

**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, 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	<b>The Southern Company</b> (A Delaware Corporation) 30 Ivan Allen Jr. Boulevard, N.W. Atlanta, Georgia 30308 (404) 506-5000	58-0690070
1-3164	<b>Alabama Power Company</b> (An Alabama Corporation) 600 North 18th Street Birmingham, Alabama 35203 (205) 257-1000	63-0004250
1-6468	<b>Georgia Power Company</b> (A Georgia Corporation) 241 Ralph McGill Boulevard, N.E. Atlanta, Georgia 30308 (404) 506-6526	58-0257110
001-11229	<b>Mississippi Power Company</b> (A Mississippi Corporation) 2992 West Beach Boulevard Gulfport, Mississippi 39501 (228) 864-1211	64-0205820
001-37803	<b>Southern Power Company</b> (A Delaware Corporation) 30 Ivan Allen Jr. Boulevard, N.W. Atlanta, Georgia 30308 (404) 506-5000	58-2598670
1-14174	<b>Southern Company Gas</b> (A Georgia Corporation) Ten Peachtree Place, N.E. Atlanta, Georgia 30309 (404) 584-4000	58-2210952

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  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  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  (Response applicable to all registrants.)

Registrant	Description of Common Stock	Shares Outstanding at September 30, 2024
The Southern Company	Par Value \$5 Per Share	1,095,684,180
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

<u>Term</u>	<u>Meaning</u>
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
ARO	Asset retirement obligation
Atlanta Gas Light	Atlanta Gas Light Company, a wholly-owned subsidiary of Southern Company Gas
CCN	Certificate of convenience and necessity
CCR	Coal combustion residuals
Chattanooga Gas	Chattanooga Gas Company, a wholly-owned subsidiary of Southern Company Gas
CO <sub>2</sub>	Carbon dioxide
COD	Commercial operation date
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
ECO Plan	Mississippi Power's environmental compliance overview plan
ELG	Effluent limitations guidelines
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, 2023, as applicable
GAAP	U.S. generally accepted accounting principles
Georgia Power	Georgia Power Company
GHG	Greenhouse gas
GRAM	Atlanta Gas Light's Georgia Rate Adjustment Mechanism
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
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
Illinois Commission	Illinois Commerce Commission

**DEFINITIONS  
(continued)**

<u>Term</u>	<u>Meaning</u>
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	Stipulation 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
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.
SAVE	Steps to Advance Virginia's Energy, an infrastructure replacement program at Virginia Natural Gas
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

**DEFINITIONS  
(continued)**

<b>Term</b>	<b>Meaning</b>
Southern Company	The Southern Company
Southern Company Gas	Southern Company Gas and its subsidiaries
Southern Company Gas Capital	Southern Company Gas Capital Corporation, a 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 Linc	Southern Communications Services, Inc., a wholly-owned subsidiary of Southern Company, doing business as Southern Linc
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 Commission	Virginia State Corporation Commission
Virginia Natural Gas	Virginia Natural Gas, Inc., a wholly-owned subsidiary of Southern Company Gas
Vogtle Owners	Georgia Power, OPC, MEAG Power, and Dalton
WACOG	Weighted average cost of gas
Westinghouse	Westinghouse Electric Company LLC

**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 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, completion of announced acquisitions, 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 due to 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; challenges related to 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 interest rates or as a result of project delays;
- legal proceedings and regulatory approvals and actions related to past, ongoing, and proposed construction projects, including PSC approvals and FERC and NRC actions;
- the ability to construct facilities in accordance with the requirements of permits and licenses, to satisfy any environmental performance standards and the requirements of tax credits and other incentives, and to integrate facilities into the Southern Company system upon completion of construction;
- investment performance of the 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 and battery energy storage 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 nuclear generating facilities;

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION****(continued)**

- the inherent risks involved in generation, transmission, and distribution of electricity and transportation and storage of natural 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, tariffs, 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 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.**

**PART I****Item 1. Financial Statements (Unaudited).**

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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,	
	2024	2023	2024	2023
	(in millions)		(in millions)	
<b>Operating Revenues:</b>				
Retail electric revenues	\$ 5,366	\$ 5,139	\$ 13,793	\$ 12,597
Wholesale electric revenues	721	727	1,919	1,930
Other electric revenues	222	203	631	602
Natural gas revenues (includes alternative revenue programs of \$ 1 , \$ — , \$ 46 , and \$ 11 , respectively)	682	689	3,220	3,417
Other revenues	283	222	820	662
<b>Total operating revenues</b>	<b>7,274</b>	<b>6,980</b>	<b>20,383</b>	<b>19,208</b>
<b>Operating Expenses:</b>				
Fuel	1,146	1,367	3,174	3,376
Purchased power	249	207	669	680
Cost of natural gas	98	102	852	1,199
Cost of other sales	166	126	464	381
Other operations and maintenance	1,662	1,424	4,543	4,352
Depreciation and amortization	1,210	1,143	3,537	3,365
Taxes other than income taxes	375	341	1,155	1,076
Estimated loss on Plant Vogtle Units 3 and 4	—	160	( 21 )	160
<b>Total operating expenses</b>	<b>4,906</b>	<b>4,870</b>	<b>14,373</b>	<b>14,589</b>
<b>Operating Income</b>	<b>2,368</b>	2,110	6,010	4,619
<b>Other Income and (Expense):</b>				
Allowance for equity funds used during construction	58	66	167	200
Earnings from equity method investments	31	32	107	110
Interest expense, net of amounts capitalized	( 692 )	( 620 )	( 2,050 )	( 1,812 )
Other income (expense), net	147	141	450	428
Total other income and (expense)	( 456 )	( 381 )	( 1,326 )	( 1,074 )
<b>Earnings Before Income Taxes</b>	<b>1,912</b>	1,729	4,684	3,545
Income taxes	377	297	890	492
<b>Consolidated Net Income</b>	<b>1,535</b>	1,432	3,794	3,053
Net income (loss) attributable to noncontrolling interests	—	10	( 73 )	( 68 )
<b>Consolidated Net Income Attributable to Southern Company</b>	<b>\$ 1,535</b>	<b>\$ 1,422</b>	<b>\$ 3,867</b>	<b>\$ 3,121</b>
<b>Common Stock Data:</b>				
Earnings per share -				
Basic	\$ 1.40	\$ 1.30	\$ 3.53	\$ 2.86
Diluted	\$ 1.39	\$ 1.29	\$ 3.51	\$ 2.84
Average number of shares of common stock outstanding (in millions)				
Basic	1,097	1,092	1,096	1,092
Diluted	1,103	1,099	1,102	1,098

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

**THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
	(in millions)		(in millions)	
<b>Consolidated Net Income</b>	<b>\$ 1,535</b>	\$ 1,432	<b>\$ 3,794</b>	\$ 3,053
Other comprehensive income (loss):				
Qualifying hedges:				
Changes in fair value, net of tax of \$( 1 ), \$ 3 , \$( 2 ), and \$( 11 ), respectively	( 2 )	2	( 5 )	( 34 )
Reclassification adjustment for amounts included in net income, net of tax of \$( 2 ), \$ 12 , \$ 14 , and \$ 25 , respectively	( 8 )	36	39	70
Pension and other postretirement benefit plans:				
Benefit plan net gain (loss), net of tax of \$ — , \$ — , \$ 1 , and \$ — , respectively	—	—	3	—
Reclassification adjustment for amounts included in net income, net of tax of \$ — , \$ — , \$ — , and \$ — , respectively	1	—	1	1
Total other comprehensive income (loss)	( 9 )	38	38	37
<b>Comprehensive Income</b>	<b>1,526</b>	1,470	<b>3,832</b>	3,090
Comprehensive income (loss) attributable to noncontrolling interests	—	10	( 73 )	( 68 )
<b>Consolidated Comprehensive Income Attributable to</b>				
<b>Southern Company</b>	<b>\$ 1,526</b>	\$ 1,460	<b>\$ 3,905</b>	\$ 3,158

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

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

For the Nine Months Ended  
September 30,

	<b>2024</b>	<b>2023</b>
	<i>(in millions)</i>	
<b>Operating Activities:</b>		
Consolidated net income	\$ 3,794	\$ 3,053
Adjustments to reconcile consolidated net income to net cash provided from operating activities —		
Depreciation and amortization, total	3,916	3,699
Deferred income taxes	520	(52)
Utilization of federal tax credit carryforward	87	195
Allowance for equity funds used during construction	(167)	(200)
Pension, postretirement, and other employee benefits	(391)	(397)
Settlement of asset retirement obligations	(405)	(444)
Stock based compensation expense	120	119
Estimated loss on Plant Vogtle Units 3 and 4	(21)	160
Retail fuel cost under recovery – long-term	—	(157)
Other, net	(100)	(26)
Changes in certain current assets and liabilities —		
- Receivables	(233)	524
- Retail fuel cost under recovery	843	513
- Fossil fuel for generation	143	(254)
- Materials and supplies	(195)	(271)
- Natural gas cost under recovery	—	108
- Other current assets	(181)	(32)
- Accounts payable	(161)	(1,031)
- Accrued taxes	179	376
- Accrued compensation	(90)	(197)
- Customer refunds	(28)	(177)
- Natural gas cost over recovery	12	165
- Other current liabilities	(27)	66
Net cash provided from operating activities	7,615	5,740
<b>Investing Activities:</b>		
Property additions	(6,206)	(6,561)
Nuclear decommissioning trust fund purchases	(1,070)	(885)
Nuclear decommissioning trust fund sales	1,070	879
Proceeds from dispositions	370	165
Cost of removal, net of salvage	(444)	(421)
Change in construction payables, net	(119)	241
Other investing activities	(279)	(139)
Net cash used for investing activities	(6,678)	(6,721)
<b>Financing Activities:</b>		
Decrease in notes payable, net	(1,264)	(298)
Proceeds —		
Long-term debt	5,321	7,812
Short-term borrowings	700	250
Common stock	112	26
Redemptions and repurchases —		
Long-term debt	(2,167)	(3,567)
Short-term borrowings	(1,020)	(850)
Distributions to noncontrolling interests	(108)	(148)
Payment of common stock dividends	(2,220)	(2,271)
Other financing activities	(157)	(120)
Net cash provided from (used for) financing activities	(803)	834

Net Change in Cash, Cash Equivalents, and Restricted Cash	134	(141)
<b>Cash, Cash Equivalents, and Restricted Cash at Beginning of Period</b>	<b>921</b>	<b>2,037</b>
<b>Cash, Cash Equivalents, and Restricted Cash at End of Period</b>	<b>\$ 1,055</b>	<b>\$ 1,890</b>
<b>Supplemental Cash Flow Information:</b>		
Cash paid during the period for —		
Interest (net of \$ 76 and \$ 97 capitalized for 2024 and 2023, respectively)	\$ 2,015	\$ 1,694
Income taxes, net	131	11
Noncash transactions —		
Accrued property additions at end of period	937	1,224
Right-of-use assets obtained under operating leases	126	76
Right-of-use assets obtained under finance leases	1	3
Reassessment of right-of-use assets under operating leases	(7)	—
Issuance of common stock under dividend reinvestment plan	123	—

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

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

	At September 30, 2024	At December 31, 2023
	(in millions)	(in millions)
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,018	\$ 748
Receivables —		
Customer accounts	2,327	2,030
Unbilled revenues	556	786
Under recovered fuel clause revenues	689	696
Other accounts and notes	909	519
Accumulated provision for uncollectible accounts	( 64 )	( 68 )
Materials and supplies	2,169	1,989
Fossil fuel for generation	799	943
Natural gas for sale	417	420
Prepaid expenses	391	406
Regulatory assets – asset retirement obligations	390	274
Other regulatory assets	877	1,120
Other current assets	562	569
Total current assets	<u>11,040</u>	<u>10,432</u>
<b>Property, Plant, and Equipment:</b>		
In service	134,889	128,428
Less: Accumulated depreciation	<u>39,536</u>	<u>37,725</u>
Plant in service, net of depreciation	95,353	90,703
Other utility plant, net	426	499
Nuclear fuel, at amortized cost	886	858
Construction work in progress	<u>6,232</u>	<u>7,784</u>
Total property, plant, and equipment	<u>102,897</u>	<u>99,844</u>
<b>Other Property and Investments:</b>		
Goodwill	5,161	5,161
Nuclear decommissioning trusts, at fair value	2,650	2,424
Equity investments in unconsolidated subsidiaries	1,414	1,368
Other intangible assets, net of amortization of \$ 403 and \$ 376 , respectively	341	368
Miscellaneous property and investments	<u>657</u>	<u>665</u>
Total other property and investments	<u>10,223</u>	<u>9,986</u>
<b>Deferred Charges and Other Assets:</b>		
Operating lease right-of-use assets, net of amortization	1,415	1,432
Deferred charges related to income taxes	874	886
Prepaid pension costs	2,375	2,079
Unamortized loss on reacquired debt	208	220
Deferred under recovered fuel clause revenues	632	1,261
Regulatory assets – asset retirement obligations, deferred	5,277	5,459
Other regulatory assets, deferred	7,531	6,264
Other deferred charges and assets	<u>1,484</u>	<u>1,468</u>
Total deferred charges and other assets	<u>19,796</u>	<u>19,069</u>
<b>Total Assets</b>	<b>\$ 143,956</b>	<b>\$ 139,331</b>

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

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

	At September 30, 2024	At December 31, 2023
	(in millions)	
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities:</b>		
Securities due within one year	\$ 1,642	\$ 2,476
Notes payable	722	2,314
Accounts payable	3,950	2,898
Customer deposits	491	503
Accrued taxes —		
Accrued income taxes	37	8
Other accrued taxes	985	860
Accrued interest	570	652
Accrued compensation	1,065	1,151
Asset retirement obligations	763	744
Liabilities from risk management activities, net of collateral	199	294
Operating lease obligations	197	183
Natural gas cost over recovery	226	214
Other regulatory liabilities	214	141
Other current liabilities	1,104	1,029
<b>Total current liabilities</b>	12,165	13,467
<b>Long-term Debt</b>	61,254	57,210
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes	11,727	10,990
Deferred credits related to income taxes	4,587	4,674
Accumulated deferred ITCs	2,003	2,067
Employee benefit obligations	1,064	1,115
Operating lease obligations, deferred	1,267	1,307
Asset retirement obligations, deferred	9,178	9,573
Other cost of removal obligations	2,006	1,957
Other regulatory liabilities, deferred	725	715
Other deferred credits and liabilities	1,075	1,031
<b>Total deferred credits and other liabilities</b>	33,632	33,429
<b>Total Liabilities</b>	107,051	104,106
<b>Total Stockholders' Equity (See accompanying statements)</b>	36,905	35,225
<b>Total Liabilities and Stockholders' Equity</b>	\$ 143,956	\$ 139,331

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

**SOUTHERN COMPANY AND SUBSIDIARY COMPANIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)**

**Southern Company Common Stockholders' Equity**

	Number of Common Shares						Common Stock			Accumulated Other Comprehensive			Noncontrolling Interests	Total					
	Issued	Treasury	Par Value	Paid-In Capital		Treasury	Retained Earnings	Income (Loss)											
(in millions)																			
<b>Balance at December 31, 2022</b>	1,090	( 1 )	\$ 5,417	\$ 13,673	\$ ( 53 )	\$ 11,538	\$ ( 167 )	\$ 4,124	\$ 34,532										
Consolidated net income (loss)	—	—	—	—	—	862	—	( 63 )	799										
Other comprehensive income (loss)	—	—	—	—	—	—	( 44 )	—	( 44 )										
Stock issued	2	—	4	11	—	—	—	—	15										
Stock-based compensation	—	—	—	29	—	—	—	—	29										
Cash dividends of \$ 0.68 per share	—	—	—	—	—	( 742 )	—	—	( 742 )										
Capital contributions from noncontrolling interests	—	—	—	—	—	—	—	21	21										
Distributions to noncontrolling interests	—	—	—	—	—	—	—	( 48 )	( 48 )										
Other	—	—	—	2	( 2 )	—	—	—	—										
<b>Balance at March 31, 2023</b>	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	—	—	—	2	( 1 )	—	—	( 1 )	—										
<b>Balance at June 30, 2023</b>	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 )										
<b>Balance at September 30, 2023</b>	1,092	( 1 )	\$ 5,422	\$ 13,751	\$ ( 57 )	\$ 12,391	\$ ( 130 )	\$ 3,927	\$ 35,304										



**SOUTHERN COMPANY AND SUBSIDIARY COMPANIES**  
 CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)

**Southern Company Common Stockholders' Equity**

	Number of Common Shares						Common Stock			Accumulated Other Comprehensive			Noncontrolling Interests	Total					
	Issued	Treasury	Par Value	Paid-In Capital		Treasury	Retained Earnings	Income (Loss)											
				Capital	Treasury														
(in millions)																			
<b>Balance at December 31, 2023</b>	1,092	( 1 )	\$ 5,423	\$ 13,775	\$ ( 59 )	\$ 12,482	\$ ( 177 )	\$ 3,781	\$ 35,225										
Consolidated net income (loss)	—	—	—	—	—	1,129	—	—	( 58 )	1,071									
Other comprehensive income	—	—	—	—	—	—	37	—	—	37									
Stock issued	3	—	8	53	—	—	—	—	—	61									
Stock-based compensation	—	—	—	8	—	—	—	—	—	8									
Dividends of \$ 0.70 per share	—	—	—	—	—	( 766 )	—	—	—	( 766 )									
Capital contributions from noncontrolling interests	—	—	—	—	—	—	—	—	9	9									
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	( 38 )	( 38 )									
Other	—	—	—	10	( 2 )	( 1 )	—	—	—	7									
<b>Balance at March 31, 2024</b>	1,095	( 1 )	5,431	13,846	( 61 )	12,844	( 140 )	3,694	35,614										
Consolidated net income (loss)	—	—	—	—	—	1,203	—	—	( 15 )	1,188									
Other comprehensive income	—	—	—	—	—	—	10	—	—	10									
Stock issued	1	—	5	85	—	—	—	—	—	90									
Stock-based compensation	—	—	—	13	—	—	—	—	—	13									
Dividends of \$ 0.72 per share	—	—	—	—	—	( 788 )	—	—	—	( 788 )									
Capital contributions from noncontrolling interests	—	—	—	—	—	—	—	—	2	2									
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	( 19 )	( 19 )									
Other	—	—	—	3	( 2 )	—	—	—	—	1									
<b>Balance at June 30, 2024</b>	1,096	( 1 )	5,436	13,947	( 63 )	13,259	( 130 )	3,662	36,111										
Consolidated net income	—	—	—	—	—	1,535	—	—	—	1,535									
Other comprehensive income (loss)	—	—	—	—	—	—	( 9 )	—	—	( 9 )									
Stock issued	1	—	5	79	—	—	—	—	—	84									
Stock-based compensation	—	—	—	24	—	—	—	—	—	24									
Dividends of \$ 0.72 per share	—	—	—	—	—	( 789 )	—	—	—	( 789 )									
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	( 55 )	( 55 )									
Other	—	—	—	( 2 )	6	—	—	—	—	4									
<b>Balance at September 30, 2024</b>	1,097	( 1 )	\$ 5,441	\$ 14,048	\$ ( 57 )	\$ 14,005	\$ ( 139 )	\$ 3,607	\$ 36,905										

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

**ALABAMA POWER COMPANY**  
CONDENSED STATEMENTS OF INCOME (UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions)		(in millions)	
<b>Operating Revenues:</b>				
Retail revenues	\$ 1,904	\$ 1,860	\$ 5,117	\$ 4,708
Wholesale revenues, non-affiliates	89	106	259	358
Wholesale revenues, affiliates	34	14	103	43
Other revenues	111	103	324	311
Total operating revenues	<b>2,138</b>	2,083	<b>5,803</b>	5,420
<b>Operating Expenses:</b>				
Fuel	384	402	1,050	1,013
Purchased power, non-affiliates	49	42	148	197
Purchased power, affiliates	48	80	134	193
Other operations and maintenance	493	411	1,335	1,275
Depreciation and amortization	366	351	1,091	1,045
Taxes other than income taxes	108	110	347	333
Total operating expenses	<b>1,448</b>	1,396	<b>4,105</b>	4,056
<b>Operating Income</b>	<b>690</b>	687	<b>1,698</b>	1,364
<b>Other Income and (Expense):</b>				
Allowance for equity funds used during construction	15	23	40	65
Interest expense, net of amounts capitalized	( 113 )	( 104 )	( 337 )	( 311 )
Other income (expense), net	36	38	116	117
Total other income and (expense)	<b>( 62 )</b>	( 43 )	<b>( 181 )</b>	( 129 )
<b>Earnings Before Income Taxes</b>	<b>628</b>	644	<b>1,517</b>	1,235
Income taxes	135	79	322	103
<b>Net Income</b>	<b>\$ 493</b>	\$ 565	<b>\$ 1,195</b>	\$ 1,132

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions)		(in millions)	
<b>Net Income</b>				
Net Income	\$ 493	\$ 565	\$ 1,195	\$ 1,132
Other comprehensive income:				
Qualifying hedges:				
Changes in fair value, net of tax of \$ —, \$ —, \$ —, and \$ —, respectively	—	—	—	1
Reclassification adjustment for amounts included in net income, net of tax of \$ —, \$ —, \$ 1, and \$ —, respectively	—	1	1	1
<b>Total other comprehensive income</b>	<b>—</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>Comprehensive Income</b>	<b>\$ 493</b>	<b>\$ 566</b>	<b>\$ 1,196</b>	<b>\$ 1,134</b>

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,

2024 2023

(in millions)

**Operating Activities:**

Net income	\$ 1,195	\$ 1,132
Adjustments to reconcile net income to net cash provided from operating activities —		
Depreciation and amortization, total	1,201	1,158
Deferred income taxes	(79)	(210)
Pension, postretirement, and other employee benefits	(151)	(148)
Settlement of asset retirement obligations	(184)	(188)
Other, net	24	(22)
Changes in certain current assets and liabilities —		
-Receivables	(115)	(108)
-Fossil fuel stock	46	(113)
-Prepayments	(44)	(30)
-Retail fuel cost under recovery	236	334
-Other current assets	(32)	(93)
-Accounts payable	(304)	(358)
-Accrued taxes	235	271
-Accrued compensation	(26)	(46)
-Other current liabilities	(19)	(57)
Net cash provided from operating activities	1,983	1,522

**Investing Activities:**

Property additions	(1,279)	(1,377)
Nuclear decommissioning trust fund purchases	(448)	(226)
Nuclear decommissioning trust fund sales	448	226
Cost of removal, net of salvage	(123)	(128)
Change in construction payables, net of joint owner portion	(32)	(68)
Other investing activities	(26)	27
Net cash used for investing activities	(1,460)	(1,546)

**Financing Activities:**

Increase in notes payable, net	(40)	—
Proceeds —		
Senior notes	—	200
Revenue bonds	—	326
Short-term borrowings	50	—
Other long-term debt	6	28
Redemptions —		
Revenue bonds	(21)	—
Short-term borrowings	(50)	—
Capital contributions from parent company	488	380
Payment of common stock dividends	(886)	(856)
Other financing activities	(3)	(12)
Net cash provided from (used for) financing activities	(456)	66

**Net Change in Cash, Cash Equivalents, and Restricted Cash**

<b>Cash, Cash Equivalents, and Restricted Cash at Beginning of Period</b>	<b>409</b>	<b>687</b>
<b>Cash, Cash Equivalents, and Restricted Cash at End of Period</b>	<b>\$ 476</b>	<b>\$ 729</b>

**Supplemental Cash Flow Information:**

Cash paid during the period for —		
Interest (net of \$ 13 and \$ 21 capitalized for 2024 and 2023, respectively)	\$ 356	\$ 329
Income taxes, net	288	152
Noncash transactions —		
Accrued property additions at end of period	106	114
Right-of-use assets obtained under operating leases	11	28
Right-of-use assets obtained under finance leases	—	3

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

**ALABAMA POWER COMPANY**  
CONDENSED BALANCE SHEETS (UNAUDITED)

	At September 30, 2024	At December 31, 2023
	(in millions)	
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 476	\$ 324
Receivables —		
Customer accounts	627	513
Unbilled revenues	184	191
Affiliated	85	72
Other accounts and notes	207	109
Accumulated provision for uncollectible accounts	( 22 )	( 16 )
Fossil fuel stock	348	394
Materials and supplies	699	655
Prepaid expenses	100	62
Regulatory assets – under recovered retail fuel clause revenues	10	246
Other regulatory assets	351	385
Other current assets	77	142
Total current assets	3,142	3,077
<b>Property, Plant, and Equipment:</b>		
In service	36,112	35,429
Less: Accumulated provision for depreciation	11,522	11,131
Plant in service, net of depreciation	24,590	24,298
Other utility plant, net	426	499
Nuclear fuel, at amortized cost	250	253
Construction work in progress	1,210	1,095
Total property, plant, and equipment	26,476	26,145
<b>Other Property and Investments:</b>		
Nuclear decommissioning trusts, at fair value	1,399	1,261
Equity investments in unconsolidated subsidiaries	49	52
Miscellaneous property and investments	127	155
Total other property and investments	1,575	1,468
<b>Deferred Charges and Other Assets:</b>		
Operating lease right-of-use assets, net of amortization	87	87
Deferred charges related to income taxes	261	262
Prepaid pension and other postretirement benefit costs	757	659
Regulatory assets – asset retirement obligations	1,742	1,810
Other regulatory assets, deferred	1,834	1,858
Other deferred charges and assets	466	414
Total deferred charges and other assets	5,147	5,090
<b>Total Assets</b>	<b>\$ 36,340</b>	<b>\$ 35,780</b>

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

**ALABAMA POWER COMPANY**  
CONDENSED BALANCE SHEETS (UNAUDITED)

	At September 30, 2024	At December 31, 2023
	(in millions)	
<b>Liabilities and Stockholder's Equity</b>		
	\$	\$
<b>Current Liabilities:</b>		
Securities due within one year	655	223
Notes payable	—	40
Accounts payable —		
Affiliated	267	330
Other	373	630
Customer deposits	111	105
Accrued taxes	279	51
Accrued interest	88	122
Accrued compensation	210	222
Asset retirement obligations	360	346
Other regulatory liabilities	131	44
Other current liabilities	192	191
Total current liabilities	2,666	2,304
<b>Long-term Debt</b>	10,517	10,960
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes	4,183	4,170
Deferred credits related to income taxes	1,413	1,506
Accumulated deferred ITCs	70	74
Employee benefit obligations	152	155
Operating lease obligations	79	81
Asset retirement obligations, deferred	3,730	3,812
Other regulatory liabilities, deferred	267	291
Other deferred credits and liabilities	128	94
Total deferred credits and other liabilities	10,022	10,183
<b>Total Liabilities</b>	23,205	23,447
<b>Common Stockholder's Equity (See accompanying statements)</b>	13,135	12,333
<b>Total Liabilities and Stockholder's Equity</b>	\$ 36,340	\$ 35,780

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

**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)						
<b>Balance at December 31, 2022</b>	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)
<b>Balance at March 31, 2023</b>	31	1,222	7,040	3,734	(9)	11,987
Net income	—	—	—	312	—	312
Capital contributions from parent company	—	—	29	—	—	29
Cash dividends on common stock	—	—	—	(286)	—	(286)
<b>Balance at June 30, 2023</b>	31	1,222	7,069	3,760	(9)	12,042
Net income	—	—	—	565	—	565
Capital contributions from parent company	—	—	28	—	—	28
Other comprehensive income	—	—	—	—	1	1
Cash dividends on common stock	—	—	—	(285)	—	(285)
<b>Balance at September 30, 2023</b>	31	\$ 1,222	\$ 7,097	\$ 4,040	\$ (8)	\$ 12,351
<hr/>						
<b>Balance at December 31, 2023</b>	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)
<b>Balance at March 31, 2024</b>	31	1,222	7,552	4,030	(7)	12,797
Net income	—	—	—	369	—	369
Capital contributions from parent company	—	—	50	—	—	50
Other comprehensive income	—	—	—	—	1	1
Cash dividends on common stock	—	—	—	(296)	—	(296)
<b>Balance at June 30, 2024</b>	31	1,222	7,602	4,103	(6)	12,921
Net income	—	—	—	493	—	493
Capital contributions from parent company	—	—	16	—	—	16
Cash dividends on common stock	—	—	—	(295)	—	(295)
<b>Balance at September 30, 2024</b>	31	\$ 1,222	\$ 7,618	\$ 4,301	\$ (6)	\$ 13,135

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

**GEORGIA POWER COMPANY**  
CONDENSED STATEMENTS OF INCOME (UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions)		(in millions)	
<b>Operating Revenues:</b>				
Retail revenues	\$ 3,185	\$ 2,996	\$ 7,937	\$ 7,142
Wholesale revenues	78	69	198	147
Other revenues	209	172	610	516
Total operating revenues	<u>3,472</u>	<u>3,237</u>	<u>8,745</u>	<u>7,805</u>
<b>Operating Expenses:</b>				
Fuel	451	576	1,281	1,392
Purchased power, non-affiliates	174	131	466	397
Purchased power, affiliates	204	221	567	579
Other operations and maintenance	613	512	1,586	1,505
Depreciation and amortization	462	429	1,334	1,248
Taxes other than income taxes	177	144	488	406
Estimated loss on Plant Vogtle Units 3 and 4	—	160	( 21 )	160
Total operating expenses	<u>2,081</u>	<u>2,173</u>	<u>5,701</u>	<u>5,687</u>
<b>Operating Income</b>	<b>1,391</b>	<b>1,064</b>	<b>3,044</b>	<b>2,118</b>
<b>Other Income and (Expense):</b>				
Allowance for equity funds used during construction	37	37	108	121
Interest expense, net of amounts capitalized	( 184 )	( 166 )	( 543 )	( 472 )
Other income (expense), net	52	45	156	125
Total other income and (expense)	<u>( 95 )</u>	<u>( 84 )</u>	<u>( 279 )</u>	<u>( 226 )</u>
<b>Earnings Before Income Taxes</b>	<b>1,296</b>	<b>980</b>	<b>2,765</b>	<b>1,892</b>
Income taxes	246	200	516	345
<b>Net Income</b>	<b>\$ 1,050</b>	<b>\$ 780</b>	<b>\$ 2,249</b>	<b>\$ 1,547</b>

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions)		(in millions)	
<b>Net Income</b>				
Net Income	\$ 1,050	\$ 780	\$ 2,249	\$ 1,547
Other comprehensive income:				
Qualifying hedges:				
Changes in fair value, net of tax of \$ — , \$ — , \$ 4 , and \$( 1 ), respectively	—	—	13	( 1 )
Reclassification adjustment for amounts included in net income, net of tax of \$ — , \$ — , \$ 1 , and \$ 1 , respectively	1	1	3	3
<b>Total other comprehensive income</b>	<b>1</b>	<b>1</b>	<b>16</b>	<b>2</b>
<b>Comprehensive Income</b>	<b>\$ 1,051</b>	<b>\$ 781</b>	<b>\$ 2,265</b>	<b>\$ 1,549</b>

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

**GEORGIA POWER COMPANY**  
**CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)**

	For the Nine Months Ended September 30,	
	2024	2023
	(in millions)	
<b>Operating Activities:</b>		
Net income	\$ 2,249	\$ 1,547
Adjustments to reconcile net income to net cash provided from operating activities —		
Depreciation and amortization, total	1,566	1,411
Deferred income taxes	396	102
Allowance for equity funds used during construction	( 108)	( 121)
Pension, postretirement, and other employee benefits	( 197)	( 207)
Settlement of asset retirement obligations	( 191)	( 228)
Retail fuel cost under recovery – long-term	—	( 157)
Estimated loss on Plant Vogtle Units 3 and 4	( 21)	160
Other, net	( 141)	12
Changes in certain current assets and liabilities —		
- Receivables	( 499)	( 311)
- Retail fuel cost under recovery	590	204
- Fossil fuel stock	110	( 138)
- Materials and supplies	( 83)	( 135)
- Other current assets	( 163)	( 41)
- Accounts payable	113	( 142)
- Accrued taxes	24	118
- Customer refunds	( 5)	( 121)
- Other current liabilities	41	16
Net cash provided from operating activities	<u>3,681</u>	<u>1,969</u>
<b>Investing Activities:</b>		
Property additions	( 3,403)	( 3,501)
Nuclear decommissioning trust fund purchases	( 623)	( 659)
Nuclear decommissioning trust fund sales	622	654
Cost of removal, net of salvage	( 225)	( 191)
Change in construction payables, net of joint owner portion	( 92)	338
Proceeds from dispositions	356	59
Other investing activities	( 122)	( 76)
Net cash used for investing activities	<u>( 3,487)</u>	<u>( 3,376)</u>
<b>Financing Activities:</b>		
Increase (decrease) in notes payable, net	( 776)	50
Proceeds —		
Senior notes	1,400	1,750
Short-term borrowings	350	250
Revenue bonds	—	229
Redemptions and repurchases —		
Senior notes	( 400)	( 800)
Short-term borrowings	( 670)	( 650)
FFB loan	( 64)	( 64)
Capital contributions from parent company	1,560	1,837
Payment of common stock dividends	( 1,538)	( 1,392)
Other financing activities	( 67)	( 27)
Net cash provided from (used for) financing activities	<u>( 205)</u>	<u>1,183</u>
<b>Net Change in Cash, Cash Equivalents, and Restricted Cash</b>	<b>( 11)</b>	<b>( 224)</b>
<b>Cash, Cash Equivalents, and Restricted Cash at Beginning of Period</b>	<b>75</b>	<b>480</b>
<b>Cash, Cash Equivalents, and Restricted Cash at End of Period</b>	<b>\$ 64</b>	<b>\$ 256</b>
<b>Supplemental Cash Flow Information:</b>		

**Supplemental Cash Flow Information:**

Cash paid during the period for —

Interest (net of \$ 43 and \$ 63 capitalized for 2024 and 2023, respectively)	\$ 530	\$ 439
Income taxes, net	80	74
<b>Noncash transactions —</b>		
Accrued property additions at end of period	590	942
Right-of-use assets obtained under operating leases	121	17
Right-of-use assets obtained under finance leases	44	18

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

**GEORGIA POWER COMPANY**  
CONDENSED BALANCE SHEETS (UNAUDITED)

Assets	At September 30,		At December 31,	
	2024	(in millions)	2023	
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 43	\$ 9		
Receivables —				
Customer accounts, net	1,187	843		
Unbilled revenues	251	275		
Under recovered retail fuel clause revenues	683	694		
Joint owner accounts	116	119		
Affiliated	74	51		
Other accounts and notes	362	81		
Fossil fuel stock	370	480		
Materials and supplies	955	883		
Regulatory assets – asset retirement obligations	215	98		
Other regulatory assets	377	423		
Other current assets	420	305		
Total current assets	<u>5,053</u>	<u>4,261</u>		
<b>Property, Plant, and Equipment:</b>				
In service	53,861	49,370		
Less: Accumulated provision for depreciation	14,635	13,955		
Plant in service, net of depreciation	39,226	35,415		
Nuclear fuel, at amortized cost	636	605		
Construction work in progress	3,188	4,975		
Total property, plant, and equipment	<u>43,050</u>	<u>40,995</u>		
<b>Other Property and Investments:</b>				
Nuclear decommissioning trusts, at fair value	1,251	1,163		
Equity investments in unconsolidated subsidiaries	44	47		
Miscellaneous property and investments	181	151		
Total other property and investments	<u>1,476</u>	<u>1,361</u>		
<b>Deferred Charges and Other Assets:</b>				
Operating lease right-of-use assets, net of amortization	879	884		
Deferred charges related to income taxes	584	594		
Prepaid pension costs	795	706		
Deferred under recovered retail fuel clause revenues	632	1,211		
Regulatory assets – asset retirement obligations, deferred	3,292	3,407		
Other regulatory assets, deferred	4,217	2,890		
Other deferred charges and assets	520	508		
Total deferred charges and other assets	<u>10,919</u>	<u>10,200</u>		
<b>Total Assets</b>	<b>\$ 60,498</b>		<b>\$ 56,817</b>	

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

**GEORGIA POWER COMPANY**  
CONDENSED BALANCE SHEETS (UNAUDITED)

	At September 30, 2024	At December 31, 2023
	(in millions)	
<b>Liabilities and Stockholder's Equity</b>		
	\$	\$
<b>Current Liabilities:</b>		
Securities due within one year	850	502
Notes payable	235	1,329
Accounts payable —		
Affiliated	802	840
Other	2,529	1,147
Customer deposits	254	250
Accrued taxes	606	582
Accrued interest	174	175
Accrued compensation	229	250
Operating lease obligations	131	135
Asset retirement obligations	345	338
Other regulatory liabilities	34	22
Other current liabilities	404	365
Total current liabilities	6,593	5,935
<b>Long-term Debt</b>	16,813	16,198
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes	4,414	4,018
Deferred credits related to income taxes	2,172	2,161
Accumulated deferred ITCs	317	326
Employee benefit obligations	236	248
Operating lease obligations, deferred	725	740
Asset retirement obligations, deferred	5,036	5,327
Other deferred credits and liabilities	521	481
Total deferred credits and other liabilities	13,421	13,301
<b>Total Liabilities</b>	36,827	35,434
<b>Common Stockholder's Equity</b> (See accompanying statements)	23,671	21,383
<b>Total Liabilities and Stockholder's Equity</b>	\$ 60,498	\$ 56,817

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

**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)						
<b>Balance at December 31, 2022</b>	9	\$ 398	\$ 15,626	\$ 2,846	\$ ( 12 )	\$ 18,858
Net income	—	—	—	296	—	296
Capital contributions from parent company	—	—	752	—	—	752
Cash dividends on common stock	—	—	—	( 464 )	—	( 464 )
Other	—	—	—	1	—	1
<b>Balance at March 31, 2023</b>	9	398	16,378	2,679	( 12 )	19,443
Net income	—	—	—	471	—	471
Capital contributions from parent company	—	—	33	—	—	33
Other comprehensive income	—	—	—	—	1	1
Cash dividends on common stock	—	—	—	( 464 )	—	( 464 )
<b>Balance at June 30, 2023</b>	9	398	16,411	2,686	( 11 )	19,484
Net income	—	—	—	780	—	780
Capital contributions from parent company	—	—	1,056	—	—	1,056
Other comprehensive income	—	—	—	—	1	1
Cash dividends on common stock	—	—	—	( 464 )	—	( 464 )
<b>Balance at September 30, 2023</b>	9	\$ 398	\$ 17,467	\$ 3,002	\$ ( 10 )	\$ 20,857
<hr/>						
<b>Balance at December 31, 2023</b>	9	\$ 398	\$ 17,923	\$ 3,071	\$ ( 9 )	\$ 21,383
Net income	—	—	—	437	—	437
Capital contributions from parent company	—	—	750	—	—	750
Other comprehensive income	—	—	—	—	13	13
Cash dividends on common stock	—	—	—	( 513 )	—	( 513 )
<b>Balance at March 31, 2024</b>	9	398	18,673	2,995	4	22,070
Net income	—	—	—	762	—	762
Capital contributions from parent company	—	—	113	—	—	113
Other comprehensive income	—	—	—	—	1	1
Cash dividends on common stock	—	—	—	( 513 )	—	( 513 )
<b>Balance at June 30, 2024</b>	9	398	18,786	3,244	5	22,433
Net income	—	—	—	1,050	—	1,050
Capital contributions from parent company	—	—	700	—	—	700
Other comprehensive income	—	—	—	—	1	1
Cash dividends on common stock	—	—	—	( 512 )	—	( 512 )
Other	—	—	—	( 1 )	—	( 1 )
<b>Balance at September 30, 2024</b>	9	\$ 398	\$ 19,486	\$ 3,781	\$ 6	\$ 23,671

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

**MISSISSIPPI POWER COMPANY**  
CONDENSED STATEMENTS OF INCOME (UNAUDITED)

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
(in millions)				
<b>Operating Revenues:</b>				
Retail revenues	\$ 276	\$ 284	\$ 739	\$ 747
Wholesale revenues, non-affiliates	66	77	179	201
Wholesale revenues, affiliates	57	65	166	158
Other revenues	13	10	34	31
Total operating revenues	<u>412</u>	<u>436</u>	<u>1,118</u>	<u>1,137</u>
<b>Operating Expenses:</b>				
Fuel and purchased power	134	169	363	416
Other operations and maintenance	90	84	261	258
Depreciation and amortization	48	48	141	139
Taxes other than income taxes	33	32	95	92
Total operating expenses	<u>305</u>	<u>333</u>	<u>860</u>	<u>905</u>
<b>Operating Income</b>	<b>107</b>	<b>103</b>	<b>258</b>	<b>232</b>
<b>Other Income and (Expense):</b>				
Interest expense, net of amounts capitalized	( 19 )	( 19 )	( 58 )	( 53 )
Other income (expense), net	9	9	33	29
Total other income and (expense)	<u>( 10 )</u>	<u>( 10 )</u>	<u>( 25 )</u>	<u>( 24 )</u>
<b>Earnings Before Income Taxes</b>	<b>97</b>	<b>93</b>	<b>233</b>	<b>208</b>
Income taxes	22	18	47	35
<b>Net Income</b>	<b><u>\$ 75</u></b>	<b><u>\$ 75</u></b>	<b><u>\$ 186</u></b>	<b><u>\$ 173</u></b>

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
(in millions)				
<b>Net Income</b>	\$ 75	\$ 75	\$ 186	\$ 173
Other comprehensive income:				
Qualifying hedges:				
Changes in fair value, net of tax of \$ —, \$ —, \$ 2 , and \$ — , respectively	—	—	5	—
<b>Total other comprehensive income</b>	<u>—</u>	<u>—</u>	<u>5</u>	<u>—</u>
<b>Comprehensive Income</b>	<b><u>\$ 75</u></b>	<b><u>\$ 75</u></b>	<b><u>\$ 191</u></b>	<b><u>\$ 173</u></b>

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

**MISSISSIPPI POWER COMPANY**  
CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

For the Nine Months Ended  
September 30,

	2024	2023
	(in millions)	
<b>Operating Activities:</b>		
Net income	\$ 186	\$ 173
Adjustments to reconcile net income to net cash provided from operating activities —		
Depreciation and amortization, total	153	171
Deferred income taxes	4	( 10 )
Pension, postretirement, and other employee benefits	( 13 )	( 15 )
Settlement of asset retirement obligations	( 13 )	( 12 )
Other, net	21	12
Changes in certain current assets and liabilities —		
- Receivables	( 22 )	55
- Retail fuel cost under recovery	17	( 24 )
- Fossil fuel stock	( 10 )	7
- Other current assets	( 13 )	7
- Accounts payable	( 29 )	( 83 )
- Accrued taxes	( 11 )	( 16 )
- Accrued compensation	( 4 )	( 5 )
- Other current liabilities	( 1 )	—
Net cash provided from operating activities	265	260
<b>Investing Activities:</b>		
Property additions	( 220 )	( 231 )
Cost of removal, net of salvage	( 32 )	( 21 )
Change in construction payables, net of joint owner portion	( 3 )	( 5 )
Payments pursuant to LTSAs	( 15 )	( 21 )
Other investing activities	( 2 )	( 2 )
Net cash used for investing activities	( 272 )	( 280 )
<b>Financing Activities:</b>		
Increase in notes payable, net	50	20
Proceeds — Senior notes	250	100
Redemptions — Senior notes	( 200 )	—
Capital contributions from parent company	60	8
Payment of common stock dividends	( 141 )	( 139 )
Other financing activities	( 2 )	( 1 )
Net cash provided from (used for) financing activities	17	( 12 )
<b>Net Change in Cash, Cash Equivalents, and Restricted Cash</b>	<b>10</b>	<b>( 32 )</b>
<b>Cash, Cash Equivalents, and Restricted Cash at Beginning of Period</b>	<b>38</b>	<b>59</b>
<b>Cash, Cash Equivalents, and Restricted Cash at End of Period</b>	<b>\$ 48</b>	<b>\$ 27</b>
<b>Supplemental Cash Flow Information:</b>		
Cash paid during the period for —		
Interest	\$ 67	\$ 53
Income taxes, net	35	33
Noncash transactions —		
Accrued property additions at end of period	33	20
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.

**MISSISSIPPI POWER COMPANY**  
CONDENSED BALANCE SHEETS (UNAUDITED)

	At September 30, 2024	At December 31, 2023
Assets	<i>(in millions)</i>	
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 48	\$ 38
Receivables —		
Customer accounts, net	64	36
Unbilled revenues	43	40
Affiliated	26	29
Other accounts and notes	21	20
Fossil fuel stock	57	47
Materials and supplies	98	89
Other regulatory assets	49	56
Other current assets	15	10
Total current assets	421	365
<b>Property, Plant, and Equipment:</b>		
In service	5,627	5,523
Less: Accumulated provision for depreciation	1,856	1,792
Plant in service, net of depreciation	3,771	3,731
Construction work in progress	291	203
Total property, plant, and equipment	4,062	3,934
<b>Other Property and Investments</b>		
	153	158
<b>Deferred Charges and Other Assets:</b>		
Deferred charges related to income taxes	27	28
Prepaid pension costs	111	99
Deferred under recovered retail fuel clause revenues	—	50
Regulatory assets – asset retirement obligations	247	244
Other regulatory assets, deferred	279	285
Accumulated deferred income taxes	83	96
Other deferred charges and assets	64	85
Total deferred charges and other assets	811	887
<b>Total Assets</b>	<b>\$ 5,447</b>	<b>\$ 5,344</b>

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

**MISSISSIPPI POWER COMPANY**  
CONDENSED BALANCE SHEETS (UNAUDITED)

	At September 30, 2024	At December 31, 2023
	(in millions)	
<b>Liabilities and Stockholder's Equity</b>		
	\$	\$
<b>Current Liabilities:</b>		
Securities due within one year	12	201
Notes payable	50	—
Accounts payable —		
Affiliated	53	82
Other	70	73
Accrued taxes	105	117
Accrued compensation	39	43
Asset retirement obligations	32	29
Over recovered retail fuel clause revenues	—	27
Other regulatory liabilities	3	17
Other current liabilities	89	90
Total current liabilities	453	679
<b>Long-term Debt</b>	1,681	1,443
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes	476	469
Deferred credits related to income taxes	224	229
Employee benefit obligations	67	67
Asset retirement obligations, deferred	121	139
Other cost of removal obligations	173	186
Other regulatory liabilities, deferred	97	92
Other deferred credits and liabilities	40	37
Total deferred credits and other liabilities	1,198	1,219
<b>Total Liabilities</b>	3,332	3,341
<b>Common Stockholder's Equity</b> (See accompanying statements)	2,115	2,003
<b>Total Liabilities and Stockholder's Equity</b>	<b>\$ 5,447</b>	<b>\$ 5,344</b>

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

**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)	Accumulated Other Comprehensive Income (Loss)	Total
(in millions)						
<b>Balance at December 31, 2022</b>	1	\$ 38	\$ 4,652	\$ ( 2,759 )	\$ —	\$ 1,931
Net income	—	—	—	58	—	58
Cash dividends on common stock	—	—	—	( 46 )	—	( 46 )
<b>Balance at March 31, 2023</b>	1	38	4,652	( 2,747 )	—	1,943
Net income	—	—	—	40	—	40
Capital contributions from parent company	—	—	12	—	—	12
Cash dividends on common stock	—	—	—	( 47 )	—	( 47 )
<b>Balance at June 30, 2023</b>	1	38	4,664	( 2,754 )	—	1,948
Net income	—	—	—	75	—	75
Return of capital to parent company	—	—	( 3 )	—	—	( 3 )
Cash dividends on common stock	—	—	—	( 46 )	—	( 46 )
<b>Balance at September 30, 2023</b>	1	\$ 38	\$ 4,661	\$ ( 2,725 )	\$ —	\$ 1,974
<hr/>						
<b>Balance at December 31, 2023</b>	1	\$ 38	\$ 4,721	\$ ( 2,756 )	\$ —	\$ 2,003
Net income	—	—	—	50	—	50
Capital contributions from parent company	—	—	1	—	—	1
Other comprehensive income	—	—	—	—	5	5
Cash dividends on common stock	—	—	—	( 47 )	—	( 47 )
<b>Balance at March 31, 2024</b>	1	38	4,722	( 2,753 )	5	2,012
Net income	—	—	—	61	—	61
Capital contributions from parent company	—	—	58	—	—	58
Cash dividends on common stock	—	—	—	( 47 )	—	( 47 )
<b>Balance at June 30, 2024</b>	1	38	4,780	( 2,739 )	5	2,084
Net income	—	—	—	75	—	75
Capital contributions from parent company	—	—	3	—	—	3
Cash dividends on common stock	—	—	—	( 47 )	—	( 47 )
<b>Balance at September 30, 2024</b>	1	\$ 38	\$ 4,783	\$ ( 2,711 )	\$ 5	\$ 2,115

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

**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,	
	2024	2023	2024	2023
	(in millions)		(in millions)	
<b>Operating Revenues:</b>				
Wholesale revenues, non-affiliates	\$ 489	\$ 479	\$ 1,286	\$ 1,234
Wholesale revenues, affiliates	102	156	280	406
Other revenues	9	18	31	46
Total operating revenues	<u>600</u>	<u>653</u>	<u>1,597</u>	<u>1,686</u>
<b>Operating Expenses:</b>				
Fuel	166	196	454	526
Purchased power	20	33	60	87
Other operations and maintenance	126	104	367	327
Depreciation and amortization	133	130	378	380
Taxes other than income taxes	12	13	34	38
Gain on dispositions, net	—	—	—	( 20 )
Total operating expenses	<u>457</u>	<u>476</u>	<u>1,293</u>	<u>1,338</u>
<b>Operating Income</b>	<u>143</u>	<u>177</u>	<u>304</u>	<u>348</u>
<b>Other Income and (Expense):</b>				
Interest expense, net of amounts capitalized	( 30 )	( 32 )	( 89 )	( 98 )
Other income (expense), net	2	4	8	8
Total other income and (expense)	<u>( 28 )</u>	<u>( 28 )</u>	<u>( 81 )</u>	<u>( 90 )</u>
<b>Earnings Before Income Taxes</b>	<u>115</u>	<u>149</u>	<u>223</u>	<u>258</u>
Income taxes	33	39	32	38
<b>Net Income</b>	<u>82</u>	<u>110</u>	<u>191</u>	<u>220</u>
Net income (loss) attributable to noncontrolling interests	—	10	( 73 )	( 68 )
<b>Net Income Attributable to Southern Power</b>	<u><u>\$ 82</u></u>	<u><u>\$ 100</u></u>	<u><u>\$ 264</u></u>	<u><u>\$ 288</u></u>

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions)		(in millions)	
<b>Net Income</b>				
Net Income	\$ 82	\$ 110	\$ 191	\$ 220
Other comprehensive income (loss):				
Qualifying hedges:				
Changes in fair value, net of tax of \$ 3 , \$( 2 ) , \$( 2 ) , and \$( 3 ) , respectively	10	( 13 )	( 5 )	( 17 )
Reclassification adjustment for amounts included in net income, net of tax of \$( 4 ) , \$ 4 , \$ 2 , and \$ 6 , respectively	( 14 )	17	5	24
Pension and other postretirement benefit plans:				
Benefit plan net gain (loss), net of tax of \$ — , \$ — , \$ — , and \$ — , respectively	—	—	1	—
Total other comprehensive income (loss)	<u>( 4 )</u>	<u>4</u>	<u>1</u>	<u>7</u>
Comprehensive Income	<u>78</u>	<u>114</u>	<u>192</u>	<u>227</u>
Comprehensive income (loss) attributable to noncontrolling interests	—	10	( 73 )	( 68 )
<b>Comprehensive Income Attributable to Southern Power</b>	<u><u>\$ 78</u></u>	<u><u>\$ 104</u></u>	<u><u>\$ 265</u></u>	<u><u>\$ 295</u></u>

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



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

	For the Nine Months Ended September 30,	
	<b>2024</b>	<b>2023</b>
	<i>(in millions)</i>	
<b>Operating Activities:</b>		
Net income	\$ 191	\$ 220
Adjustments to reconcile net income to net cash provided from operating activities —		
Depreciation and amortization, total	388	395
Utilization of federal tax credit carryforward	63	179
Amortization of ITCs	(44)	(44)
Gain on dispositions, net	—	(20)
Other, net	18	5
Changes in certain current assets and liabilities —		
- Receivables	(24)	100
- Prepaid income taxes	—	31
- Other current assets	(9)	(14)
- Accounts payable	(19)	(70)
- Accrued taxes	56	9
- Accrued compensation	(4)	(7)
- Other current liabilities	(9)	15
Net cash provided from operating activities	<u>607</u>	<u>799</u>
<b>Investing Activities:</b>		
Acquisitions, net of cash acquired	—	(181)
Property additions	(179)	(40)
Proceeds from dispositions	—	59
Change in construction payables	1	(18)
Payments pursuant to LTSAs	(34)	(49)
Other investing activities	13	5
Net cash used for investing activities	<u>(199)</u>	<u>(224)</u>
<b>Financing Activities:</b>		
Increase (decrease) in notes payable, net	(68)	136
Redemptions — Senior notes	—	(290)
Capital contributions from parent company	8	16
Capital contributions from noncontrolling interests	11	21
Distributions to noncontrolling interests	(108)	(148)
Payment of common stock dividends	(196)	(189)
Other financing activities	(4)	3
Net cash used for financing activities	<u>(357)</u>	<u>(451)</u>
<b>Net Change in Cash, Cash Equivalents, and Restricted Cash</b>	<b>51</b>	<b>124</b>
<b>Cash, Cash Equivalents, and Restricted Cash at Beginning of Period</b>	<b>144</b>	<b>133</b>
<b>Cash, Cash Equivalents, and Restricted Cash at End of Period</b>	<b>\$ 195</b>	<b>\$ 257</b>
<b>Supplemental Cash Flow Information:</b>		
Cash paid (received) during the period for —		
Interest (net of \$ 5 and \$ 1 capitalized for 2024 and 2023, respectively)	\$ 88	\$ 103
Income taxes, net	(30)	(124)
Noncash transactions —		
Accrued property additions at end of period	52	23
Right-of-use assets obtained under operating leases	10	7
Reassessment of right-of-use assets under operating leases	(7)	—

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



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

Assets	At September 30, 2024	At December 31, 2023
<i>(in millions)</i>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 179	\$ 124
Receivables —		
Customer accounts, net	164	136
Affiliated	43	37
Other	39	54
Materials and supplies	96	80
Other current assets	86	92
Total current assets	<u>607</u>	<u>523</u>
<b>Property, Plant, and Equipment:</b>		
In service	14,946	14,690
Less: Accumulated provision for depreciation	<u>4,444</u>	<u>4,119</u>
Plant in service, net of depreciation	10,502	10,571
Construction work in progress	187	278
Total property, plant, and equipment	<u>10,689</u>	<u>10,849</u>
<b>Other Property and Investments:</b>		
Intangible assets, net of amortization of \$ 163 and \$ 148 , respectively	228	243
Net investment in sales-type leases	144	148
Total other property and investments	<u>372</u>	<u>391</u>
<b>Deferred Charges and Other Assets:</b>		
Operating lease right-of-use assets, net of amortization	486	488
Prepaid LTSAs	247	248
Other deferred charges and assets	245	262
Total deferred charges and other assets	<u>978</u>	<u>998</u>
<b>Total Assets</b>	<b>\$ 12,646</b>	<b>\$ 12,761</b>

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

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

Liabilities and Stockholders' Equity	At September 30, 2024	At December 31, 2023
(in millions)		
<b>Current Liabilities:</b>		
Notes payable	\$ 62	\$ 138
Accounts payable —		
Affiliated	70	82
Other	73	91
Accrued taxes	45	26
Accrued interest	22	27
Operating lease obligations	28	29
Other current liabilities	90	97
Total current liabilities	<u>390</u>	<u>490</u>
<b>Long-term Debt</b>	<u>2,720</u>	<u>2,711</u>
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes	719	614
Accumulated deferred ITCs	1,454	1,498
Operating lease obligations, deferred	510	517
Other deferred credits and liabilities	251	233
Total deferred credits and other liabilities	<u>2,934</u>	<u>2,862</u>
<b>Total Liabilities</b>	<u>6,044</u>	<u>6,063</u>
<b>Total Stockholders' Equity (See accompanying statements)</b>	<u>6,602</u>	<u>6,698</u>
<b>Total Liabilities and Stockholders' Equity</b>	<u><u>\$ 12,646</u></u>	<u><u>\$ 12,761</u></u>

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

**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
			Comprehensive Income (Loss)	Total			
(in millions)							
<b>Balance at December 31, 2022</b>	\$ 1,069	\$ 1,741	\$ (18)	\$ 2,792	\$ 4,124	\$ 6,916	
Net income (loss)	—	102	—	102	(63)	39	
Other comprehensive income (loss)	—	—	(7)	(7)	—	(7)	
Cash dividends on common stock	—	(63)	—	(63)	—	(63)	
Capital contributions from noncontrolling interests	—	—	—	—	21	21	
Distributions to noncontrolling interests	—	—	—	—	(48)	(48)	
<b>Balance at March 31, 2023</b>	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)	
Distributions to noncontrolling interests	—	—	—	—	(42)	(42)	
Other	—	—	1	1	(1)	—	
<b>Balance at June 30, 2023</b>	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	
<b>Balance at September 30, 2023</b>	\$ 1,087	\$ 1,839	\$ (10)	\$ 2,916	\$ 3,927	\$ 6,843	
<b>Balance at December 31, 2023</b>	\$ 1,088	\$ 1,846	\$ (17)	\$ 2,917	\$ 3,781	\$ 6,698	
Net income (loss)	—	96	—	96	(58)	38	
Other comprehensive income	—	—	2	2	—	2	
Cash dividends on common stock	—	(65)	—	(65)	—	(65)	
Capital contributions from noncontrolling interests	—	—	—	—	9	9	
Distributions to noncontrolling interests	—	—	—	—	(38)	(38)	
Other	—	(1)	—	(1)	—	(1)	
<b>Balance at March 31, 2024</b>	1,088	1,876	(15)	2,949	3,694	6,643	
Net income (loss)	—	86	—	86	(15)	71	
Capital contributions from parent company	8	—	—	8	—	8	
Other comprehensive income	—	—	3	3	—	3	
Cash dividends on common stock	—	(66)	—	(66)	—	(66)	
Capital contributions from noncontrolling interests	—	—	—	—	2	2	
Distributions to noncontrolling interests	—	—	—	—	(19)	(19)	
Other	1	—	—	1	—	1	
<b>Balance at June 30, 2024</b>	1,097	1,896	(12)	2,981	3,662	6,643	
Net income	—	82	—	82	—	82	
Capital contributions from parent company	1	—	—	1	—	1	
Other comprehensive income (loss)	—	—	(4)	(4)	—	(4)	
Cash dividends on common stock	—	(65)	—	(65)	—	(65)	
Distributions to noncontrolling interests	—	—	—	—	(55)	(55)	
<b>Balance at September 30, 2024</b>	\$ 1,098	\$ 1,913	\$ (16)	\$ 2,995	\$ 3,607	\$ 6,602	

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

**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,	
	2024	2023	2024	2023
	(in millions)	(in millions)	(in millions)	(in millions)
<b>Operating Revenues:</b>				
Natural gas revenues (includes revenue taxes of \$ 11 , \$ 11 , \$ 87 , and \$ 103 , respectively)	\$ 682	\$ 689	\$ 3,220	\$ 3,417
Total operating revenues	<u>682</u>	<u>689</u>	<u>3,220</u>	<u>3,417</u>
<b>Operating Expenses:</b>				
Cost of natural gas	98	102	852	1,199
Other operations and maintenance	295	264	877	879
Depreciation and amortization	162	145	475	429
Taxes other than income taxes	44	42	186	203
Total operating expenses	<u>599</u>	<u>553</u>	<u>2,390</u>	<u>2,710</u>
<b>Operating Income</b>	<u>83</u>	<u>136</u>	<u>830</u>	<u>707</u>
<b>Other Income and (Expense):</b>				
Earnings from equity method investments	34	32	110	104
Interest expense, net of amounts capitalized	( 84 )	( 77 )	( 250 )	( 226 )
Other income (expense), net	16	19	49	50
Total other income and (expense)	<u>( 34 )</u>	<u>( 26 )</u>	<u>( 91 )</u>	<u>( 72 )</u>
<b>Earnings Before Income Taxes</b>	<u>49</u>	<u>110</u>	<u>739</u>	<u>635</u>
Income taxes	11	28	184	160
<b>Net Income</b>	<u><u>\$ 38</u></u>	<u><u>\$ 82</u></u>	<u><u>\$ 555</u></u>	<u><u>\$ 475</u></u>

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions)	(in millions)	(in millions)	(in millions)
<b>Net Income</b>				
Net Income	\$ 38	\$ 82	\$ 555	\$ 475
Other comprehensive income (loss):				
Qualifying hedges:				
Changes in fair value, net of tax of \$( 3 ), \$( 2 ), \$( 4 ), and \$( 11 ), respectively	( 7 )	( 6 )	( 10 )	( 30 )
Reclassification adjustment for amounts included in net income, net of tax of \$ 1 , \$ 7 , \$ 10 , and \$ 15 , respectively	3	16	25	37
<b>Total other comprehensive income (loss)</b>	<u>( 4 )</u>	<u>10</u>	<u>15</u>	<u>7</u>
<b>Comprehensive Income</b>	<u><u>\$ 34</u></u>	<u><u>\$ 92</u></u>	<u><u>\$ 570</u></u>	<u><u>\$ 482</u></u>

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

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

	For the Nine Months Ended September 30,	
	<b>2024</b>	<b>2023</b>
	<i>(in millions)</i>	
<b>Operating Activities:</b>		
Net income	\$ 555	\$ 475
Adjustments to reconcile net income to net cash provided from operating activities —		
Depreciation and amortization, total	466	429
Deferred income taxes	206	75
Other, net	7	( 15 )
Changes in certain current assets and liabilities —		
- Receivables	386	776
- Natural gas for sale, net of temporary LIFO liquidation	3	31
- Natural gas cost under recovery	—	108
- Other current assets	( 57 )	( 20 )
- Accounts payable	( 105 )	( 346 )
- Natural gas cost over recovery	12	165
- Other current liabilities	( 66 )	( 34 )
Net cash provided from operating activities	<u>1,407</u>	<u>1,644</u>
<b>Investing Activities:</b>		
Property additions	( 1,064 )	( 1,151 )
Cost of removal, net of salvage	( 63 )	( 82 )
Change in construction payables, net	( 13 )	( 38 )
Other investing activities	( 56 )	45
Net cash used for investing activities	<u>( 1,196 )</u>	<u>( 1,226 )</u>
<b>Financing Activities:</b>		
Decrease in notes payable, net	( 352 )	( 493 )
Proceeds —		
Senior notes	450	500
First mortgage bonds	156	125
Other long-term debt	9	29
Redemptions — Short-term borrowings	—	( 200 )
Capital contributions from parent company	—	377
Payment of common stock dividends	( 454 )	( 439 )
Other financing activities	( 10 )	( 1 )
Net cash used for financing activities	<u>( 201 )</u>	<u>( 102 )</u>
<b>Net Change in Cash, Cash Equivalents, and Restricted Cash</b>	<b>10</b>	<b>316</b>
<b>Cash, Cash Equivalents, and Restricted Cash at Beginning of Period</b>	<b>35</b>	<b>83</b>
<b>Cash, Cash Equivalents, and Restricted Cash at End of Period</b>	<b>\$ 45</b>	<b>\$ 399</b>
<b>Supplemental Cash Flow Information:</b>		
Cash paid (received) during the period for —		
Interest (net of \$ 16 and \$ 12 capitalized for 2024 and 2023, respectively)	\$ 258	\$ 214
Income taxes, net	( 54 )	70
Noncash transactions —		
Accrued property additions at end of period	126	139
Right-of-use assets obtained under operating leases	1	3

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

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

	At September 30, 2024	At December 31, 2023
	(in millions)	
<b>Assets</b>		
Cash and cash equivalents	\$ 44	\$ 33
Receivables —		
Customer accounts	215	405
Unbilled revenues	63	261
Other accounts and notes	54	47
Accumulated provision for uncollectible accounts	( 31 )	( 44 )
Materials and supplies	68	66
Natural gas for sale	417	420
Prepaid expenses	74	107
Other regulatory assets	220	141
Other current assets	43	50
<b>Total current assets</b>	<b>1,167</b>	<b>1,486</b>
<b>Property, Plant, and Equipment:</b>		
In service	21,753	20,840
Less: Accumulated depreciation	5,790	5,534
<b>Plant in service, net of depreciation</b>	<b>15,963</b>	<b>15,306</b>
Construction work in progress	1,194	1,110
<b>Total property, plant, and equipment</b>	<b>17,157</b>	<b>16,416</b>
<b>Other Property and Investments:</b>		
Goodwill	5,015	5,015
Equity investments in unconsolidated subsidiaries	1,279	1,235
Other intangible assets, net of amortization of \$ 171 and \$ 166 , respectively	11	16
Miscellaneous property and investments	25	25
<b>Total other property and investments</b>	<b>6,330</b>	<b>6,291</b>
<b>Deferred Charges and Other Assets:</b>		
Operating lease right-of-use assets, net of amortization	41	47
Prepaid pension costs	175	158
Other regulatory assets, deferred	486	504
Other deferred charges and assets	189	181
<b>Total deferred charges and other assets</b>	<b>891</b>	<b>890</b>
<b>Total Assets</b>	<b>\$ 25,545</b>	<b>\$ 25,083</b>

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

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

	At September 30, 2024	At December 31, 2023
<b>Liabilities and Stockholder's Equity</b>		
	<i>(in millions)</i>	
<b>Current Liabilities:</b>		
Securities due within one year	\$ 50	\$ —
Notes payable	63	415
Accounts payable —		
Affiliated	48	89
Other	367	424
Customer deposits	105	126
Accrued taxes	68	77
Accrued interest	72	77
Accrued compensation	106	112
Natural gas cost over recovery	226	214
Other regulatory liabilities	6	19
Other current liabilities	136	155
Total current liabilities	1,247	1,708
<b>Long-term Debt</b>	8,387	7,833
<b>Deferred Credits and Other Liabilities:</b>		
Accumulated deferred income taxes	1,861	1,671
Deferred credits related to income taxes	764	759
Employee benefit obligations	106	110
Operating lease obligations	33	40
Other cost of removal obligations	1,833	1,771
Accrued environmental remediation	204	192
Other deferred credits and liabilities	182	196
Total deferred credits and other liabilities	4,983	4,739
<b>Total Liabilities</b>	14,617	14,280
<b>Common Stockholder's Equity (See accompanying statements)</b>	10,928	10,803
<b>Total Liabilities and Stockholder's Equity</b>	\$ 25,545	\$ 25,083

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

**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)				
<b>Balance at December 31, 2022</b>	\$ 10,445	\$ ( 79 )	\$ 31	\$ 10,397
Net income	—	309	—	309
Capital contributions from parent company	203	—	—	203
Other comprehensive income (loss)	—	—	( 10 )	( 10 )
Cash dividends on common stock	—	( 146 )	—	( 146 )
Other	1	( 1 )	—	—
<b>Balance at March 31, 2023</b>	10,649	83	21	10,753
Net income	—	85	—	85
Capital contributions from parent company	40	—	—	40
Other comprehensive income	—	—	7	7
Cash dividends on common stock	—	( 147 )	—	( 147 )
<b>Balance at June 30, 2023</b>	10,689	21	28	10,738
Net income	—	82	—	82
Capital contributions from parent company	149	—	—	149
Other comprehensive income	—	—	10	10
Cash dividends on common stock	—	( 146 )	—	( 146 )
<b>Balance at September 30, 2023</b>	\$ 10,838	\$ ( 43 )	\$ 38	\$ 10,833
<b>Balance at December 31, 2023</b>	\$ 10,836	\$ ( 49 )	\$ 16	\$ 10,803
Net income	—	409	—	409
Capital contributions from parent company	2	—	—	2
Other comprehensive income	—	—	12	12
Cash dividends on common stock	—	( 151 )	—	( 151 )
Other	—	( 1 )	—	( 1 )
<b>Balance at March 31, 2024</b>	10,838	208	28	11,074
Net income	—	108	—	108
Capital contributions from parent company	6	—	—	6
Other comprehensive income	—	—	7	7
Cash dividends on common stock	—	( 151 )	—	( 151 )
<b>Balance at June 30, 2024</b>	10,844	165	35	11,044
Net income	—	38	—	38
Capital contributions from parent company	1	—	—	1
Other comprehensive income (loss)	—	—	( 4 )	( 4 )
Cash dividends on common stock	—	( 152 )	—	( 152 )
Other	—	1	—	1
<b>Balance at September 30, 2024</b>	\$ 10,845	\$ 52	\$ 31	\$ 10,928

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

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR  
THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES  
ALABAMA POWER COMPANY  
GEORGIA POWER COMPANY  
MISSISSIPPI POWER COMPANY  
SOUTHERN POWER COMPANY AND SUBSIDIARY COMPANIES  
SOUTHERN COMPANY GAS AND SUBSIDIARY COMPANIES  
(UNAUDITED)**

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INDEX TO APPLICABLE NOTES TO FINANCIAL STATEMENTS BY REGISTRANT

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 note applies.

<b>Registrant</b>	<b>Applicable Notes</b>
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, K
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, L

## 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, 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, 2024 and 2023. Certain information and 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.

### Impairment of Long-Lived Assets

See Note 1 to the financial statements under "Impairment of Long-Lived Assets" in Item 8 of the Form 10-K for additional information.

In the third quarter 2024, Alabama Power discontinued the development of a multi-use commercial facility. Given the decision to discontinue commercial development, Alabama Power performed an impairment test using a comparative market analysis and determined the carrying amount of the asset exceeded its fair value, net of selling costs. This resulted in a pre-tax impairment loss of \$ 36 million (\$ 27 million after tax) reflected in other operations and maintenance on the statements of income.

### Goodwill and Other Intangible Assets

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

		<b>Goodwill</b>
		<i>(in millions)</i>
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 exist.

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

Other intangible assets were as follows:

	At September 30, 2024			At December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Other Intangible Assets, Net	Gross Carrying Amount	Accumulated Amortization	Other Intangible Assets, Net
(in millions)						
<b>Southern Company</b>						
Subject to amortization:						
Customer relationships	\$ 212	\$ (179)	\$ 33	\$ 212	\$ (172)	40
Trade names	64	(58)	6	64	(53)	11
PPA fair value adjustments	390	(163)	227	390	(148)	242
Other	3	(3)	—	3	(3)	—
<b>Total subject to amortization</b>	<b>\$ 669</b>	<b>\$ (403)</b>	<b>\$ 266</b>	<b>\$ 669</b>	<b>\$ (376)</b>	<b>293</b>
Not subject to amortization:						
FCC licenses	75	—	75	75	—	75
<b>Total other intangible assets</b>	<b>\$ 744</b>	<b>\$ (403)</b>	<b>\$ 341</b>	<b>\$ 744</b>	<b>\$ (376)</b>	<b>368</b>
<b>Southern Power<sup>(*)</sup></b>						
PPA fair value adjustments	\$ 390	\$ (163)	\$ 227	\$ 390	\$ (148)	242
<b>Southern Company Gas<sup>(*)</sup></b>						
Gas marketing services						
Customer relationships	\$ 156	\$ (149)	7	\$ 156	\$ (145)	11
Trade names	26	(22)	4	26	(21)	5
<b>Total other intangible assets</b>	<b>\$ 182</b>	<b>\$ (171)</b>	<b>11</b>	<b>\$ 182</b>	<b>\$ (166)</b>	<b>16</b>

(\*) All subject to amortization.

Amortization associated with other intangible assets was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024		2023	
	(in millions)			
Southern Company <sup>(a)</sup>	\$ 9	\$ 10	\$ 27	\$ 27
Southern Power <sup>(b)</sup>	5	5	15	14
Southern Company Gas	2	3	5	7

(a) Includes \$ 5 million for the three months ended September 30, 2024 and 2023 and \$ 15 million and \$ 14 million for the nine months ended September 30, 2024 and 2023, respectively, recorded as a reduction to operating revenues.

(b) Recorded as a reduction to operating revenues.

**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:

	<b>Southern Company</b>	<b>Alabama Power</b>	<b>Georgia Power</b>	<b>Southern Power</b>	<b>Southern Company Gas</b>
(in millions)					
<b>At September 30, 2024</b>					
Cash and cash equivalents	\$ 1,018	\$ 476	\$ 43	\$ 179	\$ 44
Restricted cash <sup>(a)</sup> :					
Other current assets	31	—	14	16	1
Other deferred charges and assets	7	—	7	—	—
Total cash, cash equivalents, and restricted cash <sup>(b)</sup>	\$ 1,055	\$ 476	\$ 64	\$ 195	\$ 45
<b>At December 31, 2023</b>					
Cash and cash equivalents	\$ 748	\$ 324	\$ 9	\$ 124	\$ 33
Restricted cash <sup>(a)</sup> :					
Other current assets	141	85	37	17	2
Other deferred charges and assets	31	—	29	3	—
Total cash, cash equivalents, and restricted cash <sup>(b)</sup>	\$ 921	\$ 409	\$ 75	\$ 144	\$ 35

(a) For Alabama Power and Georgia Power, reflects proceeds from the issuance of solid waste disposal facility revenue bonds in 2023 and 2022, respectively. For Southern Power, reflects \$ 16 million and \$ 17 million at September 30, 2024 and December 31, 2023, respectively, resulting from an arbitration award held to fund future replacement costs and \$ 3 million at 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 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, 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 for additional information.

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

	<b>Southern Company<sup>(*)</sup></b>	<b>Alabama Power</b>	<b>Georgia Power<sup>(*)</sup></b>	<b>Mississippi Power</b>
<i>(in millions)</i>				
Balance at December 31, 2023	\$ 66	\$ 76	\$ (54)	\$ 44
Accrual	45	10	24	11
Weather-related damages	(1,239)	(33)	(1,201)	(5)
<b>Balance at September 30, 2024</b>	<b>\$ (1,128)</b>	<b>\$ 53</b>	<b>\$ (1,231)</b>	<b>\$ 50</b>

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

**Depreciation and Amortization**

See Note 5 to the financial statements under "Depreciation and Amortization" in Item 8 of the Form 10-K for additional information.

On October 25, 2024, Mississippi Power filed an updated depreciation study with the Mississippi PSC requesting an \$ 11 million increase in total annual depreciation. The ultimate outcome of this matter cannot be determined at this time.

**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 February 14, 2024, Georgia Power recorded AROs of approximately \$ 118 million. See Note (B) under "Georgia Power – Nuclear Construction" for additional information on Plant Vogtle Units 3 and 4.

In September 2024, Georgia Power completed updated decommissioning cost site studies for Plants Hatch and Vogtle Units 1 through 4. The estimated cost of decommissioning based on the studies resulted in a decrease in Georgia Power's ARO liability of \$ 389 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 Hatch and Plant Vogtle based on Georgia Power's September 2024 site studies are as follows:

	Plant Hatch <sup>(*)</sup>	Plant Vogtle Units 1 and 2 <sup>(*)</sup>	Plant Vogtle Unit 3 and 4 <sup>(*)</sup>
<b>Decommissioning periods:</b>			
Beginning year	2034	2047	2062
Completion year	2088	2092	2074
<i>(in millions)</i>			
<b>Site study costs:</b>			
Radiated structures	\$ 696	\$ 545	\$ 542
Spent fuel management	306	255	88
Non-radiated structures	77	107	89
<b>Total site study costs</b>	<b>\$ 1,079</b>	<b>\$ 907</b>	<b>\$ 719</b>

(\*) Based on Georgia Power's ownership interests.

For ratemaking purposes, Georgia Power's decommissioning costs are based on the NRC generic estimate to decommission the radioactive portion of the facilities and the site study estimate for spent fuel management. Significant assumptions used to determine these costs for ratemaking were an estimated inflation rate of 2.5 % for Plants Hatch and Vogtle Units 1 and 2 and 2.3 % for Plant Vogtle Units 3 and 4 and an estimated trust earnings rate of 4.5 % for Plants Hatch and Vogtle Units 1 and 2 and 4.3 % for Plant Vogtle Units 3 and 4. Effective May 1, 2024, as approved under the Prudency Stipulation, Georgia Power's annual decommissioning cost for ratemaking is \$ 8 million for Plant Vogtle Unit 4.

**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, 2024 and December 31, 2023 were as follows:

Regulatory Clause	Balance Sheet Line Item	September 30, 2024	December 31, 2023
(in millions)			
<b>Alabama Power</b>			
Rate CNP Compliance	Other regulatory assets, current	\$ —	\$ 8
	Other regulatory assets, deferred	—	25
	Other regulatory liabilities, current	4	—
	Other regulatory liabilities, deferred	2	—
Rate CNP PPA	Other regulatory assets, current	18	18
	Other regulatory assets, deferred	70	85
Rate ECR	Regulatory assets – under recovered retail fuel clause revenues	10	246
<b>Georgia Power</b>			
Fuel Cost Recovery	Receivables – under recovered retail fuel clause revenues	\$ 683	\$ 694
	Deferred under recovered retail fuel clause revenues	632	1,211
<b>Mississippi Power</b>			
Fuel Cost Recovery <sup>(*)</sup>	Receivables – customer accounts, net	\$ 6	\$ —
	Deferred under recovered retail fuel clause revenues	—	50
	Over recovered retail fuel clause revenues	—	27
Ad Valorem Tax	Other regulatory assets, deferred	14	12
<b>Southern Company Gas</b>			
Natural Gas Cost Recovery	Natural gas cost over recovery	\$ 226	\$ 214

(\*) Mississippi Power also has wholesale MRA and Market Based (MB) fuel cost recovery factors. At September 30, 2024 and December 31, 2023, wholesale MRA fuel costs were over recovered \$ 16 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 both periods presented.

**Alabama Power**

**Rate ECR**

On May 8, 2024, the Alabama PSC issued a consent order to lower Rate ECR from 3.270 cents per KWH to 3.015 cents per KWH, or approximately \$ 135 million annually, effective with July 2024 billings. The approved decrease in the Rate ECR factor will have no significant effect on Alabama Power's net income but will decrease operating cash flows. The rate will adjust to 5.910 cents per KWH in January 2026 absent a further order from the Alabama PSC.

**Reliability Reserve Accounting Order**

On September 18, 2024, Alabama Power notified the Alabama PSC of its intent to use a portion of its \$ 143 million reliability reserve balance during 2024. The ultimate outcome of this matter cannot be determined at this time.

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

### ***Petition for Certificate of Convenience and Necessity***

On October 24, 2024, Alabama Power entered into an agreement to acquire all of the equity interests in Tenaska Alabama Partners, L.P. for a total purchase price of approximately \$ 622 million, subject to working capital adjustments. Tenaska Alabama Partners, L.P. owns and operates Lindsay Hill Generating Station, an approximately 855 -MW combined cycle generation facility in Autauga County, Alabama. On October 30, 2024, Alabama Power filed a petition for a CCN with the Alabama PSC for authorization to procure additional generating capacity through the acquisition of the Lindsay Hill Generating Station.

As part of the acquisition, Alabama Power will assume an existing power sales agreement under which the full output of the generating facility remains committed to a third party through April 2027. Upon expiration of the power sales agreement, Alabama Power expects to recover costs associated with the Lindsay Hill Generating Station acquisition through Rate CNP New Plant, Rate CNP Compliance, Rate ECR, and Rate RSE.

The completion of the acquisition is subject to the satisfaction or waiver of certain conditions, including, among other customary conditions, approval by the Alabama PSC and the FERC, as well as the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act. Alabama Power expects to complete the acquisition by the end of the third quarter 2025.

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

### ***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 the Form 10-K for additional information.

Mississippi Power's 2024 IRP includes a schedule to retire Mississippi Power's 40 % ownership interest in Plant Greene County Units 1 and 2 by the end of 2028.

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 Power and Mississippi Power continue to evaluate operating conditions and business needs relevant to the anticipated retirement of Plant Greene County Units 1 and 2.

The ultimate outcome of this matter cannot be determined at this time. See "Mississippi Power – Integrated Resource Plan" herein for additional information.

### ***Georgia Power***

#### ***Rate Plans***

In accordance with the terms of the 2022 ARP, on October 1, 2024, Georgia Power filed the following tariff adjustments to become effective January 1, 2025 pending approval by the Georgia PSC:

- increase traditional base tariffs by approximately \$ 194 million, which is net of \$ 122 million related to the Georgia state tax rate reduction;
- increase the Environmental Compliance Cost Recovery tariff by approximately \$ 126 million;
- decrease the Demand-Side Management tariffs by approximately \$ 22 million; and
- increase the Municipal Franchise Fee tariffs by approximately \$ 9 million.

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

#### ***Integrated Resource Plans***

On June 27, 2024, the FERC approved five affiliate PPAs with Southern Power with capacities of 1,258 MWs beginning in 2024, 380 MWs beginning in 2025, and 228 MWs beginning in 2028, procured through requests for proposals authorized in the 2019 IRP. See Note (F) under "Georgia Power Lease Modification" for additional information.

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

On April 16, 2024, the Georgia PSC approved Georgia Power's updated IRP (2023 IRP Update) as modified by a stipulation among Georgia Power, the staff of the Georgia PSC, and certain intervenors. In the 2023 IRP Update decision, the Georgia PSC approved the following requests:

- Authority to develop, own, and operate up to 1,400 MWs from three simple cycle combustion turbines at Plant Yates with the recoverable costs not to exceed the certified amount, which was approved by the Georgia PSC on August 20, 2024. In doing so, the Georgia PSC recognized the potential 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 the additional costs. Georgia Power is required to file semi-annual construction monitoring reports with the Georgia PSC through commercial operation.
- Certification of an affiliate PPA with Mississippi Power for 750 MWs, which began January 1, 2024 and will continue through December 2028.
- Certification of a non-affiliate PPA for 230 MWs, which began May 1, 2024 and will continue through December 2028.
- Authority to develop, own, and operate up to 500 MWs of battery energy storage facilities, including storage systems collocated with existing Georgia Power-owned solar facilities, on which the Georgia PSC is expected to render a decision establishing certified amounts in the fourth quarter 2024, 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 approved in the 2023 IRP Update.

On January 12, 2024, Georgia Power 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 fourth quarter 2026, the second quarter 2027, and the third quarter 2027, respectively.

In the third quarter 2024, Georgia Power entered into agreements for engineering, procurement, and construction of four battery energy storage facilities totaling 500 MWs and a 265 -MW battery energy storage facility, which are projected to be placed in service in 2026, as authorized in the 2023 IRP Update and 2022 IRP, respectively.

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

### ***Transmission Asset Sales***

On March 7, 2024, the FERC approved the sale of transmission line assets under the integrated transmission system agreement, with a net book value of \$ 236 million. On April 24, 2024, the sale, with a purchase price of \$ 351 million, was completed resulting in a pre-tax gain of approximately \$ 114 million (\$ 84 million after tax) recorded in the second quarter 2024.

### ***Storm Damage Recovery***

Georgia Power is recovering \$ 31 million annually under the 2022 ARP for incremental operating and maintenance costs of damage from major storms to its transmission and distribution facilities. During September 2024, Hurricane Helene caused significant damage to Georgia Power's transmission and distribution facilities. The initial estimated incremental restoration costs related to this hurricane deferred in the regulatory asset for storm damage totaled approximately \$ 1.1 billion. A portion of the amounts included in the storm damage reserve will be capitalized to property, plant, and equipment once the nature of storm restoration costs is fully assessed. At September 30, 2024, Georgia Power's regulatory asset balance related to storm damage was \$ 1.2 billion. The rate of storm damage cost recovery is expected to be adjusted as part of the next base rate case and 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 on Southern Company's or Georgia Power's net income but do impact the related operating cash flows.

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

**Nuclear Construction**

*Cost and Schedule*

Georgia Power placed Unit 3 and Unit 4 in service on July 31, 2023 and April 29, 2024, respectively. During the second quarter 2024, following Unit 4's in-service date, Southern Nuclear evaluated the remaining expected site demobilization costs and other contractor obligations and reduced the remaining estimate to complete forecast by approximately \$ 21 million. Accordingly, Georgia Power recorded a pre-tax credit to income of approximately \$ 21 million (\$ 16 million after tax) in the second quarter 2024 to recognize capital costs previously charged to income.

Georgia Power's net capital costs incurred through September 30, 2024 in connection with Plant Vogtle Units 3 and 4, and its approximate proportionate share of additional capital costs to be incurred after September 30, 2024, including completion of site demobilization and remaining contractor obligations, is as follows:

	<i>(in millions)</i>
Total project capital cost forecast <sup>(a)(b)</sup>	\$ 10,732
Net investment at September 30, 2024 <sup>(b)</sup>	( 10,649 )
<b>Remaining estimate to complete</b>	<b>\$ 83</b>

(a) Includes approximately \$ 1.2 billion of costs that are not shared with the other Vogtle Owners. Excludes financing costs capitalized through AFUDC of approximately \$ 440 million accrued through Unit 4's in-service date.

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

Georgia Power's financing costs for construction of Plant Vogtle Units 3 and 4 totaled approximately \$ 3.53 billion, of which \$ 3.08 billion had been recovered through Unit 4's in-service date.

*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 as well as the remaining depreciation expense until Unit 4 costs were placed in retail base rates as described below. The regulatory assets for the debt component of financing costs and depreciation expense are being recovered over 10 years beginning May 2024, as approved by the Georgia PSC, with a remaining balance of \$ 24 million and \$ 30 million, respectively, at September 30, 2024. The equity component of financing costs (\$ 40 million at September 30, 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 statements of income 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 included in retail rate base the remaining \$ 5.462 billion of construction and capital costs as well as \$ 647 million of associated retail rate base items effective with the April 29, 2024 in-service date for Unit 4, pursuant to the approved Prudence Stipulation. Annual retail base revenues increased approximately \$ 730 million and the average retail base rates were adjusted by approximately 5 % (net of the elimination of the NCCR tariff described below) effective May 1, 2024.

Reductions to the ROE used to calculate the NCCR tariff (pursuant to prior Georgia PSC orders) negatively impacted earnings by approximately \$ 310 million in 2023 and \$ 80 million through the second quarter 2024. Further, as included in the approved Prudence Stipulation, since commercial operation for Unit 4 was not achieved by March 31, 2024, Georgia Power's ROE used to determine the NCCR tariff and calculate AFUDC was reduced to zero effective April 1, 2024, which resulted in a negative impact to earnings of approximately \$ 10 million (for one month) in the second quarter 2024 based on the April 29, 2024 in-service date.

Effective May 1, 2024, following commercial operation of Unit 4, Georgia Power's NCCR tariff was eliminated and related financing costs are included in Georgia Power's general retail revenue requirements. Financing costs of \$ 10 million that were not

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

recovered through the NCCR tariff will be addressed in Georgia Power's next retail rate case proceeding. The ultimate outcome of this matter cannot be determined at this time.

### **Mississippi Power**

#### ***Performance Evaluation Plan***

On June 13, 2024, the Mississippi PSC approved Mississippi Power's annual retail PEP filing for 2024 with no change in retail rates.

#### ***Environmental Compliance Overview Plan***

On May 7, 2024, the Mississippi PSC approved Mississippi Power's annual ECO Plan filing for 2024, resulting in an \$ 8 million annual increase in revenues effective with the first billing cycle of June 2024.

#### ***Ad Valorem Tax Adjustment***

On June 13, 2024, the Mississippi PSC approved Mississippi Power's annual ad valorem tax adjustment filing for 2024, resulting in a \$ 5 million annual decrease in revenues effective with the first billing cycle of July 2024. This decrease is not expected to have a significant effect on Mississippi Power's net income but will affect operating cash flows.

#### ***System Restoration Rider***

On April 11, 2024, the Mississippi PSC approved Mississippi Power's annual SRR filing, 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 Mississippi PSC did not note any deficiencies within the review period; therefore, the filing is concluded. The 2024 IRP included 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 remaining net book value of Plant Daniel Units 1 and 2 was approximately \$ 476 million at September 30, 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 be determined by the Mississippi PSC in future proceedings, consistent with a 2020 Mississippi PSC order. The Plant Watson and Plant Greene County units are expected to be fully depreciated upon retirement. The ultimate outcome of this matter cannot be determined at this time.

#### ***Municipal and Rural Associations Tariff***

On March 29, 2024, Mississippi Power 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 new rates in a filing with the FERC. On May 28, 2024, the FERC issued an order accepting Mississippi Power's request effective May 29, 2024, subject to refund, and establishing hearing and settlement judge procedures. The ultimate outcome of this matter cannot be determined at this time.

### **Southern Company Gas**

#### ***Infrastructure Replacement Programs and Capital Projects***

On June 7, 2024, the Virginia Commission approved the extension of Virginia Natural Gas' SAVE program through 2029. The extension of the program includes investments of \$ 70 million in each year from 2025 through 2029, with

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

a potential variance of up to \$ 5 million allowed for the program, for a maximum total investment over the five-year extension of \$ 355 million.

### ***Rate Proceedings***

#### *Atlanta Gas Light*

On July 2, 2024, the Georgia PSC approved a stipulation related to Atlanta Gas Light's triennial Integrated Capacity and Delivery Plan filing, filed on February 1, 2024, which allows capital investments totaling approximately \$ 0.6 billion annually for the years 2025 through 2027 with related revenue requirement recovery through either the annual GRAM filing or the System Reinforcement Rider surcharge adjustment. Additionally, the Georgia PSC approved a surcharge recovery mechanism for capital projects related to municipal, county, and Georgia Department of Transportation (GDOT) infrastructure work. Rate changes associated with the new surcharge, if approved, will be based on requests filed annually on September 1, with new rates to become effective January 1 of the following year. Finally, the stipulation requires Atlanta Gas Light to include an alternate rate plan for the three-year period of 2025 through 2027 with its 2025 GRAM filing.

On July 31, 2024, Atlanta Gas Light submitted its annual GRAM filing with the Georgia PSC, which includes projections for portions of the System Reinforcement Rider and municipal, county, and GDOT projects. The filing requests a traditional annual base rate increase of \$ 120 million based on the projected 12-month period beginning January 1, 2025. In accordance with the approved Integrated Capacity and Delivery Plan filing, Atlanta Gas Light also included two alternative annual base rate increases for 2025 that provide for lower increases in 2025 with subsequent increases in 2026 and 2027. Resolution of the GRAM filing is expected by December 31, 2024, with new rates effective January 1, 2025. The ultimate outcome of this matter cannot be determined at this time.

#### *Virginia Natural Gas*

On August 1, 2024, Virginia Natural Gas filed a base rate case with the Virginia Commission seeking an increase in annual base revenues of \$ 63 million, including \$ 17 million related to the recovery of investments under the SAVE program, primarily to recover investments and increased costs associated with infrastructure and technology. The requested increase is based on a projected 12-month period beginning January 1, 2025, an ROE of 10.45 %, and an equity ratio of 54.92 %. Rate adjustments will be effective January 1, 2025, subject to refund. The Virginia Commission is expected to issue an order on the requested increase in the third quarter 2025. The ultimate outcome of this matter cannot be 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 intend to dispute the allegations raised in and vigorously defend against the pending legal challenges discussed below; however, the ultimate outcome of each of these matters cannot be determined at this time.

### ***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

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

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. 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. 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. On February 2, 2024, the defendants moved to dismiss the amended complaint. On August 28, 2024, the court granted the defendants' motion in part and denied it in part, dismissing the plaintiff's False Claims Act count along with its accompanying treble damages and attorneys' fees but allowing the employment retaliation claim to proceed. The plaintiff requested interlocutory appeal of the court's decision on October 4, 2024. On October 14, 2024, the defendants asserted counterclaims for conversion and misappropriation of trade secrets. 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 surface impoundment utilizing a closure-in-place methodology violates the Resource Conservation and Recovery Act (RCRA) and regulations governing CCR. Among other relief requested, Mobile Baykeeper sought a declaratory judgment that the RCRA and regulations governing CCR 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. In December 2022, Alabama Power filed a motion to dismiss the case. On January 4, 2024, the lawsuit was dismissed without prejudice by the U.S. District Court judge. On February 1, 2024, the plaintiff filed a motion to reconsider, which was denied by the U.S. District Court judge on July 22, 2024. On August 20, 2024, the plaintiff filed a notice of appeal in the U.S. Court of Appeals for the Eleventh Circuit challenging the denial of the motion to reconsider the order of dismissal.

In January 2023, the EPA issued a Notice of Potential Violations (NOPV) associated with Alabama Power's plan to close the Plant Barry surface impoundment. On September 26, 2024, Alabama Power reached a settlement with the EPA resolving two of the three allegations in the NOPV related to the groundwater monitoring system and the emergency action plan at the Plant Barry surface impoundment. Alabama Power has affirmed to the EPA its position that it is in compliance with CCR requirements.

These matters 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***

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. In May 2023, the Superior Court of

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)  
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Monroe County, Georgia denied Georgia Power's motion to dismiss the case for lack of subject matter jurisdiction. 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 May 2024, Georgia Power filed additional motions for summary judgment. In August 2024, the court denied certain motions for summary judgment, while granting other motions for summary judgment, eliminating some claims from the first one-plaintiff trial.

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. 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 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. 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 County energy facility prior to placing the Kemper 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 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 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

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

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. 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 petition for panel rehearing, which was denied on 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 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 2023, Southern Power received an award of approximately \$ 36 million and filed for confirmation in 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 filed an opposition to First Solar's petition in the New York matter. On May 6, 2024, the Supreme Court of New York County, New York denied First Solar's petition to vacate and confirmed the arbitration award. This matter is now concluded.

At September 30, 2024, \$ 16 million of the award remains on the balance sheet as restricted cash and as a liability to fund future replacement costs. 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 \$ 13 million and \$ 14 million at September 30, 2024 and December 31, 2023, respectively. Georgia Power has been designated or identified as a potentially responsible party at sites 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 \$ 230 million and \$ 222 million at September 30, 2024 and December 31, 2023, respectively, based on the estimated cost of environmental investigation and remediation associated with known former manufactured gas plant operating sites. Southern Company Gas has identified one former manufactured gas plant site in North Carolina where environmental investigation and remediation are possible. Costs associated with this site cannot be reasonably estimated at this time.

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.

### **Nuclear Fuel Disposal Costs**

On June 7, 2024 and August 15, 2024, the Court of Federal Claims entered final judgments on damages in the third and fourth round of lawsuits, respectively, against the U.S. government awarding Alabama Power a total of \$ 100 million and Georgia Power a total of \$ 121 million (based on its ownership interests), which represent claims for the period from January 1, 2011 through December 31, 2019. This represents all outstanding claims.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)  
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At September 30, 2024, Alabama Power recognized both a receivable and a regulatory liability of \$ 100 million. Alabama Power expects to credit recovery for the benefit of customers in accordance with direction from the Alabama PSC. At September 30, 2024, Georgia Power recognized a receivable of \$ 259 million and a payable to the joint owners of Plants Hatch and Vogtle of \$ 138 million (based on their ownership interests) and credited the award to accounts where the original costs were charged, which reduced rate base, fuel, and cost of service for the benefit of customers, as previously authorized by the Georgia PSC. As a result of this regulatory treatment, there will be no material impact on Southern Company's, Alabama Power's, or Georgia Power's net income.

**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.

**(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. See "Lease Income" herein and Note (J) for additional information on revenue accounted for under lease and derivative accounting guidance, respectively.

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

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

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
<i>(in millions)</i>						
<b>Three Months Ended September 30, 2024</b>						
<i>Operating revenues</i>						
Retail electric revenues						
Residential	\$ 2,651	\$ 975	\$ 1,580	\$ 96	\$ —	\$ —
Commercial	1,991	607	1,288	96	—	—
Industrial	1,184	483	606	95	—	—
Other	33	3	28	2	—	—
<b>Total retail electric revenues</b>	<b>5,859</b>	<b>2,068</b>	<b>3,502</b>	<b>289</b>	<b>—</b>	<b>—</b>
Natural gas distribution revenues						
Residential	212	—	—	—	—	212
Commercial	55	—	—	—	—	55
Transportation	294	—	—	—	—	294
Industrial	4	—	—	—	—	4
Other	45	—	—	—	—	45
<b>Total natural gas distribution revenues</b>	<b>610</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>610</b>
Wholesale electric revenues						
PPA energy revenues	300	58	26	1	222	—
PPA capacity revenues	190	24	42	15	125	—
Non-PPA revenues	67	34	—	106	67	—
<b>Total wholesale electric revenues</b>	<b>557</b>	<b>116</b>	<b>68</b>	<b>122</b>	<b>414</b>	<b>—</b>
Other natural gas revenues						
Gas marketing services	51	—	—	—	—	51
Other	6	—	—	—	—	6
<b>Total other natural gas revenues</b>	<b>57</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>57</b>
Other revenues	398	60	170	13	9	—
<b>Total revenue from contracts with customers</b>	<b>7,481</b>	<b>2,244</b>	<b>3,740</b>	<b>424</b>	<b>423</b>	<b>667</b>
Other revenue sources <sup>(*)</sup>	(207)	(106)	(268)	(12)	177	15
<b>Total operating revenues</b>	<b>\$ 7,274</b>	<b>\$ 2,138</b>	<b>\$ 3,472</b>	<b>\$ 412</b>	<b>\$ 600</b>	<b>\$ 682</b>

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

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
(in millions)						
<b>Nine Months Ended September 30, 2024</b>						
<i>Operating revenues</i>						
Retail electric revenues						
Residential	\$ 6,551	\$ 2,477	\$ 3,832	\$ 242	\$ —	\$ —
Commercial	5,075	1,583	3,243	249	—	—
Industrial	3,019	1,338	1,424	257	—	—
Other	94	9	78	7	—	—
<b>Total retail electric revenues</b>	<b>14,739</b>	<b>5,407</b>	<b>8,577</b>	<b>755</b>	<b>—</b>	<b>—</b>
Natural gas distribution revenues						
Residential	1,244	—	—	—	—	1,244
Commercial	300	—	—	—	—	300
Transportation	959	—	—	—	—	959
Industrial	25	—	—	—	—	25
Other	221	—	—	—	—	221
<b>Total natural gas distribution revenues</b>	<b>2,749</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,749</b>
Wholesale electric revenues						
PPA energy revenues	838	171	66	3	616	—
PPA capacity revenues	495	71	106	47	320	—
Non-PPA revenues	179	103	3	292	176	—
<b>Total wholesale electric revenues</b>	<b>1,512</b>	<b>345</b>	<b>175</b>	<b>342</b>	<b>1,112</b>	<b>—</b>
Other natural gas revenues						
Gas marketing services	352	—	—	—	—	352
Other	16	—	—	—	—	16
<b>Total other natural gas revenues</b>	<b>368</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>368</b>
Other revenues	1,145	174	507	34	31	—
<b>Total revenue from contracts with customers</b>	<b>20,513</b>	<b>5,926</b>	<b>9,259</b>	<b>1,131</b>	<b>1,143</b>	<b>3,117</b>
Other revenue sources <sup>(*)</sup>	(130)	(123)	(514)	(13)	454	103
<b>Total operating revenues</b>	<b>\$ 20,383</b>	<b>\$ 5,803</b>	<b>\$ 8,745</b>	<b>\$ 1,118</b>	<b>\$ 1,597</b>	<b>\$ 3,220</b>

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

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
<i>(in millions)</i>						
<b>Three Months Ended September 30, 2023</b>						
<i>Operating revenues</i>						
Retail electric revenues						
Residential	\$ 2,543	\$ 969	\$ 1,473	\$ 101	\$ —	\$ —
Commercial	1,845	599	1,151	95	—	—
Industrial	1,116	498	528	90	—	—
Other	30	3	25	2	—	—
<b>Total retail electric revenues</b>	<b>5,534</b>	<b>2,069</b>	<b>3,177</b>	<b>288</b>	<b>—</b>	<b>—</b>
Natural gas distribution revenues						
Residential	217	—	—	—	—	217
Commercial	56	—	—	—	—	56
Transportation	275	—	—	—	—	275
Industrial	4	—	—	—	—	4
Other	60	—	—	—	—	60
<b>Total natural gas distribution revenues</b>	<b>612</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>612</b>
Wholesale electric revenues						
PPA energy revenues	317	66	31	2	226	—
PPA capacity revenues	151	26	13	3	110	—
Non-PPA revenues	101	15	21	137	126	—
<b>Total wholesale electric revenues</b>	<b>569</b>	<b>107</b>	<b>65</b>	<b>142</b>	<b>462</b>	<b>—</b>
Other natural gas revenues						
Gas marketing services	54	—	—	—	—	54
Other	8	—	—	—	—	8
<b>Total other natural gas revenues</b>	<b>62</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>62</b>
Other revenues	330	54	146	10	18	—
<b>Total revenue from contracts with customers</b>	<b>7,107</b>	<b>2,230</b>	<b>3,388</b>	<b>440</b>	<b>480</b>	<b>674</b>
Other revenue sources <sup>(*)</sup>	(127)	(147)	(151)	(4)	173	15
<b>Total operating revenues</b>	<b>\$ 6,980</b>	<b>\$ 2,083</b>	<b>\$ 3,237</b>	<b>\$ 436</b>	<b>\$ 653</b>	<b>\$ 689</b>

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

	<b>Southern Company</b>	<b>Alabama Power</b>	<b>Georgia Power</b>	<b>Mississippi Power</b>	<b>Southern Power</b>	<b>Southern Company Gas</b>
<i>(in millions)</i>						
<b>Nine Months Ended September 30, 2023</b>						
<i>Operating revenues</i>						
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	—	—
<b>Total retail electric revenues</b>	<b>13,035</b>	<b>5,104</b>	<b>7,198</b>	<b>733</b>	<b>—</b>	<b>—</b>
Natural gas distribution revenues						
Residential	1,443	—	—	—	—	1,443
Commercial	370	—	—	—	—	370
Transportation	878	—	—	—	—	878
Industrial	33	—	—	—	—	33
Other	228	—	—	—	—	228
<b>Total natural gas distribution revenues</b>	<b>2,952</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,952</b>
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	—
<b>Total wholesale electric revenues</b>	<b>1,542</b>	<b>375</b>	<b>134</b>	<b>359</b>	<b>1,202</b>	<b>—</b>
Other natural gas revenues						
Gas marketing services	358	—	—	—	—	358
Other	28	—	—	—	—	28
<b>Total other natural gas revenues</b>	<b>386</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>386</b>
Other revenues	971	159	422	31	46	—
<b>Total revenue from contracts with customers</b>	<b>18,886</b>	<b>5,638</b>	<b>7,754</b>	<b>1,123</b>	<b>1,248</b>	<b>3,338</b>
Other revenue sources <sup>(*)</sup>	322	(218)	51	14	438	79
<b>Total operating revenues</b>	<b>\$ 19,208</b>	<b>\$ 5,420</b>	<b>\$ 7,805</b>	<b>\$ 1,137</b>	<b>\$ 1,686</b>	<b>\$ 3,417</b>

(\*) 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.

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

**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, 2024 and December 31, 2023:

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
(in millions)						
<b>Accounts Receivable</b>						
At September 30, 2024	\$ 2,946	\$ 978	\$ 1,347	\$ 111	\$ 125	\$ 306
At December 31, 2023	2,820	821	1,011	90	122	684
<b>Contract Assets</b>						
At September 30, 2024	\$ 379	\$ 7	\$ 202	\$ —	\$ —	\$ 71
At December 31, 2023	271	2	121	—	—	56
<b>Contract Liabilities</b>						
At September 30, 2024	\$ 181	\$ —	\$ 49	\$ —	\$ 2	\$ 3
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. 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 \$ 68 million had been received at September 30, 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, 2024 and December 31, 2023, Southern Company's unregulated distributed generation business had contract assets of \$ 102 million and \$ 91 million, respectively, and contract liabilities of \$ 132 million and \$ 115 million, respectively, for outstanding performance obligations, all of which are expected to be satisfied within one year.

Revenues recognized in the three and nine months ended September 30, 2024, which were included in contract liabilities at December 31, 2023, were \$ 20 million and \$ 97 million, respectively, for Southern Company and immaterial for the 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**

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 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

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)**  
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obligations related to certain fixed price contracts. Revenues from contracts with customers related to these performance obligations remaining at September 30, 2024 are expected to be recognized as follows:

	2024 (remaining)	2025	2026	2027	2028	Thereafter
(in millions)						
Southern Company	\$ 303	\$ 884	\$ 375	\$ 336	\$ 325	\$ 2,180
Alabama Power	11	11	—	—	—	—
Georgia Power	21	64	26	17	17	17
Mississippi Power <sup>(*)</sup>	15	63	66	69	73	—
Southern Power <sup>(*)</sup>	73	312	299	306	297	2,169
Southern Company Gas	3	2	—	—	—	—

(\*) 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, 2024 and 2023 is as follows:

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
(in millions)						
<b>For the Three Months Ended September 30, 2024</b>						
Lease income - interest income on sales-type leases	\$ 5	\$ —	\$ —	\$ 3	\$ 2	\$ —
Lease income - operating leases	38	2	13	—	20	9
Variable lease income	142	—	—	—	152	—
Total lease income	\$ 185	\$ 2	\$ 13	\$ 3	\$ 174	\$ 9
<b>For the Nine Months Ended September 30, 2024</b>						
Lease income - interest income on sales-type leases	\$ 18	\$ —	\$ —	\$ 11	\$ 7	\$ —
Lease income - operating leases	108	6	28	2	63	27
Variable lease income	343	—	—	—	370	—
Total lease income	\$ 469	\$ 6	\$ 28	\$ 13	\$ 440	\$ 27
<b>For the Three Months Ended September 30, 2023</b>						
Lease income - interest income on sales-type leases	\$ 6	\$ —	\$ —	\$ 4	\$ 2	\$ —
Lease income - operating leases	36	3	7	—	21	9
Variable lease income	134	—	—	—	144	—
Total lease income	\$ 176	\$ 3	\$ 7	\$ 4	\$ 167	\$ 9
<b>For the Nine Months Ended September 30, 2023</b>						
Lease income - interest income on sales-type leases	\$ 18	\$ —	\$ —	\$ 11	\$ 7	\$ —
Lease income - operating leases	129	32	22	2	64	27
Variable lease income	327	1	—	—	351	—
Total lease income	\$ 474	\$ 33	\$ 22	\$ 13	\$ 422	\$ 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 is included in wholesale revenues for Alabama Power, Georgia Power, and Southern Power.

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

### **(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, 2024 and December 31, 2023, Southern Holdings had equity method investments totaling \$ 127 million and \$ 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 periods presented.

#### **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, 2024 and December 31, 2023, SP Solar had total assets of \$ 5.6 billion, total liabilities of \$ 378 million and \$ 399 million, respectively, and noncontrolling interests of \$ 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, 2024 and December 31, 2023, SP Wind had total assets of \$ 2.1 billion, total liabilities of \$ 184 million and \$ 187 million, respectively, and noncontrolling interests of \$ 36 million and \$ 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, 2024 and December 31, 2023, the other VIEs had total assets of \$ 1.7 billion, total liabilities of \$ 240 million and \$ 230 million, respectively, and noncontrolling interests of \$ 710 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.

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

**Southern Company Gas**

**Equity Method Investments**

The carrying amounts of Southern Company Gas' equity method investments at September 30, 2024 and December 31, 2023 were as follows:

Investment Balance	September 30, 2024	December 31, 2023
(in millions)		
SNG	\$ 1,246	\$ 1,202
Other	33	33
Total	\$ 1,279	\$ 1,235

The earnings from Southern Company Gas' equity method investment related to SNG were \$ 34 million and \$ 32 million for the three months ended September 30, 2024 and 2023, respectively, and \$ 110 million and \$ 104 million for the nine months ended September 30, 2024 and 2023, respectively. The earnings from Southern Company Gas' other equity method investments were immaterial for all periods presented.

**(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, 2024, committed credit arrangements with banks were as follows:

Company	Expires					Total	Unused	Expires within One Year
	2025	2026	2027	2029	(in millions)			
Southern Company parent <sup>(a)</sup>	\$ 150	\$ —	\$ —	\$ 1,850	\$ 2,000	\$ 1,998	\$ 150	
Alabama Power	—	650	—	700	1,350	1,350	—	
Georgia Power	300	—	—	1,750	2,050	2,026	300	
Mississippi Power	—	—	275	—	275	275	—	
Southern Power <sup>(a)(b)</sup>	—	—	—	600	600	600	—	
Southern Company Gas <sup>(c)</sup>	100	—	—	1,500	1,600	1,598	100	
SEFCO	30	—	—	—	30	30	30	
Southern Company	\$ 580	\$ 650	\$ 275	\$ 6,400	\$ 7,905	\$ 7,877	\$ 580	

(a) Arrangement expiring in 2029 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 \$ 10 million and \$ 11 million, respectively, was unused at September 30, 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 2029. Southern Company Gas' committed credit arrangement expiring in 2029 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 2029, 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 2025.

As reflected in the table above, in March 2024, Mississippi Power amended and restated a \$ 125 million multi-year credit arrangement, which, among other things, extended the maturity date from 2025 to 2027. In May 2024, (i) Alabama Power, Georgia Power, and Southern Company Gas Capital, along with Nicor Gas, extended the maturity

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

dates of certain of their multi-year credit arrangements from 2028 to 2029; (ii) Southern Company and Southern Power extended the maturity date of their combined multi-year credit arrangement from 2028 to 2029; (iii) Southern Company, Nicor Gas, and SEGCO amended their credit arrangements aggregating \$ 150 million, \$ 100 million, and \$ 30 million, respectively, which extended the maturity dates from 2024 to 2025; and (iv) Georgia Power entered into two new credit arrangements aggregating \$ 300 million, which mature in 2025. In June 2024, Mississippi Power amended certain of its multi-year credit arrangements aggregating \$ 150 million, which extended the maturity dates from 2026 to 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, 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, 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 \$ 796 million at Alabama Power, \$ 819 million at Georgia Power, and \$ 69 million at Mississippi Power). In addition, at September 30, 2024, Alabama Power and Georgia Power had approximately \$ 207 million and \$ 157 million, respectively, of fixed rate revenue bonds outstanding that are required to be remarketed within the next 12 months. Alabama Power's \$ 207 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 May 2024, Southern Company issued \$ 1.5 billion aggregate principal amount of Series 2024A 4.50 % Convertible Senior Notes due June 15, 2027 (Series 2024A Convertible Senior Notes).

Interest on the Series 2024A Convertible Senior Notes is payable semiannually, beginning December 15, 2024. The Series 2024A Convertible Senior Notes will mature on June 15, 2027, unless earlier converted or repurchased, but are not redeemable at the option of Southern Company. The Series 2024A 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 2024A Convertible Senior Notes at their option prior to the close of business on the business day preceding March 15, 2027, 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;

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

- 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 2024A 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 2024A Convertible Senior Notes.

On or after March 15, 2027, a holder may convert all or any portion of its Series 2024A 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 2024A Convertible Senior Notes by paying cash up to the aggregate principal amount of the Series 2024A 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 2024A Convertible Senior Notes being converted. The Series 2024A Convertible Senior Notes are initially convertible at a rate of 10.8166 shares of common stock per \$1,000 principal amount converted, which is approximately equal to \$ 92.45 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 2024A 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 2024A Convertible Senior Notes), holders of the Series 2024A Convertible Senior Notes may require Southern Company to purchase all or a portion of their Series 2024A 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 2024A 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 and Series 2024A 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 and Series 2024A Convertible Senior Notes is determined using the net share settlement method. See "Convertible Senior Notes" herein and 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 for additional information. Shares used to compute diluted EPS were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023		
			2024	2023
(in millions)				
As reported shares	1,097	1,092	1,096	1,092
Effect of stock-based compensation	6	7	6	6
Diluted shares	1,103	1,099	1,102	1,098

For all periods presented, an immaterial number of stock-based compensation awards was excluded from the diluted EPS calculation because the awards were anti-dilutive.

For the three and nine months ended September 30, 2024, there was no dilution resulting from the Series 2024A Convertible Senior Notes, and the dilution resulting from the Series 2023A convertible senior notes was immaterial.

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

For the three and nine months ended September 30, 2023, there was no dilution resulting from the Series 2023A convertible senior notes or Series 2024A Convertible Senior Notes .

### **Georgia Power Lease Modification**

See Note 9 to the financial statements in Item 8 of the Form 10-K for information on Georgia Power's leases. In June 2024, Georgia Power recognized a lease modification related to an existing affiliate PPA with Southern Power which converted from an operating lease to a finance lease upon its approval by the FERC. As a result, Georgia Power removed from its balance sheet operating lease right-of-use assets, net of amortization of \$ 8 million and lease obligations of \$ 10 million maturing through 2025 and recorded finance lease right-of-use assets of \$ 44 million and lease obligations of \$ 45 million maturing through 2035. See Note (B) under "Georgia Power – Integrated Resource Plans" for additional information.

### **(G) INCOME TAXES**

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

#### **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.

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 19.0 % for the nine months ended September 30, 2024 compared to 13.9 % for the corresponding period in 2023. The effective tax rate increase was primarily due to a decrease in the flowback of certain excess deferred income taxes at Alabama Power, higher pre-tax earnings, and an increase in the valuation allowance on certain state tax credit carryforwards at Georgia Power, partially offset by an increase in PTCs and the recognition of certain state tax positions from amended returns primarily at Georgia Power. See "Unrecognized Tax Benefits" herein for additional information.

#### ***Alabama Power***

Alabama Power's effective tax rate was 21.2 % for the nine months ended September 30, 2024 compared to 8.3 % for the corresponding period in 2023. The effective tax rate increase was primarily due to a decrease in the flowback of certain excess deferred income taxes.

#### ***Georgia Power***

Georgia Power's effective tax rate was 18.7 % for the nine months ended September 30, 2024 compared to 18.2 % for the corresponding period in 2023. The effective tax rate increase was primarily due to higher pre-tax earnings and an increase in the valuation allowance on certain state tax credit carryforwards, partially offset by an increase in PTCs and the recognition of certain state tax positions from amended returns. See "Unrecognized Tax Benefits" herein for additional information.

#### ***Mississippi Power***

Mississippi Power's effective tax rate was 20.0 % for the nine months ended September 30, 2024 compared to 16.9 % for the corresponding period in 2023. The effective tax rate increase was primarily due to a decrease in the flowback of certain excess deferred income taxes.

#### **Unrecognized Tax Benefits**

Southern Company's and Georgia Power's unrecognized tax position balances at September 30, 2024 were \$ 73 million and \$ 34 million, respectively, compared to \$ 116 million and \$ 77 million, respectively, at December 31,

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

2023. The decreases from prior periods are primarily related to the 2019 and 2020 amended state filing positions related to tax credit utilization and decreased Southern Company's and Georgia Power's effective tax rates.

**(H) RETIREMENT BENEFITS**

The Southern Company system has a qualified defined benefit, trustee, 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, 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.

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, 2024 and 2023 are presented in the following tables.

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

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
(in millions)						
<b>Three Months Ended September 30, 2024</b>						
<b>Pension Plans</b>						
Service cost	\$ 73	\$ 17	\$ 18	\$ 3	\$ 2	\$ 7
Interest cost	159	37	47	7	2	11
Expected return on plan assets	(316)	(77)	(99)	(14)	(4)	(21)
Amortization:						
Prior service costs	—	—	—	—	—	(1)
Regulatory asset	—	—	—	—	—	4
Net (gain) loss	14	4	6	—	(1)	—
Net periodic pension income	\$ (70)	\$ (19)	\$ (28)	\$ (4)	\$ (1)	—
<b>Postretirement Benefits</b>						
Service cost	\$ 4	\$ 1	\$ 1	\$ —	\$ —	\$ —
Interest cost	16	4	6	1	—	2
Expected return on plan assets	(22)	(9)	(8)	(1)	—	(2)
Amortization:						
Prior service costs	1	—	1	—	—	—
Regulatory asset	—	—	—	—	—	2
Net (gain) loss	(4)	—	(3)	1	—	(1)
Net periodic postretirement benefit cost (income)	\$ (5)	\$ (4)	\$ (3)	\$ 1	\$ —	\$ 1
<b>Nine Months Ended September 30, 2024</b>						
<b>Pension Plans</b>						
Service cost	\$ 219	\$ 51	\$ 53	\$ 9	\$ 5	\$ 21
Interest cost	476	111	143	21	6	32
Expected return on plan assets	(947)	(230)	(296)	(43)	(12)	(64)
Amortization:						
Prior service costs	—	—	1	—	—	(2)
Regulatory asset	—	—	—	—	—	11
Net loss	41	12	15	2	—	—
Net periodic pension income	\$ (211)	\$ (56)	\$ (84)	\$ (11)	\$ (1)	\$ (2)
<b>Postretirement Benefits</b>						
Service cost	\$ 11	\$ 3	\$ 3	\$ —	\$ —	\$ 1
Interest cost	49	12	17	2	—	6
Expected return on plan assets	(66)	(26)	(24)	(1)	—	(6)
Amortization:						
Prior service costs	2	—	1	—	—	—
Regulatory asset	—	—	—	—	—	5
Net gain	(12)	(2)	(4)	—	—	(4)
Net periodic postretirement benefit cost (income)	\$ (16)	\$ (13)	\$ (7)	\$ 1	\$ —	\$ 2

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

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
(in millions)						
<b>Three Months Ended September 30, 2023</b>						
<b>Pension Plans</b>						
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 )
<b>Postretirement Benefits</b>						
Service cost	\$ 4	\$ 1	\$ 1	\$ —	\$ —	\$ —
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
<b>Nine Months Ended September 30, 2023</b>						
<b>Pension Plans</b>						
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 )
<b>Postretirement Benefits</b>						
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

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

**(I) FAIR VALUE MEASUREMENTS**

At September 30, 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:

	Fair Value Measurements Using:							<i>(in millions)</i>
	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
<b>At September 30, 2024</b>								
<b>Southern Company</b>								
Assets:								
Energy-related derivatives <sup>(a)</sup>	\$ 8	\$ 59	\$ —	\$ —	\$ —	\$ 67		
Interest rate derivatives	—	1	—	—	—	—	1	
Investments in trusts: <sup>(b)</sup>								
Domestic equity	843	255	—	—	—	—	1,098	
Foreign equity	163	189	—	—	—	—	352	
U.S. Treasury and government agency securities	—	368	—	—	—	—	368	
Municipal bonds	—	50	—	—	—	—	50	
Pooled funds – fixed income	—	7	—	—	—	—	7	
Corporate bonds	—	464	—	—	—	—	464	
Mortgage and asset backed securities	—	106	—	—	—	—	106	
Private equity	—	—	—	—	—	179	179	
Cash and cash equivalents	1	—	—	—	—	—	1	
Other	28	3	—	—	9	—	40	
Cash equivalents and restricted cash	336	16	—	—	—	—	352	
Other investments	9	28	8	—	—	—	45	
<b>Total</b>	<b>\$ 1,388</b>	<b>\$ 1,546</b>	<b>\$ 8</b>	<b>\$ 188</b>	<b>\$ 3,130</b>			
Liabilities:								
Energy-related derivatives <sup>(a)</sup>	\$ 13	\$ 189	\$ —	\$ —	\$ —	\$ 202		
Interest rate derivatives	—	218	—	—	—	—	218	
Foreign currency derivatives	—	105	—	—	—	—	105	
Contingent consideration	3	—	17	—	—	—	20	
Other	—	13	9	—	—	—	22	
<b>Total</b>	<b>\$ 16</b>	<b>\$ 525</b>	<b>\$ 26</b>	<b>\$ —</b>	<b>\$ 567</b>			

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

At September 30, 2024	Fair Value Measurements Using:						(in millions)
	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			
<b>Alabama Power</b>							
Assets:							
Energy-related derivatives	\$ —	\$ 21	\$ —	\$ —	\$ —	\$ 21	
Nuclear decommissioning trusts: <sup>(b)</sup>							
Domestic equity	460	246	—	—	—	706	
Foreign equity	163	—	—	—	—	163	
U.S. Treasury and government agency securities	—	18	—	—	—	18	
Municipal bonds	—	1	—	—	—	1	
Corporate bonds	—	286	—	—	—	286	
Mortgage and asset backed securities	—	29	—	—	—	29	
Private equity	—	—	—	—	179	179	
Other	5	1	—	—	9	15	
Cash equivalents and restricted cash	197	16	—	—	—	213	
Other investments	—	28	—	—	—	28	
<b>Total</b>	<b>\$ 825</b>	<b>\$ 646</b>	<b>\$ —</b>	<b>\$ 188</b>	<b>\$ 1,659</b>		
Liabilities:							
Energy-related derivatives	\$ —	\$ 65	\$ —	\$ —	\$ —	65	
<b>Georgia Power</b>							
Assets:							
Energy-related derivatives	\$ —	\$ 13	\$ —	\$ —	\$ —	\$ 13	
Interest rate derivatives	—	1	—	—	—	1	
Nuclear decommissioning trusts: <sup>(b)</sup>							
Domestic equity	383	1	—	—	—	384	
Foreign equity	—	188	—	—	—	188	
U.S. Treasury and government agency securities	—	350	—	—	—	350	
Municipal bonds	—	49	—	—	—	49	
Corporate bonds	—	178	—	—	—	178	
Mortgage and asset backed securities	—	77	—	—	—	77	
Other	23	2	—	—	—	25	
<b>Total</b>	<b>\$ 406</b>	<b>\$ 859</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1,265</b>	
Liabilities:							
Energy-related derivatives	\$ —	\$ 65	\$ —	\$ —	\$ —	65	

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

At September 30, 2024	Fair Value Measurements Using:						(in millions)	
	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		
<b>Mississippi Power</b>								
Assets:								
Energy-related derivatives	\$ —	\$ 14	\$ —	\$ —	\$ —	\$ 14		
Liabilities:								
Energy-related derivatives	\$ —	\$ 51	\$ —	\$ —	\$ —	\$ 51		
<b>Southern Power</b>								
Assets:								
Energy-related derivatives	\$ —	\$ 4	\$ —	\$ —	\$ —	\$ 4		
Liabilities:								
Energy-related derivatives	\$ —	\$ 2	\$ —	\$ —	\$ —	\$ 2		
Foreign currency derivatives	\$ —	\$ 15	\$ —	\$ —	\$ —	\$ 15		
Contingent consideration	\$ 3	\$ —	\$ 17	\$ —	\$ —	\$ 20		
Other	\$ —	\$ 13	\$ 9	\$ —	\$ —	\$ 22		
Total	\$ 3	\$ 30	\$ 26	\$ —	\$ —	\$ 59		
<b>Southern Company Gas</b>								
Assets:								
Energy-related derivatives <sup>(a)</sup>	\$ 8	\$ 7	\$ —	\$ —	\$ —	\$ 15		
Non-qualified deferred compensation trusts:								
Domestic equity	\$ —	\$ 8	\$ —	\$ —	\$ —	\$ 8		
Foreign equity	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ 1		
Pooled funds – fixed income	\$ —	\$ 7	\$ —	\$ —	\$ —	\$ 7		
Cash and cash equivalents	\$ 1	\$ —	\$ —	\$ —	\$ —	\$ 1		
Cash equivalents	\$ 10	\$ —	\$ —	\$ —	\$ —	\$ 10		
Total	\$ 19	\$ 23	\$ —	\$ —	\$ —	\$ 42		
Liabilities:								
Energy-related derivatives <sup>(a)</sup>	\$ 13	\$ 6	\$ —	\$ —	\$ —	\$ 19		
Interest rate derivatives	\$ —	\$ 62	\$ —	\$ —	\$ —	\$ 62		
Total	\$ 13	\$ 68	\$ —	\$ —	\$ —	\$ 81		

(a) Excludes cash collateral of \$ 22 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.

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, 2024 and 2023. The changes were recorded as a change to the regulatory assets and liabilities related to AROs for Georgia Power and Alabama Power, respectively.

Fair value increases (decreases)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in millions)				
Southern Company	\$ 97	\$ (4)	\$ 230	\$ 211
Alabama Power	67	(36)	153	54
Georgia Power	30	32	77	157

**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.

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 2036, 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 the obligations reflects the net present value of expected payments and any periodic change arising from forecasted generation is expected to be immaterial.

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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 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, 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 \$ 188 million and unfunded commitments related to the private market investments totaled \$ 89 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, 2024, other financial instruments for which the carrying amount did not equal fair value were as follows:

	Southern Company <sup>(*)</sup>	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas <sup>(*)</sup>
(in billions)						
<b>Long-term debt, including securities due within one year:</b>						
Carrying amount	\$ 62.6	\$ 11.2	\$ 17.4	\$ 1.7	\$ 2.7	\$ 8.4
Fair value	59.8	10.3	16.3	1.5	2.7	7.7

(\*) 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. 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 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

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volatility in energy-related commodity prices. Each of the traditional electric operating companies and certain of the 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 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 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.

At September 30, 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
(in millions)			
Southern Company <sup>(*)</sup>	479	2030	2028
Alabama Power	130	2027	—
Georgia Power	127	2027	—
Mississippi Power	109	2028	—
Southern Power	6	2030	2024
Southern Company Gas <sup>(*)</sup>	107	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 118 million mmBtu long natural gas positions and 11 million mmBtu short natural gas positions at September 30, 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 13 million mmBtu for Southern Company, which includes 3 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, 2025 are immaterial for Southern Company, Southern Power, and Southern Company Gas.

**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.

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

	<b>Notional Amount</b>	<b>Weighted Average Interest Rate Paid</b>	<b>Interest Rate Received</b>	<b>Hedge Maturity Date</b>	<b>Fair Value Gain (Loss) at September 30, 2024</b>
(in millions)					(in millions)
<b>Cash Flow Hedges of Forecasted Debt</b>					
Georgia Power	\$ 350	3.53 %	N/A	December 2024	\$ 1
<b>Fair Value Hedges of Existing Debt</b>					
Southern Company parent	400	1-month SOFR + 0.80 %	1.75 %	March 2028	( 32 )
Southern Company parent	1,000	1-month SOFR + 2.48 %	3.70 %	April 2030	( 124 )
Southern Company Gas	500	1-month SOFR + 0.49 %	1.75 %	January 2031	( 62 )
Southern Company	\$ 2,250				\$ ( 217 )

For cash flow hedges of interest rate derivatives, the estimated pre-tax gains and (losses) expected to be reclassified from accumulated OCI to interest expense for the 12-month period ending September 30, 2025 are \$( 14 ) 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 2054 for Southern Company, Georgia Power, and Mississippi Power, 2052 for Alabama 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,

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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, 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, 2024
	(in millions)					(in millions)
<b>Cash Flow Hedges of Existing Debt</b>						
Southern Power	\$ 564	3.78 %	€ 500	1.85 %	June 2026	\$ ( 15 )
<b>Fair Value Hedges of Existing Debt</b>						
Southern Company parent	1,476	3.39 %	1,250	1.88 %	September 2027	( 90 )
Southern Company	\$ 2,040		€ 1,750			\$ ( 105 )

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, 2025 are immaterial for Southern Power.

**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:

Derivative Category and Balance Sheet Location	At September 30, 2024		At December 31, 2023	
	Assets (in millions)	Liabilities (in millions)	Assets (in millions)	Liabilities (in millions)
<b>Southern Company</b>				
<b>Energy-related derivatives designated as hedging instruments for regulatory purposes</b>				
Other current assets/Liabilities from risk management activities, net of collateral	\$ 26	\$ 114	\$ 12	\$ 198
Other current assets/Other deferred credits and liabilities	33	73	31	117
<b>Total derivatives designated as hedging instruments for regulatory purposes</b>	<b>59</b>	<b>187</b>	<b>43</b>	<b>315</b>
<b>Derivatives designated as hedging instruments in cash flow and fair value hedges</b>				
Energy-related derivatives:				
Other current assets/Liabilities from risk management activities, net of collateral	1	10	—	29
Other deferred charges and assets/Other deferred credits and liabilities	3	1	3	4
Interest rate derivatives:				
Other current assets/Liabilities from risk management activities, net of collateral	1	63	—	74
Other deferred charges and assets/Other deferred credits and liabilities	—	155	—	190
Foreign currency derivatives:				
Other current assets/Liabilities from risk management activities, net of collateral	—	34	—	34
Other deferred charges and assets/Other deferred credits and liabilities	—	71	—	88
<b>Total derivatives designated as hedging instruments in cash flow and fair value hedges</b>	<b>5</b>	<b>334</b>	<b>3</b>	<b>419</b>
<b>Energy-related derivatives not designated as hedging instruments</b>				
Other current assets/Liabilities from risk management activities, net of collateral	3	4	8	8
Other deferred charges and assets/Other deferred credits and liabilities	1	—	1	2
<b>Total derivatives not designated as hedging instruments</b>	<b>4</b>	<b>4</b>	<b>9</b>	<b>10</b>
<b>Gross amounts recognized</b>	<b>68</b>	<b>525</b>	<b>55</b>	<b>744</b>
<b>Gross amounts offset<sup>(a)</sup></b>	<b>( 34 )</b>	<b>( 56 )</b>	<b>( 23 )</b>	<b>( 85 )</b>
<b>Net amounts recognized in the Balance Sheets<sup>(b)</sup></b>	<b>\$ 34</b>	<b>\$ 469</b>	<b>\$ 32</b>	<b>\$ 659</b>

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)**  
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Derivative Category and Balance Sheet Location	At September 30, 2024		At December 31, 2023					
	Assets	Liabilities	Assets	Liabilities				
	(in millions)		(in millions)					
<b>Alabama Power</b>								
<b>Energy-related derivatives designated as hedging instruments for regulatory purposes</b>								
Other current assets/Other current liabilities	\$ 9	\$ 40	\$ 6	\$ 69				
Other deferred charges and assets/Other deferred credits and liabilities	12	25	9	41				
<b>Total derivatives designated as hedging instruments for regulatory purposes</b>	<b>21</b>	<b>65</b>	<b>15</b>	<b>110</b>				
<b>Gross amounts offset</b>	<b>( 13 )</b>	<b>( 13 )</b>	<b>( 10 )</b>	<b>( 10 )</b>				
<b>Net amounts recognized in the Balance Sheets</b>	<b>\$ 8</b>	<b>\$ 52</b>	<b>\$ 5</b>	<b>\$ 100</b>				
<b>Georgia Power</b>								
<b>Energy-related derivatives designated as hedging instruments for regulatory purposes</b>								
Other current assets/Other current liabilities	\$ 2	\$ 46	\$ 2	\$ 82				
Other deferred charges and assets/Other deferred credits and liabilities	10	19	10	42				
<b>Total derivatives designated as hedging instruments for regulatory purposes</b>	<b>12</b>	<b>65</b>	<b>12</b>	<b>124</b>				
<b>Interest rate derivatives designated as hedging instruments in cash flow and fair value hedges</b>								
Interest rate derivatives:								
Assets from risk management activities/Other current liabilities	1	—	—	—				
<b>Energy-related derivatives not designated as hedging instruments</b>								
Other current assets/Other current liabilities	1	—	1	—				
<b>Gross amounts recognized</b>	<b>14</b>	<b>65</b>	<b>13</b>	<b>124</b>				
<b>Gross amounts offset</b>	<b>( 11 )</b>	<b>( 11 )</b>	<b>( 11 )</b>	<b>( 11 )</b>				
<b>Net amounts recognized in the Balance Sheets</b>	<b>\$ 3</b>	<b>\$ 54</b>	<b>\$ 2</b>	<b>\$ 113</b>				
<b>Mississippi Power</b>								
<b>Energy-related derivatives designated as hedging instruments for regulatory purposes</b>								
Other current assets/Other current liabilities	\$ 3	\$ 22	\$ 3	\$ 27				
Other deferred charges and assets/Other deferred credits and liabilities	11	29	12	34				
<b>Total derivatives designated as hedging instruments for regulatory purposes</b>	<b>14</b>	<b>51</b>	<b>15</b>	<b>61</b>				
<b>Gross amounts offset</b>	<b>( 13 )</b>	<b>( 13 )</b>	<b>( 14 )</b>	<b>( 14 )</b>				
<b>Net amounts recognized in the Balance Sheets</b>	<b>\$ 1</b>	<b>\$ 38</b>	<b>\$ 1</b>	<b>\$ 47</b>				

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)**  
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Derivative Category and Balance Sheet Location	At September 30, 2024		At December 31, 2023					
	Assets	Liabilities	Assets	Liabilities				
	(in millions)		(in millions)					
<b>Southern Power</b>								
<b>Derivatives designated as hedging instruments in cash flow and fair value hedges</b>								
Energy-related derivatives:								
Other current assets/Other current liabilities	\$ —	\$ 1	\$ —	\$ 5				
Other deferred charges and assets/Other deferred credits and liabilities	3	—	3	—				
Foreign currency derivatives:								
Other current assets/Other current liabilities	—	11	—	11				
Other deferred charges and assets/Other deferred credits and liabilities	—	4	—	11				
<b>Total derivatives designated as hedging instruments in cash flow and fair value hedges</b>	<b>3</b>	<b>16</b>	<b>3</b>	<b>27</b>				
<b>Energy-related derivatives not designated as hedging instruments</b>								
Energy-related derivatives:								
Other current assets/Other current liabilities	—	1	—	—				
Other deferred charges and assets/Other deferred credits and liabilities	1	—	—	—				
<b>Total derivatives not designated as hedging instruments</b>	<b>1</b>	<b>1</b>	<b>—</b>	<b>—</b>				
<b>Gross amounts recognized</b>	<b>4</b>	<b>17</b>	<b>3</b>	<b>27</b>				
<b>Gross amounts offset</b>	<b>(1)</b>	<b>(1)</b>	<b>—</b>	<b>—</b>				
<b>Net amounts recognized in the Balance Sheets</b>	<b>\$ 3</b>	<b>\$ 16</b>	<b>\$ 3</b>	<b>\$ 27</b>				
<b>Southern Company Gas</b>								
<b>Energy-related derivatives designated as hedging instruments for regulatory purposes</b>								
Other current assets/Other current liabilities	\$ 12	\$ 6	\$ 1	\$ 20				
<b>Derivatives designated as hedging instruments in cash flow and fair value hedges</b>								
Energy-related derivatives:								
Other current assets/Other current liabilities	1	9	—	24				
Other deferred charges and assets/Other deferred credits and liabilities	—	1	—	4				
Interest rate derivatives:								
Other current assets/Other current liabilities	—	15	—	20				
Other deferred charges and assets/Other deferred credits and liabilities	—	47	—	59				
<b>Total derivatives designated as hedging instruments in cash flow and fair value hedges</b>	<b>1</b>	<b>72</b>	<b>—</b>	<b>107</b>				
<b>Energy-related derivatives not designated as hedging instruments</b>								
Other current assets/Other current liabilities	2	3	7	8				
Other deferred charges and assets/Other deferred credits and liabilities	—	—	1	2				
<b>Total derivatives not designated as hedging instruments</b>	<b>2</b>	<b>3</b>	<b>8</b>	<b>10</b>				
<b>Gross amounts recognized</b>	<b>15</b>	<b>81</b>	<b>9</b>	<b>137</b>				
<b>Gross amounts offset<sup>(a)</sup></b>	<b>4</b>	<b>(18)</b>	<b>12</b>	<b>(50)</b>				
<b>Net amounts recognized in the Balance Sheets<sup>(b)</sup></b>	<b>\$ 19</b>	<b>\$ 63</b>	<b>\$ 21</b>	<b>\$ 87</b>				

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(a) Gross amounts offset includes cash collateral held on deposit in broker margin accounts of \$ 22 million and \$ 62 million at September 30, 2024 and December 31, 2023, respectively.

(b) Net amounts of derivative instruments outstanding exclude immaterial premium and intrinsic value associated with weather derivatives at September 30, 2024 and December 31, 2023.

At September 30, 2024 and 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	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Company Gas
(in millions)					
<b>At September 30, 2024:</b>					
Energy-related derivatives:					
Other regulatory assets, current	\$ (102)	\$ (37)	\$ (44)	\$ (19)	\$ (2)
Other regulatory assets, deferred	(43)	(14)	(10)	(19)	—
Other regulatory liabilities, current	12	6	—	—	6
Other regulatory liabilities, deferred	3	1	1	1	—
<b>Total energy-related derivative gains (losses)</b>	<b>\$ (130)</b>	<b>\$ (44)</b>	<b>\$ (53)</b>	<b>\$ (37)</b>	<b>\$ 4</b>
<b>At December 31, 2023:</b>					
Energy-related derivatives:					
Other regulatory assets, current	\$ (180)	\$ (67)	\$ (80)	\$ (25)	\$ (8)
Other regulatory assets, deferred	(87)	(32)	(33)	(22)	—
Other regulatory liabilities, current	9	4	—	1	4
Other regulatory liabilities, deferred	1	—	1	—	—
<b>Total energy-related derivative gains (losses)</b>	<b>\$ (257)</b>	<b>\$ (95)</b>	<b>\$ (112)</b>	<b>\$ (46)</b>	<b>\$ (4)</b>

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For the three and nine months ended September 30, 2024 and 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	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
(in millions)				
<b>Southern Company</b>				
Cash flow hedges:				
Energy-related derivatives	\$ (7)	\$ (4)	\$ (11)	\$ (55)
Interest rate derivatives	(8)	(3)	16	(12)
Foreign currency derivatives	15	(15)	(4)	(6)
Fair value hedges <sup>(*)</sup> :				
Foreign currency derivatives	(2)	27	(8)	28
Total	\$ (2)	\$ 5	\$ (7)	\$ (45)
<b>Georgia Power</b>				
Cash flow hedges:				
Interest rate derivatives	\$ 1	\$ —	\$ 17	\$ (3)
<b>Mississippi Power</b>				
Cash flow hedges:				
Interest rate derivatives	\$ —	\$ —	\$ 7	\$ —
<b>Southern Power</b>				
Cash flow hedges:				
Energy-related derivatives	\$ (2)	\$ —	\$ (2)	\$ (14)
Foreign currency derivatives	15	(15)	(4)	(6)
Total	\$ 13	\$ (15)	\$ (6)	\$ (20)
<b>Southern Company Gas</b>				
Cash flow hedges:				
Energy-related derivatives	\$ (4)	\$ (4)	\$ (9)	\$ (41)
Interest rate derivatives	(6)	(4)	(5)	—
Total	\$ (10)	\$ (8)	\$ (14)	\$ (41)

(\*) 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, 2024 and 2023, the pre-tax effects of energy-related derivatives designated as cash flow hedging instruments on accumulated OCI were immaterial for Alabama Power.

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

For the three and nine months ended September 30, 2024 and 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	For the Three Months Ended		For the Nine Months Ended	
	September 30,		2024	2023
	(in millions)		(in millions)	
<b>Southern Company</b>				
<b>Total cost of natural gas</b>	\$ 98	\$ 102	\$ 852	\$ 1,199
<i>Gain (loss) on energy-related cash flow hedges<sup>(a)</sup></i>	( 4 )	( 4 )	( 34 )	( 32 )
<b>Total other operations and maintenance</b>	<b>1,662</b>	<b>1,424</b>	<b>4,543</b>	<b>4,352</b>
<i>Gain (loss) on energy-related cash flow hedges<sup>(a)</sup></i>	—	( 1 )	( 1 )	( 2 )
<b>Total depreciation and amortization</b>	<b>1,210</b>	<b>1,143</b>	<b>3,537</b>	<b>3,365</b>
<i>Gain (loss) on energy-related cash flow hedges<sup>(a)</sup></i>	( 3 )	( 5 )	( 5 )	( 18 )
<b>Total interest expense, net of amounts capitalized</b>	<b>( 692 )</b>	<b>( 620 )</b>	<b>( 2,050 )</b>	<b>( 1,812 )</b>
<i>Gain (loss) on interest rate cash flow hedges<sup>(a)</sup></i>	( 4 )	( 22 )	( 12 )	( 31 )
<i>Gain (loss) on foreign currency cash flow hedges<sup>(a)</sup></i>	( 3 )	( 3 )	( 9 )	( 8 )
<i>Gain (loss) on interest rate fair value hedges<sup>(b)</sup></i>	78	( 47 )	47	( 50 )
<b>Total other income (expense), net</b>	<b>147</b>	<b>141</b>	<b>450</b>	<b>428</b>
<i>Gain (loss) on foreign currency cash flow hedges<sup>(a)(c)</sup></i>	24	( 14 )	7	( 4 )
<i>Gain (loss) on foreign currency fair value hedges</i>	58	( 7 )	79	19
<i>Amount excluded from effectiveness testing recognized in earnings</i>	3	( 27 )	8	( 28 )
<b>Southern Power</b>				
<b>Total depreciation and amortization</b>	<b>\$ 133</b>	<b>\$ 130</b>	<b>\$ 378</b>	<b>\$ 380</b>
<i>Gain (loss) on energy-related cash flow hedges<sup>(a)</sup></i>	( 3 )	( 5 )	( 5 )	( 18 )
<b>Total interest expense, net of amounts capitalized</b>	<b>( 30 )</b>	<b>( 32 )</b>	<b>( 89 )</b>	<b>( 98 )</b>
<i>Gain (loss) on foreign currency cash flow hedges<sup>(a)</sup></i>	( 3 )	( 3 )	( 9 )	( 8 )
<b>Total other income (expense), net</b>	<b>2</b>	<b>4</b>	<b>8</b>	<b>8</b>
<i>Gain (loss) on foreign currency cash flow hedges<sup>(a)(c)</sup></i>	24	( 14 )	7	( 4 )
<b>Southern Company Gas</b>				
<b>Total cost of natural gas</b>	<b>\$ 98</b>	<b>\$ 102</b>	<b>\$ 852</b>	<b>\$ 1,199</b>
<i>Gain (loss) on energy-related cash flow hedges<sup>(a)</sup></i>	( 4 )	( 4 )	( 34 )	( 32 )
<b>Total other operations and maintenance</b>	<b>295</b>	<b>264</b>	<b>877</b>	<b>879</b>
<i>Gain (loss) on energy-related cash flow hedges<sup>(a)</sup></i>	—	( 1 )	( 1 )	( 2 )
<b>Total interest expense, net of amounts capitalized</b>	<b>( 84 )</b>	<b>( 77 )</b>	<b>( 250 )</b>	<b>( 226 )</b>
<i>Gain (loss) on interest rate cash flow hedges<sup>(a)</sup></i>	—	( 18 )	—	( 18 )
<i>Gain (loss) on interest rate fair value hedges<sup>(b)</sup></i>	28	( 11 )	18	( 14 )

(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 hedge accounting on income for interest rate derivatives were immaterial for the traditional electric operating companies for all periods presented.

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

At September 30, 2024 and December 31, 2023, the following amounts were recorded on the balance sheets related to cumulative basis adjustments for fair value hedges:

Balance Sheet Location of Hedged Items	Carrying Amount of the Hedged Item		Cumulative Amount of Fair Value Hedging Adjustment included in Carrying Amount of the Hedged Item	
	At September 30, 2024	At December 31, 2023	At September 30, 2024	At December 31, 2023
	(in millions)		(in millions)	
<b>Southern Company</b>				
Long-term debt	\$ (3,085)	\$ (3,024)	\$ 193	\$ 235
<b>Southern Company Gas</b>				
Long-term debt	\$ (440)	\$ (427)	\$ 57	\$ 70

Pre-tax gains on energy-related derivatives not designated as hedging instruments were \$ 6 million and \$ 69 million for the three and nine months ended September 30, 2024, respectively, and \$ 7 million and \$ 36 million for the three and nine months ended September 30, 2023, respectively, and reflected in cost of natural gas on the statements of income of Southern Company and Southern Company Gas and were immaterial for the other Registrants for all periods presented.

**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, 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 \$ 61 million at September 30, 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 immaterial at September 30, 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, 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 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, 2024, cash collateral posted in these accounts was immaterial for Alabama Power and Southern 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, 2024, cash collateral held on deposit in broker margin accounts was \$ 22 million.

The Registrants are exposed to losses related to financial instruments in the event of counterparties' nonperformance. The Registrants generally enter into agreements and material transactions with counterparties that

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

have investment grade credit ratings by Moody's and S&P or with counterparties who have posted collateral to 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.

**(K) ACQUISITIONS AND DISPOSITIONS**

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

**Alabama Power**

On October 24, 2024, Alabama Power entered into an agreement to acquire all of the equity interests in Tenaska Alabama Partners, L.P., which owns and operates the Lindsay Hill Generating Station. See Note (B) under "Alabama Power – Petition for Certificate of Convenience and Necessity" for additional information.

**Southern Power*****Construction Projects***

During the nine months ended September 30, 2024, Southern Power completed construction of and placed in service the 150 -MW South Cheyenne solar facility. In addition, Southern Power continued construction of the 200 -MW first phase, the 180 -MW second phase, and the 90 -MW third phase of the Millers Branch solar facility. At

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

September 30, 2024, the total cost of construction incurred for the Millers Branch project was \$ 159 million, which is primarily included in CWIP.

Project Facility	Resource	Approximate Nameplate Capacity (MW)	Location	Projected/Actual COD	PPA Contract Period
<b>Projects Completed During the Nine Months Ended September 30, 2024</b>					
South Cheyenne	Solar	150	Laramie County, WY	Second quarter 2024	20 years
<b>Projects Under Construction at September 30, 2024</b>					
Millers Branch					
Phase I	Solar	200	Haskell County, TX	Fourth quarter 2025	20 years
Phase II	Solar	180	Haskell County, TX	Second quarter 2026	15 years
Phase III <sup>(*)</sup>	Solar	90	Haskell County, TX	Fourth quarter 2026	15 years

(\*) Subsequent to September 30, 2024, Southern Power committed to expand construction of Phase III by 42 MWs of capacity, substantially all of which is contracted under a 15-year PPA, with commercial operation projected to occur in the fourth quarter 2026. With the addition of the 42 MWs of capacity for Phase III, the Millers Branch project has a total of 512 MWs under construction.

**(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. 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 \$ 102 million and \$ 280 million for the three and nine months ended September 30, 2024, respectively and \$ 156 million and \$ 406 million for the three and nine months ended September 30, 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 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.

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

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

<b>Electric Utilities</b>																	
Traditional Electric Operating Companies		Southern Power		Southern Eliminations		Southern Company Total		All Gas Other Eliminations									
<i>(in millions)</i>																	
<b>Three Months Ended September 30, 2024</b>																	
Operating revenues	\$ 5,927	\$ 600	\$ (105)	\$ 6,422	\$ 682	\$ 215	\$ (45)	\$ 7,274									
Segment net income (loss) <sup>(a)(b)</sup>	1,618	82	—	1,700	38	(201)	(2)	1,535									
<b>Nine Months Ended September 30, 2024</b>																	
Operating revenues	\$ 15,389	\$ 1,597	\$ (293)	\$ 16,693	\$ 3,220	\$ 598	\$ (128)	\$ 20,383									
Segment net income (loss) <sup>(a)(b)(c)</sup>	3,630	264	—	3,894	555	(569)	(13)	3,867									
<b>At September 30, 2024</b>																	
Goodwill	\$ —	\$ 2	\$ —	\$ 2	\$ 5,015	\$ 144	\$ —	\$ 5,161									
Total assets	104,565	12,646	(547)	116,664	25,545	2,347	(600)	143,956									
<b>Three Months Ended September 30, 2023</b>																	
Operating revenues	\$ 5,674	\$ 653	\$ (160)	\$ 6,167	\$ 689	\$ 154	\$ (30)	\$ 6,980									
Segment net income (loss) <sup>(a)(c)(d)</sup>	1,419	100	—	1,519	82	(179)	—	1,422									
<b>Nine Months Ended September 30, 2023</b>																	
Operating revenues	\$ 14,145	\$ 1,686	\$ (417)	\$ 15,414	\$ 3,417	\$ 499	\$ (122)	\$ 19,208									
Segment net income (loss) <sup>(a)(c)(d)(e)</sup>	2,852	288	—	3,140	475	(490)	(4)	3,121									
<b>At December 31, 2023</b>																	
Goodwill	\$ —	\$ 2	\$ —	\$ 2	\$ 5,015	\$ 144	\$ —	\$ 5,161									
Total assets	100,429	12,761	(545)	112,645	25,083	2,446	(843)	139,331									

(a) Attributable to Southern Company.

(b) For the traditional electric operating companies, includes a pre-tax impairment loss at Alabama Power of \$ 36 million (\$ 27 million after tax) related to Alabama Power discontinuing the development of a multi-use commercial facility. See Note (A) under "Impairment of Long-Lived Assets" for additional information.

(c) For the traditional electric operating companies, includes pre-tax charges (credits) to income at Georgia Power related to the estimated probable loss associated with the construction and completion of Plant Vogtle Units 3 and 4 of \$( 21 ) million (\$ ( 16 ) million after tax) for the nine months ended September 30, 2024 and \$ 160 million (\$ 120 million after tax) for the three and nine months ended September 30, 2023. Also includes a pre-tax gain at Georgia Power of approximately \$ 114 million (\$ 84 million after tax) for the nine months ended September 30, 2024 related to the sale of transmission line assets under the integrated transmission system agreement. See Note (B) under "Georgia Power" and Note 2 to the financial statements under "Georgia Power – Nuclear Construction" in Item 8 of the Form 10-K for additional information.

(d) 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 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 related to the arbitration award.

(e) 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 2 to the financial statements under "Southern Company Gas" in Item 8 of the Form 10-K for additional information.

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

**Products and Services**

	Electric Utilities' Revenues				<i>(in millions)</i>
	Retail	Wholesale	Other	Total	
<b>Three Months Ended September 30, 2024</b>	\$ 5,366	\$ 721	\$ 335	\$ 6,422	
Three Months Ended September 30, 2023	5,139	727	301	6,167	
<b>Nine Months Ended September 30, 2024</b>	<b>\$ 13,793</b>	<b>\$ 1,919</b>	<b>\$ 981</b>	<b>\$ 16,693</b>	
Nine Months Ended September 30, 2023	12,597	1,930	887	15,414	

	Southern Company Gas' Revenues				<i>(in millions)</i>
	Gas Distribution Operations	Gas Marketing Services	Other	Total	
<b>Three Months Ended September 30, 2024</b>	<b>\$ 616</b>	<b>\$ 53</b>	<b>\$ 13</b>	<b>\$ 682</b>	
Three Months Ended September 30, 2023	617	56	16	689	
<b>Nine Months Ended September 30, 2024</b>	<b>\$ 2,828</b>	<b>\$ 358</b>	<b>\$ 34</b>	<b>\$ 3,220</b>	
Nine Months Ended September 30, 2023	2,989	376	52	3,417	

**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 consist 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" column includes segments and subsidiaries that fall below the quantitative threshold for separate disclosure, including storage and fuels operations. The "All other" column included 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 for additional information.

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

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

	Gas Distribution Operations	Gas Pipeline Investments	Gas Marketing Services	Total	All Other	Eliminations	Consolidated
(in millions)							
<b>Three Months Ended September 30, 2024</b>							
Operating revenues	\$ 616	\$ 8	\$ 53	\$ 677	\$ 6	\$ (1)	\$ 682
Segment net income	21	24	(2)	43	(5)	—	38
<b>Nine Months Ended September 30, 2024</b>							
Operating revenues	\$ 2,828	\$ 24	\$ 358	\$ 3,210	\$ 19	\$ (9)	\$ 3,220
Segment net income	403	77	72	552	3	—	555
<b>Total assets at September 30, 2024</b>	<b>23,543</b>	<b>1,573</b>	<b>1,619</b>	<b>26,735</b>	<b>9,910</b>	<b>(11,100)</b>	<b>25,545</b>
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
<b>Nine Months Ended September 30, 2023</b>							
Operating revenues	\$ 3,002	\$ 24	\$ 376	\$ 3,402	\$ 30	\$ (15)	\$ 3,417
Segment net income <sup>(*)</sup>	352	73	59	484	(9)	—	475
<b>Total assets at December 31, 2023</b>	<b>22,906</b>	<b>1,534</b>	<b>1,615</b>	<b>26,055</b>	<b>9,675</b>	<b>(10,647)</b>	<b>25,083</b>

(\*) 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 2 to the financial statements under "Southern Company Gas" in Item 8 of the Form 10-K for additional information.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

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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.

## 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, 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 May 8, 2024, the Alabama PSC issued a consent order to lower Rate ECR from 3.270 cents per KWH to 3.015 cents per KWH, or approximately \$135 million annually, effective with July 2024 billings.

On October 24, 2024, Alabama Power entered into an agreement to acquire all of the equity interests in Tenaska Alabama Partners, L.P. for a total purchase price of approximately \$622 million, subject to working capital adjustments. Tenaska Alabama Partners, L.P. owns and operates Lindsay Hill Generating Station, an approximately 855-MW combined cycle generation facility, in Autauga County, Alabama. On October 30, 2024, Alabama Power filed a petition for a CCN with the Alabama PSC for authorization to procure additional generating capacity through the acquisition of the Lindsay Hill Generating Station. Alabama Power expects to complete the acquisition by the end of the third quarter 2025.

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 Units 3 and 4 in service on July 31, 2023 and April 29, 2024, respectively. During the second quarter 2024, following Unit 4's in-service date, Southern Nuclear evaluated the remaining expected site demobilization costs and other contractor obligations and reduced the remaining estimate to complete forecast by approximately \$21 million. Accordingly, Georgia Power recorded a pre-tax credit to income of approximately \$21 million (\$16 million after tax) in the second quarter 2024 to recognize capital costs previously charged to income. Georgia Power's share of the total project capital cost forecast, including completion of site

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

demobilization and remaining contractor obligations, is \$10.7 billion. See Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction – Cost and Schedule" herein for additional information.

### *Plant Vogtle Units 3 and 4 Regulatory Matters*

Georgia Power included in retail rate base \$5.462 billion of construction and capital costs as well as \$647 million of associated retail rate base items effective with the April 29, 2024 in-service date for Unit 4, pursuant to the approved Prudence Stipulation. Annual retail base revenues increased approximately \$730 million and the average retail base rates were adjusted by approximately 5% (net of the elimination of the NCCR tariff described below) effective May 1, 2024.

Further, as included in the approved Prudence Stipulation, since commercial operation for Unit 4 was not achieved by March 31, 2024, Georgia Power's ROE used to determine the NCCR tariff and calculate AFUDC was reduced to zero effective April 1, 2024. Effective May 1, 2024, following commercial operation of Unit 4, Georgia Power's NCCR tariff was eliminated.

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

### *Rate Plans*

In accordance with the terms of the 2022 ARP, on October 1, 2024, Georgia Power filed tariff adjustments to become effective January 1, 2025 that would result in a net increase in rates of \$306 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.

### *Integrated Resource Plan*

On April 16, 2024, the Georgia PSC approved Georgia Power's updated IRP (2023 IRP Update) as modified by a stipulation among Georgia Power, the staff of the Georgia PSC, and certain intervenors. The 2023 IRP Update includes the authority to develop, own, and operate up to 1,400 MWs from three simple cycle combustion turbines at Plant Yates with the recoverable costs not to exceed the certified amount, which was approved by the Georgia PSC on August 20, 2024. See Note (B) to the Condensed Financial Statements under "Georgia Power – Integrated Resource Plans" herein for additional information.

### **Mississippi Power**

On April 26, 2024, Mississippi Power filed its 2024 IRP with the Mississippi PSC. The Mississippi PSC did not note any deficiencies within the review period; therefore, the filing is concluded. The 2024 IRP included 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.

On March 29, 2024, Mississippi Power 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 new rates in a filing with the FERC. On May 28, 2024, the FERC issued an order accepting Mississippi Power's request effective May 29, 2024, subject to refund, and establishing hearing and settlement judge procedures. The ultimate outcome of this matter 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 nine months ended September 30, 2024, Southern Power completed construction of and placed in service the 150-MW South Cheyenne solar facility. In addition, Southern Power continued construction of the 200-MW first phase, the 180-MW second phase, and the 90-MW third phase of the Millers Branch solar facility. Subsequent to September 30, 2024, Southern Power committed to expand construction of the third phase of the

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

Millers Branch solar project by 42 MWs of capacity, substantially all of which is contracted under a 15-year PPA, and commercial operation is projected to occur in the fourth quarter 2026. With the expansion of the third phase, the Millers Branch solar project will have a total generating capacity of 512 MWs. See Note (K) to the Condensed Financial Statements under "Southern Power" herein for additional information.

At September 30, 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 2028 and 89% through 2033, with an average remaining contract duration of approximately 12 years.

### ***Southern Company Gas***

#### *Atlanta Gas Light*

On July 2, 2024, the Georgia PSC approved a stipulation related to Atlanta Gas Light's triennial Integrated Capacity and Delivery Plan filing, filed on February 1, 2024, which allows capital investments totaling approximately \$0.6 billion annually for the years 2025 through 2027 with related revenue requirement recovery through either the annual GRAM filing or the System Reinforcement Rider surcharge adjustment. Additionally, the Georgia PSC approved a surcharge recovery mechanism for capital projects related to municipal, county, and Georgia Department of Transportation (GDOT) infrastructure work. Rate changes associated with the new surcharge, if approved, will be based on requests filed annually on September 1, with new rates to become effective January 1 of the following year. Finally, the stipulation requires Atlanta Gas Light to include an alternate rate plan for the three-year period of 2025 through 2027 with its 2025 GRAM filing.

On July 31, 2024, Atlanta Gas Light submitted its annual GRAM filing with the Georgia PSC, which includes projections for portions of the System Reinforcement Rider and municipal, county, and GDOT projects. The filing requests a traditional annual base rate increase of \$120 million. In accordance with the approved Integrated Capacity and Delivery Plan filing, Atlanta Gas Light also included two alternative annual base rate increases for 2025 that provide for lower increases in 2025 with subsequent increases in 2026 and 2027. Resolution of the GRAM filing is expected by December 31, 2024, with new rates effective January 1, 2025. The ultimate outcome of this matter cannot be determined at this time.

#### *Virginia Natural Gas*

On June 7, 2024, the Virginia Commission approved the extension of Virginia Natural Gas' SAVE program through 2029. The extension of the program includes investments of \$70 million in each year from 2025 through 2029, with a potential variance of up to \$5 million allowed for the program, for a maximum total investment over the five-year extension of \$355 million.

On August 1, 2024, Virginia Natural Gas filed a base rate case with the Virginia Commission seeking an increase in annual base revenues of \$63 million, including \$17 million related to the recovery of investments under the SAVE program, primarily to recover investments and increased costs associated with infrastructure and technology. The requested increase is based on a projected 12-month period beginning January 1, 2025, an ROE of 10.45%, and an equity ratio of 54.92%. Rate adjustments will be effective January 1, 2025, subject to refund. The Virginia Commission is expected to issue an order on the requested increase in the third quarter 2025. The ultimate outcome of this matter cannot be determined at this time.

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

### RESULTS OF OPERATIONS

#### Southern Company

##### **Net Income**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$113	7.9	\$746	23.9

Consolidated net income attributable to Southern Company was \$1.5 billion (\$1.40 per share) in the third quarter 2024 compared to \$1.4 billion (\$1.30 per share) for the corresponding period in 2023. For year-to-date 2024, consolidated net income attributable to Southern Company was \$3.9 billion (\$3.53 per share) compared to \$3.1 billion (\$2.86 per share) for the corresponding period in 2023. The increases were primarily due to increases in retail electric revenues associated with rates and pricing, an after-tax charge of \$120 million in the third quarter 2023 related to the construction of Plant Vogtle Units 3 and 4, and increases in other revenues, partially offset by increases in interest expense, non-fuel operations and maintenance expenses, depreciation and amortization, taxes other than income taxes, and cost of other sales. Also contributing to the year-to-date 2024 increase was an increase in retail electric revenues associated with colder weather in the first quarter 2024 and warmer weather in the second quarter 2024 compared to the corresponding periods in 2023 and an increase in natural gas revenues from rate increases.

##### **Retail Electric Revenues**

In the third quarter 2024, retail electric revenues were \$5.4 billion compared to \$5.1 billion for the corresponding period in 2023. For year-to-date 2024, retail electric revenues were \$13.8 billion compared to \$12.6 billion for the corresponding period in 2023. Details of the changes in retail electric revenues were as follows:

	Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
	(change in millions)	(% change)	(change in millions)	(% change)
Rates and pricing	\$ 458	8.9 %	\$ 1,051	8.3 %
Sales growth (decline)	(39)	(0.8)	24	0.2
Weather	(15)	(0.3)	279	2.2
Fuel and other cost recovery	(177)	(3.4)	(158)	(1.2)
Retail electric revenues	\$ 227	4.4 %	\$ 1,196	9.5 %

Revenues associated with changes in rates and pricing increased in the third quarter and year-to-date 2024 when compared to the corresponding periods in 2023 primarily due to the inclusion of Plant Vogtle Units 3 and 4 in retail rates net of the elimination of the NCCR tariff at Georgia Power, customer bill credits in 2023 at Alabama Power related to the flowback of certain excess accumulated deferred income taxes, base tariff increases at Georgia Power in accordance with its 2022 ARP, higher contributions from commercial and industrial customers with variable demand-driven pricing at Georgia Power, and an increase in Rate CNP New Plant revenues at Alabama Power. See Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction – Regulatory Matters" herein and 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 in the third quarter 2024 and increased for year-to-date 2024 when compared to the corresponding periods in 2023. Weather-adjusted residential KWH sales decreased 1.5% and 0.5% in the third quarter and year-to-date 2024, respectively, primarily due to decreased customer usage, partially offset by customer growth. Weather-adjusted commercial KWH sales increased 0.1% in the third quarter 2024 primarily due to customer growth, largely offset by decreased customer usage. Weather-adjusted commercial KWH sales increased 2.1% for year-to-date 2024 primarily due to increased customer usage, primarily driven by existing

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

data centers, and customer growth. Industrial KWH sales increased 0.4% and 0.3% in the third quarter and year-to-date 2024, respectively, primarily due to increases in the pipeline, chemicals, and transportation sectors.

Fuel and other cost recovery revenues decreased \$177 million and \$158 million in the third quarter and year-to-date 2024, respectively, compared to the corresponding periods in 2023 primarily due to lower recoverable 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 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$ (6)	(0.8)	\$ (11)	(0.6)

In the third quarter 2024, wholesale electric revenues were \$721 million compared to \$727 million for the corresponding period in 2023. For year-to-date 2024, wholesale electric revenues were \$1.92 billion compared to \$1.93 billion for the corresponding period in 2023. The decreases in the third quarter and year-to-date 2024 were due to decreases in energy revenues of \$38 million and \$36 million, respectively, partially offset by increases in capacity revenues of \$32 million and \$25 million, respectively. The decreases in energy revenues were primarily due to decreases related to the average net cost of fuel and purchased power. Partially offsetting the year-to-date 2024 decrease in energy revenues was an increase in the volume of KWHs sold under natural gas and solar PPAs at Southern Power. The increases in capacity revenues were primarily due to a net increase in revenues from capacity contracts at Georgia Power and an increase in capacity revenues associated with natural gas PPAs at Southern Power. The changes for year-to-date 2024 in capacity and energy revenues also reflect decreases resulting from power sales agreements that ended in May 2023 at Alabama 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 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. 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.

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

**Other Electric Revenues**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$19	9.4	\$29	4.8

In the third quarter 2024, other electric revenues were \$222 million compared to \$203 million for the corresponding period in 2023. The increase was primarily due to increases of \$15 million in transmission revenues primarily associated with open access transmission tariff sales, \$8 million in pole attachment revenues at Georgia Power, and \$6 million in regulated outdoor lighting sales at Georgia Power, partially offset by a decrease of \$7 million due to an arbitration award received in 2023 at Southern Power and a net increase of \$7 million in realized losses associated with price stability products for retail customers on variable demand-driven pricing tariffs at Georgia Power.

For year-to-date 2024, other electric revenues were \$631 million compared to \$602 million for the corresponding period in 2023. The increase was primarily due to increases of \$34 million in transmission revenues primarily associated with open access transmission tariff sales, \$17 million in regulated outdoor lighting sales at Georgia Power, and \$10 million in customer fees primarily at Georgia Power, partially offset by a net increase of \$18 million in realized losses associated with price stability products for retail customers on variable demand-driven pricing tariffs at Georgia Power and a decrease of \$14 million related to liquidated damages receipts associated with generation facility production guarantees and an arbitration award in 2023 at Southern Power.

**Natural Gas Revenues**

In the third quarter 2024, natural gas revenues were \$682 million compared to \$689 million for the corresponding period in 2023. For year-to-date 2024, natural gas revenues were \$3.2 billion compared to \$3.4 billion for the corresponding period in 2023. Details of the changes in natural gas revenues were as follows:

	Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
	(change in millions)	(% change)	(change in millions)	(% change)
Rate changes	\$ 6	0.9 %	\$ 196	5.7 %
Gas costs and other cost recovery	4	0.6	(335)	(9.8)
Gas marketing services	(2)	(0.3)	(15)	(0.4)
Other	(15)	(2.2)	(43)	(1.3)
<b>Natural gas revenues</b>	<b>\$ (7)</b>	<b>(1.0)%</b>	<b>\$ (197)</b>	<b>(5.8)%</b>

Revenues from rate changes increased for year-to-date 2024 compared to the corresponding period in 2023 primarily due to rate increases, partially offset by a change in 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 for additional information.

Revenues from gas costs and other cost recovery decreased for year-to-date 2024 compared to the corresponding period in 2023 primarily due to lower natural gas cost recovery associated with lower natural gas prices and lower demand associated with warmer weather. 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 for year-to-date 2024 compared to the corresponding period in 2023 primarily due to lower commodity prices.

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

**Other Revenues**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$61	27.5	\$158	23.9

In the third quarter 2024, other revenues were \$283 million compared to \$222 million for the corresponding period in 2023. For year-to-date 2024, other revenues were \$820 million compared to \$662 million for the corresponding period in 2023. The increases in the third quarter and year-to-date 2024 were primarily due to increases of \$49 million and \$97 million, respectively, at PowerSecure primarily related to distributed infrastructure projects and \$14 million and \$36 million, respectively, in unregulated sales at Georgia Power associated with power delivery construction and maintenance projects, partially offset by decreases of \$7 million and \$19 million, respectively, at Southern Linc primarily related to equipment sales associated with commercial customers. Also contributing to the year-to-date 2024 increase were increases of \$14 million in unregulated sales at Georgia Power associated with energy conservation projects and renewables and \$10 million in unregulated sales associated with outdoor lighting at the traditional electric operating companies.

**Fuel and Purchased Power Expenses**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
	(change in millions)		(change in millions)
Fuel	\$ (221)	(16.2)	\$ (202) (6.0)
Purchased power	42	20.3	(11) (1.6)
Total fuel and purchased power expenses	\$ (179)		\$ (213)

In the third quarter 2024, total fuel and purchased power expenses were \$1.4 billion compared to \$1.6 billion for the corresponding period in 2023. The decrease was primarily due to a \$111 million net decrease related to the average cost of fuel and purchased power and an \$8 million net decrease related to the volume of KWHs generated and purchased. Also contributing to the decrease was a \$60 million credit to nuclear fuel expense at Georgia Power resulting from litigation related to nuclear fuel disposal costs.

For year-to-date 2024, total fuel and purchased power expenses were \$3.8 billion compared to \$4.1 billion for the corresponding period in 2023. The decrease was primarily due to a \$174 million net decrease related to the average cost of fuel and purchased power, partially offset by a \$21 million net increase related to the volume of KWHs generated and purchased. Also contributing to the decrease was a \$60 million credit to nuclear fuel expense at Georgia Power resulting from litigation related to nuclear fuel disposal costs.

See Note (C) to the Condensed Financial Statements under "Nuclear Fuel Disposal Costs" herein for additional information.

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:

	<b>Third Quarter 2024</b>	<b>Third Quarter 2023</b>	<b>Year-To-Date 2024</b>	<b>Year-To-Date 2023</b>
<b>Total generation (in billions of KWHs)<sup>(a)</sup></b>	<b>53</b>	53	<b>145</b>	141
<b>Total purchased power (in billions of KWHs)</b>	<b>5</b>	5	<b>13</b>	14
<b>Sources of generation (percent) —</b>				
Gas	<b>55</b>	54	<b>52</b>	54
Nuclear <sup>(a)</sup>	<b>18</b>	16	<b>19</b>	17
Coal	<b>19</b>	21	<b>18</b>	18
Hydro	<b>1</b>	2	<b>3</b>	3
Wind, Solar, and Other	<b>7</b>	7	<b>8</b>	8
<b>Cost of fuel, generated (in cents per net KWH) —</b>				
Gas	<b>2.47</b>	2.80	<b>2.62</b>	2.78
Nuclear <sup>(a)(b)</sup>	<b>0.91</b>	0.79	<b>0.87</b>	0.74
Coal	<b>4.18</b>	4.52	<b>4.00</b>	4.40
<b>Average cost of fuel, generated (in cents per net KWH)<sup>(a)</sup></b>	<b>2.51</b>	2.84	<b>2.53</b>	2.71
<b>Average cost of purchased power (in cents per net KWH)<sup>(c)</sup></b>	<b>4.87</b>	4.80	<b>5.19</b>	5.08

(a) Excludes KWHs generated from test period energy at Plant Vogtle Units 3 and 4 prior to their respective in-service dates. The related fuel costs were 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) Excludes \$60 million of credits recorded in the third quarter 2024 to nuclear fuel expense resulting from litigation related to nuclear fuel disposal costs. See Note (C) to the Condensed Financial Statements under "Nuclear Fuel Disposal Costs" herein for additional information.

(c) 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 2024, fuel expense was \$1.1 billion compared to \$1.4 billion for the corresponding period in 2023. The decrease was primarily due to an 11.8% decrease in the average cost per KWH generated by natural gas, a 9.6% decrease in the volume of KWHs generated by coal, and a 7.5% decrease in the average cost per KWH generated by coal, partially offset by a 15.2% increase in the average cost per KWH generated by nuclear, a 12.9% increase in the volume of KWHs generated by nuclear, and an 11.7% decrease in the volume of KWHs generated by hydro. Also contributing to the third quarter 2024 decrease was \$60 million of credits recorded to nuclear fuel expense resulting from litigation related to nuclear fuel disposal costs at Georgia Power.

For year-to-date 2024, fuel expense was \$3.2 billion compared to \$3.4 billion for the corresponding period in 2023. The decrease was primarily due to a 9.1% decrease in the average cost per KWH generated by coal, a 5.8% decrease in the average cost per KWH generated by natural gas, and a 1.6% decrease in the volume of KWHs generated by natural gas, partially offset by a 17.6% increase in the average cost per KWH generated by nuclear, a 15.9% decrease in the volume of KWHs generated by hydro, a 15.3% increase in the volume of KWHs generated by nuclear, and a 7.1% increase in the volume of KWHs generated by coal. Also contributing to the year-to-date 2024 decrease was \$60 million of credits recorded to nuclear fuel expense resulting from litigation related to nuclear fuel disposal costs at Georgia Power.

See Note (C) to the Condensed Financial Statements under "Nuclear Fuel Disposal Costs" herein for additional information.

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

### Purchased Power

In the third quarter 2024, purchased power expense was \$249 million compared to \$207 million for the corresponding period in 2023. The increase was primarily due to an increase of 8.9% in the volume of KWHs purchased and an increase of 1.5% in the average cost per KWH purchased.

For year-to-date 2024, purchased power expense was \$669 million compared to \$680 million for the corresponding period in 2023. The decrease was primarily due to a decrease of 7.1% in the volume of KWHs purchased, partially offset by an increase of 2.2% 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 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$ (4)	(3.9)	\$ (347)	(28.9)

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 77% and 81% of the total cost of natural gas in the third quarter and year-to-date 2024, respectively.

For year-to-date 2024, cost of natural gas was \$0.9 billion compared to \$1.2 billion for the corresponding period in 2023. The decrease reflects lower gas cost recovery as a result of a decrease of 22% in natural gas prices.

### Cost of Other Sales

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$40	31.7	\$83	21.8

In the third quarter 2024, cost of other sales was \$166 million compared to \$126 million for the corresponding period in 2023. For year-to-date 2024, cost of other sales was \$464 million compared to \$381 million for the corresponding period in 2023. The increases in the third quarter and year-to-date 2024 were primarily due to increases of \$38 million and \$72 million, respectively, at PowerSecure primarily related to distributed infrastructure projects and \$9 million and \$25 million, respectively, in unregulated power delivery construction and maintenance contracts at Georgia Power, partially offset by decreases of \$6 million and \$15 million, respectively, at Southern Linc primarily related to equipment sales associated with commercial customers.

### Other Operations and Maintenance Expenses

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$238	16.7	\$191	4.4

In the third quarter 2024, other operations and maintenance expenses were \$1.7 billion compared to \$1.4 billion for the corresponding period in 2023. The increase was primarily due to increases of \$68 million in generation expenses primarily associated with Plant Vogtle Unit 4 being placed in service at Georgia Power, Rate CNP Compliance-related expenses at Alabama Power, and an arbitration award received in 2023 at Southern Power, \$51 million in

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

transmission and distribution costs primarily associated with line maintenance and billing adjustments with integrated transmission system owners at Georgia Power, \$39 million in certain employee compensation and benefit expenses, and \$36 million related to an impairment loss associated with Alabama Power discontinuing the development of a multi-use commercial facility.

For year-to-date 2024, other operations and maintenance expenses were \$4.5 billion compared to \$4.4 billion for the corresponding period in 2023. The increase was primarily due to increases of \$134 million in generation expenses primarily associated with Plant Vogtle Units 3 and 4 being placed in service at Georgia Power, Rate CNP Compliance-related expenses at Alabama Power, and maintenance and scheduled outage expenses at Southern Power, \$72 million in certain employee compensation and benefit expenses, \$61 million in transmission and distribution costs primarily associated with line maintenance and billing adjustments with integrated transmission system owners at Georgia Power, \$36 million related to an impairment loss associated with Alabama Power discontinuing the development of a multi-use commercial facility, \$31 million in customer service and sales expenses including bad debt, and \$16 million from a gain on the sale of spare parts in 2023 at Southern Power, partially offset by a \$92 million increase in gains from sales of integrated transmission system assets at Georgia Power, a decrease of \$44 million in technology infrastructure and application production costs, and a \$30 million prior year regulatory disallowance at Nicor Gas.

See Note (A) to the Condensed Financial Statements under "Impairment of Long-Lived Assets" herein, Note (B) to the Condensed Financial Statements under "Georgia Power – Transmission Asset Sales" and " – Nuclear Construction" herein, and Note 2 to the financial statements under "Southern Company Gas – Infrastructure Replacement Programs and Capital Projects – Nicor Gas" in Item 8 of the Form 10-K for additional information.

### ***Depreciation and Amortization***

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$67	5.9	\$172	5.1

In the third quarter 2024, depreciation and amortization was \$1.2 billion compared to \$1.1 billion for the corresponding period in 2023. For year-to-date 2024, depreciation and amortization was \$3.5 billion compared to \$3.4 billion for the corresponding period in 2023. The increases in the third quarter and year-to-date 2024 were primarily due to increases of \$86 million and \$227 million, respectively, associated with additional plant in service, partially offset by decreases of \$15 million and \$45 million, respectively, in amortization of regulatory assets related to CCR AROs at Georgia Power as approved in the 2024 compliance filing under the terms of the 2022 ARP. See Note 2 to the financial statements under "Georgia Power" in Item 8 of the Form 10-K for additional information.

### ***Taxes Other Than Income Taxes***

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$34	10.0	\$79	7.3

In the third quarter 2024, taxes other than income taxes were \$375 million compared to \$341 million for the corresponding period in 2023. For year-to-date 2024, taxes other than income taxes were \$1.2 billion compared to \$1.1 billion for the corresponding period in 2023. The increases in the third quarter and year-to-date 2024 were primarily due to increases of \$30 million and \$70 million, respectively, in property taxes primarily resulting from an increase in the assessed value of property as well as a decrease in the capitalized portion of property taxes at Georgia Power primarily due to Plant Vogtle Unit 4 being placed in service in April 2024 and \$5 million and \$19 million, respectively, in municipal franchise fees resulting from higher retail revenues at Georgia Power. Partially offsetting the increase for year-to-date 2024 was a decrease of \$16 million in revenue taxes as a result of lower natural gas revenues at Nicor Gas. See Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction" herein for additional information on Plant Vogtle Unit 4.

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

***Estimated Loss on Plant Vogtle Units 3 and 4***

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$(160)	N/M	\$(181)	N/M

Georgia Power recorded pre-tax charges (credits) to income related to the estimated probable loss on Plant Vogtle Units 3 and 4 totaling \$(21) million in the second quarter 2024 and \$160 million in the third quarter 2023. These charges (credits) reflected revisions to the total project capital cost forecast for the construction and completion 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 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$(8)	(12.1)	\$(33)	(16.5)

In the third quarter 2024, allowance for equity funds used during construction was \$58 million compared to \$66 million for the corresponding period in 2023. For year-to-date 2024, allowance for equity funds used during construction was \$167 million compared to \$200 million for the corresponding period in 2023. The decreases were primarily associated with Plant Vogtle Units 3 and 4 being placed in service in July 2023 and April 2024, respectively, at Georgia Power and Plant Barry Unit 8 being placed in service in November 2023 at Alabama Power, partially offset by an increase in capital expenditures subject to AFUDC at Georgia Power. See Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction" herein and Note 2 to the financial statements under "Alabama Power" in Item 8 of the Form 10-K for additional information.

***Interest Expense, Net of Amounts Capitalized***

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$72	11.6	\$238	13.1

In the third quarter 2024, interest expense, net of amounts capitalized was \$692 million compared to \$620 million for the corresponding period in 2023. The increase primarily reflects increases of approximately \$34 million related to higher average outstanding borrowings and \$16 million related to higher interest rates, as well as decreases of \$7 million in AFUDC debt primarily related to Plant Vogtle Unit 4 at Georgia Power and \$6 million in net deferred financing costs related to Plant Vogtle Unit 3 at Georgia Power.

For year-to-date 2024, interest expense, net of amounts capitalized was \$2.1 billion compared to \$1.8 billion for the corresponding period in 2023. The increase primarily reflects increases of approximately \$112 million related to higher average outstanding borrowings and \$112 million related to higher interest rates, as well as a decrease of \$29 million in AFUDC debt primarily related to Plant Vogtle Units 3 and 4 at Georgia Power and Plant Barry Unit 8 at Alabama Power.

See Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction – Regulatory Matters" and FINANCIAL CONDITION AND LIQUIDITY – "Sources of Capital" and "Financing Activities" herein and Note 2 to the financial statements under "Alabama Power – Rate CNP New Plant" in Item 8 of the Form 10-K for additional information.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
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**Other Income (Expense), Net**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$6	4.3	\$22	5.1

For year-to-date 2024, other income (expense), net was \$450 million compared to \$428 million for the corresponding period in 2023. The increase was primarily due to a \$12 million increase in customer charges related to contributions in aid of construction at Georgia Power, an \$8 million increase in non-service cost-related retirement benefits income, and a \$7 million charge in the second quarter 2023 under a stipulation approved by the Georgia PSC related to Georgia Power's fuel cost recovery case, partially offset by a \$10 million decrease in interest income. See Note 2 to the financial statements in Item 8 of the Form 10-K under "Georgia Power – Fuel Cost Recovery" for additional information.

**Income Taxes**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$80	26.9	\$398	80.9

In the third quarter 2024, income taxes were \$377 million compared to \$297 million for the corresponding period in 2023. The increase was primarily due to higher pre-tax earnings and a decrease of \$58 million in the flowback of certain excess deferred income taxes at Alabama Power, partially offset by an increase of \$23 million in the generation of advanced nuclear PTCs at Georgia Power.

For year-to-date 2024, income taxes were \$890 million compared to \$492 million for the corresponding period in 2023. The increase was primarily due to higher pre-tax earnings, a decrease of \$139 million in the flowback of certain excess deferred income taxes at Alabama Power, and a \$56 million increase in charges to a valuation allowance on certain state tax credit carryforwards at Georgia Power, partially offset by an increase of \$73 million in the generation of advanced nuclear PTCs at Georgia Power and \$33 million from the recognition of certain state tax positions from amended returns 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**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$(72)	(12.7)	\$63	5.6

Alabama Power's net income in the third quarter 2024 was \$493 million compared to \$565 million for the corresponding period in 2023. The decrease was primarily due to an increase in non-fuel operations and maintenance expenses, an increase in depreciation, and a decrease in customer usage. These decreases to income were partially offset by an increase in Rate CNP New Plant revenues.

For year-to-date 2024, net income was \$1.2 billion compared to \$1.1 billion for the corresponding period in 2023. The increase was primarily due to an increase in retail electric revenues associated with colder weather in the first quarter 2024 and warmer weather in the second quarter 2024 in the Alabama Power service territory compared to the corresponding periods in 2023, as well as an increase in Rate CNP New Plant revenues and a decrease in capacity expenses. These increases to income were partially offset by increases in non-fuel operations and

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

maintenance expenses, depreciation, and interest expense and lower AFUDC equity due to Plant Barry Unit 8 being placed in service in 2023.

### **Retail Revenues**

In the third quarter 2024, retail revenues were \$1.90 billion compared to \$1.86 billion for the corresponding period in 2023. For year-to-date 2024, retail revenues were \$5.12 billion compared to \$4.71 billion for the corresponding period in 2023. Details of the changes in retail revenues were as follows:

	Third Quarter 2024 vs. Third Quarter 2023				Year-To-Date 2024 vs. Year-To-Date 2023			
	(change in millions)		(% change)		(change in millions)		(% change)	
Rates and pricing	\$	124	6.7	%	\$	356	7.6	%
Sales decline		(17)	(0.9)			(7)	(0.1)	
Weather		(14)	(0.8)			77	1.6	
Fuel and other cost recovery		(49)	(2.6)			(17)	(0.4)	
Retail revenues	\$	44	2.4	%	\$	409	8.7	%

Revenues associated with changes in rates and pricing increased in the third quarter and year-to-date 2024 when compared to the corresponding periods 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 decreased in the third quarter and year-to-date 2024 when compared to the corresponding periods in 2023. Weather-adjusted residential KWH sales were relatively flat in the third quarter 2024 and decreased 0.6% for year-to-date 2024 primarily due to a decrease in customer usage. Weather-adjusted commercial KWH sales decreased 0.4% in the third quarter 2024 primarily due to a decrease in customer usage. Weather-adjusted commercial KWH sales increased 0.7% for year-to-date 2024 primarily due to customer growth. Industrial KWH sales increased 0.6% and 0.1% in the third quarter and year-to-date 2024, respectively, primarily due to an increase in the pipeline and forest products sectors.

Fuel and other cost recovery revenues decreased in the third quarter and year-to-date 2024 when compared to the corresponding periods in 2023 primarily as a result of lower recoverable fuel 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 2024 vs. Third Quarter 2023				Year-To-Date 2024 vs. Year-To-Date 2023			
	(change in millions)	(% change)			(change in millions)	(% change)		
	\$ (17)	(16.0)			\$ (99)	(27.7)		

In the third quarter 2024, wholesale revenues from sales to non-affiliates were \$89 million compared to \$106 million for the corresponding period in 2023. The decrease was primarily due to a 12.8% decrease in the volume of KWHs sold as a result of lower market demand.

For year-to-date 2024, wholesale revenues from sales to non-affiliates were \$259 million compared to \$358 million for the corresponding period in 2023. The decrease was primarily due to a 41.4% decrease in the volume of KWHs sold as a result of power sales agreements that ended in May 2023, partially offset by a 23.3% increase in the price of energy.

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

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 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$20	142.9	\$60	139.5

In the third quarter 2024, wholesale revenues from sales to affiliates were \$34 million compared to \$14 million for the corresponding period in 2023. For year-to-date 2024, wholesale revenues from sales to affiliates were \$103 million compared to \$43 million for the corresponding period in 2023. The increases for the third quarter and year-to-date 2024 were primarily due to increases of 178.8% and 188.4%, respectively, in the volume of KWH sales due to affiliated company energy needs.

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.

### **Fuel and Purchased Power Expenses**

	Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
	(change in millions)	(% change)	(change in millions)	(% change)
Fuel	\$ (18)	(4.5)	\$ 37	3.7
Purchased power – non-affiliates	7	16.7	(49)	(24.9)
Purchased power – affiliates	(32)	(40.0)	(59)	(30.6)
Total fuel and purchased power expenses	\$ (43)		\$ (71)	

In the third quarter 2024, total fuel and purchased power expenses were \$481 million compared to \$524 million for the corresponding period in 2023. The decrease was due to a \$34 million net decrease related to the average cost of fuel and purchased power and a \$9 million net decrease related to the volume of KWHs generated and purchased.

For year-to-date 2024, total fuel and purchased power expenses were \$1.3 billion compared to \$1.4 billion for the corresponding period in 2023. The decrease was due to a \$45 million net decrease related to the average cost of fuel and purchased power and a \$26 million net 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 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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
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Details of Alabama Power's generation and purchased power were as follows:

	Third Quarter 2024	Third Quarter 2023	Year-To-Date 2024	Year-To-Date 2023
Total generation ( <i>in billions of KWHs</i> )	<b>16</b>	15	<b>46</b>	43
Total purchased power ( <i>in billions of KWHs</i> )	<b>2</b>	3	<b>5</b>	8
Sources of generation ( <i>percent</i> ) —				
Gas	<b>41</b>	31	<b>37</b>	30
Coal	<b>32</b>	40	<b>33</b>	35
Nuclear	<b>24</b>	26	<b>24</b>	27
Hydro	<b>3</b>	3	<b>6</b>	8
Cost of fuel, generated ( <i>in cents per net KWH</i> ) —				
Gas	<b>2.59</b>	3.07	<b>2.71</b>	3.05
Coal	<b>3.36</b>	3.57	<b>3.24</b>	3.48
Nuclear	<b>0.74</b>	0.68	<b>0.72</b>	0.68
Average cost of fuel, generated ( <i>in cents per net KWH</i> )	<b>2.39</b>	2.64	<b>2.39</b>	2.51
Average cost of purchased power ( <i>in cents per net KWH</i> ) <sup>(*)</sup>	<b>4.88</b>	4.57	<b>5.88</b>	4.97

(\*) 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 2024, fuel expense was \$384 million compared to \$402 million for the corresponding period in 2023. The decrease was primarily due to a 15.6% decrease in the average cost per KWH generated by natural gas, which excludes tolling agreements, and a 13.8% decrease in the volume of KWHs generated by coal, partially offset by a 37.5% increase in the volume of KWHs generated by natural gas and an 18.6% decrease in the volume of KWHs generated by hydro facilities as a result of less rainfall.

For year-to-date 2024, fuel expense was \$1.1 billion compared to \$1.0 billion for the corresponding period in 2023. The increase was primarily due to a 35.4% increase in the volume of KWHs generated by natural gas and an 18.4% decrease in the volume of KWHs generated by hydro facilities as a result of less rainfall, partially offset by an 11.1% decrease in the average cost per KWH generated by natural gas, which excludes tolling agreements.

*Purchased Power – Non-Affiliates*

In the third quarter 2024, purchased power expense from non-affiliates was \$49 million compared to \$42 million for the corresponding period in 2023. The increase was primarily due to an increase of 4.4% in the volume of KWHs purchased as Alabama Power and other Southern Company system units generally dispatched at a higher cost than available market resources.

For year-to-date 2024, purchased power expense from non-affiliates was \$148 million compared to \$197 million for the corresponding period in 2023. The decrease was primarily due to a decrease of 36.1% 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, partially offset by an increase of 14.1% in the average cost per KWH purchased.

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.

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

### Purchased Power – Affiliates

In the third quarter 2024, purchased power expense from affiliates was \$48 million compared to \$80 million for the corresponding period in 2023. The decrease was primarily due to a decrease of 48.9% in the volume of KWHs purchased due to the availability of Plant Barry Unit 8 and Central Alabama Generating Station generation, partially offset by an increase of 16.9% in the average cost per KWH purchased.

For year-to-date 2024, purchased power expense from affiliates was \$134 million compared to \$193 million for the corresponding period in 2023. The decrease was primarily due to a decrease of 45.1% in the volume of KWHs purchased due to the availability of Plant Barry Unit 8 and Central Alabama Generating Station generation and a reduction in capacity-related expenses due to lower capacity needs in 2024, partially offset by an increase of 27.0% in the average cost per KWH purchased.

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 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$82	20.0	\$60	4.7

In the third quarter 2024, other operations and maintenance expenses were \$493 million compared to \$411 million for the corresponding period in 2023. The increase was primarily due to increases of \$36 million related to an impairment loss associated with Alabama Power discontinuing the development of a multi-use commercial facility, \$15 million in certain employee compensation and benefits, \$14 million in generation expenses primarily associated with Rate CNP Compliance-related expenses, partially offset by a \$6 million decrease in planned outages, \$10 million related to the injuries and damages reserve, \$6 million in customer accounts primarily associated with bad debt expense, and \$3 million in transmission and distribution expenses primarily due to vegetation management. The increases were partially offset by a decrease of \$4 million in technology infrastructure and application production costs.

For year-to-date 2024, other operations and maintenance expenses were \$1.34 billion compared to \$1.28 billion for the corresponding period in 2023. The increase was primarily due to increases of \$36 million related to an impairment loss associated with Alabama Power discontinuing the development of a multi-use commercial facility, \$32 million in generation expenses primarily associated with Rate CNP Compliance-related expenses, partially offset by a \$12 million decrease in planned outages, \$17 million in certain employee compensation and benefits, \$10 million in customer accounts primarily associated with bad debt expense, and \$8 million related to the injuries and damages reserve. The increases were partially offset by a decrease of \$21 million in technology infrastructure and application production costs, as well as a \$5 million increase in nuclear property insurance refunds.

See Note (A) to the Condensed Financial Statements under "Impairment of Long-Lived Assets" herein and Note 2 to the financial statements under "Alabama Power – Rate CNP Compliance" in Item 8 of the Form 10-K for additional information.

### Depreciation and Amortization

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$15	4.3	\$46	4.4

In the third quarter 2024, depreciation and amortization was \$366 million compared to \$351 million for the corresponding period in 2023. For year-to-date 2024, depreciation and amortization was \$1.1 billion compared to \$1.0 billion for the corresponding period in 2023. The increases were primarily due to additional plant in service

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
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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 the Form 10-K for additional information.

**Allowance for Equity Funds Used During Construction**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$(8)	(34.8)	\$(25)	(38.5)

In the third quarter 2024, allowance for equity funds used during construction was \$15 million compared to \$23 million for the corresponding period in 2023. For year-to-date 2024, allowance for equity funds used during construction was \$40 million compared to \$65 million for the corresponding period in 2023. The decreases were primarily due to Plant Barry Unit 8 being placed in service in November 2023. See Note 2 to the financial statements under "Alabama Power – Rate CNP New Plant" in Item 8 of the Form 10-K for additional information.

**Interest Expense, Net of Amounts Capitalized**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$9	8.7	\$26	8.4

For year-to-date 2024, interest expense, net of amounts capitalized was \$337 million compared to \$311 million for the corresponding period in 2023. The increase was primarily associated with increases of approximately \$10 million related to higher interest rates and \$9 million related to higher average outstanding borrowings and a decrease of \$8 million in AFUDC debt primarily due to Plant Barry Unit 8 being placed in service in November 2023.

See FINANCIAL CONDITION AND LIQUIDITY – "Sources of Capital" herein and Note 2 to the financial statements under "Alabama Power – Rate CNP New Plant" in Item 8 of the Form 10-K for additional information.

**Income Taxes**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$56	70.9	\$219	N/M

In the third quarter 2024, income taxes were \$135 million compared to \$79 million for the corresponding period in 2023. For year-to-date 2024, income taxes were \$322 million compared to \$103 million for the corresponding period in 2023. The increases for the third quarter and year-to-date 2024 were primarily due to decreases of \$58 million and \$139 million, respectively, in the flowback of certain excess deferred income taxes. Also contributing to the year-to-date 2024 increase were higher pre-tax earnings. 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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
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**Georgia Power**

**Net Income**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$270	34.6	\$702	45.4

Georgia Power's net income in the third quarter 2024 was \$1.1 billion compared to \$0.8 billion for the corresponding period in 2023. For year-to-date 2024, net income was \$2.2 billion compared to \$1.5 billion for the corresponding period in 2023. The increases were primarily due to higher retail revenues associated with the inclusion of Plant Vogtle Units 3 and 4 in retail rates and base tariff increases in accordance with the 2022 ARP and an after-tax charge of \$120 million in the third quarter 2023 related to the construction of Plant Vogtle Units 3 and 4. Also contributing to the increase for year-to-date 2024 was warmer weather in the second 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 third quarter 2024, retail revenues were \$3.2 billion compared to \$3.0 billion for the corresponding period in 2023. For year-to-date 2024, retail revenues were \$7.9 billion compared to \$7.1 billion for the corresponding period in 2023. Details of the changes in retail revenues were as follows:

	Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
	(change in millions)	(% change)	(change in millions)	(% change)
Rates and pricing	\$ 328	11.0 %	\$ 685	9.6 %
Sales growth (decline)	(17)	(0.6)	29	0.4
Weather	1	—	199	2.8
Fuel cost recovery	(123)	(4.1)	(118)	(1.7)
Retail revenues	\$ 189	6.3 %	\$ 795	11.1 %

Revenues associated with changes in rates and pricing increased in the third quarter and year-to-date 2024 when compared to the corresponding periods in 2023. The increases were primarily due to the inclusion of Plant Vogtle Units 3 and 4 in retail rates net of the elimination of the NCCR tariff, base tariff increases in accordance with the 2022 ARP, and higher contributions from commercial and industrial customers with variable demand-driven pricing. See Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction – Regulatory Matters" herein and 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 in the third quarter 2024 and increased for year-to-date 2024 when compared to the corresponding periods in 2023. Weather-adjusted residential KWH sales decreased 2.1% and 0.4% in the third quarter and year-to-date 2024, respectively, primarily due to decreased customer usage, partially offset by customer growth. Weather-adjusted commercial KWH sales increased 0.6% and 2.5% in the third quarter and year-to-date 2024, respectively, primarily due to increased customer usage, primarily driven by existing data centers, and customer growth. Weather-adjusted industrial KWH sales decreased 0.4% in the third quarter 2024 primarily due to decreases in the paper and electronics sectors, partially offset by increases in the transportation and pipeline sectors. Weather-adjusted industrial KWH sales were flat for year-to-date 2024 primarily due to increases in the transportation and pipeline sectors, offset by decreases in the paper and electronics sectors.

Fuel revenues and costs are allocated between retail and wholesale jurisdictions. Retail fuel cost recovery revenues decreased in the third quarter and year-to-date 2024 when compared to the corresponding periods in 2023 due to lower recoverable fuel costs. Electric rates include provisions to adjust billings for fluctuations in fuel costs,

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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 for additional information.

**Wholesale Revenues**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$9	13.0	\$51	34.7

In the third quarter 2024, wholesale revenues were \$78 million compared to \$69 million for the corresponding period in 2023. For year-to-date 2024, wholesale revenues were \$198 million compared to \$147 million for the corresponding period in 2023. The increases for the third quarter and year-to-date 2024 were primarily due to increases of \$20 million and \$59 million, respectively, related to net additional capacity from wholesale capacity contracts and \$28 million and \$53 million, respectively, related to the volume of KWH sales associated with higher market demand, partially offset by decreases of \$36 million and \$57 million, respectively, related to the average cost per KWH sold due to lower Southern Company system fuel and purchased power prices.

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**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$37	21.5	\$94	18.2

In the third quarter 2024, other revenues were \$209 million compared to \$172 million for the corresponding period in 2023. For year-to-date 2024, other revenues were \$610 million compared to \$516 million for the corresponding period in 2023. The increases for the third quarter and year-to-date 2024 were primarily due to increases of \$13 million and \$55 million, respectively, in unregulated sales primarily associated with power delivery construction and maintenance, energy conservation projects, renewables, and outdoor lighting, \$6 million and \$17 million, respectively, in regulated outdoor lighting sales, \$6 million and \$16 million, respectively, in transmission revenues, \$8 million and \$9 million, respectively, in pole attachment revenues, \$4 million and \$7 million, respectively, in solar program fees, and \$2 million and \$7 million, respectively, in customer fees, partially offset by net increases \$7 million and \$18 million, respectively, in realized losses associated with price stability products for retail customers on variable demand-driven pricing tariffs.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
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**Fuel and Purchased Power Expenses**

	Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
	(change in millions)	(% change)	(change in millions)	(% change)
Fuel	\$ (125)	(21.7)	\$ (111)	(8.0)
Purchased power – non-affiliates	43	32.8	69	17.4
Purchased power – affiliates	(17)	(7.7)	(12)	(2.1)
Total fuel and purchased power expenses	\$ (99)		\$ (54)	

In the third quarter 2024, total fuel and purchased power expenses were \$829 million compared to \$928 million for the corresponding period in 2023. The decrease was due to \$60 million of credits recorded to nuclear fuel expense resulting from litigation related to nuclear fuel disposal costs, a net decrease of \$33 million related to the average cost of fuel and purchased power, and a decrease of \$6 million related to the volume of KWHs generated and purchased.

For year-to-date 2024, total fuel and purchased power expenses were \$2.3 billion compared to \$2.4 billion for the corresponding period in 2023. The decrease was due to a net decrease of \$75 million related to the average cost of fuel and purchased power and \$60 million of credits recorded to nuclear fuel expense resulting from litigation related to nuclear fuel disposal costs, partially offset by an increase of \$81 million related to the volume of KWHs generated and purchased.

See Note (C) to the Condensed Financial Statements under "Nuclear Fuel Disposal Costs" herein for additional information.

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 2 to the financial statements under "Georgia Power – Fuel Cost Recovery" in Item 8 of the Form 10-K for additional information.

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

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

	<b>Third Quarter 2024</b>	Third Quarter 2023	<b>Year-To-Date 2024</b>	Year-To-Date 2023
Total generation ( <i>in billions of KWHs</i> ) <sup>(a)</sup>	<b>18</b>	18	<b>50</b>	46
Total purchased power ( <i>in billions of KWHs</i> )	<b>9</b>	9	<b>23</b>	23
Sources of generation ( <i>percent</i> ) —				
Gas	<b>43</b>	47	<b>43</b>	51
Nuclear <sup>(a)</sup>	<b>31</b>	26	<b>33</b>	27
Coal	<b>24</b>	25	<b>21</b>	19
Hydro and other	<b>2</b>	2	<b>3</b>	3
Cost of fuel, generated ( <i>in cents per net KWH</i> ) —				
Gas	<b>2.76</b>	2.99	<b>2.91</b>	3.07
Nuclear <sup>(a)(b)</sup>	<b>1.02</b>	0.87	<b>0.97</b>	0.79
Coal	<b>5.01</b>	5.69	<b>4.90</b>	5.80
Average cost of fuel, generated ( <i>in cents per net KWH</i> ) <sup>(a)</sup>	<b>2.75</b>	3.11	<b>2.67</b>	2.98
Average cost of purchased power ( <i>in cents per net KWH</i> ) <sup>(c)</sup>	<b>4.62</b>	4.55	<b>4.73</b>	4.64

(a) Excludes KWHs generated from test period energy at Plant Vogtle Units 3 and 4 prior to their respective in-service dates. The related fuel costs were 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) Excludes \$60 million of credits recorded in the third quarter 2024 to nuclear fuel expense resulting from litigation related to nuclear fuel disposal costs. See Note (C) to the Condensed Financial Statements under "Nuclear Fuel Disposal Costs" herein for additional information.

(c) 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 quarter 2024, fuel expense was \$451 million compared to \$576 million for the corresponding period in 2023. The decrease was primarily due to \$60 million of credits recorded to nuclear fuel expense resulting from litigation related to nuclear fuel disposal costs and decreases of 12.0% in the average cost per KWH generated by coal, 7.7% in the average cost per KWH generated by natural gas, and 4.9% in the volume of KWHs generated by natural gas, partially offset by increases of 23.8% in the volume of KWHs generated by nuclear and 17.2% in the average cost per KWH generated by nuclear.

For year-to-date 2024, fuel expense was \$1.3 billion compared to \$1.4 billion for the corresponding period in 2023. The decrease was primarily due to \$60 million of credits recorded to nuclear fuel expense resulting from litigation related to nuclear fuel disposal costs and decreases of 15.5% in the average cost per KWH generated by coal, 7.1% in the volume of KWHs generated by natural gas, and 5.2% in the average cost per KWH generated by natural gas, partially offset by increases of 34.4% in the volume of KWHs generated by nuclear, 22.8% in the average cost per KWH generated by nuclear, and 16.5% in the volume of KWHs generated by coal.

See Note (C) to the Condensed Financial Statements under "Nuclear Fuel Disposal Costs" herein for additional information.

#### *Purchased Power – Non-Affiliates*

In the third quarter 2024, purchased power expense from non-affiliates was \$174 million compared to \$131 million for the corresponding period in 2023. For year-to-date 2024, purchased power expense from non-affiliates was \$466 million compared to \$397 million for the corresponding period in 2023. The increases for the third quarter and year-to-date 2024 were primarily due to increases of 20.3% and 22.4%, respectively, in the volume of KWHs purchased

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

as Georgia Power and other Southern Company system units generally dispatched at a higher cost than available market resources. Partially offsetting the increase for year-to-date 2024 was a decrease of 7.8% 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.

### *Purchased Power – Affiliates*

In the third quarter 2024, purchased power expense from affiliates was \$204 million compared to \$221 million for the corresponding period in 2023. For year-to-date 2024, purchased power expense from affiliates was \$567 million compared to \$579 million for the corresponding period in 2023. The decreases for the third quarter and year-to-date 2024 were primarily due to decreases of 9.9% and 8.0%, respectively, in the volume of KWHs 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. Also partially offsetting the decrease for year-to-date 2024 was an increase of 5.2% in the average cost per KWH purchased.

See Note (B) to the Condensed Financial Statements under "Georgia Power – Integrated Resource Plans" herein 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 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$101	19.7	\$81	5.4

In the third quarter 2024, other operations and maintenance expenses were \$613 million compared to \$512 million for the corresponding period in 2023. The increase was primarily due to increases of \$47 million in transmission and distribution costs primarily associated with line maintenance and billing adjustments with integrated transmission system owners, \$43 million in generation expenses largely associated with non-outage maintenance costs resulting from Plant Vogtle Unit 4 being placed in service in April 2024, and \$9 million in unregulated power delivery construction and maintenance contracts. Partially offsetting the increase was a decrease of \$7 million in certain employee compensation and benefit expenses.

For year-to-date 2024, other operations and maintenance expenses were \$1.6 billion compared to \$1.5 billion for the corresponding period in 2023. The increase was primarily due to increases of \$87 million in generation expenses primarily associated with non-outage maintenance costs resulting from Plant Vogtle Units 3 and 4 being placed in service in July 2023 and April 2024, respectively, \$68 million in transmission and distribution costs primarily associated with line maintenance and billing adjustments with integrated transmission system owners, \$25 million in unregulated power delivery construction and maintenance contracts, \$18 million in customer service and sales costs, and \$7 million in expenses associated with unregulated energy conservation projects. Partially offsetting the increase were an increase of \$92 million in gains from sales of integrated transmission system assets and decreases of \$26 million in technology infrastructure and application production costs and \$15 million in certain employee compensation and benefit expenses.

See Note (B) to the Condensed Financial Statements under "Georgia Power – Transmission Asset Sales" and " – Nuclear Construction" herein for additional information.

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

**Depreciation and Amortization**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$33	7.7	\$86	6.9

In the third quarter 2024, depreciation and amortization was \$462 million compared to \$429 million for the corresponding period in 2023. For year-to-date 2024, depreciation and amortization was \$1.3 billion compared to \$1.2 billion for the corresponding period in 2023. The increases for the third quarter and year-to-date 2024 were primarily due to increases of \$51 million and \$125 million, respectively, associated with additional plant in service, partially offset by decreases of \$15 million and \$45 million, respectively, in amortization of regulatory assets related to CCR AROs as approved in the 2024 compliance filing under the terms of the 2022 ARP. See Note 2 to the financial statements under "Georgia Power – Rate Plans" in Item 8 of the Form 10-K for additional information.

**Taxes Other Than Income Taxes**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$33	22.9	\$82	20.2

In the third quarter 2024, taxes other than income taxes were \$177 million compared to \$144 million for the corresponding period in 2023. For year-to-date 2024, taxes other than income taxes were \$488 million compared to \$406 million for the corresponding period in 2023. The increases for the third quarter and year-to-date 2024 were primarily due to increases of \$12 million and \$38 million, respectively, in property taxes primarily resulting from an increase in the assessed value of property, decreases of \$16 million and \$25 million, respectively, in property taxes capitalized primarily due to Plant Vogtle Unit 4 being placed in service in April 2024, and increases of \$5 million and \$19 million, respectively, in municipal franchise fees resulting from higher retail revenues. See Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction" herein for additional information on Plant Vogtle Unit 4.

**Estimated Loss on Plant Vogtle Units 3 and 4**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$(160)	N/M	\$(181)	N/M

Georgia Power recorded pre-tax charges (credits) to income related to the estimated probable loss on Plant Vogtle Units 3 and 4 totaling \$(21) million in the second quarter 2024 and \$160 million in the third quarter 2023. These charges (credits) reflected revisions to the total project capital cost forecast for the construction and completion 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 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$—	—	\$(13)	(10.7)

For year-to-date 2024, allowance for equity funds used during construction was \$108 million compared to \$121 million for the corresponding period in 2023. The decrease was primarily due to Plant Vogtle Units 3 and 4 being placed in service in July 2023 and April 2024, respectively, partially offset by an increase in capital expenditures subject to AFUDC. See Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction" herein for additional information on Plant Vogtle Units 3 and 4.

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

**Interest Expense, Net of Amounts Capitalized**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$18	10.8	\$71	15.0

In the third quarter 2024, interest expense, net of amounts capitalized was \$184 million compared to \$166 million for the corresponding period in 2023. The increase was primarily associated with a decrease of \$7 million in AFUDC debt primarily related to Plant Vogtle Unit 4, an increase of \$6 million related to higher average outstanding borrowings, and a decrease of \$6 million in net deferred financing costs related to Plant Vogtle Unit 3.

For year-to-date 2024, interest expense, net of amounts capitalized was \$543 million compared to \$472 million for the corresponding period in 2023. The increase was primarily associated with increases of approximately \$30 million related to higher interest rates and \$29 million related to higher average outstanding borrowings and a decrease of \$21 million in AFUDC debt primarily related to Plant Vogtle Units 3 and 4, partially offset by an increase of \$5 million in net deferred financing costs related to Plant Vogtle Unit 3.

See Note (B) to the Condensed Financial Statements under "Georgia Power – Nuclear Construction – Regulatory Matters" and FINANCIAL CONDITION AND LIQUIDITY – "Sources of Capital" and "Financing Activities" herein for additional information.

**Other Income (Expense), Net**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$7	15.6	\$31	24.8

In the third quarter 2024, other income (expense), net was \$52 million compared to \$45 million for the corresponding period in 2023. The increase was primarily due to increases of \$3 million in customer charges related to contributions in aid of construction and \$3 million in unrealized gains associated with price stability products for retail customers on variable demand-driven pricing tariffs.

For year-to-date 2024, other income (expense), net was \$156 million compared to \$125 million for the corresponding period in 2023. The increase for year-to-date 2024 was primarily due to an increase of \$12 million in customer charges related to contributions in aid of construction, a \$7 million charge in the second quarter 2023 under a stipulation approved by the Georgia PSC related to Georgia Power's fuel cost recovery case, and an increase of \$5 million in non-service cost-related retirement benefits income. See Note 2 to the financial statements in Item 8 of the Form 10-K under "Georgia Power – Fuel Cost Recovery" for additional information.

**Income Taxes**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$46	23.0	\$171	49.6

In the third quarter 2024, income taxes were \$246 million compared to \$200 million for the corresponding period in 2023. For year-to-date 2024, income taxes were \$516 million compared to \$345 million for the corresponding period in 2023. The increases were primarily due to higher pre-tax earnings, partially offset by increases of \$23 million and \$73 million in the generation of advanced nuclear PTCs in the third quarter and year-to-date 2024, respectively. The increase for year-to-date 2024 also reflects a \$56 million increase in charges to a valuation allowance on certain state tax credit carryforwards, partially offset by \$33 million from the recognition of certain state tax positions from amended returns. See Note (G) to the Condensed Financial Statements herein for additional information.

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

**Mississippi Power**

**Net Income**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$—	—	\$13	7.5

Mississippi Power's net income for year-to-date 2024 was \$186 million compared to \$173 million for the corresponding period in 2023. The increase was primarily due to increases in affiliate wholesale capacity revenues and retail revenues largely due to certain regulatory assets that fully amortized in December 2023, partially offset by an increase in non-fuel operations and maintenance expenses.

**Retail Revenues**

In the third quarter 2024, retail revenues were \$276 million compared to \$284 million for the corresponding period in 2023. For year-to-date 2024, retail revenues were \$739 million compared to \$747 million for the corresponding period in 2023. Details of the changes in retail revenues were as follows:

	Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
	(change in millions)	(% change)	(change in millions)	(% change)
Rates and pricing	\$ 6	2.1 %	\$ 10	1.3 %
Sales growth (decline)	(6)	(2.1)	3	0.4
Weather	(3)	(1.0)	3	0.4
Fuel and other cost recovery	(5)	(1.8)	(24)	(3.2)
Retail revenues	\$ (8)	(2.8) %	\$ (8)	(1.1) %

Revenues associated with changes in rates and pricing increased in the third quarter and year-to-date 2024 when compared to the corresponding periods in 2023 primarily due to certain regulatory assets that fully amortized in December 2023 and higher ECO Plan rates that became effective in June 2024.

Revenues attributable to changes in sales decreased in the third quarter and increased for year-to-date 2024 when compared to the corresponding periods in 2023. Weather-adjusted residential KWH sales decreased 7.1% and 2.2% in the third quarter and year-to-date 2024, respectively, primarily due to decreased customer usage. Weather-adjusted commercial KWH sales decreased 2.6% in the third quarter 2024 primarily due to decreased customer usage. Weather-adjusted commercial KWH sales increased 3.4% for year-to-date 2024 primarily due to increased customer usage. Industrial KWH sales increased 2.0% in the third quarter 2024 primarily due to increases in the chemicals and pipeline sectors. Industrial KWH sales decreased 0.6% for year-to-date 2024 primarily due to a decrease in the petroleum sector.

Fuel and other cost recovery revenues decreased in the third quarter and year-to-date 2024 when compared to the corresponding periods in 2023 primarily as a result of lower recoverable fuel 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.

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

**Wholesale Revenues – Non-Affiliates**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$(11)	(14.3)	\$(22)	(10.9)

In the third quarter 2024, wholesale revenues from sales to non-affiliates were \$66 million compared to \$77 million for the corresponding period in 2023. For year-to-date 2024, wholesale revenues from sales to non-affiliates were \$179 million compared to \$201 million for the corresponding period in 2023. The decreases for the third quarter and year-to-date 2024 were primarily due to decreases of \$6 million and \$9 million, respectively, associated with lower opportunity sales and decreases of \$4 million and \$11 million, respectively, associated with MRA customers largely due to lower recoverable fuel costs.

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 – Municipal and Rural Associations Tariff" in Item 8 of the Form 10-K for additional information.

**Wholesale Revenues – Affiliates**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$(8)	(12.3)	\$8	5.1

In the third quarter 2024, wholesale revenues from sales to affiliates were \$57 million compared to \$65 million for the corresponding period in 2023. The decrease was due to decreases of \$19 million related to the volume of KWH sales and \$5 million related to the price of energy driven by natural gas prices. These decreases were partially offset by an increase of \$16 million in capacity revenues primarily associated with a new PPA with Georgia Power.

For year-to-date 2024, wholesale revenues from sales to affiliates were \$166 million compared to \$158 million for the corresponding period in 2023. The increase was due to an increase of \$46 million in capacity revenues primarily associated with a new PPA with Georgia Power. This increase was partially offset by decreases of \$30 million in capacity revenues mainly associated with Mississippi Power's lower availability of generation reserves to the Southern Company power pool and \$8 million primarily related to the volume of KWH sales.

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.

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

**Fuel and Purchased Power Expenses**

	Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
	(change in millions)	(% change)	(change in millions)	(% change)
Fuel	\$ (39)	(24.1)	\$ (64)	(16.1)
Purchased power	4	57.1	11	61.1
<b>Total fuel and purchased power expenses</b>	<b>\$ (35)</b>		<b>\$ (53)</b>	

In the third quarter 2024, total fuel and purchased power expenses were \$134 million compared to \$169 million for the corresponding period in 2023. The decrease was due to a \$24 million net decrease associated with the volume of KWHs generated and purchased and an \$11 million net decrease related to the average cost of fuel and purchased power.

For year-to-date 2024, total fuel and purchased power expenses were \$363 million compared to \$416 million for the corresponding period in 2023. The decrease was due to a \$42 million net decrease related to the average cost of fuel and purchased power and an \$11 million net 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 2024	Third Quarter 2023	Year-To-Date 2024	Year-To-Date 2023
<b>Total generation (in millions of KWHs)</b>	<b>4,905</b>	5,783	<b>13,313</b>	14,123
<b>Total purchased power (in millions of KWHs)</b>	<b>232</b>	153	<b>633</b>	427
<b>Sources of generation (percent) –</b>				
Gas	<b>89</b>	87	<b>91</b>	92
Coal	<b>11</b>	13	<b>9</b>	8
<b>Cost of fuel, generated (in cents per net KWH) –</b>				
Gas	<b>2.25</b>	2.52	<b>2.37</b>	2.72
Coal	<b>5.39</b>	5.49	<b>5.31</b>	5.64
<b>Average cost of fuel, generated (in cents per net KWH)</b>	<b>2.62</b>	2.92	<b>2.66</b>	2.97
<b>Average cost of purchased power (in cents per net KWH)</b>	<b>4.71</b>	4.61	<b>4.49</b>	4.27

**Fuel**

In the third quarter 2024, fuel expense was \$123 million compared to \$162 million for the corresponding period in 2023. The decrease was primarily due to a 26.9% decrease in the volume of KWHs generated by coal, a 13.9% decrease in the volume of KWHs generated by natural gas, a 10.7% decrease in the average cost per KWH generated by natural gas, and a 1.8% decrease in the average cost per KWH generated by coal.

For year-to-date 2024, fuel expense was \$334 million compared to \$398 million for the corresponding period in 2023. The decrease was primarily due to a 12.9% decrease in the average cost per KWH generated by natural gas, a 7.2% decrease in the volume of KWHs generated by natural gas, and a 5.9% decrease in the average cost per KWH generated by coal, partially offset by a 6.5% increase in the volume of KWHs generated by coal.

**Purchased Power**

In the third quarter 2024, purchased power expense was \$11 million compared to \$7 million for the corresponding period in 2023. For year-to-date 2024, purchased power expense was \$29 million compared to \$18 million for the corresponding period in 2023. The increases for the third quarter and year-to-date 2024 were primarily due to

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

increases of 51.4% and 48.3%, respectively, in the volume of KWHs purchased and increases of 2.2% and 5.2%, respectively, in the average cost per KWH purchased primarily due to higher natural gas prices.

### **Other Operations and Maintenance Expenses**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$6	7.1	\$3	1.2

In the third quarter 2024, other operations and maintenance expenses were \$90 million compared to \$84 million for the corresponding period in 2023. For year-to-date 2024, other operations and maintenance expenses were \$261 million compared to \$258 million for the corresponding period in 2023. The increases for the third quarter and year-to-date 2024 were primarily due to increases of \$6 million in generation expenses for both periods primarily associated with planned outages and non-outage costs, respectively, and \$4 million and \$6 million, respectively, in certain employee compensation and benefit expenses, partially offset by decreases of \$3 million and \$9 million, respectively, associated with previously deferred Plant Ratcliffe expenses that fully amortized in December 2023.

### **Income Taxes**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$4	22.2	\$12	34.3

In the third quarter 2024, income taxes were \$22 million compared to \$18 million for the corresponding period in 2023. The increase was primarily due to a decrease of \$3 million in the flowback of certain excess deferred income taxes.

For year-to-date 2024, income taxes were \$47 million compared to \$35 million for the corresponding period in 2023. The increase was primarily due to higher pre-tax earnings and a decrease of \$6 million in the flowback of certain excess deferred income taxes.

See Note (G) to the Condensed Financial Statements herein for additional information.

### **Southern Power**

#### **Net Income Attributable to Southern Power**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$(18)	(18.0)	\$(24)	(8.3)

Net income attributable to Southern Power in the third quarter 2024 was \$82 million compared to \$100 million for the corresponding period in 2023. The decrease was primarily due to an arbitration award received in 2023 for losses previously incurred and increases in scheduled outage and maintenance expenses.

Net income attributable to Southern Power for year-to-date 2024 was \$264 million compared to \$288 million for the corresponding period in 2023. The decrease was primarily related to increases in scheduled outage and maintenance expenses, prior year receipt of an arbitration award for losses previously incurred, and a prior year gain on the sale of spare parts, partially offset by an increase in capacity revenues related to natural gas PPAs.

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

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

**Operating Revenues**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$(53)	(8.1)	\$(89)	(5.3)

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 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 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 2024	Third Quarter 2023	Year-To-Date 2024	Year-To-Date 2023
	(in millions)			
PPA capacity revenues	\$ 147	\$ 134	\$ 390	\$ 360
PPA energy revenues	373	370	985	953
Total PPA revenues	520	504	1,375	1,313
Non-PPA revenues	71	131	191	327
Other revenues	9	18	31	46
Total operating revenues	\$ 600	\$ 653	\$ 1,597	\$ 1,686

In the third quarter 2024, total operating revenues were \$600 million, reflecting a \$53 million, or 8.1%, decrease from the corresponding period in 2023. The change in operating revenues was primarily due to the following:

- PPA capacity revenues increased \$13 million, or 9.7%, 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.

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

- PPA energy revenues increased \$3 million, or 0.8%, primarily due to an increase of \$38 million related to the volume of KWHs sold primarily under natural gas and solar PPAs, largely offset by a decrease of \$33 million driven by fuel and purchased power prices.
- Non-PPA revenues decreased \$60 million, or 45.8%, due to a decrease of \$50 million related to the volume of KWHs sold through short-term sales and a decrease of \$10 million driven by the market price of energy.
- Other revenues decreased \$9 million, or 50.0%, primarily due to a prior year receipt of an arbitration award 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 2024, total operating revenues were \$1.6 billion, reflecting an \$89 million, or 5.3%, decrease from the corresponding period in 2023. The change in operating revenues was primarily due to the following:

- PPA capacity revenues increased \$30 million, or 8.3%, due to an increase associated with a change in rates from natural gas PPAs and a net increase in MW capacity under contract from natural gas PPAs.
- PPA energy revenues increased \$32 million, or 3.4%, primarily due to an increase of \$56 million related to the volume of KWHs sold primarily under natural gas and solar PPAs, partially offset by a decrease of \$19 million driven by fuel and purchased power prices.
- Non-PPA revenues decreased \$136 million, or 41.6%, primarily due to a decrease of \$139 million related to the volume of KWHs sold through short-term sales.
- Other revenues decreased \$15 million, or 32.6%, primarily due to decreases in receipts of liquidated damages associated with generation facility production guarantees and a prior year receipt of an arbitration award for losses previously incurred. See Note (C) to the Condensed Financial Statements under "General Litigation Matters – Southern Power" herein for additional information.

### **Fuel and Purchased Power Expenses**

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

	Third Quarter 2024	Third Quarter 2023	Year-To-Date 2024	Year-To-Date 2023
(in billions of KWHs)				
Generation	<b>12.8</b>	12.9	<b>34.2</b>	36.9
Purchased power	<b>0.5</b>	0.8	<b>1.7</b>	2.4
Total generation and purchased power	<b>13.3</b>	13.7	<b>35.9</b>	39.3
Total generation and purchased power (excluding solar, wind, fuel cells, and tolling agreements)	<b>8.3</b>	8.5	<b>21.5</b>	24.7

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.

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

Details of Southern Power's fuel and purchased power expenses were as follows:

	Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
	(change in millions)	(% change)	(change in millions)	(% change)
Fuel	\$ (30)	(15.3)	\$ (72)	(13.7)
Purchased power	(13)	(39.4)	(27)	(31.0)
<b>Total fuel and purchased power expenses</b>	<b>\$ (43)</b>		<b>\$ (99)</b>	

In the third quarter 2024, total fuel and purchased power expenses decreased \$43 million, or 18.8%, compared to the corresponding period in 2023. Fuel expense decreased \$30 million due to a decrease related to the average cost of fuel. Purchased power expense decreased \$13 million primarily due to an \$11 million decrease associated with the volume of KWHs purchased.

For year-to-date 2024, total fuel and purchased power expenses decreased \$99 million, or 16.2%, compared to the corresponding period in 2023. Fuel expense decreased \$72 million due to a \$60 million decrease related to the volume of KWHs generated and a \$12 million decrease associated with the average cost of fuel. Purchased power expense decreased \$27 million primarily due to a \$24 million decrease associated with the volume of KWHs purchased.

**Other Operations and Maintenance Expenses**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$22	21.2	\$40	12.2

In the third quarter 2024, other operations and maintenance expenses were \$126 million compared to \$104 million for the corresponding period in 2023. For year-to-date 2024, other operations and maintenance expenses were \$367 million compared to \$327 million for the corresponding period in 2023. The increases were primarily due to an arbitration award received in 2023 related to losses previously incurred and increases in scheduled outage and 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 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$—	—	\$(20)	(100.0)

For year-to-date 2024, gain on dispositions, net decreased by \$20 million compared to the corresponding period in 2023. The decrease was primarily due to a \$16 million gain on the sale of spare parts in 2023.

**Net Income (Loss) Attributable to Noncontrolling Interests**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$(10)	(100.0)	\$(5)	(7.4)

For year-to-date 2024, net loss attributable to noncontrolling interests was \$73 million compared to \$68 million for the corresponding period in 2023. The increased loss was primarily due to \$15 million in higher HLBV loss allocations to tax equity partners, partially offset by \$10 million in higher income allocations to equity partners.

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

### Southern Company Gas

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 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.

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 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$(44)	(53.7)	\$80	16.8

Southern Company Gas' net income in the third quarter 2024 was \$38 million compared to \$82 million for the corresponding period in 2023. The decrease was primarily due to a \$49 million decrease in net income at gas distribution operations.

For year-to-date 2024, net income was \$555 million compared to \$475 million for the corresponding period in 2023. The increase was primarily due to a \$51 million increase in net income at gas distribution operations, a \$13 million increase in net income at gas marketing services, and a \$12 million increase in net income at all other.

#### Natural Gas Revenues

In the third quarter 2024, natural gas revenues, were \$682 million compared to \$689 million for the corresponding period in 2023. For year-to-date 2024, natural gas revenues were \$3.2 billion compared to \$3.4 billion for the corresponding period in 2023. Details of the changes in natural gas revenues were as follows:

	Third Quarter 2024 vs.		Year-To-Date 2024 vs.	
	Third Quarter 2023		Year-To-Date 2023	
	(change in millions)	(% change)	(change in millions)	(% change)
Rate changes	\$ 6	0.9 %	\$ 196	5.7 %
Gas costs and other cost recovery	4	0.6	(335)	(9.8)
Gas marketing services	(2)	(0.3)	(15)	(0.4)
Other	(15)	(2.2)	(43)	(1.3)
Natural gas revenues	\$ (7)	(1.0) %	\$ (197)	(5.8) %

Revenues from rate changes increased for year-to-date 2024 compared to the corresponding period in 2023 primarily due to rate increases, partially offset by a change in 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 for additional information.

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

Revenues from gas costs and other cost recovery decreased for year-to-date 2024 compared to the corresponding period in 2023 primarily due to lower natural gas cost recovery associated with lower natural gas prices and lower demand associated with warmer weather. See "Cost of Natural Gas" herein for additional information.

Revenues from gas marketing services decreased for year-to-date 2024 compared to the corresponding period in 2023 primarily due to lower commodity prices.

### Cost of Natural Gas

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$ (4)	(3.9)	\$ (347)	(28.9)

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 77% and 81% of the total cost of natural gas in the third quarter and year-to-date 2024, respectively. 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.

For year-to-date 2024, cost of natural gas was \$0.9 billion compared to \$1.2 billion for the corresponding period in 2023. The decrease reflects lower gas cost recovery as a result of a decrease of 22% in natural gas prices.

The following table details the volumes of natural gas sold during all periods presented:

	Third Quarter			Year-To-Date		
	2024	2023	2024 vs. 2023	2024	2023	2024 vs. 2023
<b>Gas distribution operations (mmBtu in millions)</b>						
Firm	71	71	— %	432	429	0.7 %
Interruptible	22	22	—	69	70	(1.4)
Total	93	93	— %	501	499	0.4 %
<b>Gas marketing services (mmBtu in millions)</b>						
Firm:						
Georgia	3	3	— %	25	21	19.0 %
Illinois	—	1	(100.0)	4	5	(20.0)
Other	2	3	(33.3)	11	9	22.2
Interruptible large commercial and industrial	3	2	50.0	11	10	10.0
Total	8	9	(11.1)%	51	45	13.3 %

### Other Operations and Maintenance Expenses

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$31	11.7	\$ (2)	(0.2)

In the third quarter 2024, other operations and maintenance expenses were \$295 million compared to \$264 million for the corresponding period in 2023. The increase was primarily due to an increase of \$31 million in compensation and benefit expenses.

For year-to-date 2024, other operations and maintenance expenses were \$877 million compared to \$879 million for the corresponding period in 2023. The decrease was primarily due to a \$30 million prior year regulatory

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

disallowance at Nicor Gas and decreases of \$11 million in expenses passed through to customers primarily related to bad debt and energy efficiency programs at gas distribution operations, \$6 million in service maintenance and meter sets maintenance expenses at Nicor Gas as well as general plant maintenance expenses, and \$2 million in bad debt expenses. These decreases were partially offset by an increase of \$55 million in compensation and benefit expenses. See Note 2 to the financial statements under "Southern Company Gas – Infrastructure Replacement Programs and Capital Projects – Nicor Gas" in Item 8 of the Form 10-K for additional information.

### **Depreciation and Amortization**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$17	11.7	\$46	10.7

In the third quarter 2024, depreciation and amortization was \$162 million compared to \$145 million for the corresponding period in 2023. For year-to-date 2024, depreciation and amortization was \$475 million compared to \$429 million for the corresponding period in 2023. The increases were primarily due to continued investments at the natural gas distribution utilities.

### **Taxes Other Than Income Taxes**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$2	4.8	\$(17)	(8.4)

For year-to-date 2024, taxes other than income taxes were \$186 million compared to \$203 million for the corresponding period in 2023. The decrease for year-to-date 2024 was primarily due to a decrease of \$16 million in revenue taxes as a result of lower natural gas revenues at Nicor Gas.

### **Interest Expense, Net of Amounts Capitalized**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$7	9.1	\$24	10.6

In the third quarter 2024, interest expense, net of amounts capitalized was \$84 million compared to \$77 million for the corresponding period in 2023. For year-to-date 2024, interest expense, net of amounts capitalized was \$250 million compared to \$226 million for the corresponding period in 2023. The increases for the third quarter and year-to-date 2024 were primarily associated with increases of approximately \$4 million and \$14 million, respectively, related to higher interest rates and approximately \$3 million and \$10 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**

Third Quarter 2024 vs. Third Quarter 2023		Year-To-Date 2024 vs. Year-To-Date 2023	
(change in millions)	(% change)	(change in millions)	(% change)
\$(17)	(60.7)	\$24	15.0

In the third quarter 2024, income taxes were \$11 million compared to \$28 million for the corresponding period in 2023. The decrease was primarily due to lower pre-tax earnings, including the change in timing of revenues at Nicor Gas.

For year-to-date 2024, income taxes were \$184 million compared to \$160 million for the corresponding period in 2023. The increase was primarily due to higher pre-tax earnings, including the prior year regulatory disallowance at

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

Nicor Gas. See Note 2 to the financial statements under "Southern Company Gas – Infrastructure Replacement Programs and Capital Projects – Nicor Gas" in Item 8 of the Form 10-K for additional information.

### 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 Expenses	Net Income (Loss)	Operating Revenues	Operating Expenses	Net Income (Loss)
(in millions)						(in millions)
<b>Third Quarter</b>						
Gas distribution operations	\$ 616	\$ 533	\$ 21	\$ 619	\$ 485	\$ 70
Gas pipeline investments	8	2	24	8	2	24
Gas marketing services	53	55	(2)	56	53	2
All other	6	7	(5)	8	12	(14)
Intercompany eliminations	(1)	2	—	(2)	1	—
Consolidated	\$ 682	\$ 599	\$ 38	\$ 689	\$ 553	\$ 82
<b>Year-To-Date</b>						
Gas distribution operations	\$ 2,828	\$ 2,104	\$ 403	\$ 3,002	\$ 2,386	\$ 352
Gas pipeline investments	24	7	77	24	7	73
Gas marketing services	358	260	72	376	292	59
All other	19	18	3	30	30	(9)
Intercompany eliminations	(9)	1	—	(15)	(5)	—
Consolidated	\$ 3,220	\$ 2,390	\$ 555	\$ 3,417	\$ 2,710	\$ 475

### 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 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 third quarter 2024, net income decreased \$49 million, or 70.0%, when compared to the corresponding period in 2023, as described further below:

- Operating revenues decreased \$3 million primarily due to the change in timing of revenues at Nicor Gas, partially offset by rate increases. Gas costs recovered through natural gas revenues generally equal the amount expensed in cost of natural gas.

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

- Operating expenses increased \$48 million primarily due to a \$31 million increase in other operations and maintenance expense and an \$18 million increase in depreciation resulting from additional assets placed in service.
- Interest expense, net of amounts capitalized increased \$10 million primarily due to higher interest rates and higher average outstanding debt.
- Income taxes decreased \$14 million primarily as a result of lower pre-tax earnings, including the change in timing of revenues at Nicor Gas.

For year-to-date 2024, net income increased \$51 million, or 14.5%, when compared to the corresponding period in 2023, as described further below:

- Operating revenues decreased \$174 million primarily due to lower natural gas cost over recovery, partially offset by rate increases and a change in 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 \$282 million primarily due to a \$322 million decrease in cost of natural gas as a result of lower gas prices and lower volumes sold compared to 2023 and the \$30 million prior year regulatory disallowance at Nicor Gas, partially offset by higher depreciation resulting from additional assets placed in service, higher compensation and benefit expenses, and higher revenue taxes. The decrease in operating expenses also includes costs passed through directly to customers, primarily related to bad debt expenses, energy efficiency program, and revenue taxes.
- Interest expense, net of amounts capitalized increased \$29 million primarily due to higher interest rates and higher average outstanding debt.
- Income taxes increased \$26 million primarily as a result of higher pre-tax earnings.

See Note 2 to the financial statements under "Southern Company Gas – Infrastructure Replacement Programs and Capital Projects – Nicor Gas" in Item 8 of the Form 10-K 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 quarter 2024, net loss was \$2 million compared to net income of \$2 million for the corresponding period in 2023. The change was primarily due to increases in compensation and benefit expenses.

For year-to-date 2024, net income increased \$13 million, or 22.0%, when compared to the corresponding period in 2023 primarily due to retail margins and a decrease in cost of natural gas, partially offset by higher income taxes.

### *All Other*

All other includes 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 California through its sale in September 2023. See Note 15 to the financial statements in Item 8 of the Form 10-K for additional information.

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

In the third quarter 2024, net loss decreased \$9 million, or 64.3%, when compared to the corresponding period in 2023 primarily due to decreases in operations and maintenance expense and interest expense.

For year-to-date 2024, net income was \$3 million compared to a net loss of \$9 million for the corresponding period in 2023. The change was primarily due to decreases in operations and maintenance expense.

### **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.

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 increasing digitization of the economy and growth in data centers, an increase in industrial activity in the Southern Company system's electric service territory, and continued electrification of transportation. These growth opportunities could be offset by energy efficiency trends in each market.

Global and U.S. economic conditions continue to be affected by higher-than-expected inflation that arose from the COVID-19 pandemic and associated policy responses of governments and central banks. In response to elevated inflation levels, the U.S. Federal Reserve raised interest rates faster than any rate increase cycle in the last 40 years. 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 initiated rate cuts and is expected to continue policy rate reductions into 2025. The shifting economic policy variables and weakening of historic relationships among economic activity, prices, and employment have increased the uncertainty of future levels of economic activity which will directly impact future energy demand and operating costs. Weakening economic activity increases the risk of slowing or declining energy sales. See **RESULTS OF OPERATIONS** herein for information on energy sales in the Southern Company system's service territory during the first nine months of 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 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

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

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, Note (K) to the Condensed Financial Statements herein, and "Construction Programs" 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.

### **Environmental Matters**

See MANAGEMENT'S DISCUSSION AND ANALYSIS – FUTURE EARNINGS POTENTIAL – "Environmental Matters" and – FINANCIAL CONDITION AND LIQUIDITY – "Cash Requirements" in Item 7 and Note 3 to the financial statements under "Environmental Remediation" and Note 6 to the financial statements 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 June 27, 2024, the U.S. Supreme Court stayed the 2015 Ozone National Ambient Air Quality Standards Good Neighbor federal implementation plan (FIP) pending the disposition of petitions for review of the FIP in the U.S. Court of Appeals for the D.C. Circuit and any petition for writ of certiorari to the U.S. Supreme Court. On September 12, 2024, the U.S. Court of Appeals for the D.C. Circuit granted the EPA's motion for partial voluntary

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

remand of the FIP to address the administrative record deficiencies preliminarily identified by the U.S. Supreme Court. While the EPA completes its supplemental review, the U.S. Court of Appeals for the D.C. Circuit will hold challenges to the FIP in abeyance.

On October 21, 2024, the U.S. Supreme Court issued an order granting review of a decision by the U.S. Court of Appeals for the Tenth Circuit transferring challenges to the EPA's disapproval of interstate transport state implementation plans to the U.S. Court of Appeals for the D.C. Circuit. On October 24, 2024, the U.S. Court of Appeals for the Eleventh Circuit placed the Alabama state implementation plan disapproval case in abeyance pending the U.S. Supreme Court's decision on the venue issue.

The ultimate impact of the FIP and associated legal matters cannot be determined at this time; however, implementation of the stayed FIP would likely result in increased compliance costs for the traditional electric operating companies.

### ***Water Quality***

On May 9, 2024, the EPA published the final rule revising the Steam Effluent Guidelines (ELG Final Rule), which establishes more stringent limits for flue gas desulfurization wastewater, bottom ash transport water, and combustion residual leachate to be met no later than December 31, 2029. The ELG Final Rule maintains the existing rule's permanent cessation of coal subcategory and the existing rule's voluntary incentive program and adds a new cessation subcategory which allows units to cease coal combustion by December 31, 2034 as opposed to meeting the new more stringent requirements. The ELG Final Rule also establishes limitations for legacy wastewater which will be effective 60 days from the date of publication. Numerous groups and states filed petitions for review challenging the rule in multiple federal circuit courts, and, on June 14, 2024, the challenges were consolidated in the U.S. Court of Appeals for the Eighth Circuit. On July 26, 2024, industry and state petitioners filed a motion to stay the rule pending judicial review, which was denied on October 10, 2024. The ultimate impact of the ELG Final Rule and associated legal matters cannot be determined at this time; however, it may result in significant compliance costs.

### ***Coal Combustion Residuals***

On May 8, 2024, the EPA published the final legacy CCR surface impoundments rule which establishes two new categories of federally regulated CCR, legacy surface impoundments and CCR management units (CCRMU). The rule requires 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 final rule also includes enhanced reporting requirements. The EPA is also finalizing an alternative provision for closure by removal that will allow certifying completion of closure of a unit while conducting groundwater monitoring and corrective action during post-closure care. Numerous industry groups, electric generators, and states filed petitions for review challenging the rule in the U.S. Court of Appeals for the D.C. Circuit. On August 19, 2024, an industry petitioner filed a motion seeking to stay the legacy CCR rule pending judicial review. The ultimate impact of the final rule and associated legal matters cannot be determined at this time; however, it may result in significant compliance costs.

On June 7, 2024, the EPA published a final determination to deny the Alabama Department of Environmental Management's CCR permit program. 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. The ultimate impact of this action cannot be determined at this time; however, it may result in significant compliance costs.

On June 28, 2024, the U.S. Court of Appeals for the D.C. Circuit issued a decision dismissing industry challenges to the EPA's January 11, 2022 actions and interpretations related to the closure performance standards in the 2015

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

CCR rule. The ultimate impacts of this decision and the EPA's current positions cannot be determined at this time; however, it may result in significant compliance costs.

Based on compliance requirements for closure and monitoring of CCR units pursuant to state and federal CCR 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 compliance monitoring, closure methodologies and strategies, schedules, and/or costs becomes available. Some of these updates have been, and future updates may be, material. The cost estimates for Alabama Power are based on closure-in-place for all surface impoundments. The cost estimates for Georgia Power and Mississippi Power are based on a combination of closure-in-place for some surface impoundments and closure by removal for others. 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.

### **Greenhouse Gases**

On May 9, 2024, the EPA published the final GHG rules for existing fossil fuel-fired steam electric generating units and new fossil fuel-fired combustion turbines and combined cycle generation facilities, which requires 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 have been deferred to a future rulemaking. Requirements for existing coal-fired units are based on technologies such as carbon capture and sequestration (CCS) and natural gas co-firing. States have 24 months after the rule's publication to submit state plans for existing units. The 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 and combined cycles include subcategories for low, intermediate, and base load operations. Compliance with new source standards begins when the unit comes online, with requirements for CCS beginning on January 1, 2032. The EPA also simultaneously repealed the Affordable Clean Energy rule. Numerous industry groups, electric generators, and states have filed petitions for review challenging the rule in the U.S. Court of Appeals for the D.C. Circuit. A total of eight stay motions were filed seeking a stay of the rule pending judicial review, which were denied by the U.S. Court of Appeals for the D.C. Circuit on July 19, 2024. On October 16, 2024, the U.S. Supreme Court denied emergency stay applications filed by numerous industry groups, electric generators, and states. The ultimate impact of the final rules and associated legal matters 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.

### **Construction Programs**

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.

The traditional electric operating companies are engaged in continuous construction programs to accommodate existing and estimated future loads on their respective systems. Major generation construction projects are subject to

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

state PSC approval in order to be included in retail rates. 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 – Integrated Resource Plans" for information regarding Georgia Power's construction of three simple cycle combustion turbines at Plant 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 in Item 8 of the Form 10-K and Note (B) to the Condensed Financial Statements herein under "Southern Company Gas – Infrastructure Replacement Programs and Capital Projects" for additional information on Southern Company Gas' construction program.

SNG is developing an approximately \$3 billion proposed pipeline project, designed to meet customer demand by increasing SNG's existing pipeline capacity by approximately 1.2 billion cubic feet per day. Subject to the satisfaction or waiver of various conditions, including the receipt of all required approvals by regulators, including the FERC, the operator of the joint venture anticipates the project will be completed in 2028. Southern Company Gas' share of the total project costs would be 50%. The ultimate outcome of this matter cannot be determined at this time. See Note 7 to the financial statements in Item 8 of the Form 10-K and Note (E) to the Condensed Financial Statements herein under "Southern Company Gas" for additional information on SNG.

See FINANCIAL CONDITION AND LIQUIDITY – "Cash Requirements" herein for additional information regarding the Registrants' capital requirements for their construction programs.

### **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 (IRS). The ultimate outcome of this matter cannot be determined at this time.

Additionally, the Inflation Reduction Act enacted a new 15% corporate alternative minimum tax (CAMT) on adjusted financial statement income, as defined in the law, beginning in 2023. On September 12, 2024, the U.S. Treasury Department and the IRS issued a notice of proposed regulations that would address the application of the CAMT. Southern Company is evaluating the proposed regulations and was not subject to the CAMT for the 2023 tax year based on interpretations of the early guidance. However, Southern Company believes it may be subject to the CAMT for the 2024 tax year dependent upon the final assessment of the tax treatment of Georgia Power's storm restoration costs. If applicable, the CAMT will primarily be satisfied by tax credits. As such, the CAMT could materially impact operating cash flows of certain Registrants but will not impact the Registrants' net income. Application of the CAMT is subject to the issuance of additional guidance by the U.S. Treasury Department and the IRS and the ultimate outcome of this matter cannot be determined at this time. See Note (B) to the Condensed Financial Statements under "Georgia Power – Storm Damage Recovery" herein for additional information.

### ***Georgia State Tax Legislation***

On April 18, 2024, the State of Georgia enacted tax legislation that reduced the corporate income tax rate from 5.75% to 5.39% effective for the 2024 tax year. This legislation reduced the amount of Southern Company's and

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

certain subsidiaries' income tax expense in the State of Georgia and existing state net accumulated deferred tax liabilities, increased regulatory liabilities at Georgia Power and Southern Company Gas, and reduces Georgia Power's ability to utilize certain state tax credits in the State of Georgia. The legislation did not have a material impact on the net income of the applicable Registrants.

### **Natural Gas Safe Harbor Method**

On April 30, 2024, the IRS issued Revenue Procedure 2024-23, which gives additional implementation guidance on the natural gas safe harbor tax method of accounting for qualifying repair deductions. Southern Company and Southern Company Gas intend to submit a tax accounting method change for qualifying expenditures with the filing of the 2024 federal income tax return. The new tax method of accounting is expected to result in a material net positive cash flow in 2024 for Southern Company Gas; however, the timing of this positive cash flow could be delayed by application of the CAMT. This will not have a material impact on Southern Company. 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.

### **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.

### **Recently Issued Accounting Standards**

In November 2023, the Financial Accounting Standards Board issued Accounting Standards Update 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (ASU 2023-07), which requires entities to disclose significant segment expenses, other segment items, the title and position of the chief operating decision maker (CODM), and information related to how the CODM assesses segment performance and allocates resources, among certain other required disclosures. Additionally, current annual disclosures will be required in interim periods. The new standard is effective, on a retrospective basis, for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Registrants are currently evaluating the impact ASU 2023-07 will have on their financial statement disclosures.

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

### **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, 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 quarter 2024, the market price of Southern Company's common stock was \$90.18 per share (based on the closing price as reported on the NYSE) and the book value was \$30.39 per share, representing a market-to-book ratio of 297%, compared to \$70.12, \$28.83, and 243%, respectively, at the end of 2023. Southern Company's common stock dividend for the third quarter 2024 was \$0.72 per share compared to \$0.70 per share in the third quarter 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, as well as storm restoration costs for Georgia Power. The fuel cost under recovery balances are primarily the result of higher than forecasted prices for natural gas and purchased power. The regulatory asset balance related to storm damage is primarily the result of significant damage to Georgia Power's transmission and distribution facilities caused by Hurricane Helene during September 2024. See Note (B) to the Condensed Financial Statements herein 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, regulation, and/or tariff policy; 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.

In October 2024, Alabama Power's Board of Directors approved updates to its construction program that is currently estimated to total \$2.2 billion for 2025, \$2.1 billion for each of 2026, 2027, and 2028, and \$2.0 billion for 2029. These amounts include capital expenditures related to nuclear fuel and LTSAs. These amounts also include estimated capital expenditures to comply with environmental laws and regulations, but do not include any potential compliance costs associated with any future regulation of CO<sub>2</sub> emissions from fossil fuel-fired electric generating units.

See Note (B) to the Condensed Financial Statements under "Georgia Power – Integrated Resource Plans" herein for information regarding Georgia Power's 2023 IRP Update, which includes incremental cash requirements for capital expenditures through 2027 of approximately \$700 million.

Southern Power's construction program includes the Millers Branch solar project. The remaining aggregate construction costs for this project are expected to be between \$570 million and \$700 million, including estimated capital expenditures associated with the phase three expansion of the Millers Branch solar project, which was

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

committed to subsequent to September 30, 2024. The ultimate outcome of this matter 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, 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 and storm restoration costs. See Note (B) to the Condensed Financial Statements under "Georgia Power – Storm Damage Recovery" herein for additional information.

The amount, type, and timing of any financings in 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 months ended September 30, 2024, Southern Power's tax equity funding for existing tax equity partnerships was immaterial. See Note 1 to the financial statements under "General" in Item 8 of the Form 10-K for additional information.

By regulation, Nicor Gas is restricted, up to 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, 2024, the amount of subsidiary retained earnings restricted to dividend totaled \$1.6 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, 2024 for the applicable Registrants:

At September 30, 2024	Southern Company	Georgia Power	Mississippi Power	Southern Company Gas
(in millions)				
Current liabilities in excess of current assets	\$ 1,125	\$ 1,540	\$ 32	\$ 80

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

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

certain circumstances, the Subsidiary Registrants may utilize equity contributions and/or loans from Southern Company.

### **Bank Credit Arrangements**

At September 30, 2024, unused committed credit arrangements with banks were as follows:

At September 30, 2024	Southern Company parent	Alabama Power	Georgia Power	Mississippi Power	Southern Power <sup>(a)</sup>	Southern Company Gas <sup>(b)</sup>	SEGCO	Southern Company
(in millions)								
Unused committed credit	\$ 1,998	\$ 1,350	\$ 2,026	\$ 275	\$ 600	\$ 1,598	\$ 30	\$ 7,877

(a) At September 30, 2024, Southern Power also had two continuing letters of credit facilities for standby letters of credit, of which \$21 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, 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 \$796 million at Alabama Power, \$819 million at Georgia Power, and \$69 million at Mississippi Power). In addition, at September 30, 2024, Alabama Power and Georgia Power had approximately \$207 million and \$157 million, respectively, of fixed rate revenue bonds outstanding that are required to be remarketed within the next 12 months. Alabama Power's \$207 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.

### **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-

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

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, 2024			Short-term Debt During the Period <sup>(*)</sup>		
	Amount Outstanding	Weighted Average Interest Rate		Average Amount Outstanding	Weighted Average Interest Rate	Maximum Amount Outstanding
(in millions)			(in millions)			(in millions)
Southern Company	\$ 722	5.4 %	\$ 1,180	5.7 %	\$ 1,852	
Alabama Power	—	—	21	5.9	130	
Georgia Power	235	5.9	376	6.1	720	
Mississippi Power	50	5.0	50	5.5	102	
Southern Power	62	5.1	142	5.5	226	
Southern Company Gas:						
Southern Company Gas Capital	\$ —	— %	\$ 125	5.5 %	\$ 215	
Nicor Gas	63	5.0	69	5.4	174	
Southern Company Gas Total	\$ 63	5.0 %	\$ 194	5.5 %		

(\*) Average and maximum amounts are based upon daily balances during the three-month period ended September 30, 2024.

**Analysis of Cash Flows**

Net cash flows provided from (used for) operating, investing, and financing activities for the nine months ended September 30, 2024 and 2023 are presented in the following table:

Net cash provided from (used for):	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
(in millions)						
<b>Nine Months Ended September 30, 2024</b>						
Operating activities	\$ 7,615	\$ 1,983	\$ 3,681	\$ 265	\$ 607	\$ 1,407
Investing activities	(6,678)	(1,460)	(3,487)	(272)	(199)	(1,196)
Financing activities	(803)	(456)	(205)	17	(357)	(201)
<b>Nine Months Ended September 30, 2023</b>						
Operating activities	\$ 5,740	\$ 1,522	\$ 1,969	\$ 260	\$ 799	\$ 1,644
Investing activities	(6,721)	(1,546)	(3,376)	(280)	(224)	(1,226)
Financing activities	834	66	1,183	(12)	(451)	(102)

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 \$1.9 billion for the nine months ended September 30, 2024 as compared to the corresponding period in 2023 primarily due to the timing of vendor payments, increased retail fuel cost recovery primarily at Georgia Power, and the timing of fossil fuel stock purchases, partially offset by the timing of customer receivable collections and decreased natural gas cost recovery at the natural gas distribution utilities.

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

The net cash used for investing activities for the nine months ended September 30, 2024 was primarily related to the Subsidiary Registrants' construction programs.

The net cash used for financing activities for the nine months ended September 30, 2024 was primarily related to common stock dividend payments, a reduction in commercial paper borrowings, and a net decrease in short-term borrowings, partially offset by net issuances of long-term debt.

### ***Alabama Power***

Net cash provided from operating activities increased \$461 million for the nine months ended September 30, 2024 as compared to the corresponding period in 2023 primarily due to an increase in retail revenues associated with customer bill credits in 2023, the timing of fossil fuel stock purchases, and the timing of vendor payments, partially offset by a decrease in fuel cost recovery.

The net cash used for investing activities for the nine months ended September 30, 2024 was primarily related to gross property additions.

The net cash used for financing activities for the nine months ended September 30, 2024 was primarily related to common stock dividend payments, partially offset by capital contributions from Southern Company.

### ***Georgia Power***

Net cash provided from operating activities increased \$1.7 billion for the nine months ended September 30, 2024 as compared to the corresponding period in 2023 primarily due to increased fuel cost recovery, the timing of vendor payments, and timing of fossil fuel stock purchases, partially offset by the timing of customer receivable collections.

The net cash used for investing activities for the nine months ended September 30, 2024 was primarily related to gross property additions.

The net cash used for financing activities for the nine months ended September 30, 2024 was primarily related to common stock dividend payments, a net decrease in short-term borrowings, and a reduction in commercial paper borrowings, partially offset by capital contributions from Southern Company and net issuances of senior notes.

### ***Mississippi Power***

Net cash provided from operating activities increased \$5 million for the nine months ended September 30, 2024 as compared to the corresponding period in 2023 primarily due to the timing of vendor payments and retail fuel cost recovery, partially offset by the timing of customer receivable collections.

The net cash used for investing activities for the nine months ended September 30, 2024 was primarily related to gross property additions.

The net cash provided from financing activities for the nine months ended September 30, 2024 was primarily related to capital contributions from Southern Company, net issuances of senior notes, and an increase in commercial paper borrowings, partially offset by common stock dividend payments.

### ***Southern Power***

Net cash provided from operating activities decreased \$192 million for the nine months ended September 30, 2024 as compared to the corresponding period in 2023 primarily due to the timing of customer receivable collections and the utilization of federal tax credit carryforwards, partially offset by the timing of vendor payments.

The net cash used for investing activities for the nine months ended September 30, 2024 was primarily related to ongoing construction 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 months ended September 30, 2024 was primarily related to common stock dividend payments, net distributions to noncontrolling interests, and a reduction in commercial paper borrowings.

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

### ***Southern Company Gas***

Net cash provided from operating activities decreased \$237 million for the nine months ended September 30, 2024 as compared to the corresponding period in 2023 primarily due to lower customer receivable collections and natural gas cost recovery, partially offset by the timing of vendor payments.

The net cash used for investing activities for the nine months ended September 30, 2024 was primarily related to construction of transportation and distribution assets recovered through base rates.

The net cash used for financing activities for the nine months ended September 30, 2024 was primarily related to common stock dividend payments and a decrease in commercial paper borrowings, partially offset by the issuance of senior notes and first mortgage bonds.

### **Significant Balance Sheet Changes**

#### ***Southern Company***

Significant balance sheet changes for the nine months ended September 30, 2024 included:

- an increase of \$3.2 billion in long-term debt (including securities due within one year) primarily related to net issuances of senior notes, partially offset by the maturity of junior subordinated notes;
- an increase of \$3.1 billion in total property, plant, and equipment primarily related to the Subsidiary Registrants' construction programs;
- an increase of \$1.7 billion in total stockholders' equity primarily related to net income, partially offset by common stock dividend payments;
- a decrease of \$1.6 billion in notes payable primarily due to a reduction in commercial paper borrowings;
- an increase of \$1.3 billion in other regulatory assets, deferred primarily related to storm restoration costs at Georgia Power;
- an increase of \$1.1 billion in accounts payable primarily related to the timing of vendor payments and storm restoration costs at Georgia Power;
- an increase of \$0.7 billion in accumulated deferred income taxes primarily related to property-related and storm damage timing differences; and
- a decrease of \$0.6 billion in deferred under recovered fuel clause revenues primarily due to increased fuel cost recovery at Georgia Power.

See "Financing Activities" herein, Notes (A) and (B) to the Condensed Financial Statements under "Storm Damage Reserves" and "Georgia Power – Storm Damage Recovery," respectively, herein, and Note 2 to the financial statements under "Georgia Power – Fuel Cost Recovery" in Item 8 of the Form 10-K for additional information.

#### ***Alabama Power***

Significant balance sheet changes for the nine months ended September 30, 2024 included:

- an increase of \$802 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 \$331 million in total property, plant, and equipment primarily related to the construction of transmission and distribution facilities;
- a decrease of \$257 million in other accounts payable primarily due to the timing of vendor payments;
- a decrease of \$236 million in under recovered retail fuel clause revenues primarily resulting from increased recovery of deferred fuel expense; and
- an increase of \$228 million in accrued taxes primarily due to the timing of property tax and income tax payments.

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

Significant balance sheet changes for the nine months ended September 30, 2024 included:

- an increase of \$2.3 billion 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 \$2.1 billion in 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;
- increases of \$1.4 billion and \$1.3 billion in other accounts payable and other regulatory assets, deferred, respectively, primarily related to storm restoration costs;
- a decrease of \$1.1 billion in notes payable primarily due to net repayments of short-term bank debt;
- an increase of \$963 million in long-term debt (including securities due within one year) primarily due to net issuances of senior notes;
- a decrease of \$590 million in under recovered retail fuel clause revenues primarily resulting from increased recovery of deferred fuel expense as ordered in Georgia Power's 2023 fuel cost recovery case; and
- an increase of \$396 million in accumulated deferred income taxes primarily related to storm damage timing differences.

See "Financing Activities – Georgia Power" herein, Note (B) to the Condensed Financial Statements under "Georgia Power – Storm Damage Recovery" and " – Nuclear Construction" herein, and Note 2 to the financial statements under "Georgia Power – Fuel Cost Recovery" in Item 8 of the Form 10-K for additional information.

***Mississippi Power***

Significant balance sheet changes for the nine months ended September 30, 2024 included:

- an increase of \$128 million in total property, plant, and equipment primarily related to the construction of transmission and distribution facilities;
- an increase of \$112 million in common stockholder's equity related to net income and capital contributions from Southern Company, partially offset by dividends paid to Southern Company;
- an increase of \$50 million in notes payable primarily due to an increase in commercial paper borrowings; and
- an increase of \$49 million in long-term debt (including securities due within one year) primarily due to net issuances of senior notes.

See "Financing Activities – Mississippi Power" herein for additional information.

***Southern Power***

Significant balance sheet changes for the nine months ended September 30, 2024 included:

- a decrease of \$160 million in total property, plant, and equipment due to the continued depreciation of assets, partially offset by the continued construction of the Millers Branch solar facility;
- an increase of \$105 million in accumulated deferred income tax liabilities primarily related to the expected utilization of federal tax credits in 2024;
- a decrease of \$96 million in total stockholders' equity primarily due to dividends paid to Southern Company and net distributions to noncontrolling interests, partially offset by net income;
- a decrease of \$76 million in notes payable due to a decrease in commercial paper borrowings; and
- an increase of \$55 million in cash and cash equivalents, as discussed further under "Analysis of Cash Flows – Southern Power" herein.

See Note (K) to the Condensed Financial Statements herein for additional information.

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

**Southern Company Gas**

Significant balance sheet changes for the nine months ended September 30, 2024 included:

- an increase of \$741 million in total property, plant, and equipment primarily related to the construction of transportation and distribution assets;
- an increase of \$604 million in long-term debt (including securities due within one year) primarily due to the issuance of senior notes and first mortgage bonds;
- a decrease of \$381 million in total accounts receivable primarily relating to decreases of \$190 million in customer accounts receivable and \$198 million in unbilled revenues as a result of seasonality;
- a decrease of \$352 million in notes payable due to a reduction in commercial paper borrowings, primarily as a result of issuances of long-term debt;
- an increase of \$190 million in accumulated deferred income tax liabilities primarily due to property-related timing differences; and
- an increase of \$125 million in common stockholder's equity primarily related to net income, partially offset by dividends paid to Southern Company.

See "Financing Activities – Southern Company Gas" herein for additional information.

**Financing Activities**

The following table outlines long-term debt financing activities for the first nine months of 2024:

Company	Issuances and Reofferings		Maturities and Redemptions		
	Senior Notes	Other Long- Term Debt	Senior Notes	Revenue Bonds	Other Long- Term Debt <sup>(a)</sup>
(in millions)					
Southern Company parent	\$ 3,050	\$ —	\$ 600	\$ —	\$ 863
Alabama Power	—	6	—	21	2
Georgia Power	1,400	—	400	—	82
Mississippi Power	250	—	200	—	1
Southern Company Gas	450	165	—	—	—
Other <sup>(b)</sup>	—	—	—	—	13
Elimination <sup>(c)</sup>	—	—	—	—	(15)
Southern Company	\$ 5,150	\$ 171	\$ 1,200	\$ 21	\$ 946

(a) Includes reductions in finance lease obligations resulting from cash payments under finance leases and, for Georgia Power, principal amortization payments totaling \$64 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. Subsequent to September 30, 2024, the maturity date was extended to November 15, 2025. 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.

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

### ***Southern Company***

During the first nine months of 2024, Southern Company issued approximately 4.8 million shares of common stock primarily through employee equity compensation plans.

In February 2024, Southern Company issued an additional \$400 million aggregate principal amount of its Series 2023D 5.50% Senior Notes due March 15, 2029 (Series 2023D Senior Notes) and an additional \$400 million aggregate principal amount of its Series 2023E 5.70% Senior Notes due March 15, 2034 (Series 2023E Senior Notes). Upon these issuances, the aggregate principal amount of outstanding Series 2023D Senior Notes and Series 2023E Senior Notes was \$1.0 billion and \$1.1 billion, respectively.

Also in February 2024, Southern Company borrowed \$300 million pursuant to a short-term uncommitted bank credit arrangement, which was repaid in March 2024.

Also in February 2024, Southern Company repaid at maturity \$600 million aggregate principal amount of its Series 2021A 0.60% Senior Notes.

In May 2024, Southern Company issued \$1.5 billion aggregate principal amount of its Series 2024A 4.50% Convertible Senior Notes due June 15, 2027 in a private offering. See Note (F) to the Condensed Financial Statements under "Convertible Senior Notes" herein for additional information.

In August 2024, Southern Company repaid at maturity approximately \$863 million aggregate principal amount of its Series 2019A Remarketable Junior Subordinated Notes.

In September 2024, Southern Company issued \$750 million aggregate principal amount of Series 2024B 4.85% Senior Notes due March 15, 2035.

### ***Alabama Power***

In 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.

In May 2024, Alabama Power entered into a \$50 million short-term floating rate bank loan, which it repaid at maturity in July 2024.

Subsequent to September 30, 2024, a subsidiary of Alabama Power repaid \$22 million of a \$39 million long-term floating rate bank loan entered into in December 2022 with a maturity date of December 12, 2029. This repayment represents all of the outstanding balance of the loan.

### ***Georgia Power***

In January 2024, Georgia Power borrowed an additional \$150 million pursuant to a short-term uncommitted bank credit arrangement. In February 2024, Georgia Power repaid the aggregate \$250 million outstanding.

Also in February 2024, Georgia Power issued \$500 million aggregate principal amount of Series 2024A 5.004% Senior Notes due February 23, 2027 and \$900 million aggregate principal amount of Series 2024B 5.250% Senior Notes due March 15, 2034.

In June 2024, Georgia Power entered into a \$200 million short-term floating rate bank loan bearing interest based on term SOFR.

In July 2024, Georgia Power repaid \$210 million of a \$420 million short-term floating rate bank loan due November 2024. In August 2024, Georgia Power repaid the remaining \$210 million outstanding.

In September 2024, Georgia Power repaid at maturity \$400 million aggregate principal amount of its Series 2019A 2.20% Senior Notes.

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

### **Mississippi Power**

In March 2024, Mississippi Power issued in a private placement \$100 million aggregate principal amount of Series 2024A 5.62% Senior Notes due March 15, 2034 and \$50 million aggregate principal amount of Series 2024B 5.72% Senior Notes due March 15, 2036. In June 2024, pursuant to the same agreement, Mississippi Power issued in a private placement \$100 million aggregate principal amount of Series 2024C 5.91% Senior Notes due June 15, 2054.

Also in June 2024, Mississippi Power repaid at maturity \$200 million aggregate principal amount of its Series 2021A Floating Rate Senior Notes.

### **Southern Company Gas**

During the first nine months of 2024, Southern Company Gas received cash advances totaling \$9 million under a long-term financing agreement related to a construction contract.

In September 2024, Nicor Gas issued in a private placement \$25 million aggregate principal amount of 4.78% Series First Mortgage Bonds due September 15, 2031, \$100 million aggregate principal amount of 5.00% Series First Mortgage Bonds due September 15, 2034, and \$31 million aggregate principal amount of 5.58% Series First Mortgage Bonds due September 15, 2059. Pursuant to the same agreement, Nicor Gas agreed to issue in a private placement in December 2024 \$50 million aggregate principal amount of 4.63% Series First Mortgage Bonds due December 15, 2029 and \$69 million aggregate principal amount of 5.66% Series First Mortgage Bonds due December 15, 2064.

In September 2024, Southern Company Gas Capital issued \$450 million aggregate principal amount of Series 2024A 4.95% Senior Notes due September 15, 2034, guaranteed by Southern Company Gas.

### **Credit Rating Risk**

At September 30, 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.

The maximum potential collateral requirements under these contracts at September 30, 2024 were as follows:

Credit Ratings	Southern Company <sup>(*)</sup>	Alabama Power	Georgia Power	Mississippi Power	Southern Power <sup>(*)</sup>	Southern Company Gas
(in millions)						
At BBB and/or Baa2	\$ 36	\$ 1	—	—	\$ 35	—
At BBB- and/or Baa3	443	2	60	1	381	—
At BB+ and/or Ba1 or below	1,915	382	767	294	1,273	13

(\*) 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, 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 May 2, 2024, S&P upgraded the issuer credit rating for Southern Company to A- from BBB+. Due to S&P's

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

rating methodology, the upgrade of Southern Company's issuer credit rating resulted in the upgrade of the senior unsecured long-term debt ratings of Mississippi Power, Southern Company Gas Capital, and Atlanta Gas Light to A- from BBB+, the senior unsecured long-term debt rating of Georgia Power to A from BBB+, the senior unsecured long-term debt rating of Alabama Power to A from A-, and the senior unsecured long-term debt ratings of Southern Company and Southern Power to BBB+ from BBB. Nicor Gas' long-term issuer rating remained at A-. S&P revised its credit rating outlook for Southern Company and its subsidiaries to stable from positive.

On August 20, 2024, Fitch upgraded the senior unsecured long-term debt ratings of Georgia Power and Mississippi Power to A from A-.

On September 26, 2024, Moody's upgraded the senior unsecured long-term debt rating of Southern Company to Baa1 from Baa2 and of Georgia Power to A3 from Baa1. Moody's also revised the ratings outlook for Southern Company to stable from positive.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

During the nine months ended September 30, 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 quarter 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.

**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.**

The 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, 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 September 30, 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 expiration of the cooling-off period required by Rule 10b5-1(c) (1)(ii)(B)(1) under the Securities Exchange Act of 1934, as amended, 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 September 30, 2024.

Name	Title	Date of Adoption	Expiration Date	Aggregate Number of Shares Covered
Martin B. Davis	Executive Vice President	August 6, 2024	December 31, 2025	8,000 <sup>(1)</sup>
	Chairman, President, and Chief Executive Officer of Alabama Power			
J. Jeffrey Peoples	Chairman, President, and Chief Executive Officer	September 5, 2024	December 31, 2025	15,625 <sup>(2)</sup>
Christopher C. Womack	Executive Officer	September 5, 2024	December 31, 2025	40,000

(1) The maximum number of shares that may be sold for Mr. Davis is the lesser of 8,000 and the number of shares that generates \$400,000 in net proceeds.

(2) The maximum number of shares that may be sold for Mr. Peoples is the lesser of 15,625 and the number of shares that generates \$1,250,000 in net proceeds.

**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.

**(4) Instruments Describing Rights of Security Holders, Including Indentures****Southern Company**

(a) Thirty-Third Supplemental Indenture to Senior Note Indenture dated as of September 9, 2024, providing for the issuance of the Series 2024B 4.85% Senior Notes due March 15, 2035. ([Designated in Form 8-K dated September 4, 2024, File No. 1-3526 as Exhibit 4.2](#))

**Southern Company Gas**

- (f1) Southern Company Gas Capital Corporation's Series 2024A 4.95% Senior Notes due September 15, 2034, Form of Note. ([Designated in Form 8-K dated September 3, 2024. File No. 1-14174 as Exhibit 4.1.](#))
- (f2) Southern Company Gas' Guarantee related to the Series 2024A 4.95% Senior Notes due September 15, 2034, Form of Guarantee. ([Designated in Form 8-K dated September 3, 2024. File No. 1-14174 as Exhibit 4.3.](#))
- \* (f3) [Supplemental Indenture dated as of August 13, 2024 of Northern Illinois Gas Company to U.S. Bank Trust Company, National Association, under Indenture dated as of January 1, 1954.](#)

#### **(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**

- (b) - Power of Attorney and resolution. ([Designated in the Form 10-K for the year ended December 31, 2023. File No. 1-3164 as Exhibit 24\(b\)1.](#))

##### **Georgia Power**

- (c) - Power of Attorney and resolution. ([Designated in the Form 10-K for the year ended December 31, 2023. File No. 1-6468 as Exhibit 24\(c\)1.](#))

##### **Mississippi Power**

- (d) - Power of Attorney and resolution. ([Designated in the Form 10-K for the year ended December 31, 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, 2023. File No. 001-37803 as Exhibit 24\(e\)1.](#))

##### **Southern Company Gas**

- (f) - Power of Attorney and resolution. ([Designated in the Form 10-K for the year ended December 31, 2023. File No. 1-14174 as Exhibit 24\(f\)1.](#))

#### **(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.](#)

##### **Georgia Power**

- \* (c)1 - [Certificate of Georgia Power's Chief Executive Officer required by Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- \* (c)2 - [Certificate of Georgia Power's Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002.](#)

**Mississippi Power**

- \* (d)1 - [Certificate of Mississippi Power's Chief Executive Officer required by Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- \* (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.](#)
- \* (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.](#)

**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.](#)

**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.

**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, Chief Financial Officer, and Treasurer*  
*(Principal Financial Officer)*

By */s/ Melissa K. Caen*  

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*(Melissa K. Caen, Attorney-in-fact)*

Date: October 30, 2024

**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: October 30, 2024

**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: October 30, 2024

**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: October 30, 2024

**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: October 30, 2024

**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*  

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*(Melissa K. Caen, Attorney-in-fact)*

Date: October 30, 2024

When recorded return to:

Michael M. Roth, Esq.  
Ice Miller LLP  
2300 Cabot Drive  
Suite 455  
Lisle, IL 60532

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### **Supplemental Indenture**

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**Made as of August 13, 2024, to be Effective September 4, 2024**

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**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**

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**FIRST MORTGAGE BONDS 4.63% SERIES DUE DECEMBER 15, 2029  
FIRST MORTGAGE BONDS 4.78% SERIES DUE SEPTEMBER 15, 2031  
FIRST MORTGAGE BONDS 5.00% SERIES DUE SEPTEMBER 15, 2034  
FIRST MORTGAGE BONDS 5.58% SERIES DUE SEPTEMBER 15, 2059  
FIRST MORTGAGE BONDS 5.66% SERIES DUE DECEMBER 15, 2064**

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This Supplemental Indenture, made as of August 13, 2024 and effective September 4, 2024, between Northern Illinois Gas Company, a corporation organized and existing under the laws of the State of Illinois (hereinafter called the **“Company”**), 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, August 31, 2021 and July 31, 2023, such Indenture dated as of January 1, 1954, as so modified and supplemented, being hereinafter called the **“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 five additional series of bonds to be issuable under the Indenture, such bonds to be designated, respectively, (a) “First Mortgage Bonds 4.63% Series due December 15, 2029” (hereinafter called the **“2029 Series”**), (b) “First Mortgage Bonds 4.78% Series due September 15, 2031” (hereinafter called the **“2031 Series”**), (c) “First Mortgage Bonds 5.00% Series due September 15, 2034” (hereinafter called the **“2034 Series”**), (d) “First Mortgage Bonds 5.58% Series due September 15, 2059” (hereinafter called the **“2059 Series”**), and (e) “First Mortgage Bonds 5.66% Series due December 15, 2064” (hereinafter called the **“2064 Series”**); the 2029 Series, the 2031 Series, the 2034 Series, the 2059 Series and the 2064 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:

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(Form of Face of Bond of 2029 Series)

NO. RU-2024-A-\_\_\_\_\_ \$\_\_\_\_\_

III. Commerce Commission Nos. 6939 and 6987 CUSIP No. \_\_\_\_\_

**Northern Illinois Gas Company**

**First Mortgage Bond 4.63% Series due December 15, 2029**

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 December 15, 2029, 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 4.63% per annum, payable semi-annually on the fifteenth day of June and the fifteenth day of December in each year, beginning on June 15, 2025. 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 June 1 or December 1 (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: December 18, 2024

**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 2029 Series designated therein, referred to and described in the within-mentioned Supplemental Indenture dated as of August 13, 2024, effective September 4, 2024.

**U.S. Bank Trust Company, National Association,  
Trustee**

By: \_\_\_\_\_  
*Authorized Officer*

Dated: December 18, 2024

(Form of Reverse Side of Bond of 2029 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 4.63% Series due December 15, 2029" (herein called "**bonds of this Series**"), the issuance of which is provided for by a Supplemental Indenture dated as of August 13, 2024, effective September 4, 2024 (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 August 13, 2024 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 2029 Series)

(Form of Face of Bond of 2031 Series)

NO. RU-2024-B-\_\_\_\_\_ \$\_\_\_\_\_

III. Commerce Commission No. 6988 CUSIP No. \_\_\_\_\_

**Northern Illinois Gas Company**

**First Mortgage Bond 4.78% Series due September 15, 2031**

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 September 15, 2031, 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 4.78% per annum, payable semi-annually on the fifteenth day of March and the fifteenth day of September in each year, beginning on March 15, 2025. 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 March 1 or September 1 (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: September 4, 2024

**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 2031 Series designated therein, referred to and described in the within-mentioned Supplemental Indenture dated as of August 13, 2024, effective September 4, 2024.

**U.S. Bank Trust Company, National Association,  
Trustee**

By: \_\_\_\_\_  
*Authorized Officer*

Dated: September 4, 2024

(Form of Reverse Side of Bond of 2031 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 4.78% Series due September 15, 2031" (herein called "**bonds of this Series**"), the issuance of which is provided for by a Supplemental Indenture dated as of August 13, 2024, effective September 4, 2024 (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 August 13, 2024 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 2031 Series)

(Form of Face of Bond of 2034 Series)

NO. RU-2024-C-\_\_\_\_\_ \$\_\_\_\_\_

III. Commerce Commission No. 6989 CUSIP No. \_\_\_\_\_

**Northern Illinois Gas Company**

**First Mortgage Bond 5.00% Series due September 15, 2034**

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 September 15, 2034, 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 5.00% per annum, payable semi-annually on the fifteenth day of March and the fifteenth day of September in each year, beginning on March 15, 2025. 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 March 1 or September 1 (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: September 4, 2024

**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 2034 Series designated therein, referred to and described in the within-mentioned Supplemental Indenture dated as of August 13, 2024, effective September 4, 2024.

**U.S. Bank Trust Company, National Association,  
Trustee**

By: \_\_\_\_\_  
*Authorized Officer*

Dated: September 4, 2024

(Form of Reverse Side of Bond of 2034 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 5.00% Series due September 15, 2034" (herein called "**bonds of this Series**"), the issuance of which is provided for by a Supplemental Indenture dated as of August 13, 2024, effective September 4, 2024 (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 August 13, 2024 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 2034 Series)

(Form of Face of Bond of 2059 Series)

NO. RU-2024-D-\_\_\_\_\_ \$\_\_\_\_\_

III. Commerce Commission No. 6990 CUSIP No. \_\_\_\_\_

**Northern Illinois Gas Company**

**First Mortgage Bond 5.58% Series due September 15, 2059**

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 September 15, 2059, 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 5.58% per annum, payable semi-annually on the fifteenth day of March and the fifteenth day of September in each year, beginning on March 15, 2025. 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 March 1 or September 1 (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: September 4, 2024

**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 2059 Series designated therein, referred to and described in the within-mentioned Supplemental Indenture dated as of August 13, 2024, effective September 4, 2024.

**U.S. Bank Trust Company, National Association,  
Trustee**

By: \_\_\_\_\_  
*Authorized Officer*

Dated: September 4, 2024

(Form of Reverse Side of Bond of 2059 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 5.58% Series due September 15, 2059" (herein called "**bonds of this Series**"), the issuance of which is provided for by a Supplemental Indenture dated as of August 13, 2024, effective September 4, 2024 (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 August 13, 2024 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 2059 Series)

(Form of Face of Bond of 2064 Series)

NO. RU-2024-E-\_\_\_\_\_ \$\_\_\_\_\_

III. Commerce Commission No. 6991 CUSIP No. \_\_\_\_\_

**Northern Illinois Gas Company**

**First Mortgage Bond 5.66% Series due December 15, 2064**

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 December 15, 2064, 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 5.66% per annum, payable semi-annually on the fifteenth day of June and the fifteenth day of December in each year, beginning on June 15, 2025. 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 June 1 or December 1 (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: December 18, 2024

**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 2064 Series designated therein, referred to and described in the within-mentioned Supplemental Indenture dated as of August 13, 2024, effective September 4, 2024.

**U.S. Bank Trust Company, National Association,  
Trustee**

By: \_\_\_\_\_  
*Authorized Officer*

Dated: December 18, 2024

(Form of Reverse Side of Bond of 2064 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 5.66% Series due December 15, 2064" (herein called "**bonds of this Series**"), the issuance of which is provided for by a Supplemental Indenture dated as of August 13, 2024, effective September 4, 2024 (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 August 13, 2024 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 2064 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 4.63% Series due December 15, 2029", (b) "First Mortgage Bonds 4.78% Series due September 15, 2031", (c) "First Mortgage Bonds 5.00% Series due September 15, 2034", (d) "First Mortgage Bonds 5.58% Series due September 15, 2059", and (e) "First Mortgage Bonds 5.66% Series due December 15, 2064", as applicable. The bonds of the 2029 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 2031 Series which may be issued and outstanding shall not exceed \$25,000,000 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 2034 Series which may be issued and outstanding shall not exceed \$100,000,000 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 2059 Series which may be issued and outstanding shall not exceed \$31,000,000 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 2064 Series which may be issued and outstanding shall not exceed \$69,000,000 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 \$90,000 each and in \$10,000 integral multiple or multiples in excess thereof (except for one bond per holder and registered owner as may be necessary to reflect any principal amount in excess of \$90,000 not evenly divisible by \$10,000) 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 2029 Series shall be numbered RU-2024-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 2031 Series shall be numbered RU-2024-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 2034 Series shall be numbered RU-2024-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 2059 Series shall be numbered RU-2024-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 2064 Series shall be numbered RU-2024-E-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 2029 Series shall be dated December 18, 2024, 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 June 1 and before the next succeeding June 15 or on or after December 1 and before the next succeeding December 15 shall be dated the next succeeding interest payment date if interest shall have been paid to such date. The bonds of the 2031 Series shall be dated September 4, 2024, 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 March 1 and before the next succeeding March 15 or on or after September 1 and before the next succeeding September 15 shall be dated the next succeeding interest payment date if interest shall have been paid to such date. The bonds of the 2034 Series shall be dated September 4, 2024, 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 March 1 and before the next succeeding March 15 or on or after September 1 and before the next succeeding September 15 shall be dated the next succeeding interest payment date if interest shall have been paid to such date. The bonds of the 2059 Series shall be dated September 4, 2024, 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 March 1 and before the next succeeding March 15 or on or after September 1 and before the next succeeding September 15 shall be dated the next succeeding interest payment date if interest shall have been paid to such date. The bonds of the 2064 Series shall be dated December 18, 2024, 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 June 1 and before the next succeeding June 15 or on or after December 1 and before the next succeeding December 15 shall be dated the next succeeding interest payment date if interest shall have been paid to such date. The bonds of the 2029 Series shall mature on December 15, 2029 and shall bear interest at the rate of 4.63% per annum until the principal thereof shall be paid. The bonds of the 2031 Series shall mature on September 15, 2031 and shall bear interest at the rate of 4.78% per annum until the principal thereof shall be paid. The bonds of the 2034 Series shall mature on September 15, 2034 and shall bear interest at the rate of 5.00% per annum until the principal thereof shall be paid. The bonds of the 2059 Series shall mature on September 15, 2059 and shall bear interest at the rate of 5.58% per annum until the principal thereof shall be paid. The bonds of the 2064 Series shall mature on December 15, 2064 and shall bear interest at the rate of 5.66% 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 2029 Series shall be payable semi-annually on the fifteenth day of June and the fifteenth day of December in each year, beginning June 15, 2025. Interest on the bonds of the 2031 Series shall be payable semi-annually on the fifteenth day of March and the fifteenth day of September in each year, beginning March 15, 2025. Interest on the bonds of the 2034 Series shall be payable semi-annually on the fifteenth day of March and the fifteenth day of September in each year, beginning March 15, 2025. Interest on the bonds of the 2059 Series shall be payable semi-annually on the fifteenth day of March and the fifteenth day of September in each year, beginning March 15, 2025. Interest on the bonds of the 2064 Series shall be payable semi-annually on the fifteenth day of June and the fifteenth day of December in each year, beginning June 15, 2025. 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) 4.63% per annum, with respect to the bonds of the 2029 Series, (ii) 4.78% per annum, with respect to the bonds of the 2031 Series, (iii) 5.00% per annum, with respect to the bonds of the 2034 Series, (iv) 5.58% per annum, with respect to the bonds of the 2059 Series, and (v) 5.66% per annum, with respect to the bonds of the 2064 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 Amount"** means, with respect to any bond of this Supplemental Indenture, 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 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, the principal of such bond of this Supplemental Indenture that is to be redeemed.

**"Discounted Value"** means, with respect to the Called Principal of any bond of this Supplemental Indenture, 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 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) 0.50% plus (y) the yield to maturity implied by the "Ask Yield(s)" 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 (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.

If such yields are not Reported or the yields Reported 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.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, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term 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.

**"Remaining Average Life"** means, with respect to any Called Principal, the number of years obtained by dividing (a) such Called Principal into (b) the sum of the products obtained by multiplying (1) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (2) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to the nearest two decimal places, 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, 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 terms of the bond of this Supplemental Indenture, 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.

**“Settlement Date”** means, with respect to the Called Principal of any bond of this Supplemental Indenture, the date on which such Called Principal is to be redeemed.

Section 5. No sinking fund is to be provided for the bonds of this Supplemental Indenture.

## Article II

### Miscellaneous Provisions

Section 1. This Supplemental Indenture is executed by the Company and the Trustee pursuant to the provisions of Section 4.02 of the Indenture and the terms and conditions hereof shall be deemed to be a part of the terms and conditions of the Indenture for any and all purposes. The Indenture, as heretofore modified and supplemented and as supplemented by this Supplemental Indenture, is in all respects ratified and confirmed.

Section 2. This Supplemental Indenture shall bind and, subject to the provisions of Article XVI of the Indenture, inure to the benefit of the respective successors and assigns of the parties hereto.

Section 3. Although this Supplemental Indenture is made as of August 13, 2024, effective September 4, 2024, it shall be effective only from and after 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. This Supplemental Indenture may be simultaneously executed in any number of counterparts, and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

Section 5. The recitals herein are deemed to be those of the Company and not of the Trustee. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.

In Witness Whereof, Northern Illinois Gas Company has caused this Supplemental Indenture to be executed in its name 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 authorized officers, all as of the day and year first above written.

Northern Illinois Gas Company

By: /s/Grace A. Kolvereid

Name: Grace A. Kolvereid

Title: Executive Vice President, Chief  
Financial Officer and Treasurer

Attest:

By: /s/Marcia R. DeMar

Name: Marcia R. DeMar

Title: Corporate Secretary

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[Signature Page to 2024 Supplemental Indenture]

U.S. Bank Trust Company, National Association,  
*as Trustee*

By: /s/Jack Ellerin

Name: Jack Ellerin  
Title: Vice President

Attest:

By: /s/April Bright

Name: April Bright  
Title: Vice President

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[Signature Page to 2024 Supplemental Indenture]

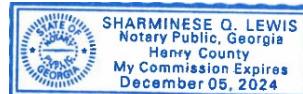
STATE OF GEORGIA } SS:  
COUNTY OF HENRY }

I, Sharminese Q. Lewis, 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 Marcia R. DeMar, 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: August 13, 2024

/s/Sharminese Q. Lewis  
\_\_\_\_\_  
Notary Public



My Commission expires: December 5, 2024

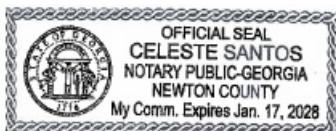
State of Georgia      )  
                            ): ss  
County of Fulton      )

On the 14th day of August in the year 2024, before me, the undersigned, personally appeared, Jack Ellerin, a Vice President of U.S. Bank Trust Company, National Association, and April Bright, a 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/Celeste Santos

Celeste Santos  
Notary Public

State of Georgia  
Newton County  
My Commission Expires: January 17, 2028



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:

<u>County</u>	<u>Document No.</u>	<u>Date Recorded</u>
Cook	2424108004	08/28/2024
Adams	2024R04904	08/19/2024
Boone	2024R03242	08/19/2024
Bureau	2024R02524	08/19/2024
Carroll	2024R1590	08/19/2024
Champaign	2024R12333	08/19/2024
DeKalb	2024005774	08/15/2024
DeWitt	267549	08/16/2024
DuPage	R2024048010	08/20/2024
Ford	284009	08/20/2024
Grundy	E627217	08/19/2024
Hancock	2024-1693	08/20/2024
Henderson	BOOK 743 PAGE 34	08/19/2024
Henry	202403476	08/16/2024
Iroquois	24R2590	08/16/2024
Jo Daviess	432486	08/19/2024
Kane	2024K029457	08/19/2024
Kankakee	202407595	08/19/2024
Kendall	202400009558	08/19/2024
Lake	8052855	08/28/2024
LaSalle	202409105	08/19/2024
Lee	2024003045	08/19/2024
Livingston	2024R03085	08/16/2024
McHenry	2024R0021273	08/19/2024
McLean	202400012009	08/20/2024
Mercer	2024411318	08/16/2024
Ogle	202403685	08/16/2024
Piatt	383587	08/20/2024
Pike	20241626	08/16/2024
Rock Island	202409990	08/16/2024
Stephenson	202400202508	08/16/2024
Tazewell	202400010366	08/19/2024
Vermillion	2406355	08/16/2024
Whiteside	202403750	08/16/2024
Will	R2024041928	08/16/2024
Winnebago	2024019319	08/16/2024
Woodford	2402684	08/16/2024

**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: October 30, 2024

\_\_\_\_\_  
 /s/Christopher C. Womack

Christopher C. Womack  
 Chairman, President and  
 Chief Executive Officer

**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: October 30, 2024

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/s/Daniel S. Tucker

Daniel S. Tucker

Executive Vice President, Chief Financial Officer, and  
Treasurer

**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: October 30, 2024

/s/J. Jeffrey Peoples  
J. Jeffrey Peoples  
Chairman, President and Chief Executive Officer

**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: October 30, 2024

/s/Moses H. Feagin

Moses H. Feagin

Executive Vice President, Chief Financial Officer  
and Treasurer

**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: October 30, 2024

/s/Kimberly S. Greene

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Kimberly S. Greene

Chairman, President and Chief Executive Officer

**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: October 30, 2024

/s/Aaron P. Abramovitz

Aaron P. Abramovitz  
Executive Vice President, Chief Financial Officer and Treasurer

**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: October 30, 2024

\_\_\_\_\_  
/s/Anthony L. Wilson

Anthony L. Wilson  
Chairman, President and  
Chief Executive Officer

**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: October 30, 2024

/s/Matthew P. Grice

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Matthew P. Grice

Vice President, Treasurer and  
Chief Financial Officer

**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: October 30, 2024

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/s/Christopher Cummiskey  
Christopher Cummiskey  
Chairman and Chief Executive Officer

**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: October 30, 2024

/s/Gary Kerr

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Gary Kerr

Senior Vice President, Chief  
Financial Officer and Treasurer

**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: October 30, 2024

/s/James Y. Kerr II

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James Y. Kerr II

Chairman, President and Chief  
Executive Officer

**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: October 30, 2024

/s/Grace A. Kolvereid

Grace A. Kolvereid

Executive Vice President, Chief Financial  
Officer and Treasurer

**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, 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, 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, 2024, fairly presents, in all material respects, the financial condition and results of operations of The Southern Company.

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/s/Christopher C. Womack

Christopher C. Womack  
Chairman, President and  
Chief Executive Officer

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/s/Daniel S. Tucker

Daniel S. Tucker  
Executive Vice President, Chief Financial  
Officer, and Treasurer

October 30, 2024

**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, 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, 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, 2024, fairly presents, in all material respects, the financial condition and results of operations of Alabama Power Company.

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/s/J. Jeffrey Peoples

J. Jeffrey Peoples  
Chairman, President and Chief Executive Officer

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/s/Moses H. Feagin

Moses H. Feagin  
Executive Vice President,  
Chief Financial Officer and Treasurer

October 30, 2024

**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, 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, 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, 2024, fairly presents, in all material respects, the financial condition and results of operations of Georgia Power Company.

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/s/Kimberly S. Greene

Kimberly S. Greene

Chairman, President and Chief Executive Officer

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/s/Aaron P. Abramovitz

Aaron P. Abramovitz

Executive Vice President, Chief Financial Officer and Treasurer

October 30, 2024

**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, 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, 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, 2024, fairly presents, in all material respects, the financial condition and results of operations of Mississippi Power Company.

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/s/Anthony L. Wilson

Anthony L. Wilson  
Chairman, President and Chief Executive Officer

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/s/Matthew P. Grice

Matthew P. Grice  
Vice President, Treasurer and  
Chief Financial Officer

October 30, 2024

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, 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, 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, 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

October 30, 2024

**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, 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, 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, 2024, fairly presents, in all material respects, the financial condition and results of operations of Southern Company Gas.

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/s/James Y. Kerr II

James Y. Kerr II

Chairman, President and Chief Executive Officer

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/s/Grace A. Kolvereid

Grace A. Kolvereid

Executive Vice President, Chief Financial  
Officer and Treasurer

October 30, 2024