appoint the chairman of each such committee. A majority of the members of each such committee shall constitute a quorum. To the extent specified by the board or in the Charter or by-laws, each committee may exercise the authority of the board of directors, shall have and may exercise all the authority of the board of directors in the management of the business and affairs of the corporation; except that no such committee shall have the authority of the board of directors with reference to (1) authorizing distributions, (2) approving or proposing to stockholders actions requiring approval by stockholders, (3) filling vacancies on the board of directors or on any of its committees, (4) amending the Charter, (5)

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adopting, amending or repealing these by-laws, or restating the Certificate of Incorporation, (6) approving a plan of merger not requiring stockholder approval, (7) authorizing or approving reacquisition of shares, except according to formula or method prescribed by the board of directors, or (8) authorizing or approving the issuance or sale or contract for sale of shares, or determining the designation and relative rights, except that the board of directors may authorize a committee (or senior executive officer of the corporation) to do so within limits specifically prescribed by the board of directors.

Advisory Committees

Section 3. The board of directors may also, by resolution or resolutions adopted by a majority of the whole board in office, designate one or more advisory committees as it deems necessary and desirable. Each such committee shall consist of at least two directors of the corporation and shall advise the board of directors on the matter or matters provided in such resolution or resolutions. The board of directors shall designate the name of and appoint the chairman of each such committee. Each such committee shall prepare and deliver reports to the board of directors as the board of directors or the chairman thereof requests. A majority of the members of each such committee shall constitute a quorum.

Election of Committee Members

Section 4. The members of the executive committee,other standing committees, and the advisory committees shall be elected at the annual meeting of the board of directors or as soon thereafter as is practicable. The members of all such committees shall hold office until the next annual meeting of the board of directors and until their respective successors are elected. The board of directors shall have the power to fill vacancies in, to change the membership of and to dissolve any such committee.

Meetings and Minutes

Section 5. The executive committee and the other committees shall meet at such time and place as their respective chairman may appoint. Notice of each meeting of the executive committee and the other committees may be given by telephone, or electronic transmission or in writing specifying the place, day and hour thereof. If given in writing, such notice may be served personally at least one hour before such meeting or as otherwise provided in these by-laws. The executive committee and each of the other standing committees shall maintain regular minutes of their respective proceedings; each of the advisory committees shall maintain memoranda of their respective meetings. All actions taken by the executive committee or any of the other standing committees shall be reported to

the board of directors at its next succeeding meeting and shall be subject to amendment, revision or alteration by the board of directors, provided, however, that the rights or acts of third parties shall not be affected by such amendment, revision or alteration. The members of the executive committee and the other committees shall be entitled to such fees and expenses as may be fixed by the board of directors.

ARTICLE VI

OFFICERS

Enumeration of Officers

Section 1. The officers of the corporation shall be chosen by the board of directors, except as herein provided. The full time executive officers shall include a president and may include one or more vice presidents, all as the board of directors may from time to time determine. The administrative officers shall include a secretary and may include one or more vice presidents in charge of particular work or divisions of the corporation, a treasurer, a comptroller and such assistant secretaries, assistant treasurers and assistant comptrollers as the board of directors may from time to time determine. Two or more offices may be held by the same person, except that the same person may not serve as president and as secretary. Officers other than the chairman and the president need not be members of the board.

Chairman

Section 2. The chairman of the board shall preside at all meetings of the board of directors and stockholders. The chairman shall perform and do all acts incident to the position of chairman of the board and such other duties as may be assigned to the chairman from time to time by the board of directors. The chairman shall be an ex-officio member of the executive committee of the board of directors; provided, however, that it shall not be necessary to considerthe chairman’s membership in the determination of quorum.

President

Section 3. The president shall be the chief executive officer of the corporation, a member and chairman of the executive committee. Subject to the control of the board of directors, the executive committee or the committees of the board having authority, the president shall be vested with authority to act for the corporation in all matters and shall have general charge of the corporation and the general supervision of its affairs. Subject to the limitations stated, the

president shall have full power and authority to do and perform in the name of the corporation all acts necessary or proper to be done and performed, and to delegate to the vice presidents such part of the president's authority as may be appropriate. In the absence or inability to act of the chairman of the board, the president shall act in their stead. In the event the office of the chairman of the board has not been filled by the board of directors, or in the event it is specifically provided for by the board, the president shall have the powers and duties attributed to the office of the chairman of the board.

Vice Presidents

Section 4. The vice presidents shall perform such of the duties of the president on behalf of the corporation as may be respectively assigned to them from time to time by the board of directors or the president. One or more vice presidents may be designated as either “executive vice president” or “senior vice president”.

Secretary

Section 5. The secretary shall, unless otherwise directed, attend all sessions of the board and all meetings of the stockholders and act as clerk thereof, and record all votes and the minutes of all proceedings in a book to be kept for that purpose; and shall perform like duties for standing committees when required. The secretary shall give or cause to be given notice of all meetings of the stockholders and of the board of directors and of standing committees when required, and shall perform such other duties as may be prescribed by the board of directors or the chief executive officer under whose supervisionthe secretary shall act. The secretary shall keep in safe custody the seal of the corporation and, when authorized, affix the same to any instrument requiring a seal and attest the signature thereof when directed or required to do so.

Treasurer

Section 6. The treasurer shall have the custody of the corporation funds and securities and shall be accountable for the receipts and disbursements in books belonging to the corporation, and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors.

Section 7. The treasurer shall disburse funds of the corporation as may be ordered by the board, taking proper vouchers for such disbursements, and shall render to the president and to the board of directors at the regular meetings of the board or whenever the board may require it, an account of all transactions as

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treasurer and of the financial condition of the corporation and shall perform such other duties as may be assigned from time to time.

Comptroller

Section 8. The comptroller shall have charge of all books and accounts of the corporation, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, and shall perform such other duties as may be assigned from time to time.

Assistant Secretaries, Assistant Treasurers
and Assistant Comptrollers

Section 9. One or more assistant secretaries, assistant treasurers and assistant comptrollers may be elected by the board of directors or appointed by the chief executive officer to hold office until the next annual meeting of the board of directors and until their successors are elected or appointed, but may be removed at any time. They shall perform any of or all of the duties of secretary, treasurer or comptroller, as the case may be, and such other duties as may be assigned from time to time.

Duties of Officers May Be Delegated

Section 10. In case of the absence of any officer of the corporation, or for any other reason the board may deem sufficient, the board may delegate the powers or duties of such officers to any other officer or to any director, for the time being.

Term of Office

Section 11. The officers of the corporation shall hold office until the next succeeding annual meeting of the board of directors or until their successors are elected and qualified. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the whole board of directors. All officers, agents and employees other than officers appointed by the board, shall hold office at the discretion of the officer appointing them, but shall be subject to removal by the board of directors or the executive committee at any time.

ARTICLE VII

VACANCIES

Section 1. If the office of the president, vice president, secretary, treasurer, comptroller or other officer or agent elected by the board, becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the directors then in office although less than a quorum, by a majority vote may choose a successor or successors who shall hold office for the unexpired term in respect of which such vacancy occurred.

ARTICLE VIII

Transactions with Directors, Officers and Certain Entities

Section 1. No contract or transaction between a corporation and one or more of its directors or officers, or between a corporation and any other corporation, partnership, association, or other entity in which one or more of its directors or officers, are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the board of directors or committee which authorizes the contract or transaction, or solely because the director's or officer's votes are counted for that purpose, if the transaction was in compliance with Alabama Code 10A-2A-8.60.

ARTICLE IX

CAPITAL STOCK

Certificates

Section 1. Unless determined otherwise by the board of directors, the certificates of stock of the corporation shall be numbered and shall be entered on the stock certificate books of the corporation as they are issued. They shall exhibit the holder’s name and number of shares and shall be signed by the president or a vice president and the secretary or an assistant secretary or the treasurer or an assistant treasurer, and shall bear the corporate seal, which may be facsimile, engraved or printed. To the extent permitted under Alabama law, the signature of any such president, vice president, secretary, assistant secretary, treasurer or assistant treasurer upon such certificate may be facsimile, engraved or printed. In any case, when such officer or officers who shall have signed, or whose facsimile signature or signatures shall have been placed upon such certificate shall cease to be such either because of death, resignation or otherwise before such certificate isdelivered by the corporation, such certificate may nevertheless be issued and delivered by the corporation with the same effect as if such officer or officers had not ceased to be such. No certificate shall be issued unless the stock represented thereby is fully paid.

Transfer

Section 2. The transfer of all classes of stock shall be made and registered only by the person named in the certificate, or by attorney lawfully constituted in writing, upon surrender of such certificate and payment of all taxes; and the corporation shall keep in the hands of an agent or other person designated for that purpose a true statement or book showing who are the holders of the stock of the corporation and all transfers and hypothecations thereof; and the corporation may by its board of directors appoint one or more transfer agents or transfer clerks and registrars, and may require all stock certificates and certificates representing any rights or options to be signed by such transfer agents or transfer clerks acting on behalf of the corporation and by such registrars.

Record Date

Section 3. For the purpose of determining stockholders entitled to notice of a stockholders' meeting, to demand a special meeting, to vote, or to take any other action, the board of directors of the corporation may fix the record date but not to exceed, in any case, seventy (70) days before the meeting or action requiring a determination of stockholders. A determination of stockholders entitled to notice of or to vote at a stockholders' meeting is effective for any adjournment of the meeting unless the board fixes a new record date, which it must do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting.

Record Holder

Section 4. The corporation shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof, and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the laws of Alabama.

Lost, Destroyed and Mutilated Certificates

Section 5. The holder of any share of stock shall immediately notify the corporation of any loss, destruction or mutilation of the certificate therefor, and the board may, in its discretion, and after the expiration of such period of time as it may determine to be advisable, cause a new certificate or certificates for shares of stock to be issued, upon the surrender of the mutilated certificate, or in case of loss or destruction of the certificate, upon proof satisfactory to the board of such loss or destruction. The board may, in its sole discretion, require the owner of the lost, destroyed or mutilated certificate, or his legal representatives, to give the corporation a bond, in such sum and with such surety or sureties as it may direct, to indemnify the corporation against any claim that may be made against it on account of the alleged loss, destruction or mutilation of any such certificate or the issuance of such new certificate.

Dividends

Section 6. Subject to the provisions of the Charter, dividends upon the capital stock of the corporation when earned, may be declared by the board of directors at any regular meeting, or any special meeting. Before paying any dividend or making any distribution of profits, there may be set aside out of the surplus or net profits of the corporation such sum or sums as the board of directors from time to time in its absolute discretion may determine to be proper, as a reserve fund to meet contingencies or for equalizing dividends or for repairing or maintaining any property of the corporation or for such other purpose as the board shall think proper.

Annual Reports to Stockholders

Section 7. The board of directors shall cause the corporation to furnish to each of its stockholders who request a financial statement, its annual financial statements, which may be consolidated or combined statements of the corporation and one or more of its subsidiaries, including a balance sheet as of the end of such fiscal year, a statement of income for such fiscal year and a statement of changes in stockholders equity. Such financial statement shall be prepared in accordance with generally accepted accounting principles, or, if the books of the corporation are not maintained on that basis, may be prepared either on the same basis used by the corporation for filing its United States income tax returns or as required by appropriate regulatory agencies. The financial statement shall be accompanied by a report of the president, the officer of the corporation in charge of its financial records or a certified public accountant stating whether, in his opinion, the financial statements of the corporation present fairly the financial position of the corporation and the results of its operations in

accordance with generally accepted accounting principles and, if not, describing the basis of their preparation and giving his opinion of the fairness of the presentation of the data shown by them, in accordance with accounting procedures generally used in the trade, industry or business conducted by the corporation. Such financial statements shall be mailed or delivered to each shareholder who requests a statement within 120 days after the close of each fiscal year.

ARTICLE X

CORPORATE SEAL

Section 1. The seal of the corporation shall be circular in form and shall have inscribed thereon the name of the corporation followed by the word “Alabama,” and shall have the word “Seal” inscribed in the center thereof.

ARTICLE XI

FISCAL YEAR

Section 1. The fiscal year shall begin with the first day of January in each year.

ARTICLE XII

NOTICES

Section 1. Whenever under the provision of these by-laws notice is required to be given to any director, officer or stockholder, it shall not be construed to mean personal notice, but such written notice may be given by mail or private carrier, with postage thereon prepaid, or by e-mail transmission or other similar electronic means of communication providing evidence of transmission addressed to such stockholder, officer or director, at such address as it appears on the books of the corporation, or in default of other address, to such stockholder, director or officer at the general post office at the principal office of the corporation in the State of Alabama. Written notice to the corporation’s stockholders is effective when mailed, if mailed postpaid and correctly addressed to the stockholder's address shown on the books of the corporation. Notice to directors may also be given in person, or by telephone, telecopy or facsimile transmission. Any stockholder, director or officer may waive any notice required to be given either by statute or under these by-laws; and all meetings of stockholders and directors may be held without notice, if waived, at such time and place as may be fixed.

ARTICLE XIII

AMENDMENTS

Section 1. Except as otherwise provided by law, these by-laws may be altered, amended or repealed by a majority of the board of directors present at any meeting thereof.

ARTICLE XIV

INDEMNIFICATION AND RELATED MATTERS

Section 1. Each person who is or was a director, officer or employee of the corporation holding one or more positions of management through and inclusive of department managers or other employees explicitly designated in writing by the president or a vice president of the Company (such individuals being hereinafter referred to as "indemnified parties") and who was or is a party or was or is threatened to be made a party to any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director of the corporation or officer or employee of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, agent or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, shall be indemnified by the corporation as a matter of right against any and all expenses (including attorneys' fees) actually and reasonably incurred by such person and against any and all claims, judgments, fines, penalties, liabilities and amounts paid in settlement actually incurred by them in defense of such claim, action, suit or proceeding, including appeals, to the full extent permitted by applicable law. The indemnification provided by this Section shall inure to the benefit of the heirs, executors and administrators of such person.

Expenses (including attorneys' fees) incurred by an indemnified party with respect to the defense of any such claim, action, suit or proceeding may be advanced by the corporation prior to the final disposition of such claim, action, suit or proceeding, as authorized by the board of directors in the specific case, upon receipt of an undertaking by or on behalf of such person entitled to be indemnified by the corporation under this Section or otherwise; provided, however, that the advancement of such expenses shall not be deemed to be

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indemnification unless and until it shall ultimately be determined that such person is entitled to be indemnified by the corporation.

The corporation may purchase and maintain insurance at the expense of the corporation on behalf of any person who is or was a director, officer, employee or agent of the corporation, or any person who is or was serving at the request of the corporation as a director (or the equivalent), officer, employee, agent or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability or expense (including attorneys' fees) asserted against a director or officer and incurred by them in any such capacity, or arising out of their status as such, whether or not the corporation would have the power to indemnify them against such liability or expense under this Section or otherwise.

Without limiting the generality of the foregoing provisions of this Section, no present or future director or officer of the corporation, or their heirs, executors, or administrators, shall be liable for any act, omission, step, or conduct taken or had in good faith, which is required, authorized, or approved by any order or orders issued pursuant to the Public Utility Holding Company Act of 2005, the Federal Power Act, or any federal or state statue or municipal ordinance regulating the corporation or its parent by reason of their being holding or investment companies, public utility companies, public utility holding companies, or subsidiaries of public utility holding companies. In any action, suit, or proceeding based on any act, omission, step, or conduct, as in this paragraph described, the provisions hereof shall be brought to the attention of the court. In the event that the foregoing provisions of this paragraph are found by the court not to constitute a valid defense on the grounds of not being applicable to the particular class of plaintiff, each such director and officer, and their heirs, executors, and administrators, shall be reimbursed for, or indemnified against, all expenses and liabilities incurred by them or imposed on them, in connection with, or arising out of, any such action, suit, or proceeding based on any act, omission, step, or conduct taken or had in good faith as in this paragraph described. Such expenses and liabilities shall include, but shall not be limited to, judgments, court costs, and attorneys' fees.

The foregoing rights shall not be exclusive of any other rights to which any such director or officer or employee may otherwise be entitled and shall be available whether or not the director or officer or employee continues to be a director or officer or employee at the time of incurring any such expenses and liabilities.

ARTICLE XV

SEVERABILITY AND RULES OF CONSTRUCTION

Section 1. If any word, clause or provision of the by-laws or any indemnification made under Article XV hereof shall for any reason be determined to be invalid, the provisions of the by-laws shall not otherwise be affected thereby but shall remain in full force and effect.

As amended October 16, 2023

Exhibit 4(f)3

When recorded return to: Michael M. Roth, Esq. Ice Miller LLP 2300 Cabot Drive Suite 455 Lisle, IL 60532	Space Above this Line Reserved for Recorder's Use Only

Supplemental Indenture

Made as of July 11, 2023, to be Effective July 31, 2023

Northern Illinois Gas Company

to

U.S. Bank Trust Company, National Association

Trustee under Indenture dated as of

January 1, 1954

and

Supplemental Indentures Thereto

FIRST MORTGAGE BONDS 5.28% SERIES DUE JULY 31, 2030
FIRST MORTGAGE BONDS 5.43% SERIES DUE JULY 31, 2035
FIRST MORTGAGE BONDS 5.67% SERIES DUE OCTOBER 31, 2053
FIRST MORTGAGE BONDS 5.77% SERIES DUE OCTOBER 31, 2063

MISSISSIPPI POWER COMPANY

TO

REGIONS BANK,

TRUSTEE

This Supplemental Indenture, made as of July 11, 2023 and effective July 31, 2023, between Northern Illinois Gas Company, a corporation organized and existing under the laws of the State of Illinois (hereinafter called the " THIRDCompany"), and U.S. Bank Trust Company, National Association (hereinafter called the "**Trustee**"), as successor Trustee under an Indenture dated as of January 1, 1954, as modified by the Indenture of Adoption, dated February 9, 1954 and the Indenture of Release, dated February 9, 1954, and as supplemented by Supplemental Indentures dated (or made effective) April 1, 1956, June 1, 1959, July 1, 1960, June 1, 1963, July 1, 1963, August 1, 1964, August 1, 1965, May 1, 1966, August 1, 1966, July 1, 1967, June 1, 1968, December 1, 1969, August 1, 1970, June 1, 1971, July 1, 1972, July 1, 1973, April 1, 1975, April 30, 1976 (two Supplemental Indentures bearing that date), July 1, 1976, August 1, 1976, December 1, 1977, January 15, 1979, December 1, 1981, March 1, 1983, October 1, 1984, December 1, 1986, March 15, 1988, July 1, 1988, July 1, 1989, July 15, 1990, August 15, 1991, July 15, 1992, February 1, 1993, March 15, 1993, May 1, 1993, July 1, 1993, August 15, 1994, October 15, 1995, May 10, 1996, August 1, 1996, June 1, 1997, October 15, 1997, February 15, 1998, June 1, 1998, February 1, 1999, February 1, 2001, May 15, 2001, August 15, 2001, December 15, 2001, December 1, 2003 (three Supplemental Indentures bearing that date), December 15, 2006, August 15, 2008, July 30, 2009, February 1, 2011, October 26, 2012, June 23, 2016, August 10, 2017, August 16, 2018, August 30, 2019, August 31, 2020 and August 31, 2021, such Indenture dated as of January 1, 1954, as so modified and supplemented, being hereinafter called the "**Indenture**." SUPPLEMENTAL INDENTURE

Witnesseth:

Whereas, the Indenture provides for the issuance from time to time thereunder, in series, of bonds of the Company for the purposes and subject to the limitations therein specified; and

Whereas, the Company desires, by this Supplemental Indenture, to create four additional series of bonds to be issuable under the Indenture, such bonds to be designated, respectively, (a) "First Mortgage Bonds 5.28% Series due July 31, 2030" (hereinafter called the "**2030 Series**"), (b) "First Mortgage Bonds 5.43% Series due July 31, 2035" (hereinafter called the "**2035 Series**"), (c) "First Mortgage Bonds 5.67% Series due October 31, 2053" (hereinafter called the "**2053 Series**") and (d) "First Mortgage Bonds 5.77% Series due October 31, 2063" (hereinafter called the "**2063 Series**"; the 2030 Series, the 2035 Series, the 2053 Series and the 2063 Series, hereinafter called, collectively, the "**bonds of this Supplemental Indenture**"), and the terms and provisions to be contained in the bonds of this Supplemental Indenture or to be otherwise applicable thereto to be as set forth in this Supplemental Indenture; and

Whereas, the forms, respectively, of the bonds of this Supplemental Indenture, and the Trustee's certificate to be endorsed on all bonds of this Supplemental Indenture, are to be substantially as follows:

[Remainder of Page Intentionally Left Blank] DATED AS OF MARCH 27, 2024

SERIES 2024A 5.62% SENIOR NOTES

(Form of Face of Bond of 2030 Series)

NO. RU-2023-A-__ $________

Ill. Commerce Commission No. 6935 CUSIP No. ___________

Northern Illinois Gas Company

First Mortgage Bond 5.28% Series due July 31, 2030

Northern Illinois Gas Company, an Illinois corporation (hereinafter called the "**Company**"), for value received, hereby promises to pay to or registered assigns, the sum of Dollars, on July 31, 2030, and to pay to the registered owner hereof interest on said sum from the date hereof until said sum shall be paid, at the rate of 5.28% per annum, payable semi-annually on the thirty-first day of January and the thirty-first day of July in each year, beginning on January 31, 2024. Both the principal of and the interest on this bond shall be payable at the office or agency of the Company in the City of Chicago, State of Illinois, or, at the option of the registered owner, at the office or agency of the Company in the Borough of Manhattan, The City and State of New York, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Any installment of interest on this bond may, at the Company's option, be paid by mailing checks for such interest payable to or upon the written order of the person entitled thereto to the address of such person as it appears on the registration books.

So long as there is no existing default in the payment of interest on this bond, the interest so payable on any interest payment date will be paid to the person in whose name this bond is registered on January DUE MARCH 15, or July 15 (whether or not a business day), as the case may be, next preceding such interest payment date. If and to the extent that the Company shall default in the payment of interest due on such interest payment date, such defaulted interest shall be paid to the person in whose name this bond is registered on the record date fixed, in advance, by the Company for the payment of such defaulted interest.

Additional provisions of this bond are set forth on the reverse hereof.

This bond shall not be entitled to any security or benefit under the Indenture or be valid or become obligatory for any purpose unless and until it shall have been authenticated by the execution by the Trustee, or its successor in trust under the Indenture, of the certificate endorsed hereon.

In Witness Whereof, Northern Illinois Gas Company has caused this bond to be executed in its name by its Executive Vice President, Chief Financial Officer and Treasurer, manually or by facsimile signature, and has caused its corporate seal to be impressed hereon or a facsimile thereof to be imprinted hereon and to be attested by its Corporate Secretary, manually or by facsimile signature.

Dated: July 31, 2023 2034

Northern Illinois Gas Company

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By:____________________________________

Executive Vice President, Chief Financial

Officer and Treasurer

ATTEST:

Corporate Secretary

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EXHIBIT A Form of Series 2024A Note

EXHIBIT B Certificate of Authentication

[1]This Table of Contents does not constitute part of the Indenture or have any bearing upon the interpretation of any of its terms and provisions.

THIS THIRD SUPPLEMENTAL INDENTURE is made as of the 27th day of March, 2024, by and between MISSISSIPPI POWER COMPANY, a Mississippi corporation, 2992 West Beach Boulevard, Gulfport, Mississippi 39501 (the "Company"), and REGIONS BANK, an Alabama banking corporation, 1180 West Peachtree Street, Suite 1200, Atlanta, Georgia 30309 (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Company has heretofore entered into a Senior Note Indenture, dated as of June 1, 2023, with Regions Bank, as Trustee (the "Original Indenture");

WHEREAS, the Original Indenture is incorporated herein by this reference and the Original Indenture, as supplemented by this Third Supplemental Indenture, is herein called the "Indenture";

WHEREAS, under the Original Indenture, a new series of unsecured senior debentures or notes or other evidence of indebtedness (the "Senior Notes") may at any time be established by the Board of Directors of the Company in accordance with the provisions of the Original Indenture and the terms of such series may be described by a supplemental indenture executed by the Company and the Trustee;

WHEREAS, the Company proposes to create under the Indenture a new series of Senior Notes;

WHEREAS, additional Senior Notes of other series hereafter established, except as may be limited in the Original Indenture as at the time supplemented and modified, may be issued from time to time pursuant to the Indenture as at the time supplemented and modified; and

WHEREAS, all conditions necessary to authorize the execution and delivery of this Third Supplemental Indenture and to make it a valid and binding obligation of the Company have been done or performed.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1

SERIES 2024A SENIOR NOTES

SECTION 1.01. Establishment. There is hereby established a new series of Senior Notes to be issued under the Indenture, to be designated as the Company's Series 2024A 5.62% Senior Notes due March 15, 2034 (the "Series 2024A Notes").

There are to be authenticated and delivered $100,000,000 principal amount of Series 2024A Notes, and no Series 2024A Notes shall be authenticated and delivered in excess of such principal amount except as provided by Sections 203, 303, 304, 907 or 1107 of the Original Indenture. The Series 2024A Notes shall be issued in fully registered form.

The form of the Trustee's Certificate of Authentication for the Series 2024A Notes shall be in substantially the form set forth in Exhibit B hereto.

(Form Each Series 2024A Note shall be dated the date of Trustee's Certificate authentication thereof and shall bear interest from the date of Authentication) original issuance thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for.

This bond is one of the bonds of the 2030 The Series designated therein, referred to and described in the within-mentioned Supplemental Indenture dated as of July 11, 2023, effective July 31, 2023.

U.S. Bank Trust Company, National Association,
Trustee

By:________________________________
Authorized Officer

Dated: July 31, 2023

(Form of Reverse Side of Bond of 2030 Series) 2024A Notes will not have a sinking fund.

This bond is one, of SECTION 1.02. Definitions. The following defined terms used herein shall, unless the series hereinafter context otherwise requires, have the meanings specified of the bonds issued and to be issued in series from time to time under and in accordance with and secured by an Indenture dated as of January 1, 1954, to U.S. Bank Trust Company, National Association, as Trustee, as supplemented by certain indentures supplemental thereto, executed and delivered to the Trustee; and this bond is one of a series of such bonds, designated "Northern Illinois Gas Company First Mortgage Bond 5.28% Series due July 31, 2030" (herein called "**bonds of this Series**"), the issuance of below. Capitalized terms used herein for which no definition is provided for by a Supplemental Indenture dated as of July 11, 2023, effective July 31, 2023 (hereinafter called herein shall have the "**Supplemental Indenture**"), executed and delivered by the Company to the Trustee. The term "**Indenture**", as hereinafter used, means said Indenture dated as of January 1, 1954, and all indentures supplemental thereto (including, without limitation, the Supplemental Indenture) from time to time in effect. Reference is made to the Indenture for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of the holders and registered owners of said bonds, of the Company and of the Trustee in respect of the security, and the terms and conditions governing the issuance and security of said bonds.

Any transferee, by its acceptance of a bond registered in its name (or the name of its nominee), shall be deemed to have made the representation meanings set forth in Section 6.2 of the Bond Original Indenture.

"2024 Note Purchase Agreement" means the Note Purchase Agreement, dated as of July 11, 2023 March 27, 2024, among the Company and the purchasers listed on identified in Schedule A attached thereto, as amended, restated, supplemented thereto.

"2024 Notes" means the Series 2024A Notes, the Company's Series 2024B 5.72% Senior Notes due March 15, 2036, being issued pursuant to the Fourth Supplemental Indenture, and the Company's Series 2024C 5.91% Senior Notes due June 15, 2054, to be issued pursuant to the Fifth Supplemental Indenture.

"Affiliate" means, at any time, and with respect to any Person, (a) any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and (b) any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of such first Person or any corporation of which such first Person beneficially owns or holds, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. As used in this definition, "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise modified from time clearly requires, any reference to time. an "Affiliate" is a reference to an Affiliate of the Company.

With "Blocked Person" means (a) a Person whose name appears on the consent list of Specially Designated Nationals and Blocked Persons published by OFAC, (b) a Person, entity, organization, country or regime that is blocked or a target of sanctions that have been imposed under U.S. Economic Sanctions Laws or (c) a Person that is an agent, department or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, any Person, entity, organization, country or regime described in clause (a) or (b).

"Called Principal" has the meaning set forth in Section 1.07 hereof.

"Controlled Entity" means any of the Subsidiaries of the Company and any of their or the Company's respective Controlled Affiliates. As used in this definition, "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Discounted Value" has the meaning set forth in Section 1.07 hereof.

"Fifth Supplemental Indenture" means the Fifth Supplemental Indenture, to be dated on or about June 27, 2024, between the Company and the Trustee.

"Fourth Supplemental Indenture" means the Fourth Supplemental Indenture, dated as of March 27, 2024, between the Company and the Trustee.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States of America.

"Indebtedness" has the meaning set forth in the 2024 Note Purchase Agreement.

"Institutional Investor" has the meaning set forth in the 2024 Note Purchase Agreement.

"Interest Payment Dates" means March 15 and September 15 of each year, commencing September 15, 2024.

"Lien" means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or capital lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

"Make-Whole Amount" has the meaning set forth in Section 1.07 hereof.

"Material" means material in relation to the extent permitted by and as provided in the Indenture, modifications business, operations, affairs, financial condition, assets or alterations of the Indenture or of any supplemental indenture and of the rights and obligations properties of the Company and its Subsidiaries taken as a whole.

"Material Adverse Effect" means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the holders Company and registered owners its Subsidiaries taken as a whole, (b) the ability of the bonds may be made, and compliance with any provision Company to perform its obligations under the 2024 Note Purchase Agreement, the Supplemental Indentures, the Original Indenture or the 2024 Notes, or (c) the validity or enforceability of the 2024 Note Purchase Agreement, the Supplemental Indentures, the Original Indenture or of the 2024 Notes.

"Material Credit Facility" means any supplemental indenture may be waived, by the affirmative vote primary credit facility of the holders and registered owners Company, providing for borrowings of not less than sixty-six $50,000,000, in each case as the same may be amended, restated, increased, refinanced, replaced or otherwise modified or any successor thereto.

"Net Tangible Assets" means, as of any date, the total assets shown on the balance sheet of the Company, determined in accordance with GAAP less (a) all current liabilities and two-thirds per centum (66 2/3%) minority interests and (b) goodwill and other identifiable intangibles.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"OFAC Sanctions Program" means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx.

"Original Issue Date" means March 27, 2024.

"Par Call Date" has the meaning set forth in Section 1.07 hereof.

"Person" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

"Purchaser" has the meaning set forth in the 2024 Note Purchase Agreement.

"Regular Record Date" means, with respect to each Interest Payment Date, the 15th calendar day prior to such Interest Payment Date (whether or not a Business Day).

"Reinvestment Yield" has the meaning set forth in Section 1.07 hereof.

"Remaining Average Life" has the meaning set forth in Section 1.07 hereof.

"Remaining Scheduled Payments" has the meaning set forth in Section 1.07 hereof.

"Required Holders" means, at any time, the Holders of at least 51% in principal amount of the bonds 2024 Notes at the time outstanding (exclusive of the 2024 Notes then outstanding under owned by the Company or any of its Affiliates).

"Settlement Date" has the meaning set forth in Section 1.07 hereof.

"Significant Subsidiary" means a Subsidiary of the Company which represents more than 15% of the Company's assets on a consolidated basis.

"Stated Maturity" means March 15, 2034.

"Subsidiary" means, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or joint venture if an interest of more than 50% in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries).

"Supplemental Indentures" means this Third Supplemental Indenture, the Fourth Supplemental Indenture and the Fifth Supplemental Indenture.

"U.S. Economic Sanctions Laws" means those laws, executive orders, enabling legislation or regulations administered and enforced by the affirmative vote United States of America pursuant to which economic sanctions have been imposed on any Person, entity, organization, country or regime, including the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Iran Sanctions Act, the Sudan Accountability and Divestment Act and any other OFAC Sanctions Program.

"USA PATRIOT Act" means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001 and the rules and regulations promulgated thereunder from time to time in effect.

SECTION 1.03. Payment of Principal and Interest. The principal of the holders and registered owners of not less than sixty-six and two-thirds per centum (66 2/3%) in Series 2024A Notes shall be due at Stated Maturity (unless earlier redeemed). The unpaid principal amount of the bonds of any series then outstanding under the Indenture and affected by such modification or alteration, in case one or more but less than all of the series of bonds then outstanding under the Indenture are so affected, but in any case excluding bonds disqualified from voting by reason of the Company's Series 2024A Notes shall bear interest therein as provided in the Indenture; subject, however, to the condition, among other conditions stated in the Indenture, that no such modification or alteration shall be made which, among other things, will permit the extension of the time or times of payment of the principal of or the interest or the premium, if any, on this bond, or the reduction in the principal amount hereof or in at the rate of 5.62% per annum until paid or duly provided for. Interest shall be paid semiannually in arrears on each Interest Payment Date to the Person in whose name the Series 2024A Notes are registered at the close of business on the Regular Record Date for such Interest Payment Date, provided that interest payable at the Stated Maturity or on a Redemption Date as provided herein will be paid to the amount Person to whom principal is payable. Any such interest that is not so punctually paid or duly provided for will forthwith cease to be payable to the Holders on such Regular Record Date and may either be paid

to the Person or Persons in whose name the Series 2024A Notes are registered at the close of any premium hereon, or any other modification in business on a Special Record Date for the terms of payment of such principal, defaulted interest or premium, which terms of payment are unconditional, or, otherwise than as permitted to be fixed by the Indenture, Trustee, notice whereof shall be given to Holders of the creation of any lien ranking Series 2024A Notes not less than ten (10) days prior to such Special Record Date, or on a parity with the lien of the Indenture with respect to be paid at any of the mortgaged property, time in any other lawful manner, all as more fully provided in the Original Indenture.

Payments of interest on the Series 2024A Notes will include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for the Series 2024A Notes shall be computed and paid on the basis of a 360-day year of twelve 30-day months. In the event that any date on which interest is payable on the Series 2024A Notes is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay), with the same force and effect as if made on the date the payment was originally payable, provided that if the Stated Maturity of the Series 2024A Notes is a date other than a Business Day, the payment otherwise due on such Stated Maturity shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

Payment of the principal and interest due at the Stated Maturity or earlier redemption of the Series 2024A Notes shall be made upon surrender of the Series 2024A Notes at the Corporate Trust Office of the Trustee; provided that, so long as any Purchaser or its nominee shall be the Holder of any Series 2024A Note, payment of all sums becoming due with respect to such Series 2024A Note (including, without limitation, for principal, premium (if any) and interest) shall be made by the method and at the address specified by such Purchaser in writing to the Trustee and the Company, without the presentation or surrender of such Series 2024A Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or redemption in full of any Series 2024A Note, such Purchaser shall surrender such Series 2024A Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or to the Trustee at its principal corporate trust office. The bonds principal of and interest on the Series 2024A Notes shall be paid in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Subject to the first sentence of this paragraph, payments of interest (including interest on any Interest Payment Date) will be made, subject to such surrender where applicable, at the option of the Company, (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (ii) by wire transfer or other electronic transfer at such place and to such account at a banking institution in the United States as may be designated in writing to the Trustee at least sixteen (16) days prior to the date for payment by the Person entitled thereto.

SECTION 1.04. Denominations. The Series 2024A Notes may be issued in denominations of $100,000 and any integral multiple thereof.

SECTION 1.05. Events of Default.

(a) In accordance with clause (7) of Section 501 of the Original Indenture, the following additional Event of Default shall apply to the Series 2024A Notes: “with respect to any Indebtedness (as defined in the 2024 Note Purchase Agreement) of the Company in excess of $75,000,000 (other than the Series 2024A Notes), any such Indebtedness being declared due and payable, or required to be prepaid (other than by redemption at the Company’s option or a regularly scheduled installment payment or required prepayment), in each case, as a result of a default or other similar adverse event.”

(b) In accordance with clause (7) of Section 501 of the Original Indenture, the following additional Event of Default shall apply to the Series 2024A Notes: “one or more

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judgments, orders, or decrees shall be entered against the Company or a Significant Subsidiary involving a liability of $100,000,000 or more, in the aggregate (to the extent not paid or covered by insurance provided by a carrier who has acknowledged coverage) and such judgments, orders or decrees shall continue unsatisfied, undischarged and unstayed for a period of at least 30 days after the last day on which such judgment, order or decree becomes final and unappealable and, where applicable, with the status of a judicial lien.”

SECTION 1.06. Transfer. Neither any Series 2024A Note nor any interest or participation therein may be reoffered, sold, assigned, transferred or otherwise disposed of in the absence of an exemption from the registration requirements of the Securities Act of 1933, as amended, the rules and regulations thereunder and applicable state securities laws.

Prior to any sale or other disposition of any Series 2024A Notes held by a Purchaser or its nominee (or any Institutional Investor that has been afforded the benefits of Section 8.2 of the 2024 Note Purchase Agreement), such Purchaser or such Institutional Investor, as the case may be, will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Series 2024A Notes to the Company or the Trustee in exchange for new Series 2024A Notes pursuant to the Original Indenture. Upon surrender of any Series 2024A Note to the Paying Agent at the address and to the attention of a Responsible Officer of the Paying Agent (as specified in Section 303 of the Original Indenture) for registration of transfer or exchange, the Holder shall surrender such Series 2024A Note endorsed or accompanied by a written instrument of transfer, the signature on which has been guaranteed by an eligible guarantor institution participating in a recognized signature guarantee program, in form reasonably satisfactory to the Paying Agent, duly executed by the registered Holder of such Series 2024A Note or such Holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Series 2024A Note or part thereof.

No service charge will be made for any transfer or exchange of Series 2024A Notes, but payment will be required of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. The Company shall not be required (a) to issue, register the transfer of or exchange any Series 2024A Notes during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice pursuant to Section 1104 of the Original Indenture identifying the serial numbers of the Series 2024A Notes to be called for redemption, by and ending at the close of business on the day of the mailing, or (b) to register the transfer of or exchange any Series 2024A Notes theretofore selected for redemption in whole or in part, except the unredeemed portion of any Series 2024A Notes redeemed in part.

SECTION 1.07. Redemption at the Company's Option. At any time prior to December 15, 2033 (the date that is three months prior to the Stated Maturity, which is referred to in this Third Supplemental Indenture as the "Par Call Date"), the Company as a whole may, at its option, upon not less than 10 nor more than 60 days' notice, redeem at any time all, or in part from time to time any part of, the Series 2024A Notes at a redemption price equal to 100% of the principal amount of the bonds of this Series to be so redeemed, plus together with accrued and unpaid interest on the principal amount

being so redeemed to, but not including, the date of redemption, and *plus* the Make-Whole Amount (as defined in the Supplemental Indenture) applicable thereto.

Notice of each redemption shall be mailed to all registered owners not less than thirty nor more than forty-five days before the redemption date.

In case of certain completed defaults specified in the Indenture, the principal of this bond may be declared or may become due and payable in the manner and with the effect provided in the Indenture.

No recourse shall be had for the payment of the principal of or the interest or the premium, if any, on this bond, or for any claim based hereon, or otherwise in respect hereof or of the Indenture, to or against any incorporator, stockholder, officer or director, past, present or future, of the Company or of any predecessor or successor corporation, either directly or through the Company or such predecessor or successor corporation, under any constitution or statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of incorporators, stockholders, directors and officers being waived and released by the registered owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Indenture, all as more fully provided therein.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, at the office or agency of the Company in the City of Chicago, State of Illinois, or, at the option of the registered owner, at the office or agency of the Company in the Borough of Manhattan, The City and State of New York, upon surrender and cancellation of this bond; and thereupon a new registered bond or bonds without coupons of the same aggregate principal amount and series will, upon the payment of any transfer tax or taxes payable, be issued to the transferee in exchange herefor. The Company shall not be required to exchange or transfer this bond if this bond or a portion hereof has been selected for redemption.

The security represented by this certificate has not been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or qualified under any state securities laws and may not be transferred, sold or otherwise disposed of except while a registration statement is in effect or pursuant to an available exemption from registration under the Securities Act and applicable state securities laws.

(End of Form of Bond of 2030 Series)

(Form of Face of Bond of 2035 Series)

NO. RU-2023-B-__ $_________

Ill. Commerce Commission No. 6936 CUSIP No. ___________

Northern Illinois Gas Company

First Mortgage Bond 5.43% Series due July 31, 2035

Northern Illinois Gas Company, an Illinois corporation (hereinafter called the "**Company**"), for value received, hereby promises to pay to or registered assigns, the sum of Dollars, on July 31, 2035, and to pay to the registered owner hereof interest on said sum from the date hereof until said sum shall be paid, at the rate of 5.43% per annum, payable semi-annually on the thirty-first day of January and the thirty-first day of July in each year, beginning on January 31, 2024. Both the principal of and the interest on this bond shall be payable at the office or agency of the Company in the City of Chicago, State of Illinois, or, at the option of the registered owner, at the office or agency of the Company in the Borough of Manhattan, The City and State of New York, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Any installment of interest on this bond may, at the Company's option, be paid by mailing checks for such interest payable to or upon the written order of the person entitled thereto to the address of such person as it appears on the registration books.

So long as there is no existing default in the payment of interest on this bond, the interest so payable on any interest payment date will be paid to the person in whose name this bond is registered on January 15 or July 15 (whether or not a business day), as the case may be, next preceding such interest payment date. If and to the extent that the Company shall default in the payment of interest due on such interest payment date, such defaulted interest shall be paid to the person in whose name this bond is registered on the record date fixed, in advance, determined by the Company for the payment of such defaulted interest.

Additional provisions of this bond are set forth on the reverse hereof.

This bond shall not be entitled to any security or benefit under the Indenture or be valid or become obligatory for any purpose unless and until it shall have been authenticated by the execution by the Trustee, or its successor in trust under the Indenture, of the certificate endorsed hereon.

In Witness Whereof, Northern Illinois Gas Company has caused this bond to be executed in its name by its Executive Vice President, Chief Financial Officer and Treasurer, manually or by facsimile signature, and has caused its corporate seal to be impressed hereon or a facsimile thereof to be imprinted hereon and to be attested by its Corporate Secretary, manually or by facsimile signature.

Dated: July 31, 2023

Northern Illinois Gas Company

By:

Executive Vice President, Chief Financial Officer and Treasurer

ATTEST:

Corporate Secretary

(Form of Trustee's Certificate of Authentication)

This bond is one of the bonds of the 2035 Series designated therein, referred to and described in the within-mentioned Supplemental Indenture dated as of July 11, 2023, effective July 31, 2023.

U.S. Bank Trust Company, National Association,
Trustee

By:___________________________________
Authorized Officer

Dated: July 31, 2023

(Form of Reverse Side of Bond of 2035 Series)

This bond is one, of the series hereinafter specified, of the bonds issued and to be issued in series from time to time under and in accordance with and secured by an Indenture dated as of January 1, 1954, to U.S. Bank Trust Company, National Association, as Trustee, as supplemented by certain indentures supplemental thereto, executed and delivered to the Trustee; and this bond is one of a series of such bonds, designated "Northern Illinois Gas Company First Mortgage Bond 5.43% Series due July 31, 2035" (herein called "**bonds of this Series**"), the issuance of which is provided for by a Supplemental Indenture dated as of July 11, 2023, effective July 31, 2023 (hereinafter called the "**Supplemental Indenture**"), executed and delivered by the Company to the Trustee. The term "**Indenture**", as hereinafter used, means said Indenture dated as of January 1, 1954, and all indentures supplemental thereto (including, without limitation, the Supplemental Indenture) from time to time in effect. Reference is made to the Indenture for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of the holders and registered owners of said bonds, of the Company and of the Trustee in respect of the security, and the terms and conditions governing the issuance and security of said bonds.

Any transferee, by its acceptance of a bond registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.2 of the Bond Purchase Agreement dated as of July 11, 2023 among the Company and the purchasers listed on Schedule A attached thereto, as amended, restated, supplemented or otherwise modified from time to time.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, modifications or alterations of the Indenture or of any supplemental indenture and of the rights and obligations of the Company and of the holders and registered owners of the bonds may be made, and compliance with any provision of the Indenture or of any supplemental indenture may be waived, by the affirmative vote of the holders and registered owners of not less than sixty-six and two-thirds per centum (66 2/3%) in principal amount of the bonds then outstanding under the Indenture, and by the affirmative vote of the holders and registered owners of not less than sixty-six and two-thirds per centum (66 2/3%) in principal amount of the bonds of any series then outstanding under the Indenture and affected by such modification or alteration, in case one or more but less than all of the series of bonds then outstanding under the Indenture are so affected, but in any case excluding bonds disqualified from voting by reason of the Company's interest therein as provided in the Indenture; subject, however, to the condition, among other conditions stated in the Indenture, that no such modification or alteration shall be made which, among other things, will permit the extension of the time or times of payment of the principal of or the interest or the premium, if any, on this bond, or the reduction in the principal amount hereof or in the rate of interest or the amount of any premium hereon, or any other modification in the terms of payment of such principal, interest or premium, which terms of payment are unconditional, or, otherwise than as permitted by the Indenture, the creation of any lien ranking prior to or on a parity with the lien of the Indenture redemption date with respect to such principal amount. At any of time on or after the mortgaged property, all as more fully provided in the Indenture.

The bonds of this Series may be called for redemption by Par Call Date, the Company as a may redeem the Series 2024A Notes, in whole at any time or in part from time to time, at a redemption price equal to 100% of the principal amount of the bonds of this Series to be so redeemed, plus together with accrued and unpaid interest on the principal amount so redeemed to, but not including, the redemption date.

Upon any partial redemption of the Series 2024A Notes, the principal amount so redeemed shall be allocated to all Series 2024A Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof, with adjustments to account for the minimum authorized denominations thereof, and the principal and interest

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being redeemed to the payable on each outstanding Series 2024A Note on each subsequent payment date of redemption and the Make-Whole Amount (as defined in the Supplemental Indenture) applicable thereto.

Notice of each redemption shall be mailed reduced to all registered owners not less than thirty nor more than forty-five days before the redemption date.

In case of certain completed defaults specified in the Indenture, the principal of this bond may be declared or may become due and payable in the manner and with the effect provided in the Indenture.

No recourse shall be had for the payment of the principal of or the interest or the premium, if any, on this bond, or for any claim based hereon, or otherwise in respect hereof or of the Indenture, to or against any incorporator, stockholder, officer or director, past, present or future, of the Company or of any predecessor or successor corporation, either directly or through the Company or such predecessor or successor corporation, under any constitution or statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of incorporators, stockholders, directors and officers being waived and released by the registered owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Indenture, all as more fully provided therein.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, at the office or agency of the Company in the City of Chicago, State of Illinois, or, at the option of the registered owner, at the office or agency of the Company in the Borough of Manhattan, The City and State of New York, upon surrender and cancellation of this bond; and thereupon a new registered bond or bonds without coupons of the same aggregate principal amount and series will, upon the payment of any transfer tax or taxes payable, be issued to the transferee in exchange herefor. The Company shall not be required to exchange or transfer this bond if this bond or a portion hereof has been selected for redemption.

The security represented by this certificate has not been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or qualified under any state securities laws and may not be transferred, sold or otherwise disposed of except while a registration statement is in effect or pursuant to an available exemption from registration under the Securities Act and applicable state securities laws.

(End of Form of Bond of 2035 Series)

(Form of Face of Bond of 2053 Series)

NO. RU-2023-C-__ $_________

Ill. Commerce Commission No. 6937 CUSIP No. ___________

Northern Illinois Gas Company

First Mortgage Bond 5.67% Series due October 31, 2053

Northern Illinois Gas Company, an Illinois corporation (hereinafter called the "**Company**"), for value received, hereby promises to pay to or registered assigns, the sum of Dollars, on October 31, 2053, and to pay to the registered owner hereof interest on said sum from the date hereof until said sum shall be paid, at the rate of 5.67% per annum, payable semi-annually on the thirtieth day of April and the thirty-first day of October in each year, beginning on April 30, 2024. Both the principal of and the interest on this bond shall be payable at the office or agency of the Company in the City of Chicago, State of Illinois, or, at the option of the registered owner, at the office or agency of the Company in the Borough of Manhattan, The City and State of New York, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Any installment of interest on this bond may, at the Company's option, be paid by mailing checks for such interest payable to or upon the written order of the person entitled thereto to the address of such person as it appears on the registration books.

So long as there is no existing default in the payment of interest on this bond, the interest so payable on any interest payment date will be paid to the person in whose name this bond is registered on April 15 or October 15 (whether or not a business day), as the case may be, next preceding such interest payment date. If and to the extent that the Company shall default in the payment of interest due on such interest payment date, such defaulted interest shall be paid to the person in whose name this bond is registered on the record date fixed, in advance, by the Company for the payment of such defaulted interest.

Additional provisions of this bond are set forth on the reverse hereof.

This bond shall not be entitled to any security or benefit under the Indenture or be valid or become obligatory for any purpose unless and until it shall have been authenticated by the execution by the Trustee, or its successor in trust under the Indenture, of the certificate endorsed hereon.

In Witness Whereof, Northern Illinois Gas Company has caused this bond to be executed in its name by its Executive Vice President, Chief Financial Officer and Treasurer, manually or by facsimile signature, and has caused its corporate seal to be impressed hereon or a facsimile thereof to be imprinted hereon and to be attested by its Corporate Secretary, manually or by facsimile signature.

Dated: October 31, 2023

Northern Illinois Gas Company

By:

Executive Vice President, Chief Financial Officer and Treasurer

ATTEST:

Corporate Secretary

(Form of Trustee's Certificate of Authentication)

This bond is one of the bonds of the 2053 Series designated therein, referred to and described in the within-mentioned Supplemental Indenture dated as of July 11, 2023, effective July 31, 2023.

U.S. Bank Trust Company, National Association,
Trustee

By:__________________________________

Authorized Officer

Dated: October 31, 2023

(Form of Reverse Side of Bond of 2053 Series)

This bond is one, of the series hereinafter specified, of the bonds issued and to be issued in series from time to time under and in accordance with and secured by an Indenture dated as of January 1, 1954, to U.S. Bank Trust Company, National Association, as Trustee, as supplemented by certain indentures supplemental thereto, executed and delivered to the Trustee; and this bond is one of a series of such bonds, designated "Northern Illinois Gas Company First Mortgage Bond 5.67% Series due October 31, 2053" (herein called "**bonds of this Series**"), the issuance of which is provided for by a Supplemental Indenture dated as of July 11, 2023, effective July 31, 2023 (hereinafter called the "**Supplemental Indenture**"), executed and delivered by the Company to the Trustee. The term "**Indenture**", as hereinafter used, means said Indenture dated as of January 1, 1954, and all indentures supplemental thereto (including, without limitation, the Supplemental Indenture) from time to time in effect. Reference is made to the Indenture for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of the holders and registered owners of said bonds, of the Company and of the Trustee in respect of the security, and the terms and conditions governing the issuance and security of said bonds.

Any transferee, by its acceptance of a bond registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.2 of the Bond Purchase Agreement dated as of July 11, 2023 among the Company and the purchasers listed on Schedule A attached thereto, as amended, restated, supplemented or otherwise modified from time to time.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, modifications or alterations of the Indenture or of any supplemental indenture and of the rights and obligations of the Company and of the holders and registered owners of the bonds may be made, and compliance with any provision of the Indenture or of any supplemental indenture may be waived, by the affirmative vote of the holders and registered owners of not less than sixty-six and two-thirds per centum (66 2/3%) in principal amount of the bonds then outstanding under the Indenture, and by the affirmative vote of the holders and registered owners of not less than sixty-six and two-thirds per centum (66 2/3%) in principal amount of the bonds of any series then outstanding under the Indenture and affected by such modification or alteration, in case one or more but less than all of the series of bonds then outstanding under the Indenture are so affected, but in any case excluding bonds disqualified from voting by reason of the Company's interest therein as provided in the Indenture; subject, however, to the condition, among other conditions stated in the Indenture, that no such modification or alteration shall be made which, among other things, will permit the extension of the time or times of payment of the principal of or the interest or the premium, if any, on this bond, or the reduction in the principal amount hereof or in the rate of interest or reflect the amount of any premium hereon, or any other modification in the terms of payment of principal redeemed on such principal, interest or premium, which terms of payment are unconditional, or, otherwise than as permitted by the Indenture, the creation of any lien ranking prior to or on a parity with the lien of the Indenture with respect to any of the mortgaged property, all as more fully provided in the Indenture.

The bonds of this Series may be called for redemption by the Company, as a whole at any time or in part from time to time, at a redemption price equal to 100% of the principal amount of the bonds of this Series to be redeemed plus accrued and unpaid interest on the principal amount

being redeemed to the date of redemption and the Make-Whole Amount (as defined in the Supplemental Indenture) applicable thereto.

Notice of each redemption shall be mailed to all registered owners not less than thirty nor more than forty-five days before the redemption date.

In case of certain completed defaults specified in the Indenture, the principal of this bond may be declared or may become due and payable in the manner and with the effect provided in the Indenture.

No recourse shall be had for the payment of the principal of or the interest or the premium, if any, on this bond, or for any claim based hereon, or otherwise in respect hereof or of the Indenture, to or against any incorporator, stockholder, officer or director, past, present or future, of the Company or of any predecessor or successor corporation, either directly or through the Company or such predecessor or successor corporation, under any constitution or statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of incorporators, stockholders, directors and officers being waived and released by the registered owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Indenture, all as more fully provided therein.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, at the office or agency of the Company in the City of Chicago, State of Illinois, or, at the option of the registered owner, at the office or agency of the Company in the Borough of Manhattan, The City and State of New York, upon surrender and cancellation of this bond; and thereupon a new registered bond or bonds without coupons of the same aggregate principal amount and series will, upon the payment of any transfer tax or taxes payable, be issued to the transferee in exchange herefor. The Company shall not be required to exchange or transfer this bond if this bond or a portion hereof has been selected for redemption. 2024A Note.

The security represented by this certificate has not been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or qualified under any state securities laws and may not be transferred, sold or otherwise disposed of except while a registration statement is in effect or pursuant to an available exemption from registration under the Securities Act and applicable state securities laws.

(End of Form of Bond of 2053 Series)

(Form of Face of Bond of 2063 Series)

NO. RU-2023-D-__ $_________

Ill. Commerce Commission No. 6938 CUSIP No. ____________

Northern Illinois Gas Company

First Mortgage Bond 5.77% Series due October 31, 2063

Northern Illinois Gas Company, an Illinois corporation (hereinafter called the "**Company**"), for value received, hereby promises to pay to or registered assigns, the sum of Dollars, on October 31, 2063, and to pay to the registered owner hereof interest on said sum from the date hereof until said sum shall be paid, at the rate of 5.77% per annum, payable semi-annually on the thirtieth day of April and the thirty-first day of October in each year, beginning on April 30, 2024. Both the principal of and the interest on this bond shall be payable at the office or agency of the Company in the City of Chicago, State of Illinois, or, at the option of the registered owner, at the office or agency of the Company in the Borough of Manhattan, The City and State of New York, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Any installment of interest on this bond may, at the Company's option, be paid by mailing checks for such interest payable to or upon the written order of the person entitled thereto to the address of such person as it appears on the registration books.

So long as there is no existing default in the payment of interest on this bond, the interest so payable on any interest payment date will be paid to the person in whose name this bond is registered on April 15 or October 15 (whether or not a business day), as the case may be, next preceding such interest payment date. If and to the extent that the Company shall default in the payment of interest due on such interest payment date, such defaulted interest shall be paid to the person in whose name this bond is registered on the record date fixed, in advance, by the Company for the payment of such defaulted interest.

Additional provisions of this bond are set forth on the reverse hereof.

This bond shall not be entitled to any security or benefit under the Indenture or be valid or become obligatory for any purpose unless and until it shall have been authenticated by the execution by the Trustee, or its successor in trust under the Indenture, of the certificate endorsed hereon.

In Witness Whereof, Northern Illinois Gas Company has caused this bond to be executed in its name by its Executive Vice President, Chief Financial Officer and Treasurer, manually or by facsimile signature, and has caused its corporate seal to be impressed hereon or a facsimile thereof to be imprinted hereon and to be attested by its Corporate Secretary, manually or by facsimile signature.

Dated: October 31, 2023

Northern Illinois Gas Company

By:

Executive Vice President, Chief Financial Officer and Treasurer

ATTEST:

Corporate Secretary

(Form of Trustee's Certificate of Authentication)

This bond is one of the bonds of the 2063 Series designated therein, referred to and described in the within-mentioned Supplemental Indenture dated as of July 11, 2023, effective July 31, 2023.

U.S. Bank Trust Company, National Association,
Trustee

By:___________________________________

Authorized Officer

Dated: October 31, 2023

(Form of Reverse Side of Bond of 2063 Series)

This bond is one, of the series hereinafter specified, of the bonds issued and to be issued in series from time to time under and in accordance with and secured by an Indenture dated as of January 1, 1954, to U.S. Bank Trust Company, National Association, as Trustee, as supplemented by certain indentures supplemental thereto, executed and delivered to the Trustee; and this bond is one of a series of such bonds, designated "Northern Illinois Gas Company First Mortgage Bond 5.77% Series due October 31, 2063" (herein called "**bonds of this Series**"), the issuance of which is provided for by a Supplemental Indenture dated as of July 11, 2023, effective July 31, 2023 (hereinafter called the "**Supplemental Indenture**"), executed and delivered by the Company to the Trustee. The term "**Indenture**", as hereinafter used, means said Indenture dated as of January 1, 1954, and all indentures supplemental thereto (including, without limitation, the Supplemental Indenture) from time to time in effect. Reference is made to the Indenture for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of the holders and registered owners of said bonds, of the Company and of the Trustee in respect of the security, and the terms and conditions governing the issuance and security of said bonds.

Any transferee, by its acceptance of a bond registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.2 of the Bond Purchase Agreement dated as of July 11, 2023 among the Company and the purchasers listed on Schedule A attached thereto, as amended, restated, supplemented or otherwise modified from time to time.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, modifications or alterations of the Indenture or of any supplemental indenture and of the rights and obligations of the Company and of the holders and registered owners of the bonds may be made, and compliance with any provision of the Indenture or of any supplemental indenture may be waived, by the affirmative vote of the holders and registered owners of not less than sixty-six and two-thirds per centum (66 2/3%) in principal amount of the bonds then outstanding under the Indenture, and by the affirmative vote of the holders and registered owners of not less than sixty-six and two-thirds per centum (66 2/3%) in principal amount of the bonds of any series then outstanding under the Indenture and affected by such modification or alteration, in case one or more but less than all of the series of bonds then outstanding under the Indenture are so affected, but in any case excluding bonds disqualified from voting by reason of the Company's interest therein as provided in the Indenture; subject, however, to the condition, among other conditions stated in the Indenture, that no such modification or alteration shall be made which, among other things, will permit the extension of the time or times of payment of the principal of or the interest or the premium, if any, on this bond, or the reduction in the principal amount hereof or in the rate of interest or the amount of any premium hereon, or any other modification in the terms of payment of such principal, interest or premium, which terms of payment are unconditional, or, otherwise than as permitted by the Indenture, the creation of any lien ranking prior to or on a parity with the lien of the Indenture with respect to any of the mortgaged property, all as more fully provided in the Indenture.

The bonds of this Series may be called for redemption by the Company, as a whole at any time or in part from time to time, at a redemption price equal to 100% of the principal amount of the bonds of this Series to be redeemed plus accrued and unpaid interest on the principal amount

being redeemed to the date of redemption and the Make-Whole Amount (as defined in the Supplemental Indenture) applicable thereto.

Notice of each redemption shall be mailed to all registered owners not less than thirty nor more than forty-five days before the redemption date.

In case of certain completed defaults specified in the Indenture, the principal of this bond may be declared or may become due and payable in the manner and with the effect provided in the Indenture.

No recourse shall be had for the payment of the principal of or the interest or the premium, if any, on this bond, or for any claim based hereon, or otherwise in respect hereof or of the Indenture, to or against any incorporator, stockholder, officer or director, past, present or future, of the Company or of any predecessor or successor corporation, either directly or through the Company or such predecessor or successor corporation, under any constitution or statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of incorporators, stockholders, directors and officers being waived and released by the registered owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Indenture, all as more fully provided therein.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, at the office or agency of the Company in the City of Chicago, State of Illinois, or, at the option of the registered owner, at the office or agency of the Company in the Borough of Manhattan, The

City and State of New York, upon surrender and cancellation of this bond; and thereupon a new registered bond or bonds without coupons of the same aggregate principal amount and series will, upon the payment of any transfer tax or taxes payable, be issued to the transferee in exchange herefor. The Company shall not be required to exchange or transfer this bond if this bond or a portion hereof has been selected for redemption.

The security represented by this certificate has not been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or qualified under any state securities laws and may not be transferred, sold or otherwise disposed of except while a registration statement is in effect or pursuant to an available exemption from registration under the Securities Act and applicable state securities laws.

(End of Form of Bond of 2063 Series)

and

WHEREAS, all acts and things necessary to make this Supplemental Indenture, when duly executed and delivered, a valid, binding and legal instrument in accordance with its terms, and for the purposes herein expressed, have been done and performed, and the execution and delivery of this Supplemental Indenture have in all respects been duly authorized.

Now Therefore, in consideration of the premises and of the sum of one dollar paid by the Trustee to the Company, and for other good and valuable consideration, the receipt of which is hereby acknowledged, for the purpose of securing the due and punctual payment of the principal of and the interest and premium, if any, on all bonds which shall be issued under the Indenture,

and for the purpose of securing the faithful performance and observance of all the covenants and conditions set forth in the Indenture and in all indentures supplemental thereto, the Company by these presents does grant, bargain, sell, transfer, assign, pledge, mortgage, warrant and convey unto U.S. Bank Trust Company, National Association, as Trustee, and its successor or successors in the trust hereby created, all property, real and personal (other than property expressly excepted from the lien and operation of the Indenture), which, at the actual date of execution and delivery of this Supplemental Indenture, is solely used or held for use in the operation by the Company of its gas utility system and in the conduct of its gas utility business and all property, real and personal, used or useful in the gas utility business (other than property expressly excepted from the lien and operation of the Indenture) acquired by the Company after the actual date of execution and delivery of this Supplemental Indenture or (subject to the provisions of Section 16.03 of the Indenture) by any successor corporation after such execution and delivery, and it is further agreed by and between the Company and the Trustee as follows:

ARTICLE I.

Bonds of this Supplemental Indenture

Section 1. The bonds of this Supplemental Indenture shall, as hereinbefore recited, be designated as the Company's (a) "First Mortgage Bonds 5.28% Series due July 31, 2030", (b) "First Mortgage Bonds 5.43% Series due July 31, 2035", (c) "First Mortgage Bonds 5.67% Series due October 31, 2053", and (d) "First Mortgage Bonds 5.77% Series due October 31, 2063", as applicable. The bonds of the 2030 Series which may be issued and outstanding shall not exceed $50,000,000 in aggregate principal amount, exclusive of bonds of such series authenticated and delivered pursuant to Section 4.12 of the Indenture. The bonds of the 2035 Series which may be issued and outstanding shall not exceed $75,000,000 in aggregate principal amount, exclusive of bonds of such series authenticated and delivered pursuant to Section 4.12 of the Indenture. The bonds of the 2053 Series which may be issued and outstanding shall not exceed $75,000,000 in aggregate principal amount, exclusive of bonds of such series authenticated and delivered pursuant to Section 4.12 of the Indenture. The bonds of the 2063 Series which may be issued and outstanding shall not exceed $75,000,000 in aggregate principal amount, exclusive of bonds of such series authenticated and delivered pursuant to Section 4.12 of the Indenture.

Section 2. The bonds of this Supplemental Indenture shall be registered bonds without coupons, and the form of each series of such bonds, and of the Trustee's certificate of authentication to be endorsed on all bonds of this Supplemental Indenture, shall be substantially as hereinbefore recited, respectively.

Section 3. The bonds of this Supplemental Indenture shall be issued in the denomination of $500,000 each and in such integral multiple or multiples thereof (except for one bond per holder and registered owner as may be necessary to reflect any principal amount in excess of $500,000 not evenly divisible by $500,000) as shall be determined and authorized by the Board of Directors of the Company or by any officer of the Company authorized by the Board of Directors to make such determination, the authorization of the denomination of any bond to be conclusively evidenced by the execution thereof on behalf of the Company. The bonds of the 2030 Series shall be numbered RU-2023-A-1 and consecutively upwards, or in such other appropriate manner as shall be determined and authorized by the Board of Directors of the Company. The bonds of the 2035 Series shall be numbered RU-2023-B-1 and consecutively upwards, or in such other appropriate manner as shall be determined and authorized by the Board of Directors of the Company. The bonds of the

2053 Series shall be numbered RU-2023-C-1 and consecutively upwards, or in such other appropriate manner as shall be determined and authorized by the Board of Directors of the Company. The bonds of the 2063 Series shall be numbered RU-2023-D-1 and consecutively upwards, or in such other appropriate manner as shall be determined and authorized by the Board of Directors of the Company.

The bonds of the 2030 Series shall be dated July 31, 2023, except that each bond issued on or after the respective first payment of interest thereon shall be dated as of the date of the interest payment date thereof to which interest shall have been paid on the bonds of such series next preceding the date of issue, unless issued on an interest payment date to which interest shall have been so paid, in which event such bonds shall be dated as of the date of issue; *provided*, *however*, that bonds issued on or after January 15 and before the next succeeding January 31 or on or after July 15 and before the next succeeding July 31 shall be dated the next succeeding interest payment date if interest shall have been paid to such date. The bonds of the 2035 Series shall be dated July 31, 2023, except that each bond issued on or after the respective first payment of interest thereon shall be dated as of the date of the interest payment date thereof to which interest shall have been paid on the bonds of such series next preceding the date of issue, unless issued on an interest payment date to which interest shall have been so paid, in which event such bonds shall be dated as of the date of issue; *provided*, *however*, that bonds issued on or after January 15 and before the next succeeding January 31 or on or after July 15 and before the next succeeding July 31 shall be dated the next succeeding interest payment date if interest shall have been paid to such date. The bonds of the 2053 Series shall be dated October 31, 2023, except that each bond issued on or after the respective first payment of interest thereon shall be dated as of the date of the interest payment date thereof to which interest shall have been paid on the bonds of such series next preceding the date of issue, unless issued on an interest payment date to which interest shall have been so paid, in which event such bonds shall be dated as of the date of issue; *provided*, *however*, that bonds issued on or after April 15 and before the next succeeding April 30 or on or after October 15 and before the next succeeding October 31 shall be dated the next succeeding interest payment date if interest shall have been paid to such date. The bonds of the 2063 Series shall be dated October 31, 2023, except that each bond issued on or after the respective first payment of interest thereon shall be dated as of the date of the interest payment date thereof to which interest shall have been paid on the bonds of such series next preceding the date of issue, unless issued on an interest payment date to which interest shall have been so paid, in which event such bonds shall be dated as of the date of issue; *provided*, *however*, that bonds issued on or after April 15 and before the next succeeding April 30 or on or after October 15 and before the next succeeding October 31 shall be dated the next succeeding interest payment date if interest shall have been paid to such date. The bonds of the 2030 Series shall mature on July 31, 2030 and shall bear interest at the rate of 5.28% per annum until the principal thereof shall be paid. The bonds of the 2035 Series shall mature on July 31, 2035 and shall bear interest at the rate of 5.43% per annum until the principal thereof shall be paid. The bonds of the 2053 Series shall mature on October 31, 2053 and shall bear interest at the rate of 5.67% per annum until the principal thereof shall be paid. The bonds of the 2063 Series shall mature on October 31, 2063 and shall bear interest at the rate of 5.77% per annum until the principal thereof shall be paid. Interest on the bonds of this Supplemental Indenture shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on the bonds of the 2030 Series shall be payable semi-annually on the thirty-first day of January and the thirty-first day of July in each year, beginning January 31, 2024. Interest on the bonds of the 2035 Series shall be payable semi-annually on the thirty-first day of January and thethirty-first day of July in each year, beginning January 31, 2024. Interest on the bonds of the 2053 Series shall be payable semi-annually on the thirtieth day of April and the thirty-first day of October in each year, beginning April 30, 2024. Interest on the bonds of the 2063 Series shall be payable semi-annually on the thirtieth day of April and the thirty-first day of October in each year, beginning April 30, 2024. So long as there is no existing default in the payment of interest on the bonds of this Supplemental Indenture, such interest shall be payable to the person in whose name each such bond is registered on the respective record date (whether or not a business day), as the case may be, next preceding the respective interest payment dates; *provided*, *however*, if and to the extent that the Company shall default in the payment of interest due on such interest payment date, such defaulted interest shall be paid to the person in whose name each such bond is registered on the record date fixed, in advance, by the Company for the payment of such defaulted interest.Interest will accrue on overdue interest installments at the rate of (i) 5.28% per annum, with respect to the bonds of the 2030 Series, (ii) 5.43% per annum, with respect to the bonds of the 2035 Series, (iii) 5.67% per annum, with respect to the bonds of the 2053 Series, and (iv) 5.77% per annum, with respect to the bonds of the 2063 Series.

The principal of and interest and premium, if any, on the bonds of this Supplemental Indenture shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and shall be payable at the office or agency of the Company in the City of Chicago, State of Illinois, or, at the option of the registered owner, at the office or agency of the Company in the Borough of Manhattan, The City and State of New York. Any installment of interest on the bonds of this Supplemental Indenture may, at the Company's option, be paid by mailing checks for such interest payable to or upon the written order of the person entitled thereto to the address of such person as it appears on the registration books. The bonds of this Supplemental Indenture shall be registrable, transferable and exchangeable in the manner provided in Sections 4.08 and 4.09 of the Indenture, at either of such offices or agencies.

Section 4. The bonds of this Supplemental Indenture, upon the mailing of notice and in the manner provided in Section 7.01 of the Indenture (except that no published notice shall be required for the bonds of this Supplemental Indenture) and with the effect provided in Section 7.02 thereof, shall be redeemable at the option of the Company, as a whole at any time or in part from time to time, at a redemption price equal to 100% of the principal amount of the bonds of this Supplemental Indenture to be redeemed plus accrued and unpaid interest of the principal amount being redeemed to the date of redemption plus the Make-Whole Amount applicable thereto, as calculated by the Company. **"Make-Whole** **"Make-Whole Amount"** means, with respect to any bond of this Supplemental Indenture, Series 2024A Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such bond of this Supplemental Indenture Series 2024A Note over the amount of such Called Principal, *provided*that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

"Called Principal" means, with respect to any bond of this Supplemental Indenture, Series 2024A Note, the principal of such bond of this Supplemental Indenture Series 2024A Note that is to be redeemed. redeemed pursuant to this Section 1.07.

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"Discounted Value" means, with respect to the Called Principal of any bond of this Supplemental Indenture, Series 2024A Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the bond of this Supplemental Indenture Series 2024A Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" means, with respect to the Called Principal of any bond of this Supplemental Indenture, the sum of (x) Series 2024A Note, 0.50% plus (y) over the yield to maturity implied by (a) the "Ask Yield(s)" yields reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PX1" (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities ("**Reported**") having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Remaining Average Life, then such implied yield to maturity will be determined by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and Date or (b) interpolating linearly between the "Ask Yields" Reported for the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable bond.

Ifif such yields are not Reportedreported as of such time or the yields Reportedreported as of such time are not ascertainable (including by way of interpolation), then "Reinvestment Yield" means, with respect to the Called Principal of any bond of this Supplemental Indenture, the sum of (x) 0.50% plus (y) the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.1511.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, suchSuch implied yield to maturity will be determined, if necessary, by (i) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (ii) interpolating linearly between (1)(A) the applicable U.S. Treasury constant maturity so reportedsecurity with the termmaturity closest to and greater than suchthe Remaining Average Life and (2)(B) the applicable U.S. Treasury constant maturity so reportedsecurity with the termmaturity closest to and less than such Remaining Average Life. If there is no available U.S. Treasury greater than such Remaining Average Life to be used for linear interpolation, and if there is no such U.S. Treasury constant maturity having a term equal to two years either side of such Remaining Average Life, the yield to maturity will be determined by the available U.S. Treasury whose maturity is "closest" to the Remaining Average Life. The selection of this "closest" U.S. Treasury will be confirmed by an "intermediary", which will be appointed by PNC Capital Markets LLC or its successor. The intermediary will be selected from a pool of various experts and market makers in the applicable markets applicable to U.S.

Treasuries. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable bond. Series 2024A Note.

"Remaining Average Life" means, with respect to any Called Principal, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (a) such Called Principal into (b) the sum of the products obtained by multiplying (1)(i) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (2)(ii) the number of years computed on the basis of a 360-day year comprised of twelve 30-day months and calculated(calculated to the nearest two decimal places,one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" means, with respect to the Called Principal of any bond of this Supplemental Indenture,Series 2024A Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, *provided*that if such Settlement Date is not a date on which interest payments are due to be made under the Series 2024A Notes, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of

interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to this Section 1.07.

"Settlement Date" means, with respect to the Called Principal of any Series 2024A Note, the date on which such Called Principal is to be redeemed pursuant to this Section 1.07.

Notice of redemption shall be given as provided in Section 1104 of the Original Indenture except that any such notice of redemption with respect to any redemption occurring prior to the Par Call Date shall not specify the Redemption Price therefor but only the manner of calculation thereof. The Trustee shall not be responsible for the calculation of such Redemption Price with respect to any redemption occurring prior to the Par Call Date. The Company shall calculate such Redemption Price and promptly notify the Trustee thereof.

Any redemption of less than all of the Series 2024A Notes shall, with respect to the principal thereof, be divisible by $100,000.

Upon any redemption of less than all of the 2024 Notes, the principal amount so redeemed shall be allocated to all 2024 Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof, with adjustments to account for the minimum authorized denominations thereof, and the principal and interest payable on each outstanding 2024 Note on each subsequent payment date shall be reduced to reflect the amount of principal redeemed on such 2024 Note.

SECTION 1.08. Additional Covenants of the Company. In accordance with Section 901(2) of the Original Indenture, the Company shall comply with the following additional covenants for so long as any of the Series 2024A Notes remain Outstanding (which such covenants are being included herein for the sole benefit of the 2024 Notes):

(a) *Compliance with Laws*. Without limiting Section 1.08(h), the Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which it is subject (including ERISA, environmental laws, the USA PATRIOT Act and the other laws and regulations referred to in Section 1.08(h)) and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) *Insurance.* The Company will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

(c) *Maintenance of Properties.* The Company will, and will cause each of its Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times; provided that this Section 1.08(c) shall not prevent the Company or any Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Company has concluded that such discontinuance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(d) *Payment of Taxes.* The Company will, and will cause each of its Subsidiaries to, file all income tax or similar tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges or levies payable by them, to the extent the same have become due and payable and before they have become delinquent; provided that neither the Company nor any Subsidiary need to pay any such tax, assessment, charge or levy if (a) the amount, applicability or validity thereof is contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company has established adequate reserves therefor in accordance with GAAP on the books of the Company or (b) the nonpayment of all such taxes, assessments, charges and levies would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(e) *Preservation of Existence.* Subject to Article 8 of the Original Indenture, the Company will at all times preserve and keep its existence in full force and effect.

(f) *Books and Records*. The Company will, and will cause each of its Subsidiaries to, maintain proper books of record and account to the extent necessary to prepare the consolidated financial statements of the Company and its Subsidiaries in conformity with GAAP and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the Company and its Subsidiaries.

(g) *Transactions with Affiliates.* Except as otherwise required by law, the Company will not enter into any transaction or series of transactions, whether or not in the ordinary course of business, with any of its Affiliates other than on terms and conditions substantially as favorable as would be obtainable in a comparable arm's-length transaction with a Person other than an Affiliate.

(h) *Terrorism Sanctions Regulations.* The Company will not, and will not permit any Controlled Entity to, (a) become, own or control a Blocked Person or (b) directly or, to the knowledge of the Company, indirectly, engage in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Notes) that will, to the knowledge of the Company, result in a violation by any Person (including any Person participating in the transactions contemplated by this Agreement) of U.S. Economic Sanction Laws.

(i) *Liens.* The Company will not contract, create, incur, assume or permit to exist any Lien with respect to any of its property or assets of any kind (whether real or personal, tangible or intangible), whether now owned or hereafter acquired, securing any Indebtedness unless the Notes are equally and ratably secured with such other Indebtedness other than the following:

(A) Liens for taxes not yet due or Liens for taxes being contested in good faith by appropriate proceedings for which adequate reserves determined in accordance with GAAP have been established (and as to which the property subject to any such Lien is not yet subject to foreclosure, sale or loss on account thereof);

(B) Liens in respect of property imposed by law arising in the ordinary course of business such as materialmen's, mechanics', warehousemen's, carrier's, landlords' and other nonconsensual statutory Liens which are not yet due and payable, which have been in existence less than 90 days or which are being contested in good faith by appropriate proceedings for which adequate reserves determined in accordance with GAAP have been established (and as to which the property subject to any such Lien is not yet subject to foreclosure, sale or loss on account thereof);

(C) pledges or deposits made in the ordinary course of business to secure payment of worker's compensation insurance, unemployment insurance, pensions or social security programs;

(D) Liens arising from good faith deposits in connection with or to secure performance of tenders, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations incurred in the ordinary course of business (other than obligations in respect of the payment of borrowed money);

(E) Liens arising from good faith deposits in connection with or to secure performance of statutory obligations and surety and appeal bonds (unless such Lien is in connection with one or more judgments, orders or decrees involving a liability of $100,000,000 or more, in the aggregate (to the extent not paid or covered by insurance provided by a carrier that has acknowledged coverage) and such judgments, orders or decrees shall continue unsatisfied, undischarged and unstayed for a period of at least 30 days after the last day on which such judgment, order or decree becomes final and unappealable and, where applicable, with the status of a judicial lien);

(F) easements, rights-of-way, restrictions (including zoning restrictions), minor defects or irregularities in title and other similar charges or encumbrances not, in any material respect, impairing the use of the encumbered property for its intended purposes;

(G) judgment Liens, unless in connection with one or more judgments, orders or decrees involving a liability of $100,000,000 or more, in the aggregate (to the extent not paid or covered by insurance provided by a carrier that has acknowledged coverage), and such judgments, orders or decrees shall continue unsatisfied, undischarged and unstayed for a period of at least 30 days after the last day on which such judgment, order or decree becomes final and unappealable and, where applicable, with the status of a judicial lien;

(H) Liens arising by virtue of any statutory or common law provision relating to banker's liens, rights of setoff or similar rights as to deposit accounts or other funds maintained with a creditor depository institution;

(I) any Lien created or arising over any property which is acquired, constructed or created by the Company, but only if (i) such Lien secures only principal amounts (not exceeding the cost of such acquisition, construction or creation) raised for the purposes of such acquisition, construction or creation, together with any costs, expenses, interest and fees incurred in relation thereto or a guarantee given in respect thereof, (ii) such Lien is created or arises on or before 360 days after the completion of such acquisition, construction or creation and (iii) such Lien is confined solely to the property so acquired, constructed or created and any improvements thereto;

(J) any Lien on any property or assets acquired from a corporation or other entity which is merged with or into the Company in accordance with Article 8 of the Original Indenture, and is not created in anticipation of any such transaction (unless such Lien is created to secure or provide for the payment of any part of the purchase price of such corporation or other entity);

(K) any Lien on any property or assets existing at the time of acquisition of such property or assets by the Company and which is not created in anticipation of such acquisition (unless such Lien was created to secure or provide for the payment of any part of the purchase price of such property or assets);

(L) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Liens referred to in the foregoing clauses (A) through (K), for amounts not exceeding the principal amount of the Indebtedness secured by the Lien so extended, renewed or replaced, provided that such extension, renewal or replacement Lien is limited to all or a part of the same property or assets that were covered by the Lien extended, renewed or replaced (plus improvements on such property or assets); and

(M) Liens on property, in addition to those otherwise permitted by clauses (A) through (L) above, securing, directly or indirectly, Indebtedness which does not exceed, in the aggregate at any one time outstanding, the greater of (i) $100,000,000 or (ii) ten percent (10%) of Net Tangible Assets; provided that no such Liens may secure any obligations under or pursuant to any Material Credit Facility within the provisions of this Section 1.08(i)(M) unless concurrently therewith the Company shall cause the Notes to be secured equally and ratably with such obligations pursuant to documentation in form and substance reasonably satisfactory to the Required Holders.

ARTICLE 2
MISCELLANEOUS PROVISIONS

SECTION 2.01. Recitals by Company. The recitals in this Third Supplemental Indenture are made by the Company only and not by the Trustee, and all of the provisions contained in the Original Indenture in respect of the rights, privileges, immunities, powers and duties of the Trustee shall be applicable in respect of Series 2024A Notes and of this Third Supplemental Indenture as fully and with like effect as if set forth herein in full.

SECTION 2.02. Ratification and Incorporation of Original Indenture. As supplemented hereby, the Original Indenture is in all respects ratified and confirmed, and the Original Indenture as supplemented by this Third Supplemental Indenture shall be read, taken and construed as one and the same instrument.

SECTION 2.03. Executed in Counterparts. This Third Supplemental Indenture shall be valid, binding and enforceable against a party only when executed and delivered by an authorized individual on behalf of the party by means of (i) any electronic signature permitted by the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act and/or any other relevant electronic signatures law, including relevant provisions of the Uniform Commercial Code (collectively, “Signature Law”); (ii) an original manual signature; or (iii) a faxed, scanned or photocopied manual signature. Each electronic signature or faxed, scanned or photocopied manual signature shall for all purposes have the same validity, legal effect and admissibility in evidence as an original manual signature.

Each party hereto shall be entitled to conclusively rely upon, and shall have no liability with respect to, any faxed, scanned or photocopied manual signature, or other electronic signature, of any party and shall have no duty to investigate, confirm or otherwise verify the validity or authenticity thereof. This Third Supplemental Indenture may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute one and the same instrument. For avoidance of doubt, original manual signatures shall be used for execution or endorsement of writings when required under the Uniform Commercial Code or other Signature Law due to the character or intended character of the writings.

IN WITNESS WHEREOF, each party hereto has caused this instrument to be signed in its name and behalf by its duly authorized officers, all as of the day and year first above written.

MISSISSIPPI POWER COMPANY

By: /s/Matthew P. Grice
Name: Matthew P. Grice
Title: Vice President, Treasurer and
Chief Financial Officer

REGIONS BANK, as Trustee

By: /s/Kristine Prall
Name: Kristine Prall
Title: Vice President

EXHIBIT A

FORM OF SERIES 2024A NOTE

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

NO. ____ CUSIP NO. 605417 B@2

SERIES 2024A 5.62% SENIOR NOTE
DUE MARCH 15, 2034

Principal Amount:	$____________
Regular Record Date:	15th calendar day prior to Interest Payment Date (whether or not a Business Day)
Original Issue Date:	March 27, 2024
Stated Maturity:	March 15, 2034
Interest Payment Dates:	March 15 and September 15
Interest Rate:	5.62% per annum
Authorized Denominations:	$100,000 and any integral multiple thereof

Mississippi Power Company, a Mississippi corporation (the "Company", which term includes any successor corporation under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to ______________________, or registered assigns, the principal sum of ____________________________DOLLARS ($___________) on the Stated Maturity shown above (or upon earlier redemption), and to pay interest thereon from the Original Issue Date shown above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually in arrears on each Interest Payment Date as specified above, commencing on September 15, 2024, and on the Stated Maturity (or upon earlier redemption) at the rate per annum shown above until the principal hereof is paid or made available for payment and at such rate on any overdue principal and on any overdue installment of interest. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date (other than an Interest Payment Date that is the Stated Maturity or on a Redemption Date) will, as provided in such Indenture, be paid to the Person in whose name this Note (the "Note") is registered at the close of business on the Regular Record Date as specified above next preceding such Interest Payment Date, provided that any interest payable at the Stated Maturity or on any Redemption Date will be paid to the Person to whom principal is payable. Except as otherwise provided in the Indenture, any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Note is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee,

notice whereof shall be given to Holders of Notes of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner, all as more fully provided in the Indenture.

Payments of interest on this Note will include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for this Note shall be computed and paid on the basis of a 360-day year of twelve 30-day months. In the event that any date on which interest is payable on this Note is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay), with the same force and effect as if made on the date the payment was originally payable, provided that if the Stated Maturity of the Series 2024A Notes is a date other than a Business Day, the payment otherwise due on such Stated Maturity shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day. A "Business Day" shall mean any day other than a Saturday or a Sunday or a day on which banks in New York City are authorized or obligated by law or executive order to remain closed or a day on which the Corporate Trust Office of the Trustee is closed for business.

Subject to Section 8.2 of the Note Purchase Agreement, dated as of March 27, 2024 (the "2024 Note Purchase Agreement"), among the Company and the purchasers identified in Schedule A thereto, payment of the principal of and interest due at the Stated Maturity or earlier redemption of the Series 2024A Notes shall be made upon surrender of the Series 2024A Notes at the Corporate Trust Office of the Trustee. The principal of and interest on the Series 2024A Notes shall be paid in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Subject to Section 8.2 of the 2024 Note Purchase Agreement, payment of interest (including interest on an Interest Payment Date) will be made, subject to such surrender where applicable, at the option of the Company, (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (ii) by wire transfer or other electronic transfer at such place and to such account at a banking institution in the United States as may be designated in writing to the Trustee at least 16 days prior to the date for payment by the Person entitled thereto.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated:

MISSISSIPPI POWER COMPANY

By:_________________________________
Title:

Attest:

Title:

{Seal of MISSISSIPPI POWER COMPANY appears here}

CERTIFICATE OF AUTHENTICATION

This is one of the Senior Notes referred to in the within-mentioned Indenture.

REGIONS BANK,
as Trustee

By:__________________________________

Authorized Signatory

(Reverse Side of Note)

This Note is one of a duly authorized issue of Senior Notes of the Company (the “Notes”), issued and issuable in one or more series under a Senior Note Indenture, dated as of June 1, 2023, as supplemented (the “Indenture”), between the Company and Regions Bank, as Trustee (the “Trustee,” which term includes any successor trustee under the Indenture), to which Indenture and all indentures incidental thereto reference is hereby made for a statement of the respective rights, limitation of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Notes issued thereunder and of the terms upon which said Notes are, and are to be, authenticated and delivered. This Note is one of the series designated on the face hereof as Series 2024A 5.62% Senior Notes due March 15, 2034 (the “Series 2024A Notes”) which is limited in aggregate principal amount to $100,000,000. Capitalized terms used herein for which no definition is provided herein shall have the meanings set forth in the Indenture.

The Series 2024A Notes were issued pursuant to the terms of that certain Note Purchase Agreement, dated as of March 27, 2024 (the “2024 Note Purchase Agreement”), among the bond Company and the purchasers identified in Schedule A thereto. Each Holder of this Note will be deemed, by its acceptance of hereof, to have made the representation set forth in Section 6.2 of the 2024 Note Purchase Agreement.

At any time prior to December 15, 2033 (the date that is three months prior to the Stated Maturity, which is referred to in this Series 2024A Note as the “Par Call Date”), the Company may, at its option, upon not less than 10 nor more than 60 days’ notice, redeem at any time all, or from time to time any part of, the Series 2024A Notes at a redemption price equal to 100% of the principal amount so redeemed, together with accrued and unpaid interest on the principal amount so redeemed to, but not including, the date of redemption, *plus* the Make-Whole Amount (as defined in the Indenture) determined for the redemption date with respect to such principal amount. At any time on or after the Par Call Date, the Company may redeem the Series 2024A Notes, in whole or in part from time to time, at 100% of the principal amount so redeemed, together with accrued and unpaid interest on the principal amount so redeemed to, but not including, the redemption date.

The Trustee shall not be responsible for the calculation of the Redemption Price with respect to any redemption occurring prior to the Par Call Date. The Company shall calculate such Redemption Price and promptly notify the Trustee thereof.

In the event of redemption of this Note in part only, a new Note or Notes of this series for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the surrender hereof. The Series 2024A Notes will not have a sinking fund.

If an Event of Default with respect to the Notes of this series shall occur and be continuing, the principal of the Notes of this series may be declared due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Notes of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Notes at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Notes of each series at the time Outstanding, on behalf of the Holders of all Notes of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable in the Security Register, upon surrender of this Note for registration of transfer at the office or agency of the Company for such purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar and duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of this series, of authorized denominations and of like tenor and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Notes of this series are issuable only in registered form without coupons in denominations of $100,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Notes of this series are exchangeable for a like aggregate principal amount of Notes of this series of a different authorized denomination, as requested by the Holder surrendering the same upon surrender of the Note or Notes to be exchanged at the office or agency of the Company.

This Note shall be governed by, and construed in accordance with, the internal laws of the State of New York.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM-	as tenants in common	UNIF GIFT MIN ACT- _______ Custodian _________
		(Cust) (Minor)
TEN ENT-	as tenants by the entireties	under Uniform Gifts to
JT TEN-	as joint tenants with right of survivorship and not as tenants in common	Minors Act
		____________________
		(State)

Additional abbreviations may also be used though not on the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s) and transfer(s) unto please insert Social Security or other identifying number of assignee

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE
OF ASSIGNEE

the within Note and all rights thereunder, hereby irrevocably constituting and appointing

agent to transfer said Note on the books of the Company, with full power of substitution in the premises.

Dated:____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular without alteration or enlargement, or any change whatever.

EXHIBIT B

CERTIFICATE OF AUTHENTICATION

This is one of the Senior Notes referred to in the within-mentioned Indenture.

REGIONS BANK,
as Trustee

By:____
Authorized Signatory

Exhibit 4(d)2

MISSISSIPPI POWER COMPANY

TO

REGIONS BANK,
TRUSTEE

FOURTHSUPPLEMENTAL INDENTURE
DATED AS OF MARCH 27, 2024

SERIES 2024B 5.72% SENIOR NOTES

DUE MARCH 15, 2036

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EXHIBIT A Form of Series 2024B Note

EXHIBIT B Certificate of Authentication

[1] This Table of Contents does not constitute part of the Indenture or have any bearing upon the interpretation of any of its terms and provisions.

THIS FOURTH SUPPLEMENTAL INDENTURE is made as of the 27th day of March, 2024, by and between MISSISSIPPI POWER COMPANY, a Mississippi corporation, 2992 West Beach Boulevard, Gulfport, Mississippi 39501 (the "Company"), and REGIONS BANK, an Alabama banking corporation, 1180 West Peachtree Street, Suite 1200, Atlanta, Georgia 30309 (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Company has heretofore entered into a Senior Note Indenture, dated as of June 1, 2023, with Regions Bank, as Trustee (the "Original Indenture");

WHEREAS, the Original Indenture is incorporated herein by this reference and the Original Indenture, as supplemented by this Fourth Supplemental Indenture, is herein called the "Indenture";

WHEREAS, under the Original Indenture, a new series of unsecured senior debentures or notes or other evidence of indebtedness (the "Senior Notes") may at any time be established by the Board of Directors of the Company in accordance with the provisions of the Original Indenture and the terms of such series may be described by a supplemental indenture executed by the Company and the Trustee;

WHEREAS, the Company proposes to create under the Indenture a new series of Senior Notes;

WHEREAS, additional Senior Notes of other series hereafter established, except as may be limited in the Original Indenture as at the time supplemented and modified, may be issued from time to time pursuant to the Indenture as at the time supplemented and modified; and

WHEREAS, all conditions necessary to authorize the execution and delivery of this Fourth Supplemental Indenture and to make it a valid and binding obligation of the Company have been done or performed.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1

SERIES 2024B SENIOR NOTES

SECTION 1.01. Establishment. There is hereby established a new series of Senior Notes to be issued under the Indenture, to be designated as the Company's Series 2024B 5.72% Senior Notes due March 15, 2036 (the "Series 2024B Notes").

There are to be authenticated and delivered $50,000,000 principal amount of Series 2024B Notes, and no Series 2024B Notes shall be authenticated and delivered in excess of such principal amount except as provided by Sections 203, 303, 304, 907 or 1107 of the Original Indenture. The Series 2024B Notes shall be issued in fully registered form.

The form of the Trustee's Certificate of Authentication for the Series 2024B Notes shall be in substantially the form set forth in Exhibit B hereto.

Each Series 2024B Note shall be dated the date of authentication thereof and shall bear interest from the date of original issuance thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for.

The Series 2024B Notes will not have a sinking fund.

SECTION 1.02. Definitions. The following defined terms used herein shall, unless the context otherwise requires, have the meanings specified below. Capitalized terms used herein for which no definition is provided herein shall have the meanings set forth in the Original Indenture.

"2024 Note Purchase Agreement" means the Note Purchase Agreement, dated as of March 27, 2024, among the Company and the purchasers identified in Schedule A thereto.

"2024 Notes" means the Series 2024B Notes, the Company's Series 2024A 5.62% Senior Notes due March 15, 2034, being issued pursuant to the Third Supplemental Indenture, and the Company's Series 2024C 5.91% Senior Notes due June 15, 2054, to be issued pursuant to the Fifth Supplemental Indenture.

"Affiliate" means, at any time, and with respect to any Person, (a) any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and (b) any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of such first Person or any corporation of which such first Person beneficially owns or holds, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. As used in this definition, "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an "Affiliate" is a reference to an Affiliate of the Company.

"Blocked Person" means (a) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by OFAC, (b) a Person, entity, organization, country or regime that is blocked or a target of sanctions that have been imposed under U.S. Economic Sanctions Laws or (c) a Person that is an agent, department or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, any Person, entity, organization, country or regime described in clause (a) or (b).

"Called Principal" has the meaning set forth in Section 1.07 hereof.

"Controlled Entity" means any of the Subsidiaries of the Company and any of their or the Company's respective Controlled Affiliates. As used in this definition, "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Discounted Value" has the meaning set forth in Section 1.07 hereof.

"Fifth Supplemental Indenture" means the Fifth Supplemental Indenture, to be dated on or about June 27, 2024, between the Company and the Trustee.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States of America.

"Indebtedness" has the meaning set forth in the 2024 Note Purchase Agreement.

"Institutional Investor" has the meaning set forth in the 2024 Note Purchase Agreement.

"Interest Payment Dates" means March 15 and September 15 of each year, commencing September 15, 2024.

"Lien" means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or capital lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

"Make-Whole Amount" has the meaning set forth in Section 1.07 hereof.

"Material" means material in relation to the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole.

"Material Adverse Effect" means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, (b) the ability of the Company to perform its obligations under the 2024 Note Purchase Agreement, the Supplemental Indentures, the Original Indenture or the 2024 Notes, or (c) the validity or enforceability of the 2024 Note Purchase Agreement, the Supplemental Indentures, the Original Indenture or the 2024 Notes.

"Material Credit Facility" means any primary credit facility of the Company, providing for borrowings of not less than $50,000,000, in each case as the same may be amended, restated, increased, refinanced, replaced or otherwise modified or any successor thereto.

"Net Tangible Assets" means, as of any date, the total assets shown on the balance sheet of the Company, determined in accordance with GAAP less (a) all current liabilities and minority interests and (b) goodwill and other identifiable intangibles.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"OFAC Sanctions Program" means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx.

"Original Issue Date" means March 27, 2024.

"Par Call Date" has the meaning set forth in Section 1.07 hereof.

"Person" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

“Purchaser” has the meaning set forth in the 2024 Note Purchase Agreement.

“Regular Record Date” means, with respect to each Interest Payment Date, the 15th calendar day prior to such Interest Payment Date (whether or not a Business Day).

“Reinvestment Yield” has the meaning set forth in Section 1.07 hereof.

“Remaining Average Life” has the meaning set forth in Section 1.07 hereof.

“Remaining Scheduled Payments” has the meaning set forth in Section 1.07 hereof.

“Required Holders” means, at any time, the Holders of at least 51% in principal amount of the 2024 Notes at the time outstanding (exclusive of the 2024 Notes then owned by the Company or any of its Affiliates).

“Settlement Date” has the meaning set forth in Section 1.07 hereof.

“Significant Subsidiary” means a Subsidiary of the Company which represents more than 15% of the Company’s assets on a consolidated basis.

“Stated Maturity” means March 15, 2036.

“Subsidiary” means, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or joint venture if an interest of more than 50% in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries).

“Supplemental Indentures” means this Fourth Supplemental Indenture, the Third Supplemental Indenture and the Fifth Supplemental Indenture.

“Third Supplemental Indenture” means the Third Supplemental Indenture, dated as of March 27, 2024, between the Company and the Trustee.

“U.S. Economic Sanctions Laws” means those laws, executive orders, enabling legislation or regulations administered and enforced by the United States of America pursuant to which economic sanctions have been imposed on any Person, entity, organization, country or regime, including the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Iran Sanctions Act, the Sudan Accountability and Divestment Act and any other OFAC Sanctions Program.

“USA PATRIOT Act” means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001 and the rules and regulations promulgated thereunder from time to time in effect.

SECTION 1.03. Payment of Principal and Interest. The principal of the Series 2024B Notes shall be due at Stated Maturity (unless earlier redeemed). The unpaid principal amount of the Series 2024B Notes shall bear interest at the rate of 5.72% per annum until paid or duly provided for. Interest shall be paid semiannually in arrears on each Interest Payment Date to the Person in whose name the Series 2024B Notes are registered at the close of business on the Regular Record Date for such Interest Payment Date, provided that interest payable at the Stated Maturity or on a Redemption Date as provided herein will be paid to the Person to whom principal is payable. Any such interest that is not so punctually paid or duly provided for will forthwith cease to be payable to the Holders on such Regular Record Date and may either be paid to the Person or Persons in whose name the Series 2024B Notes are registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the

Trustee, notice whereof shall be given to Holders of the Series 2024B Notes not less than ten (10) days prior to such Special Record Date, or be paid at any time in any other lawful manner, all as more fully provided in the Original Indenture.

Payments of interest on the Series 2024B Notes will include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for the Series 2024B Notes shall be computed and paid on the basis of a 360-day year of twelve 30-day months. In the event that any date on which interest is payable on the Series 2024B Notes is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay), with the same force and effect as if made on the date the payment was originally payable, provided that if the Stated Maturity of the Series 2024B Notes is a date other than a Business Day, the payment otherwise due on such Stated Maturity shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

Payment of the principal and interest due at the Stated Maturity or earlier redemption of the Series 2024B Notes shall be made upon surrender of the Series 2024B Notes at the Corporate Trust Office of the Trustee; provided that, so long as any Purchaser or its nominee shall be the Holder of any Series 2024B Note, payment of all sums becoming due with respect to such Series 2024B Note (including, without limitation, for principal, premium (if any) and interest) shall be made by the method and at the address specified by such Purchaser in writing to the Trustee and the Company, without the presentation or surrender of such Series 2024B Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or redemption in full of any Series 2024B Note, such Purchaser shall surrender such Series 2024B Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or to the Trustee at its principal corporate trust office. The principal of and interest on the Series 2024B Notes shall be paid in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Subject to the first sentence of this paragraph, payments of interest (including interest on any Interest Payment Date) will be made, subject to such surrender where applicable, at the option of the Company, (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (ii) by wire transfer or other electronic transfer at such place and to such account at a banking institution in the United States as may be designated in writing to the Trustee at least sixteen (16) days prior to the date for payment by the Person entitled thereto.

SECTION 1.04. Denominations. The Series 2024B Notes may be issued in denominations of $100,000 and any integral multiple thereof.

SECTION 1.05. Events of Default.

(a) In accordance with clause (7) of Section 501 of the Original Indenture, the following additional Event of Default shall apply to the Series 2024B Notes: “with respect to any Indebtedness (as defined in the 2024 Note Purchase Agreement) of the Company in excess of $75,000,000 (other than the Series 2024B Notes), any such Indebtedness being declared due and payable, or required to be prepaid (other than by redemption at the Company’s option or a regularly scheduled installment payment or required prepayment), in each case, as a result of a default or other similar adverse event.”

(b) In accordance with clause (7) of Section 501 of the Original Indenture, the following additional Event of Default shall apply to the Series 2024B Notes: “one or more judgments, orders, or decrees shall be entered against the Company or a Significant Subsidiary involving a liability of $100,000,000 or more, in the aggregate (to the extent not paid or covered

by insurance provided by a carrier who has acknowledged coverage) and such judgments, orders or decrees shall continue unsatisfied, undischarged and unstayed for a period of at least 30 days after the last day on which such judgment, order or decree becomes final and unappealable and, where applicable, with the status of a judicial lien."

SECTION 1.06. Transfer. Neither any Series 2024B Note nor any interest or participation therein may be reoffered, sold, assigned, transferred or otherwise disposed of in the absence of an exemption from the registration requirements of the Securities Act of 1933, as amended, the rules and regulations thereunder and applicable state securities laws.

Prior to any sale or other disposition of any Series 2024B Notes held by a Purchaser or its nominee (or any Institutional Investor that has been afforded the benefits of Section 8.2 of the 2024 Note Purchase Agreement), such Purchaser or such Institutional Investor, as the case may be, will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Series 2024B Notes to the Company or the Trustee in exchange for new Series 2024B Notes pursuant to the Original Indenture. Upon surrender of any Series 2024B Note to the Paying Agent at the address and to the attention of a Responsible Officer of the Paying Agent (as specified in Section 303 of the Original Indenture) for registration of transfer or exchange, the Holder shall surrender such Series 2024B Note endorsed or accompanied by a written instrument of transfer, the signature on which has been guaranteed by an eligible guarantor institution participating in a recognized signature guarantee program, in form reasonably satisfactory to the Paying Agent, duly executed by the registered Holder of such Series 2024B Note or such Holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Series 2024B Note or part thereof.

No service charge will be made for any transfer or exchange of Series 2024B Notes, but payment will be required of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. The Company shall not be required (a) to issue, register the transfer of or exchange any Series 2024B Notes during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice pursuant to Section 1104 of the Original Indenture identifying the serial numbers of the Series 2024B Notes to be called for redemption, and ending at the close of business on the day of the mailing, or (b) to register the transfer of or exchange any Series 2024B Notes theretofore selected for redemption in whole or in part, except the unredeemed portion of any Series 2024B Notes redeemed in part.

SECTION 1.07. Redemption at the Company's Option. At any time prior to December 15, 2035 (the date that is three months prior to the Stated Maturity, which is referred to in this Fourth Supplemental Indenture as the "Par Call Date"), the Company may, at its option, upon not less than 10 nor more than 60 days' notice, redeem at any time all, or from time to time any part of, the Series 2024B Notes at a redemption price equal to 100% of the principal amount so redeemed, together with accrued and unpaid interest on the principal amount so redeemed to, but not including, the date of redemption, *plus* the Make-Whole Amount determined by the Company for the redemption date with respect to such principal amount. At any time on or after the Par Call Date, the Company may redeem the Series 2024B Notes, in whole or in part from time to time, at 100% of the principal amount so redeemed, together with accrued and unpaid interest on the principal amount so redeemed to, but not including, the redemption date.

Upon any partial redemption of the Series 2024B Notes, the principal amount so redeemed shall be allocated to all Series 2024B Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof, with adjustments to account for the minimum authorized denominations thereof, and the principal and interest payable on each outstanding Series 2024B Note on each subsequent payment date shall be reduced to reflect the amount of principal redeemed on such Series 2024B Note.

The term "Make-Whole Amount" means, with respect to any Series 2024B Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Series 2024B Note over the amount of such Called Principal, providedthat the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

"Called Principal" means, with respect to any Series 2024B Note, the principal of such Series 2024B Note that is to be redeemed pursuant to this Section 1.07.

"Discounted Value" means, with respect to the Called Principal of any Series 2024B Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such

Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Series 2024B Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" means, with respect to the Called Principal of any Series 2024B Note, 0.50% over the yield to maturity implied by (a) the yields reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PX1" (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date or (b) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable (including by way of interpolation), the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release 11.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield will be determined, if necessary, by (i) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (ii) interpolating linearly between (A) the applicable U.S. Treasury security with the maturity closest to and greater than the Remaining Average Life and (B) the applicable U.S. Treasury security with the maturity closest to and less than the Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Series 2024B Note.

"Remaining Average Life" means, with respect to any Called Principal, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (a) such Called Principal into (b) the sum of the products obtained by multiplying (i) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (ii) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" means, with respect to the Called Principal of any Series 2024B Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, providedthat if such Settlement Date is not a date on which interest payments are due to be made under the Series 2024B Notes, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to the terms of this Supplemental Indenture. Section 1.07.

"Settlement Date" means, with respect to the Called Principal of any bond of this Supplemental Indenture, Series 2024B Note, the date on which such Called Principal is to be redeemed. redeemed pursuant to this Section 1.07.

Notice of redemption shall be given as provided in Section 1104 of the Original Indenture except that any such notice of redemption with respect to any redemption occurring prior to the Par Call Date shall not specify the Redemption Price therefor but only the manner of calculation thereof. The Trustee shall not be responsible for the calculation of such Redemption Price with respect to any redemption occurring prior to the Par Call Date. The Company shall calculate such Redemption Price and promptly notify the Trustee thereof.

Any redemption of less than all of the Series 2024B Notes shall, with respect to the principal thereof, be divisible by $100,000.

Upon any redemption of less than all of the 2024 Notes, the principal amount so redeemed shall be allocated to all 2024 Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof, with adjustments to account for the minimum authorized denominations thereof, and the principal and interest payable on each outstanding 2024 Note on each subsequent payment date shall be reduced to reflect the amount of principal redeemed on such 2024 Note.

SECTION 1.08. Additional Covenants of the Company. In accordance with Section 901(2) of the Original Indenture, the Company shall comply with the following additional covenants for so long as any of the Series 2024B Notes remain Outstanding (which such covenants are being included herein for the sole benefit of the 2024 Notes):

(a) *Compliance with Laws*. Without limiting Section 5. No sinking fund 1.08(h), the Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which it is subject (including ERISA, environmental laws, the USA PATRIOT

Act and the other laws and regulations referred to in Section 1.08(h)) and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) *Insurance.* The Company will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

(c) *Maintenance of Properties.* The Company will, and will cause each of its Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times; provided that this Section 1.08(c) shall not prevent the Company or any Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Company has concluded that such discontinuance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(d) *Payment of Taxes.* The Company will, and will cause each of its Subsidiaries to, file all income tax or similar tax returns required to be filed in any jurisdiction and to pay and

discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges or levies payable by them, to the extent the same have become due and payable and before they have become delinquent; provided that neither the Company nor any Subsidiary need to pay any such tax, assessment, charge or levy if (a) the amount, applicability or validity thereof is contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company has established adequate reserves therefor in accordance with GAAP on the books of the Company or (b) the nonpayment of all such taxes, assessments, charges and levies would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(e) *Preservation of Existence.* Subject to Article 8 of the Original Indenture, the Company will at all times preserve and keep its existence in full force and effect.

(f) *Books and Records*. The Company will, and will cause each of its Subsidiaries to, maintain proper books of record and account to the extent necessary to prepare the consolidated financial statements of the Company and its Subsidiaries in conformity with GAAP and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the Company and its Subsidiaries.

(g) *Transactions with Affiliates.* Except as otherwise required by law, the Company will not enter into any transaction or series of transactions, whether or not in the ordinary course of business, with any of its Affiliates other than on terms and conditions substantially as favorable as would be obtainable in a comparable arm's-length transaction with a Person other than an Affiliate.

(h) *Terrorism Sanctions Regulations.* The Company will not, and will not permit any Controlled Entity to, (a) become, own or control a Blocked Person or (b) directly or, to the knowledge of the Company, indirectly, engage in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Notes) that will, to the knowledge of the Company, result in a violation by any Person (including any Person participating in the transactions contemplated by this Agreement) of U.S. Economic Sanction Laws.

(i) *Liens.* The Company will not contract, create, incur, assume or permit to exist any Lien with respect to any of its property or assets of any kind (whether real or personal, tangible or intangible), whether now owned or hereafter acquired, securing any Indebtedness unless the Notes are equally and ratably secured with such other Indebtedness other than the following:

(A) Liens for taxes not yet due or Liens for taxes being contested in good faith by appropriate proceedings for which adequate reserves determined in accordance with GAAP have been established (and as to which the property subject to any such Lien is not yet subject to foreclosure, sale or loss on account thereof);

(B) Liens in respect of property imposed by law arising in the ordinary course of business such as materialmen's, mechanics', warehousemen's, carrier's, landlords' and other nonconsensual statutory Liens which are not yet due and payable, which have been in existence less than 90 days or which are being contested in good faith by appropriate proceedings for which adequate reserves determined in accordance with GAAP have been established (and as to which the property subject to any such Lien is not yet subject to foreclosure, sale or loss on account thereof);

(C) pledges or deposits made in the ordinary course of business to secure payment of worker's compensation insurance, unemployment insurance, pensions or social security programs;

(D) Liens arising from good faith deposits in connection with or to secure performance of tenders, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations incurred in the ordinary course of business (other than obligations in respect of the payment of borrowed money);

(E) Liens arising from good faith deposits in connection with or to secure performance of statutory obligations and surety and appeal bonds (unless such Lien is in connection with one or more judgments, orders or decrees involving a liability of $100,000,000 or more, in the aggregate (to the extent not paid or covered by insurance provided by a carrier that has acknowledged coverage) and such judgments, orders or decrees shall continue unsatisfied, undischarged and unstayed for a period of at least 30 days after the last day on which such judgment, order or decree becomes final and unappealable and, where applicable, with the status of a judicial lien);

(F) easements, rights-of-way, restrictions (including zoning restrictions), minor defects or irregularities in title and other similar charges or encumbrances not, in any material respect, impairing the use of the encumbered property for its intended purposes;

(G) judgment Liens, unless in connection with one or more judgments, orders or decrees involving a liability of $100,000,000 or more, in the aggregate (to the extent not paid or covered by insurance provided by a carrier that has acknowledged coverage), and such judgments, orders or decrees shall continue unsatisfied, undischarged and unstayed for a period of at least 30 days after the last day on which such judgment, order or decree becomes final and unappealable and, where applicable, with the status of a judicial lien;

(H) Liens arising by virtue of any statutory or common law provision relating to banker's liens, rights of setoff or similar rights as to deposit accounts or other funds maintained with a creditor depository institution;

(I) any Lien created or arising over any property which is acquired, constructed or created by the Company, but only if (i) such Lien secures only principal amounts (not exceeding the cost of such acquisition, construction or creation) raised for the bonds purposes of this Supplemental Indenture. such acquisition, construction or creation, together with any costs, expenses, interest and fees incurred in relation thereto or a guarantee given in respect thereof, (ii) such Lien is created or arises on or before 360 days after the completion of such acquisition, construction or creation and (iii) such Lien is confined solely to the property so acquired, constructed or created and any improvements thereto;

(J) any Lien on any property or assets acquired from a corporation or other entity which is merged with or into the Company in accordance with Article II

Miscellaneous Provisions 8 of the Original Indenture, and is not created in anticipation of any such transaction (unless such Lien is created to secure or provide for the payment of any part of the purchase price of such corporation or other entity);

Section 1. This Supplemental Indenture is executed (K) any Lien on any property or assets existing at the time of acquisition of such property or assets by the Company and which is not created in anticipation of such acquisition (unless such Lien was created to secure or provide for the Trustee pursuant to the provisions payment of Section 4.02 any part of the Indenture and purchase price of such property or assets);

(L) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Liens referred to in the terms and conditions hereof shall be deemedforegoing clauses (A) through (K), for amounts not exceeding the principal amount of the Indebtedness secured by the Lien so extended, renewed or replaced, provided that such extension, renewal or replacement Lien is limited to beall or a part of the termssame property or assets that were covered by the Lien extended, renewed or replaced (plus improvements on such property or assets); and conditions

(M) Liens on property, in addition to those otherwise permitted by clauses (A) through (L) above, securing, directly or indirectly, Indebtedness which does not exceed, in the aggregate at any one time outstanding, the greater of (i) $100,000,000 or (ii) ten percent (10%) of Net Tangible Assets; provided that no such Liens may secure any obligations under or pursuant to any Material Credit Facility within the provisions of this Section 1.08(i)(M) unless concurrently therewith the Company shall cause the Notes to be secured equally and ratably with such obligations pursuant to documentation in form and substance reasonably satisfactory to the Required Holders.

ARTICLE 2
MISCELLANEOUS PROVISIONS

SECTION 2.01. Recitals by Company. The recitals in this Fourth Supplemental Indenture are made by the Company only and not by the Trustee, and all of the provisions contained in the Original Indenture for anyin respect of the rights, privileges, immunities, powers and all purposes. The duties of the Trustee shall be applicable in respect of Series 2024B Notes and of this Fourth Supplemental Indenture as heretofore modifiedfully and with like effect as if set forth herein in full.

SECTION 2.02. Ratification and Incorporation of Original Indenture. As supplemented and as supplemented by this Supplementalhereby, the Original Indenture is in all respects ratified and confirmed.

Section 2. Thisconfirmed, and the Original Indenture as supplemented by this Fourth Supplemental Indenture shall bindbe read, taken and subject toconstrued as one and the same instrument.

SECTION 2.03. Executed in Counterparts. This Fourth Supplemental Indenture shall be valid, binding and enforceable against a party only when executed and delivered by an authorized individual on behalf of the party by means of (i) any electronic signature permitted by the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act and/or any other relevant electronic signatures law, including relevant provisions of Article XVI of the Indenture, inure toUniform Commercial Code (collectively, “Signature Law”); (ii) an original manual signature; or (iii) a faxed, scanned or photocopied manual signature. Each electronic signature or faxed, scanned or photocopied manual signature shall for all purposes have the benefit of the respective successorssame validity, legal effect and assigns of the parties hereto. admissibility in evidence as an original manual signature.

Section 3. Although this Supplemental Indenture is made as of July 11, 2023, effective July 31, 2023, itEach party hereto shall be effective only fromentitled to conclusively rely upon, and aftershall have no liability with respect to, any faxed, scanned or photocopied manual signature, or other electronic signature, of any party and shall have no duty to investigate, confirm or otherwise verify the actual time of its execution and delivery by the Company and the Trustee on the date indicated by their respective acknowledgements hereto.

Section 4. validity or authenticity thereof. This Fourth Supplemental Indenture may be simultaneously executed in any number of counterparts, and all each of which shall be deemed to be an original, but such counterparts executed and delivered, each as an original, shall, together, constitute but one and the same instrument.

Section 5. The recitals herein are deemed For avoidance of doubt, original manual signatures shall be used for execution or endorsement of writings when required under the Uniform Commercial Code or other Signature Law due to be those the character or intended character of the Company and not of the Trustee. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture. writings.

In Witness Whereof, Northern Illinois Gas Company IN WITNESS WHEREOF, each party hereto has caused this Supplemental Indenture instrument to be executed signed in its name and behalf by its Executive Vice President, Chief Financial Officer and Treasurer and its corporate seal to be hereunto affixed and attested by its Corporate Secretary, and U.S. Bank Trust Company, National Association, as Trustee under the Indenture, has caused this Supplemental Indenture to be executed in its name by one of its authorized officers and attested by one of its duly authorized officers, all as of the day and year first above written.

Northern Illinois Gas Company MISSISSIPPI POWER COMPANY

By: /s/Matthew P. Grice
Name: Matthew P. Grice
Title: Vice President, Treasurer and Chief Financial Officer

REGIONS BANK, as Trustee

By: /s/Kristine Prall
Name: Kristine Prall

By: /s/Grace A. Kolvereid
Name: Grace A. Kolvereid
Title: Executive Vice President Chief Financial Officer and Treasurer

ATTEST:

By: /s/Barbara P. Christopher
Name: Barbara P. Christopher
Title: Corporate Secretary

[Signature Page to 2023 Supplemental Indenture]

U.S. Bank Trust Company, National Association,
*as Trustee*EXHIBIT A

FORM OF SERIES 2024B NOTE

By: /s/Jack Ellerin
Name: Jack Ellerin
Title: Vice President

ATTEST:

By: /s/J. David Dever
Name: J. David Dever
Title: Senior Vice President

[Signature Page to 2023 Supplemental Indenture] A-1

STATE THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF GEORGIA } SS:

COUNTY 1933 OR THE SECURITIES LAWS OF GWINNETT }

I, Margaret Moodie, a Notary Public in the State aforesaid, DO HEREBY CERTIFY that Grace A. Kolvereid, Executive Vice President, Chief Financial Officer and Treasurer of Northern Illinois Gas Company, an Illinois corporation, one of the parties described in and which executed the foregoing instrument, and Barbara P. Christopher, Corporate Secretary of said corporation, who are both personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Executive Vice President, Chief Financial Officer and Treasurer and Corporate Secretary, respectively, and who are both personally known to me to be the Executive Vice President, Chief Financial Officer and Treasurer and Corporate Secretary, respectively, of said corporation, personally appeared before me this day and severally acknowledged that they signed, sealed, executed and delivered said instrument as their free and voluntary act as such Executive Vice President, Chief Financial Officer and Treasurer and Corporate Secretary, respectively, of said corporation, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal as of the date listed below.

Dated: July 11, 2023 ANY STATE. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

NO. ____ /s/Margaret Moodie

Notary Public *CUSIP NO. 605417 B#0*

SERIES 2024B 5.72% SENIOR NOTE
My Commission expires: February 25, 2027.

2122-23-000101image.jpg

State of Georgia)
): ss
County of Fulton)

On the 12th day of July in the year 2023, before me, the undersigned, personally appeared, Jack Ellerin, a Vice President of U.S. Bank Trust Company, National Association, and J. David Dever, a Senior Vice President of U.S. Bank Trust Company, National Association, personally known to me or proved to me on the basis of satisfactory evidence to be the individuals whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their respective capacities, and that by their signatures on the instrument, the individuals executed the instrument.

/s/Felicia H. Powell
Felicia H. Powell
Notary Public

State of Georgia
County of Fulton
My commission expires: June 20, 2026

0000092122-23-000101image1.jpg

RECORDING DATA

This Supplemental Indenture was recorded on the following dates in the office of the Recorder of Deeds in certain counties in the State of Illinois, as follows: DUE MARCH 15, 2036

Principal Amount:		$____________
County Regular Record Date:	Document No.	15th calendar day prior to Interest Payment Date Recorded (whether or not a Business Day)
Cook Original Issue Date:	2320815024	07/27/2023 March 27, 2024
Adams Stated Maturity:	2023R-04033	07/14/2023 March 15, 2036
Boone Interest Payment Dates:	2023R02730	07/14/2023 March 15 and September 15
Bureau Interest Rate:	2023R02256	07/14/2023 5.72% per annum
Carroll Authorized Denominations:	2023R-1374	07/14/2023
Champaign	2023R09607	07/14/2023
DeKalb	2023004766	07/19/2023
DeWitt	265190	07/14/2023
DuPage	R2023-044182	07/14/2023
Ford	2023-281634	07/17/2023
Grundy	620439	07/14/2023
Hancock	2023-1532	07/17/2023
Henderson	2023185999	07/14/2023
Henry	20-2303079	07/14/2023
Iroquois	23R1950	07/14/2023
Jo Daviess	427434	07/14/2023
Kane	2023K023567	07/14/2023
Kankakee	202306369	07/14/2023
Kendall	202300007716	07/14/2023
Lake	7986357	07/25/2023
LaSalle	2023-07005	07/17/2023
Lee	2023002273	07/14/2023
Livingston	2023R-02513	07/14/2023
McHenry	2023R0017028	07/14/2023
McLean	2023-00009355	07/19/2023
Mercer	2023-408508	07/14/2023
Ogle	202302992	07/14/2023
Piatt	380672	07/17/2023
Pike	2023-1397	07/14/2023
Rock Island	2023-08650	07/14/2023
Stephenson	202300196724	07/14/2023
Tazewell	202300008768	07/17/2023
Vermillion	23-04057	07/14/2023
Whiteside	2023-03456	07/17/2023
Will	R2023035293	07/14/2023
Winnebago	2023015659	07/14/2023
Woodford	2302316	07/14/2023 $100,000 and any integral multiple thereof

Mississippi Power Company, a Mississippi corporation (the “Company”, which term includes any successor corporation under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to ____________________, or registered assigns, the principal sum of __________________________DOLLARS ($__________) on the Stated Maturity shown above (or upon earlier redemption), and to pay interest thereon from the Original Issue Date shown above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually in arrears on each Interest Payment Date as specified above, commencing on September 15, 2024, and on the Stated Maturity (or upon earlier redemption) at the rate per annum shown above until the principal hereof is paid or made available for payment and at such rate on any overdue principal and on any overdue installment of interest. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date (other than an Interest Payment Date that is the Stated Maturity or on a Redemption Date) will, as provided in such Indenture, be paid to the Person in whose name this Note (the “Note”) is registered at the close of business on the Regular Record Date as specified above next preceding such Interest Payment Date, provided that any interest payable at the Stated Maturity or on any Redemption Date will be paid to the Person to whom principal is payable. Except as otherwise provided in the Indenture, any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Note is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee,

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notice whereof shall be given to Holders of Notes of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner, all as more fully provided in the Indenture.

Payments of interest on this Note will include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for this Note shall be computed and paid on the basis of a 360-day year of twelve 30-day months. In the event that any date on which interest is payable on this Note is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay), with the same force and effect as if made on the date the payment was originally payable, provided that if the Stated Maturity of the Series 2024B Notes is a date other than a Business Day, the payment otherwise due on such Stated Maturity shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day. A “Business Day” shall mean any day other than a Saturday or a Sunday or a day on which banks in New York City are authorized or obligated by law or executive order to remain closed or a day on which the Corporate Trust Office of the Trustee is closed for business.

Subject to Section 8.2 of the Note Purchase Agreement, dated as of March 27, 2024 (the “2024 Note Purchase Agreement”), among the Company and the purchasers identified in Schedule A thereto, payment of the principal of and interest due at the Stated Maturity or earlier redemption of the Series 2024B Notes shall be made upon surrender of the Series 2024B Notes at the Corporate Trust Office of the Trustee. The principal of and interest on the Series 2024B Notes shall be paid in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Subject to Section 8.2 of the 2024 Note Purchase Agreement, payment of interest (including interest on an Interest Payment Date) will be made, subject to such surrender where applicable, at the option of the Company, (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (ii) by wire transfer or other electronic transfer at such place and to such account at a banking institution in the United States as may be designated in writing to the Trustee at least 16 days prior to the date for payment by the Person entitled thereto.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated:

MISSISSIPPI POWER COMPANY

By:______________________________________
Title:

Attest:

Title:

{Seal of MISSISSIPPI POWER COMPANY appears here}

CERTIFICATE OF AUTHENTICATION

This is one of the Senior Notes referred to in the within-mentioned Indenture.

REGIONS BANK,
as Trustee

By:______________________________________
Authorized Signatory

(Reverse Side of Note)

This Note is one of a duly authorized issue of Senior Notes of the Company (the "Notes"), issued and issuable in one or more series under a Senior Note Indenture, dated as of June 1, 2023, as supplemented (the "Indenture"), between the Company and Regions Bank, as Trustee (the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures incidental thereto reference is hereby made for a statement of the respective rights, limitation of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Notes issued thereunder and of the terms upon which said Notes are, and are to be, authenticated and delivered. This Note is one of the series designated on the face hereof as Series 2024B 5.72% Senior Notes due March 15, 2036 (the "Series 2024B Notes") which is limited in aggregate principal amount to $50,000,000. Capitalized terms used herein for which no definition is provided herein shall have the meanings set forth in the Indenture.

The Series 2024B Notes were issued pursuant to the terms of that certain Note Purchase Agreement, dated as of March 27, 2024 (the "2024 Note Purchase Agreement"), among the Company and the purchasers identified in Schedule A thereto. Each Holder of this Note will be deemed, by its acceptance of hereof, to have made the representation set forth in Section 6.2 of the 2024 Note Purchase Agreement.

At any time prior to December 15, 2035 (the date that is three months prior to the Stated Maturity, which is referred to in this Series 2024B Note as the "Par Call Date"), the Company may, at its option, upon not less than 10 nor more than 60 days' notice, redeem at any time all, or from time to time any part of, the Series 2024B Notes at a redemption price equal to 100% of the principal amount so redeemed, together with accrued and unpaid interest on the principal amount so redeemed to, but not including, the date of redemption, *plus* the Make-Whole Amount (as defined in the Indenture) determined for the redemption date with respect to such principal amount. At any time on or after the Par Call Date, the Company may redeem the Series 2024B Notes, in whole or in part from time to time, at 100% of the principal amount so redeemed, together with accrued and unpaid interest on the principal amount so redeemed to, but not including, the redemption date.

The Trustee shall not be responsible for the calculation of the Redemption Price with respect to any redemption occurring prior to the Par Call Date. The Company shall calculate such Redemption Price and promptly notify the Trustee thereof.

In the event of redemption of this Note in part only, a new Note or Notes of this series for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the surrender hereof. The Series 2024B Notes will not have a sinking fund.

If an Event of Default with respect to the Notes of this series shall occur and be continuing, the principal of the Notes of this series may be declared due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Notes of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Notes at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Notes of each series at the time Outstanding, on behalf of the Holders of all Notes of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder

of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable in the Security Register, upon surrender of this Note for registration of transfer at the office or agency of the Company for such purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar and duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of this series, of authorized denominations and of like tenor and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Notes of this series are issuable only in registered form without coupons in denominations of $100,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Notes of this series are exchangeable for a like aggregate principal amount of Notes of this series of a different authorized denomination, as requested by the Holder surrendering the same upon surrender of the Note or Notes to be exchanged at the office or agency of the Company.

This Note shall be governed by, and construed in accordance with, the internal laws of the State of New York.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM- as tenants in common   UNIF GIFT MIN ACT- _______Custodian _________
(Cust) (Minor)
TEN ENT- as tenants by the entireties   under Uniform Gifts to
JT TEN- as joint tenants with right of survivorship and not as tenants in common   Minors Act
____
(State)

Additional abbreviations may also be used though not on the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s) and transfer(s) unto

please insert Social Security or other identifying number of assignee

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE OF ASSIGNEE the within Note and all rights thereunder, hereby irrevocably constituting and appointing

agent to transfer said Note on the books of the Company, with full power of substitution in the premises.

Dated:____

NOTICE: The signature to this assignment must correspond with the name as written upon the
face of the within instrument in every particular without alteration or enlargement, or any change whatever.

EXHIBIT B

CERTIFICATE OF AUTHENTICATION

This is one of the Senior Notes referred to in the within-mentioned Indenture.

REGIONS BANK,
as Trustee

By:_______________________________________
Authorized Signatory

Exhibit 31(a)1

THE SOUTHERN COMPANY

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Christopher C. Womack, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Southern Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those

entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023 May 1, 2024

/s/Christopher C. Womack

Christopher C. Womack
Chairman, President and
Chief Executive Officer

Exhibit 31(a)2

THE SOUTHERN COMPANY

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Daniel S. Tucker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Southern Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023 May 1, 2024

/s/Daniel S. Tucker
Daniel S. Tucker
Executive Vice President and Chief Financial Officer

Exhibit 31(b)1

ALABAMA POWER COMPANY

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, J. Jeffrey Peoples, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Alabama Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023 May 1, 2024

/s/J. Jeffrey Peoples
J. Jeffrey Peoples
Chairman, President and Chief Executive Officer

Exhibit 31(b)2

ALABAMA POWER COMPANY

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Moses H. Feagin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Alabama Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023 May 1, 2024

/s/Moses H. Feagin

Moses H. Feagin
Executive Vice President, Chief Financial Officer
and Treasurer

d} cipal Financial Officer)

Exhibit 31(c)1

GEORGIA POWER COMPANY

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Kimberly S. Greene, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Georgia Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023 May 1, 2024

/s/Kimberly S. Greene

Kimberly S. Greene

Chairman, President and Chief Executive Officer

100%">

Exhibit 31(c)2

GEORGIA POWER COMPANY

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Aaron P. Abramovitz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Georgia Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023 May 1, 2024

/s/Aaron P. Abramovitz

Aaron P. Abramovitz

Executive Vice President, Chief Financial Officer and Treasurer

Exhibit 31(d)1

MISSISSIPPI POWER COMPANY

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Anthony L. Wilson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mississippi Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023 May 1, 2024

/s/Anthony L. Wilson
Anthony L. Wilson
Chairman, President and
Chief Executive Officer

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d} cipal Financial Officer)

Exhibit 31(d)2

MISSISSIPPI POWER COMPANY

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Matthew P. Grice, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mississippi Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023 May 1, 2024

/s/Matthew P. Grice

Matthew P. Grice

Vice President, Treasurer and
Chief Financial Officer

tml> div style="bottom:0;;width:100%">

d} cipal Financial Officer)

Exhibit 31(e)1

SOUTHERN POWER COMPANY

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Christopher Cummiskey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Southern Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023 May 1, 2024

/s/Christopher Cummiskey

Christopher Cummiskey

Chairman and Chief Executive Officer

Exhibit 31(e)2

SOUTHERN POWER COMPANY

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Gary Kerr, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Southern Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023 May 1, 2024

/s/Gary Kerr

Gary Kerr

Senior Vice President, Chief
Financial Officer and Treasurer

Exhibit 31(f)1

SOUTHERN COMPANY GAS

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, James Y. Kerr II, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Southern Company Gas;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023 May 1, 2024

/s/James Y. Kerr II

James Y. Kerr II

Chairman, President and Chief Executive Officer

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Exhibit 31(f)2

SOUTHERN COMPANY GAS

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Grace A. Kolvereid, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Southern Company Gas;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023 May 1, 2024

/s/Grace A. Kolvereid

Grace A. Kolvereid

Executive Vice President, Chief Financial
Officer and Treasurer

ew Roman',sans-serif;font-size:12pt;font-weight:400;line-height:100%"> Executive Officer

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Exhibit 32(a)

CERTIFICATION

18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report on Form 10-Q of The Southern Company for the quarter ended September 30, 2023 March 31, 2024, we, the undersigned, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of our individual knowledge and belief, that:

(1) such Quarterly Report on Form 10-Q of The Southern Company for the quarter ended September 30, 2023 March 31, 2024, which this statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in such Quarterly Report on Form 10-Q of The Southern Company for the quarter ended September 30, 2023 March 31, 2024, fairly presents, in all material respects, the financial condition and results of operations of The Southern Company.

/s/Christopher C. Womack

Christopher C. Womack

Chairman, President and
Chief Executive Officer

/s/Daniel S. Tucker

Daniel S. Tucker

Executive Vice President and
Chief Financial Officer

November May 1, 2023 2024

Exhibit 32(b)

CERTIFICATION

18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report on Form 10-Q of Alabama Power Company for the quarter ended September 30, 2023 March 31, 2024, we, the undersigned, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of our individual knowledge and belief, that:

(1) such Quarterly Report on Form 10-Q of Alabama Power Company for the quarter ended September 30, 2023 March 31, 2024, which this statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in such Quarterly Report on Form 10-Q of Alabama Power Company for the quarter ended September 30, 2023 March 31, 2024, fairly presents, in all material respects, the financial condition and results of operations of Alabama Power Company.

/s/J. Jeffrey Peoples

J. Jeffrey Peoples

Chairman, President and Chief Executive Officer

/s/Moses H. Feagin

Moses H. Feagin

Executive Vice President,
Chief Financial Officer and Treasurer

November May 1, 2023 2024

Exhibit 32(c)

CERTIFICATION

18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report on Form 10-Q of Georgia Power Company for the quarter ended September 30, 2023 March 31, 2024, we, the undersigned, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of our individual knowledge and belief, that:

(1) such Quarterly Report on Form 10-Q of Georgia Power Company for the quarter ended September 30, 2023 March 31, 2024, which this statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in such Quarterly Report on Form 10-Q of Georgia Power Company for the quarter ended September 30, 2023 March 31, 2024, fairly presents, in all material respects, the financial condition and results of operations of Georgia Power Company.

/s/Kimberly S. Greene

Kimberly S. Greene
Chairman, President and Chief Executive Officer

/s/Aaron P. Abramovitz

Aaron P. Abramovitz
Executive Vice President, Chief Financial Officer and Treasurer

November May 1, 2023 2024

Exhibit 32(d)

CERTIFICATION

18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report on Form 10-Q of Mississippi Power Company for the quarter ended September 30, 2023 March 31, 2024, we, the undersigned, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of our individual knowledge and belief, that:

(1) such Quarterly Report on Form 10-Q of Mississippi Power Company for the quarter ended September 30, 2023 March 31, 2024, which this statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in such Quarterly Report on Form 10-Q of Mississippi Power Company for the quarter ended September 30, 2023 March 31, 2024, fairly presents, in all material respects, the financial condition and results of operations of Mississippi Power Company.

/s/Anthony L. Wilson

Anthony L. Wilson

Chairman, President and Chief Executive Officer

/s/Matthew P. Grice

Matthew P. Grice

Vice President, Treasurer and
Chief Financial Officer

November May 1, 2023 2024

Exhibit 32(e)

CERTIFICATION

18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report on Form 10-Q of Southern Power Company for the quarter ended September 30, 2023 March 31, 2024, we, the undersigned, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of our individual knowledge and belief, that:

(1) such Quarterly Report on Form 10-Q of Southern Power Company for the quarter ended September 30, 2023 March 31, 2024, which this statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in such Quarterly Report on Form 10-Q of Southern Power Company for the quarter ended September 30, 2023 March 31, 2024, fairly presents, in all material respects, the financial condition and results of operations of Southern Power Company.

/s/Christopher Cummiskey

Christopher Cummiskey

Chairman and Chief Executive Officer

/s/Gary Kerr

Gary Kerr

Senior Vice President, Chief Financial
Officer and Treasurer

November May 1, 2023 2024

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Exhibit 32(f)

CERTIFICATION

18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report on Form 10-Q of Southern Company Gas for the quarter ended September 30, 2023 March 31, 2024, we, the undersigned, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of our individual knowledge and belief, that:

(1) such Quarterly Report on Form 10-Q of Southern Company Gas for the quarter ended September 30, 2023 March 31, 2024, which this statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in such Quarterly Report on Form 10-Q of Southern Company Gas for the quarter ended September 30, 2023 March 31, 2024, fairly presents, in all material respects, the financial condition and results of operations of Southern Company Gas.

/s/James Y. Kerr II
James Y. Kerr II
Chairman, President and Chief Executive Officer

/s/Grace A. Kolvereid
Grace A. Kolvereid
Executive Vice President, Chief Financial
Officer and Treasurer

November May 1, 2023 2024

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.