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 June 30, 2025
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____to_____

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

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
The Southern Company	Series 2025A 6.50% Junior Subordinated Notes due 2085	SOJF	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 June 30, 2025
The Southern Company	Par Value $5 Per Share	1,100,047,407
Alabama Power Company	Par Value $40 Per Share	30,537,500
Georgia Power Company	Without Par Value	9,261,500
Mississippi Power Company	Without Par Value	1,121,000
Southern Power Company	Par Value $0.01 Per Share	1,000
Southern Company Gas	Par Value $0.01 Per Share	100

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

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DEFINITIONS

Term	Meaning
2022 ARP	Alternate Rate Plan approved by the Georgia PSC in 2022 for Georgia Power for the years 2023 through 2025
2023 IRP Update	Georgia Power's updated IRP filed in 2023 and approved by the Georgia PSC in April 2024 as modified by a stipulation among Georgia Power, the staff of the Georgia PSC, and certain intervenors
2024 ELG Rule	Final rule published by the EPA in May 2024 revising the steam effluent guidelines
2024 GHG Rules	Final rules published by the EPA in May 2024 for existing fossil fuel-fired steam electric generating units and new fossil fuel-fired combustion turbines and combined cycle generation facilities
2024 Legacy Rule	Final rule published by the EPA in May 2024 related to legacy surface impoundments and CCR management units
AFUDC	Allowance for funds used during construction
AGL Services Company	AGL Services Company, Inc., the Southern Company Gas system service company and a wholly-owned subsidiary of Southern Company Gas
Alabama Power	Alabama Power Company
ARO	Asset retirement obligation
Atlanta Gas Light	Atlanta Gas Light Company, a wholly-owned subsidiary of Southern Company Gas
CCR	Coal combustion residuals
CCR Rule	Disposal of Coal Combustion Residuals from Electric Utilities final rule published by the EPA in 2015
Chattanooga Gas	Chattanooga Gas Company, a wholly-owned subsidiary of Southern Company Gas
Clean Air Act	Clean Air Act Amendments of 1990
CO_2	Carbon dioxide
COD	Commercial operation date
CODM	Chief operating decision maker
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
ECCR	Georgia Power's Environmental Compliance Cost Recovery tariff
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
Fitch	Fitch Ratings, Inc.
FP&L	Florida Power and Light Company
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, 2024, as applicable
GAAP	U.S. generally accepted accounting principles
Georgia Power	Georgia Power Company
GHG	Greenhouse gas

DEFINITIONS
(continued)

Term	Meaning
Guarantee Settlement Agreement	The 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
Internal Revenue Code	Internal Revenue Code of 1986, as amended
IRP	Integrated resource plan
IRS	Internal Revenue Service
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
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
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.
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

DEFINITIONS
(continued)

Term	Meaning
SEGCO	Southern Electric Generating Company, 50% owned by each of Alabama Power and Georgia Power
SNG	Southern Natural Gas Company, L.L.C., a pipeline system in which Southern Company Gas has a 50% ownership interest
SOFR	Secured Overnight Financing Rate
Southern Company	The Southern Company
Southern Company Gas	Southern Company Gas and its subsidiaries
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 Linc, 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
U.S. Treasury	U.S. Department of the Treasury
VIE	Variable interest entity
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, regulations, and guidance;
- 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 and tariffs; 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 future pandemic health events; continued public and policymaker support for projects; environmental and geological conditions; delays or increased costs to interconnect facilities to transmission grids; and increased financing costs as a result of changes in 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 state PSC or other applicable state regulatory agency 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 transmission facilities, extension of retirement dates for fossil fuel plants, and fuel and other cost recovery mechanisms;
- the ability to successfully operate the traditional electric operating companies', SEGCO's, and Southern Power's generation, transmission, distribution, and battery energy storage facilities, as applicable, and Southern Company Gas' natural gas distribution and storage facilities and the successful performance of necessary corporate functions;

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

(continued)

- the inherent risks involved in operating nuclear generating facilities;
- 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, or interests therein, 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, changes in trade policies (including tariffs and other trade measures) of the United States and other countries, 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 June 30,		For the Six Months Ended June 30,	
	2025	2024	**2025**	2024
	(in millions)		*(in millions)*	
Operating Revenues:				
Retail electric revenues	**$ 4,758**	$ 4,486	**$ 9,358**	$ 8,427
Wholesale electric revenues	**681**	627	**1,425**	1,198
Other electric revenues	**220**	210	**463**	409
Natural gas revenues (includes alternative revenue programs of $(9), $11, $(28), and $45, respectively)	**979**	831	**2,818**	2,538
Other revenues	**335**	309	**684**	537
Total operating revenues	**6,973**	6,463	**14,748**	13,109
Operating Expenses:				
Fuel	**1,116**	1,032	**2,408**	2,028
Purchased power	**260**	222	**510**	420
Cost of natural gas	**255**	149	**929**	754
Cost of other sales	**167**	167	**366**	298
Other operations and maintenance	**1,685**	1,388	**3,305**	2,860
Depreciation and amortization	**1,323**	1,182	**2,608**	2,327
Taxes other than income taxes	**403**	384	**848**	780
Total operating expenses	**5,209**	4,524	**10,974**	9,467
Operating Income	**1,764**	1,939	**3,774**	3,642
Other Income and (Expense):				
Allowance for equity funds used during construction	**80**	51	**153**	109
Earnings from equity method investments	**10**	31	**43**	77
Interest expense, net of amounts capitalized	**(874)**	(694)	**(1,588)**	(1,358)
Other income (expense), net	**162**	151	**310**	302
Total other income and (expense)	**(622)**	(461)	**(1,082)**	(870)
Earnings Before Income Taxes	**1,142**	1,478	**2,692**	2,772
Income taxes	**289**	290	**569**	513
Consolidated Net Income	**853**	1,188	**2,123**	2,259
Net loss attributable to noncontrolling interests	**(27)**	(15)	**(91)**	(73)
Consolidated Net Income Attributable to Southern Company	**$ 880**	$ 1,203	**$ 2,214**	$ 2,332
Common Stock Data:				
Earnings per share -				
Basic	**$ 0.80**	$ 1.10	**$ 2.01**	$ 2.13
Diluted	**$ 0.79**	$ 1.09	**$ 2.00**	$ 2.12
Average number of shares of common stock outstanding (in millions)				
Basic	**1,101**	1,096	**1,100**	1,095
Diluted	**1,108**	1,102	**1,107**	1,101

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 June 30,		For the Six Months Ended June 30,	
	2025	2024	**2025**	2024
	(in millions)		*(in millions)*	
Consolidated Net Income	**$ 853**	$ 1,188	**$ 2,123**	$ 2,259
Other comprehensive income:				
Qualifying hedges:				
Changes in fair value, net of tax of $11, $(1), $16, and $(1), respectively	**35**	(5)	**49**	(4)
Reclassification adjustment for amounts included in net income, net of tax of $(10), $5, $(14), and $17, respectively	**(31)**	15	**(43)**	47
Pension and other postretirement benefit plans:				
Benefit plan net gain (loss), net of tax of $—, $—, $—, and $1, respectively	**—**	—	**1**	3
Total other comprehensive income	**4**	10	**7**	46
Comprehensive Income	**857**	1,198	**2,130**	2,305
Comprehensive loss attributable to noncontrolling interests	**(27)**	(15)	**(91)**	(73)
Consolidated Comprehensive Income Attributable to Southern Company	**$ 884**	$ 1,213	**$ 2,221**	$ 2,378

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 Six Months Ended June 30,	
	2025	2024
	(in millions)	
Operating Activities:		
Consolidated net income	**$ 2,123**	$ 2,259
Adjustments to reconcile consolidated net income to net cash provided from operating activities —		
Depreciation and amortization, total	**2,860**	2,572
Deferred income taxes	**453**	247
Allowance for equity funds used during construction	**(153)**	(109)
Pension, postretirement, and other employee benefits	**(253)**	(232)
Settlement of asset retirement obligations	**(285)**	(267)
Stock based compensation expense	**102**	97
Storm damage cost recovery – long-term	**(238)**	—
Other, net	**76**	(116)
Changes in certain current assets and liabilities —		
-Receivables	**(130)**	(284)
-Retail fuel cost under recovery	**158**	421
-Prepayments	**(109)**	(49)
-Materials and supplies	**35**	(139)
-Natural gas for sale, net of temporary LIFO liquidation	**233**	188
-Other current assets	**61**	(86)
-Accounts payable	**(695)**	(247)
-Accrued taxes	**(245)**	(19)
-Accrued compensation	**(421)**	(372)
-Customer refunds	**(80)**	(26)
-Natural gas cost over recovery	**(87)**	(43)
-Other current liabilities	**26**	204
Net cash provided from operating activities	**3,431**	3,999
Investing Activities:		
Property additions	**(5,237)**	(3,895)
Nuclear decommissioning trust fund purchases	**(777)**	(739)
Nuclear decommissioning trust fund sales	**777**	738
Proceeds from dispositions	**2**	345
Cost of removal, net of salvage	**(304)**	(282)
Change in construction payables, net	**(42)**	(217)
Other investing activities	**(153)**	(172)
Net cash used for investing activities	**(5,734)**	(4,222)
Financing Activities:		
Decrease in notes payable, net	**(150)**	(1,125)
Proceeds —		
Long-term debt	**6,319**	3,963
Short-term borrowings	**200**	700
Common stock	**62**	84
Redemptions and repurchases —		
Long-term debt	**(2,254)**	(880)
Short-term borrowings	**—**	(550)
Distributions to noncontrolling interests	**(66)**	(57)
Payment of common stock dividends	**(1,494)**	(1,487)
Other financing activities	**(150)**	(135)
Net cash provided from financing activities	**2,467**	513
Net Change in Cash, Cash Equivalents, and Restricted Cash	**164**	290
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**1,101**	921
Cash, Cash Equivalents, and Restricted Cash at End of Period	**$ 1,265**	$ 1,211
Supplemental Cash Flow Information:		
Cash paid during the period for —		
Interest (net of $61 and $52 capitalized for 2025 and 2024, respectively)	**$ 1,287**	$ 1,235
Income taxes, net (excludes credit transfers)	**199**	62
Noncash transactions —		
Accrued property additions at end of period	**1,091**	805
Right-of-use assets obtained under operating leases	**114**	98
Right-of-use assets obtained under finance leases	**14**	—
Reassessment of right-of-use assets under operating leases	**—**	(7)
Issuance of common stock under dividend reinvestment plan	**112**	67

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)

Assets	At June 30, 2025	At December 31, 2024
	(in millions)	
Current Assets:		
Cash and cash equivalents	**$ 1,264**	$ 1,070
Receivables —		
Customer accounts	**2,301**	2,228
Unbilled revenues	**895**	825
Under recovered fuel clause revenues	**684**	713
Other accounts and notes	**553**	597
Accumulated provision for uncollectible accounts	**(83)**	(74)
Materials and supplies	**2,138**	2,178
Fossil fuel for generation	**740**	803
Natural gas for sale	**197**	388
Prepaid expenses	**482**	294
Assets from risk management activities, net of collateral	**70**	39
Regulatory assets – asset retirement obligations	**389**	353
Other regulatory assets	**732**	804
Other current assets	**439**	476
Total current assets	**10,801**	10,694
Property, Plant, and Equipment:		
In service	**140,888**	137,143
Less: Accumulated depreciation	**41,703**	40,126
Plant in service, net of depreciation	**99,185**	97,017
Other utility plant, net	**363**	410
Nuclear fuel, at amortized cost	**907**	873
Construction work in progress	**7,686**	6,389
Total property, plant, and equipment	**108,141**	104,689
Other Property and Investments:		
Goodwill	**5,161**	5,161
Nuclear decommissioning trusts, at fair value	**2,762**	2,621
Equity investments in unconsolidated subsidiaries	**1,425**	1,416
Other intangible assets, net of amortization of $428 and $412, respectively	**316**	332
Miscellaneous property and investments	**699**	668
Total other property and investments	**10,363**	10,198
Deferred Charges and Other Assets:		
Operating lease right-of-use assets, net of amortization	**1,405**	1,386
Deferred charges related to income taxes	**899**	889
Prepaid pension costs	**2,881**	2,674
Unamortized loss on reacquired debt	**195**	203
Deferred under recovered fuel clause revenues	**325**	485
Regulatory assets – asset retirement obligations, deferred	**5,115**	5,458
Other regulatory assets, deferred	**7,338**	7,037
Other deferred charges and assets	**1,390**	1,467
Total deferred charges and other assets	**19,548**	19,599
Total Assets	**$ 148,853**	$ 145,180

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)

Liabilities and Stockholders' Equity	**At June 30, 2025**	At December 31, 2024
	(in millions)	
Current Liabilities:		
Securities due within one year	**$ 5,365**	$ 4,718
Notes payable	**988**	1,338
Accounts payable	**2,948**	3,701
Customer deposits	**468**	486
Accrued taxes —		
Accrued income taxes	**20**	57
Other accrued taxes	**800**	997
Accrued interest	**775**	682
Accrued compensation	**825**	1,261
Asset retirement obligations	**683**	731
Liabilities from risk management activities, net of collateral	**86**	160
Operating lease obligations	**200**	200
Natural gas cost over recovery	**107**	193
Other regulatory liabilities	**264**	369
Other current liabilities	**1,041**	1,100
Total current liabilities	**14,570**	15,993
Long-term Debt	**62,983**	58,768
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	**12,294**	11,730
Deferred credits related to income taxes	**4,446**	4,434
Accumulated deferred ITCs	**2,017**	2,056
Employee benefit obligations	**993**	1,011
Operating lease obligations, deferred	**1,288**	1,253
Asset retirement obligations, deferred	**8,862**	9,203
Other cost of removal obligations	**2,028**	2,016
Other regulatory liabilities, deferred	**671**	692
Other deferred credits and liabilities	**1,359**	1,350
Total deferred credits and other liabilities	**33,958**	33,745
Total Liabilities	**111,511**	108,506
Total Stockholders' Equity (See accompanying statements)	**37,342**	36,674
Total Liabilities and Stockholders' Equity	**$ 148,853**	$ 145,180

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						
	Issued	Treasury	Par Value	Paid-In Capital	Treasury	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
					(in millions)				
Balance at December 31, 2023	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
Balance at March 31, 2024	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
Balance at June 30, 2024	1,096	(1)	$ 5,436	$ 13,947	$ (63)	$ 13,259	$ (130)	$ 3,662	$ 36,111
Balance at December 31, 2024	**1,098**	**(1)**	**$ 5,446**	**$ 14,149**	**$ (59)**	**$ 13,750**	**$ (78)**	**$ 3,466**	**$ 36,674**
Consolidated net income (loss)	—	—	—	—	—	**1,334**	—	**(64)**	**1,270**
Other comprehensive income	—	—	—	—	—	—	**3**	—	**3**
Stock issued	**2**	—	**7**	**78**	—	—	—	—	**85**
Stock-based compensation	—	—	—	**5**	—	—	—	—	**5**
Dividends of $0.72 per share	—	—	—	—	—	**(791)**	—	—	**(791)**
Capital contributions from noncontrolling interests	—	—	—	—	—	—	—	**19**	**19**
Distributions to noncontrolling interests	—	—	—	—	—	—	—	**(37)**	**(37)**
Other	—	—	—	**(1)**	**(2)**	**(2)**	—	—	**(5)**
Balance at March 31, 2025	**1,100**	**(1)**	**5,453**	**14,231**	**(61)**	**14,291**	**(75)**	**3,384**	**37,223**
Consolidated net income (loss)	—	—	—	—	—	**880**	—	**(27)**	**853**
Other comprehensive income	—	—	—	—	—	—	**4**	—	**4**
Stock issued	**1**	—	**5**	**84**	—	—	—	—	**89**
Stock-based compensation	—	—	—	**11**	—	—	—	—	**11**
Dividends of $0.74 per share	—	—	—	—	—	**(815)**	—	—	**(815)**
Capital contributions from noncontrolling interests	—	—	—	—	—	—	—	**4**	**4**
Distributions to noncontrolling interests	—	—	—	—	—	—	—	**(33)**	**(33)**
Other	—	—	—	**6**	**(1)**	**1**	—	—	**6**
Balance at June 30, 2025	**1,101**	**(1)**	**$ 5,458**	**$ 14,332**	**$ (62)**	**$ 14,357**	**$ (71)**	**$ 3,328**	**$ 37,342**

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 June 30,		For the Six Months Ended June 30,	
	2025	2024	**2025**	2024
	(in millions)		*(in millions)*	
Operating Revenues:				
Retail revenues	**$ 1,718**	$ 1,647	**$ 3,441**	$ 3,213
Wholesale revenues, non-affiliates	**98**	84	**189**	169
Wholesale revenues, affiliates	**36**	27	**105**	68
Other revenues	**116**	115	**245**	214
Total operating revenues	**1,968**	1,873	**3,980**	3,664
Operating Expenses:				
Fuel	**337**	335	**723**	666
Purchased power, non-affiliates	**54**	47	**124**	99
Purchased power, affiliates	**67**	44	**121**	87
Other operations and maintenance	**472**	429	**935**	840
Depreciation and amortization	**371**	364	**741**	725
Taxes other than income taxes	**120**	118	**250**	238
Total operating expenses	**1,421**	1,337	**2,894**	2,655
Operating Income	**547**	536	**1,086**	1,009
Other Income and (Expense):				
Allowance for equity funds used during construction	**18**	12	**36**	26
Interest expense, net of amounts capitalized	**(116)**	(114)	**(225)**	(224)
Other income (expense), net	**47**	37	**84**	78
Total other income and (expense)	**(51)**	(65)	**(105)**	(120)
Earnings Before Income Taxes	**496**	471	**981**	889
Income taxes	**115**	102	**226**	187
Net Income	**$ 381**	$ 369	**$ 755**	$ 702

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	**2025**	2024
	(in millions)		*(in millions)*	
Net Income	**$ 381**	$ 369	**$ 755**	$ 702
Other comprehensive income:				
Qualifying hedges:				
Reclassification adjustment for amounts included in net income, net of tax of $—, $—, $—, and $—, respectively	**—**	1	**1**	1
Total other comprehensive income	**—**	1	**1**	1
Comprehensive Income	**$ 381**	$ 370	**$ 756**	$ 703

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

ALABAMA POWER COMPANY
CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Six Months Ended June 30,	
	2025	2024
	(in millions)	
Operating Activities:		
Net income	**$ 755**	$ 702
Adjustments to reconcile net income to net cash provided from operating activities —		
Depreciation and amortization, total	**803**	796
Deferred income taxes	**116**	(40)
Pension, postretirement, and other employee benefits	**(89)**	(93)
Settlement of asset retirement obligations	**(120)**	(117)
Retail fuel cost under recovery – long-term	**(62)**	—
Other, net	**(44)**	(20)
Changes in certain current assets and liabilities —		
-Receivables	**(94)**	(80)
-Fossil fuel stock	**32**	9
-Prepayments	**(89)**	(70)
-Retail fuel cost under recovery	**—**	131
-Other current assets	**(40)**	(47)
-Accounts payable	**(251)**	(331)
-Accrued taxes	**25**	96
-Accrued compensation	**(93)**	(68)
-Customer refunds	**(110)**	(22)
-Other current liabilities	**(61)**	31
Net cash provided from operating activities	**678**	877
Investing Activities:		
Property additions	**(1,034)**	(829)
Nuclear decommissioning trust fund purchases	**(270)**	(328)
Nuclear decommissioning trust fund sales	**270**	328
Cost of removal, net of salvage	**(92)**	(77)
Change in construction payables, net of joint owner portion	**(32)**	(36)
Other investing activities	**(11)**	(9)
Net cash used for investing activities	**(1,169)**	(951)
Financing Activities:		
Increase in notes payable, net	**—**	40
Proceeds —		
Senior notes	**600**	—
Short-term borrowings	**—**	50
Other long-term debt	**4**	4
Redemptions —		
Senior notes	**(250)**	—
Revenue bonds	**—**	(21)
Capital contributions from parent company	**562**	474
Payment of common stock dividends	**(609)**	(591)
Other financing activities	**(7)**	(2)
Net cash provided from (used for) financing activities	**300**	(46)
Net Change in Cash, Cash Equivalents, and Restricted Cash	**(191)**	(120)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**585**	409
Cash, Cash Equivalents, and Restricted Cash at End of Period	**$ 394**	$ 289
Supplemental Cash Flow Information:		
Cash paid during the period for —		
Interest (net of $10 and $8 capitalized for 2025 and 2024, respectively)	**$ 205**	$ 213
Income taxes, net	**217**	208
Noncash transactions —		
Accrued property additions at end of period	**116**	101
Right-of-use assets obtained under operating leases	**7**	10
Right-of-use assets obtained under finance leases	**1**	—

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)

Assets	At June 30, 2025	At December 31, 2024
	(in millions)	
Current Assets:		
Cash and cash equivalents	**$ 394**	$ 585
Receivables —		
Customer accounts	**512**	512
Unbilled revenues	**226**	187
Affiliated	**139**	91
Other accounts and notes	**78**	126
Accumulated provision for uncollectible accounts	**(21)**	(22)
Fossil fuel stock	**307**	339
Materials and supplies	**714**	699
Prepaid expenses	**219**	63
Other regulatory assets	**327**	332
Other current assets	**96**	79
Total current assets	**2,991**	2,991
Property, Plant, and Equipment:		
In service	**37,344**	36,501
Less: Accumulated provision for depreciation	**12,181**	11,741
Plant in service, net of depreciation	**25,163**	24,760
Other utility plant, net	**363**	410
Nuclear fuel, at amortized cost	**292**	262
Construction work in progress	**1,358**	1,377
Total property, plant, and equipment	**27,176**	26,809
Other Property and Investments:		
Nuclear decommissioning trusts, at fair value	**1,456**	1,386
Equity investments in unconsolidated subsidiaries	**45**	48
Miscellaneous property and investments	**133**	129
Total other property and investments	**1,634**	1,563
Deferred Charges and Other Assets:		
Operating lease right-of-use assets, net of amortization	**84**	84
Deferred charges related to income taxes	**267**	264
Prepaid pension and other postretirement benefit costs	**886**	841
Regulatory assets – asset retirement obligations	**1,562**	1,780
Other regulatory assets, deferred	**1,934**	1,815
Other deferred charges and assets	**423**	391
Total deferred charges and other assets	**5,156**	5,175
Total Assets	**$ 36,957**	$ 36,538

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)

Liabilities and Stockholder's Equity	At June 30, 2025	At December 31, 2024
	(in millions)	
Current Liabilities:		
Securities due within one year	**$ 624**	$ 655
Accounts payable —		
Affiliated	**298**	299
Other	**397**	625
Customer deposits	**115**	113
Accrued taxes	**134**	78
Accrued interest	**128**	120
Accrued compensation	**171**	240
Asset retirement obligations	**271**	364
Other regulatory liabilities	**35**	165
Other current liabilities	**94**	219
Total current liabilities	**2,267**	2,878
Long-term Debt	**10,881**	10,499
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	**4,327**	4,178
Deferred credits related to income taxes	**1,404**	1,398
Accumulated deferred ITCs	**109**	113
Employee benefit obligations	**153**	148
Operating lease obligations	**76**	76
Asset retirement obligations, deferred	**3,482**	3,694
Other regulatory liabilities, deferred	**208**	271
Other deferred credits and liabilities	**250**	195
Total deferred credits and other liabilities	**10,009**	10,073
Total Liabilities	**23,157**	23,450
Common Stockholder's Equity (See accompanying statements)	**13,800**	13,088
Total Liabilities and Stockholder's Equity	**$ 36,957**	$ 36,538

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)			
Balance at December 31, 2023	31	$ 1,222	$ 7,125	$ 3,993	$ (7)	$ 12,333
Net income	—	—	—	333	—	333
Capital contributions from parent company	—	—	427	—	—	427
Cash dividends on common stock	—	—	—	(295)	—	(295)
Other	—	—	—	(1)	—	(1)
Balance at March 31, 2024	31	1,222	7,552	4,030	(7)	12,797
Net income	—	—	—	369	—	369
Capital contributions from parent company	—	—	50	—	—	50
Other comprehensive income	—	—	—	—	1	1
Cash dividends on common stock	—	—	—	(296)	—	(296)
Balance at June 30, 2024	31	$ 1,222	$ 7,602	$ 4,103	$ (6)	$ 12,921
Balance at December 31, 2024	**31**	**$ 1,222**	**$ 7,657**	**$ 4,214**	**$ (5)**	**$ 13,088**
Net income	—	—	—	**375**	—	**375**
Capital contributions from parent company	—	—	**527**	—	—	**527**
Other comprehensive income	—	—	—	—	**1**	**1**
Cash dividends on common stock	—	—	—	**(305)**	—	**(305)**
Other	—	—	—	—	**(1)**	**(1)**
Balance at March 31, 2025	**31**	**1,222**	**8,184**	**4,284**	**(5)**	**13,685**
Net income	—	—	—	**381**	—	**381**
Capital contributions from parent company	—	—	**38**	—	—	**38**
Cash dividends on common stock	—	—	—	**(304)**	—	**(304)**
Other	—	—	—	**(1)**	**1**	—
Balance at June 30, 2025	**31**	**$ 1,222**	**$ 8,222**	**$ 4,360**	**$ (4)**	**$ 13,800**

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 June 30,		For the Six Months Ended June 30,	
	2025	2024	**2025**	2024
	(in millions)		*(in millions)*	
Operating Revenues:				
Retail revenues	**$ 2,765**	$ 2,597	**$ 5,395**	$ 4,752
Wholesale revenues	**107**	63	**250**	120
Other revenues	**238**	215	**503**	401
Total operating revenues	**3,110**	2,875	**6,148**	5,273
Operating Expenses:				
Fuel	**476**	441	**1,000**	830
Purchased power, non-affiliates	**180**	151	**340**	291
Purchased power, affiliates	**197**	182	**461**	363
Other operations and maintenance	**645**	438	**1,283**	953
Depreciation and amortization	**512**	447	**1,015**	872
Taxes other than income taxes	**173**	164	**342**	311
Total operating expenses	**2,183**	1,823	**4,441**	3,620
Operating Income	**927**	1,052	**1,707**	1,653
Other Income and (Expense):				
Allowance for equity funds used during construction	**56**	33	**104**	72
Interest expense, net of amounts capitalized	**(198)**	(185)	**(385)**	(359)
Other income (expense), net	**58**	54	**112**	104
Total other income and (expense)	**(84)**	(98)	**(169)**	(183)
Earnings Before Income Taxes	**843**	954	**1,538**	1,470
Income taxes	**236**	192	**334**	271
Net Income	**$ 607**	$ 762	**$ 1,204**	$ 1,199

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	**2025**	2024
	(in millions)		*(in millions)*	
Net Income	**$ 607**	$ 762	**$ 1,204**	$ 1,199
Other comprehensive income:				
Qualifying hedges:				
Changes in fair value, net of tax of $1, $—, $1, and $4, respectively	**4**	—	**2**	12
Reclassification adjustment for amounts included in net income, net of tax of $—, $—, $—, and $1, respectively	**—**	1	**1**	2
Total other comprehensive income	**4**	1	**3**	14
Comprehensive Income	**$ 611**	$ 763	**$ 1,207**	$ 1,213

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 Six Months Ended June 30,	
	2025	2024
	(in millions)	
Operating Activities:		
Net income	**$ 1,204**	$ 1,199
Adjustments to reconcile net income to net cash provided from operating activities —		
Depreciation and amortization, total	**1,167**	1,020
Deferred income taxes	**238**	77
Allowance for equity funds used during construction	**(104)**	(72)
Pension, postretirement, and other employee benefits	**(128)**	(118)
Settlement of asset retirement obligations	**(149)**	(130)
Storm damage cost recovery – long-term	**(238)**	—
Other, net	**(39)**	(152)
Changes in certain current assets and liabilities —		
-Receivables	**(270)**	(431)
-Retail fuel cost under recovery	**186**	283
-Other current assets	**5**	(22)
-Accounts payable	**(396)**	29
-Accrued taxes	**(196)**	(46)
-Other current liabilities	**55**	43
Net cash provided from operating activities	**1,335**	1,680
Investing Activities:		
Property additions	**(2,991)**	(2,113)
Nuclear decommissioning trust fund purchases	**(507)**	(411)
Nuclear decommissioning trust fund sales	**507**	411
Cost of removal, net of salvage	**(152)**	(146)
Change in construction payables, net of joint owner portion	**(27)**	(192)
Payments pursuant to LTSAs	**(7)**	(63)
Proceeds from dispositions	**—**	342
Other investing activities	**(41)**	(27)
Net cash used for investing activities	**(3,218)**	(2,199)
Financing Activities:		
Increase (decrease) in notes payable, net	**285**	(689)
Proceeds —		
Senior notes	**1,600**	1,400
Short-term borrowings	**200**	350
Redemptions and repurchases —		
Senior notes	**(700)**	—
Short-term borrowings	**—**	(250)
FFB loan	**(43)**	(43)
Capital contributions from parent company	**1,671**	862
Payment of common stock dividends	**(1,105)**	(1,026)
Other financing activities	**(49)**	(53)
Net cash provided from financing activities	**1,859**	551
Net Change in Cash, Cash Equivalents, and Restricted Cash	**(24)**	32
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**118**	75
Cash, Cash Equivalents, and Restricted Cash at End of Period	**$ 94**	$ 107
Supplemental Cash Flow Information:		
Cash paid (received) during the period for —		
Interest (net of $33 and $31 capitalized for 2025 and 2024, respectively)	**$ 341**	$ 329
Income taxes, net (excludes credit transfers)	**25**	(7)
Noncash transactions —		
Accrued property additions at end of period	**699**	467
Right-of-use assets obtained under operating leases	**28**	112
Right-of-use assets obtained under finance leases	**13**	44

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 June 30, 2025	At December 31, 2024
	(in millions)	
Current Assets:		
Cash and cash equivalents	**$ 94**	$ 97
Receivables —		
Customer accounts, net	**1,088**	985
Unbilled revenues	**525**	341
Under recovered retail fuel clause revenues	**655**	713
Joint owner accounts	**92**	101
Affiliated	**134**	65
Other accounts and notes	**55**	92
Fossil fuel stock	**374**	385
Materials and supplies	**952**	968
Regulatory assets – asset retirement obligations	**258**	222
Other regulatory assets	**346**	373
Other current assets	**226**	262
Total current assets	**4,799**	4,604
Property, Plant, and Equipment:		
In service	**56,751**	55,036
Less: Accumulated provision for depreciation	**15,378**	14,806
Plant in service, net of depreciation	**41,373**	40,230
Nuclear fuel, at amortized cost	**615**	611
Construction work in progress	**4,418**	3,197
Total property, plant, and equipment	**46,406**	44,038
Other Property and Investments:		
Nuclear decommissioning trusts, at fair value	**1,306**	1,236
Equity investments in unconsolidated subsidiaries	**40**	43
Miscellaneous property and investments	**205**	192
Total other property and investments	**1,551**	1,471
Deferred Charges and Other Assets:		
Operating lease right-of-use assets, net of amortization	**1,271**	1,331
Deferred charges related to income taxes	**604**	596
Prepaid pension costs	**974**	897
Deferred under recovered retail fuel clause revenues	**325**	453
Regulatory assets – asset retirement obligations, deferred	**3,324**	3,436
Other regulatory assets, deferred	**3,986**	3,814
Other deferred charges and assets	**611**	615
Total deferred charges and other assets	**11,095**	11,142
Total Assets	**$ 63,851**	$ 61,255

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)

Liabilities and Stockholder's Equity	**At June 30, 2025**	At December 31, 2024
	(in millions)	
Current Liabilities:		
Securities due within one year	**$ 996**	$ 966
Notes payable	**285**	200
Accounts payable —		
Affiliated	**834**	984
Other	**1,465**	1,837
Customer deposits	**260**	256
Accrued taxes	**569**	803
Accrued interest	**218**	190
Accrued compensation	**179**	276
Operating lease obligations	**174**	169
Asset retirement obligations	**333**	309
Other regulatory liabilities	**101**	150
Other current liabilities	**306**	296
Total current liabilities	**5,720**	6,436
Long-term Debt	**18,606**	17,384
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	**4,671**	4,385
Deferred credits related to income taxes	**2,080**	2,047
Accumulated deferred ITCs	**341**	343
Employee benefit obligations	**206**	205
Operating lease obligations, deferred	**1,116**	1,159
Asset retirement obligations, deferred	**5,046**	5,106
Other deferred credits and liabilities	**608**	509
Total deferred credits and other liabilities	**14,068**	13,754
Total Liabilities	**38,394**	37,574
Common Stockholder's Equity (See accompanying statements)	**25,457**	23,681
Total Liabilities and Stockholder's Equity	**$ 63,851**	$ 61,255

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)			
Balance at December 31, 2023	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)
Balance at March 31, 2024	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)
Balance at June 30, 2024	9	$ 398	$ 18,786	$ 3,244	$ 5	$ 22,433
Balance at December 31, 2024	**9**	**$ 398**	**$ 19,708**	**$ 3,562**	**$ 13**	**$ 23,681**
Net income	—	—	—	**596**	—	**596**
Capital contributions from parent company	—	—	**702**	—	—	**702**
Other comprehensive income (loss)	—	—	—	—	**(1)**	**(1)**
Cash dividends on common stock	—	—	—	**(552)**	—	**(552)**
Balance at March 31, 2025	**9**	**398**	**20,410**	**3,606**	**12**	**24,426**
Net income	—	—	—	**607**	—	**607**
Capital contributions from parent company	—	—	**972**	—	—	**972**
Other comprehensive income	—	—	—	—	**4**	**4**
Cash dividends on common stock	—	—	—	**(553)**	—	**(553)**
Other	—	—	—	**1**	—	**1**
Balance at June 30, 2025	**9**	**$ 398**	**$ 21,382**	**$ 3,661**	**$ 16**	**$ 25,457**

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 June 30,		For the Six Months Ended June 30,	
	2025	2024	**2025**	2024
	(in millions)		*(in millions)*	
Operating Revenues:				
Retail revenues	**$ 274**	$ 242	**$ 522**	$ 462
Wholesale revenues, non-affiliates	**62**	54	**133**	113
Wholesale revenues, affiliates	**55**	58	**136**	109
Other revenues	**9**	10	**30**	22
Total operating revenues	**400**	364	**821**	706
Operating Expenses:				
Fuel and purchased power	**143**	117	**309**	229
Other operations and maintenance	**82**	83	**166**	171
Depreciation and amortization	**52**	47	**105**	93
Taxes other than income taxes	**36**	32	**69**	63
Total operating expenses	**313**	279	**649**	556
Operating Income	**87**	85	**172**	150
Other Income and (Expense):				
Interest expense, net of amounts capitalized	**(20)**	(20)	**(40)**	(39)
Other income (expense), net	**9**	11	**16**	25
Total other income and (expense)	**(11)**	(9)	**(24)**	(14)
Earnings Before Income Taxes	**76**	76	**148**	136
Income taxes	**17**	15	**34**	25
Net Income	**$ 59**	$ 61	**$ 114**	$ 111

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	**2025**	2024
	(in millions)		*(in millions)*	
Net Income	**$ 59**	$ 61	**$ 114**	$ 111
Other comprehensive income:				
Qualifying hedges:				
Changes in fair value, net of tax of $—, $—, $—, and $2, respectively	**—**	—	**—**	5
Total other comprehensive income	**—**	—	**—**	5
Comprehensive Income	**$ 59**	$ 61	**$ 114**	$ 116

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 Six Months Ended June 30,	
	2025	2024
	(in millions)	
Operating Activities:		
Net income	**$ 114**	$ 111
Adjustments to reconcile net income to net cash provided from operating activities —		
Depreciation and amortization, total	**115**	101
Deferred income taxes	**4**	(5)
Pension, postretirement, and other employee benefits	**(8)**	(8)
Settlement of asset retirement obligations	**(7)**	(9)
Other, net	**(7)**	7
Changes in certain current assets and liabilities —		
-Receivables	**(26)**	(26)
-Retail fuel cost under recovery	**(28)**	7
-Fossil fuel stock	**20**	(22)
-Prepaid income taxes	**9**	—
-Other current assets	**(1)**	(4)
-Accounts payable	**(22)**	(16)
-Accrued taxes	**(49)**	(41)
-Accrued compensation	**(22)**	(16)
-Over recovered regulatory clause revenues	**(15)**	7
-Other current liabilities	**1**	(1)
Net cash provided from operating activities	**78**	85
Investing Activities:		
Property additions	**(166)**	(165)
Contributions in aid of construction	**57**	—
Cost of removal, net of salvage	**(17)**	(21)
Change in construction payables, net of joint owner portion	**(5)**	(20)
Payments pursuant to LTSAs	**(11)**	(10)
Other investing activities	**(3)**	(2)
Net cash used for investing activities	**(145)**	(218)
Financing Activities:		
Increase in notes payable, net	**18**	102
Proceeds — Senior notes	**100**	250
Redemptions — Senior notes	**—**	(200)
Capital contributions from parent company	**57**	58
Payment of common stock dividends	**(97)**	(94)
Other financing activities	**(2)**	(2)
Net cash provided from financing activities	**76**	114
Net Change in Cash, Cash Equivalents, and Restricted Cash	**9**	(19)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**13**	38
Cash, Cash Equivalents, and Restricted Cash at End of Period	**$ 22**	$ 19
Supplemental Cash Flow Information:		
Cash paid during the period for —		
Interest	**$ 37**	$ 38
Income taxes, net	**21**	24
Noncash transactions —		
Accrued property additions at end of period	**30**	16

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)

Assets	At June 30, 2025	At December 31, 2024
	(in millions)	
Current Assets:		
Cash and cash equivalents	**$ 22**	$ 13
Receivables —		
Customer accounts, net	**75**	45
Unbilled revenues	**47**	39
Affiliated	**50**	33
Other accounts and notes	**24**	24
Fossil fuel stock	**36**	56
Materials and supplies	**103**	103
Other regulatory assets	**38**	43
Other current assets	**14**	28
Total current assets	**409**	384
Property, Plant, and Equipment:		
In service	**5,873**	5,697
Less: Accumulated provision for depreciation	**1,906**	1,833
Plant in service, net of depreciation	**3,967**	3,864
Construction work in progress	**233**	253
Total property, plant, and equipment	**4,200**	4,117
Other Property and Investments	**148**	152
Deferred Charges and Other Assets:		
Deferred charges related to income taxes	**27**	27
Prepaid pension costs	**134**	124
Deferred under recovered retail fuel clause revenues	**—**	32
Regulatory assets – asset retirement obligations	**230**	243
Other regulatory assets, deferred	**266**	259
Accumulated deferred income taxes	**74**	82
Other deferred charges and assets	**70**	74
Total deferred charges and other assets	**801**	841
Total Assets	**$ 5,558**	$ 5,494

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)

Liabilities and Stockholder's Equity	At June 30, 2025	At December 31, 2024
	(in millions)	
Current Liabilities:		
Securities due within one year	**$ 12**	$ 12
Notes payable	**32**	14
Accounts payable —		
Affiliated	**69**	68
Other	**72**	83
Customer deposits	**19**	20
Accrued taxes	**66**	115
Accrued compensation	**29**	46
Asset retirement obligations	**29**	32
Over recovered retail fuel clause revenues	**—**	32
Other regulatory liabilities	**3**	5
Other current liabilities	**68**	75
Total current liabilities	**399**	502
Long-term Debt	**1,780**	1,681
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	**493**	492
Deferred credits related to income taxes	**213**	219
Employee benefit obligations	**65**	65
Asset retirement obligations, deferred	**102**	116
Other cost of removal obligations	**133**	170
Other regulatory liabilities, deferred	**117**	121
Other deferred credits and liabilities	**92**	39
Total deferred credits and other liabilities	**1,215**	1,222
Total Liabilities	**3,394**	3,405
Common Stockholder's Equity (See accompanying statements)	**2,164**	2,089
Total Liabilities and Stockholder's Equity	**$ 5,558**	$ 5,494

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)			
Balance at December 31, 2023	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)
Balance at March 31, 2024	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)
Balance at June 30, 2024	1	$ 38	$ 4,780	$ (2,739)	$ 5	$ 2,084
Balance at December 31, 2024	**1**	**$ 38**	**$ 4,791**	**$ (2,745)**	**$ 5**	**$ 2,089**
Net income	—	—	—	**55**	—	**55**
Capital contributions from parent company	—	—	**51**	—	—	**51**
Cash dividends on common stock	—	—	—	**(48)**	—	**(48)**
Other	—	—	—	—	**(1)**	**(1)**
Balance at March 31, 2025	**1**	**38**	**4,842**	**(2,738)**	**4**	**2,146**
Net income	—	—	—	**59**	—	**59**
Capital contributions from parent company	—	—	**7**	—	—	**7**
Cash dividends on common stock	—	—	—	**(49)**	—	**(49)**
Other	—	—	—	**1**	—	**1**
Balance at June 30, 2025	**1**	**$ 38**	**$ 4,849**	**$ (2,727)**	**$ 4**	**$ 2,164**

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 June 30,		For the Six Months Ended June 30,	
	2025	2024	**2025**	2024
	(in millions)		*(in millions)*	
Operating Revenues:				
Wholesale revenues, non-affiliates	**$ 424**	$ 427	**$ 870**	$ 797
Wholesale revenues, affiliates	**114**	86	**229**	179
Other revenues	**8**	11	**14**	21
Total operating revenues	**546**	524	**1,113**	997
Operating Expenses:				
Fuel	**147**	132	**355**	288
Purchased power	**31**	22	**59**	40
Other operations and maintenance	**135**	119	**257**	241
Depreciation and amortization	**177**	127	**329**	245
Taxes other than income taxes	**13**	13	**25**	22
Total operating expenses	**503**	413	**1,025**	836
Operating Income	**43**	111	**88**	161
Other Income and (Expense):				
Interest expense, net of amounts capitalized	**(24)**	(30)	**(50)**	(59)
Other income (expense), net	**3**	3	**6**	6
Total other income and (expense)	**(21)**	(27)	**(44)**	(53)
Earnings Before Income Taxes	**22**	84	**44**	108
Income taxes (benefit)	**(2)**	13	**(3)**	(1)
Net Income	**24**	71	**47**	109
Net loss attributable to noncontrolling interests	**(27)**	(15)	**(91)**	(73)
Net Income Attributable to Southern Power	**$ 51**	$ 86	**$ 138**	$ 182

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	**2025**	2024
	(in millions)		*(in millions)*	
Net Income	**$ 24**	$ 71	**$ 47**	$ 109
Other comprehensive income:				
Qualifying hedges:				
Changes in fair value, net of tax of $11, $(1), $17, and $(5), respectively	**35**	(4)	**52**	(15)
Reclassification adjustment for amounts included in net income, net of tax of $(10), $2, $(15), and $6, respectively	**(33)**	7	**(48)**	18
Pension and other postretirement benefit plans:				
Benefit plan net gain (loss), net of tax of $—, $—, $—, and $—, respectively	**—**	—	**—**	1
Total other comprehensive income	**2**	3	**4**	4
Comprehensive Income	**26**	74	**51**	113
Comprehensive loss attributable to noncontrolling interests	**(27)**	(15)	**(91)**	(73)
Comprehensive Income Attributable to Southern Power	**$ 53**	$ 89	**$ 142**	$ 186

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 Six Months Ended June 30,	
	2025	2024
	(in millions)	
Operating Activities:		
Net income	**$ 47**	$ 109
Adjustments to reconcile net income to net cash provided from operating activities —		
Depreciation and amortization, total	**340**	252
Deferred income taxes	**(2)**	13
Amortization of ITCs	**(29)**	(29)
Other, net	**(18)**	(24)
Changes in certain current assets and liabilities —		
-Receivables	**(71)**	(61)
-Other current assets	**2**	(3)
-Accounts payable	**(20)**	(22)
-Accrued compensation	**(11)**	(11)
-Other current liabilities	**(6)**	6
Net cash provided from operating activities	**232**	230
Investing Activities:		
Property additions	**(392)**	(114)
Payments pursuant to LTSAs	**(26)**	(20)
Other investing activities	**—**	7
Net cash used for investing activities	**(418)**	(127)
Financing Activities:		
Increase in notes payable, net	**201**	87
Capital contributions from parent company	**146**	8
Capital contributions from noncontrolling interests	**23**	11
Distributions to noncontrolling interests	**(66)**	(57)
Payment of common stock dividends	**(139)**	(131)
Other financing activities	**(4)**	(3)
Net cash provided from (used for) financing activities	**161**	(85)
Net Change in Cash, Cash Equivalents, and Restricted Cash	**(25)**	18
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**168**	144
Cash, Cash Equivalents, and Restricted Cash at End of Period	**$ 143**	$ 162
Supplemental Cash Flow Information:		
Cash paid during the period for —		
Interest (net of $8 and $4 capitalized for 2025 and 2024, respectively)	**$ 59**	$ 64
Income taxes, net (excludes credit transfers)	**52**	14
Noncash transactions —		
Accrued property additions at end of period	**60**	47
Right-of-use assets obtained under operating leases	**2**	5
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 June 30, 2025	At December 31, 2024
	(in millions)	
Current Assets:		
Cash and cash equivalents	**$ 143**	$ 159
Receivables —		
Customer accounts, net	**184**	122
Affiliated	**44**	39
Other	**87**	90
Materials and supplies	**111**	107
Other current assets	**98**	82
Total current assets	**667**	599
Property, Plant, and Equipment:		
In service	**15,005**	14,961
Less: Accumulated provision for depreciation	**4,789**	4,540
Plant in service, net of depreciation	**10,216**	10,421
Construction work in progress	**658**	317
Total property, plant, and equipment	**10,874**	10,738
Other Property and Investments:		
Intangible assets, net of amortization of $178 and $168, respectively	**213**	223
Net investment in sales-type leases	**140**	143
Total other property and investments	**353**	366
Deferred Charges and Other Assets:		
Operating lease right-of-use assets, net of amortization	**483**	484
Prepaid LTSAs	**194**	234
Other deferred charges and assets	**246**	232
Total deferred charges and other assets	**923**	950
Total Assets	**$ 12,817**	$ 12,653

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 June 30, 2025**	At December 31, 2024
	(in millions)	
Current Liabilities:		
Securities due within one year	**$ 1,485**	$ 500
Notes payable	**200**	—
Accounts payable —		
Affiliated	**78**	80
Other	**74**	100
Accrued taxes	**27**	18
Accrued interest	**21**	26
Operating lease obligations	**29**	29
Other current liabilities	**74**	96
Total current liabilities	**1,988**	849
Long-term Debt	**1,262**	2,180
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	**711**	712
Accumulated deferred ITCs	**1,412**	1,440
Operating lease obligations, deferred	**511**	511
Other deferred credits and liabilities	**241**	279
Total deferred credits and other liabilities	**2,875**	2,942
Total Liabilities	**6,125**	5,971
Total Stockholders' Equity (See accompanying statements)	**6,692**	6,682
Total Liabilities and Stockholders' Equity	**$ 12,817**	$ 12,653

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 Stockholder's Equity	Noncontrolling Interests	Total
			(in millions)			
Balance at December 31, 2023	$ 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)
Balance at March 31, 2024	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
Balance at June 30, 2024	$ 1,097	$ 1,896	$ (12)	$ 2,981	$ 3,662	$ 6,643
Balance at December 31, 2024	**$ 1,306**	**$ 1,912**	**$ (2)**	**$ 3,216**	**$ 3,466**	**$ 6,682**
Net income (loss)	**—**	**87**	**—**	**87**	**(64)**	**23**
Capital contributions from parent company	**130**	**—**	**—**	**130**	**—**	**130**
Other comprehensive income	**—**	**—**	**2**	**2**	**—**	**2**
Cash dividends on common stock	**—**	**(70)**	**—**	**(70)**	**—**	**(70)**
Capital contributions from noncontrolling interests	**—**	**—**	**—**	**—**	**19**	**19**
Distributions to noncontrolling interests	**—**	**—**	**—**	**—**	**(37)**	**(37)**
Balance at March 31, 2025	**1,436**	**1,929**	**—**	**3,365**	**3,384**	**6,749**
Net income (loss)	**—**	**51**	**—**	**51**	**(27)**	**24**
Capital contributions from parent company	**16**	**—**	**—**	**16**	**—**	**16**
Other comprehensive income	**—**	**—**	**2**	**2**	**—**	**2**
Cash dividends on common stock	**—**	**(69)**	**—**	**(69)**	**—**	**(69)**
Capital contributions from noncontrolling interests	**—**	**—**	**—**	**—**	**4**	**4**
Distributions to noncontrolling interests	**—**	**—**	**—**	**—**	**(33)**	**(33)**
Other	**—**	**(1)**	**—**	**(1)**	**—**	**(1)**
Balance at June 30, 2025	**$ 1,452**	**$ 1,910**	**$ 2**	**$ 3,364**	**$ 3,328**	**$ 6,692**

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 June 30,		For the Six Months Ended June 30,	
	2025	2024	**2025**	2024
	(in millions)		*(in millions)*	
Operating Revenues:				
Natural gas revenues (includes revenue taxes of $27, $23, $90, and $76, respectively)	**$ 979**	$ 831	**$ 2,818**	$ 2,538
Total operating revenues	**979**	831	**2,818**	2,538
Operating Expenses:				
Cost of natural gas	**255**	149	**929**	754
Other operations and maintenance	**301**	288	**617**	581
Depreciation and amortization	**172**	158	**341**	313
Taxes other than income taxes	**61**	56	**158**	143
Total operating expenses	**789**	651	**2,045**	1,791
Operating Income	**190**	180	**773**	747
Other Income and (Expense):				
Earnings from equity method investments	**23**	32	**62**	76
Interest expense, net of amounts capitalized	**(92)**	(83)	**(183)**	(167)
Other income (expense), net	**18**	15	**34**	35
Total other income and (expense)	**(51)**	(36)	**(87)**	(56)
Earnings Before Income Taxes	**139**	144	**686**	691
Income taxes	**33**	36	**162**	174
Net Income	**$ 106**	$ 108	**$ 524**	$ 517

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	**2025**	2024
	(in millions)		*(in millions)*	
Net Income	**$ 106**	$ 108	**$ 524**	$ 517
Other comprehensive income (loss):				
Qualifying hedges:				
Changes in fair value, net of tax of $(2), $1, $2, and $(1), respectively	**(6)**	2	**6**	(3)
Reclassification adjustment for amounts included in net income, net of tax of $—, $2, $—, and $9, respectively	**(1)**	5	**—**	22
Pension and other postretirement benefit plans:				
Reclassification adjustment for amounts included in net income, net of tax of $—, $—, $—, and $—, respectively	**—**	—	**(1)**	—
Total other comprehensive income (loss)	**(7)**	7	**5**	19
Comprehensive Income	**$ 99**	$ 115	**$ 529**	$ 536

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 Six Months Ended June 30,	
	2025	2024
	(in millions)	
Operating Activities:		
Net income	**$ 524**	$ 517
Adjustments to reconcile net income to net cash provided from operating activities —		
Depreciation and amortization, total	**338**	310
Deferred income taxes	**67**	211
Other, net	**26**	50
Changes in certain current assets and liabilities —		
-Receivables	**209**	310
-Natural gas for sale, net of temporary LIFO liquidation	**233**	188
-Other current assets	**37**	(48)
-Accounts payable	**(105)**	(112)
-Natural gas cost over recovery	**(87)**	(43)
-Other current liabilities	**(32)**	(113)
Net cash provided from operating activities	**1,210**	1,270
Investing Activities:		
Property additions	**(677)**	(657)
Cost of removal, net of salvage	**(42)**	(38)
Change in construction payables, net	**15**	20
Other investing activities	**(31)**	(21)
Net cash used for investing activities	**(735)**	(696)
Financing Activities:		
Increase (decrease) in notes payable, net	**16**	(274)
Proceeds — Other long-term debt	**—**	9
Return of capital to parent company	**(23)**	—
Capital contributions from parent company	**22**	3
Payment of common stock dividends	**(297)**	(302)
Other financing activities	**(12)**	(10)
Net cash used for financing activities	**(294)**	(574)
Net Change in Cash, Cash Equivalents, and Restricted Cash	**181**	—
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**44**	35
Cash, Cash Equivalents, and Restricted Cash at End of Period	**$ 225**	$ 35
Supplemental Cash Flow Information:		
Cash paid (received) during the period for —		
Interest (net of $9 and $10 capitalized for 2025 and 2024, respectively)	**$ 185**	$ 164
Income taxes, net	**66**	(52)
Noncash transactions —		
Accrued property additions at end of period	**101**	159
Right-of-use assets obtained under operating leases	**60**	1
Return of capital to parent company	**33**	—

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)

Assets	At June 30, 2025	At December 31, 2024
	(in millions)	
Current Assets:		
Cash and cash equivalents	**$ 225**	$ 43
Receivables —		
Customer accounts	**327**	399
Unbilled revenues	**85**	244
Other accounts and notes	**68**	45
Accumulated provision for uncollectible accounts	**(50)**	(33)
Materials and supplies	**62**	66
Natural gas for sale	**197**	388
Prepaid expenses	**52**	45
Other regulatory assets	**151**	187
Other current assets	**38**	55
Total current assets	**1,155**	1,439
Property, Plant, and Equipment:		
In service	**23,185**	22,338
Less: Accumulated depreciation	**6,100**	5,887
Plant in service, net of depreciation	**17,085**	16,451
Construction work in progress	**869**	1,057
Total property, plant, and equipment	**17,954**	17,508
Other Property and Investments:		
Goodwill	**5,015**	5,015
Equity investments in unconsolidated subsidiaries	**1,300**	1,279
Other intangible assets, net of amortization of $176 and $173, respectively	**6**	9
Miscellaneous property and investments	**24**	25
Total other property and investments	**6,345**	6,328
Deferred Charges and Other Assets:		
Operating lease right-of-use assets, net of amortization	**92**	38
Prepaid pension costs	**202**	191
Other regulatory assets, deferred	**487**	481
Other deferred charges and assets	**141**	192
Total deferred charges and other assets	**922**	902
Total Assets	**$ 26,376**	$ 26,177

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)

Liabilities and Stockholder's Equity	**At June 30, 2025**	At December 31, 2024
	(in millions)	
Current Liabilities:		
Securities due within one year	**$ 752**	$ 302
Notes payable	**471**	455
Accounts payable —		
Affiliated	**54**	75
Other	**384**	437
Customer deposits	**74**	98
Accrued taxes	**89**	85
Accrued interest	**88**	88
Accrued compensation	**85**	129
Temporary LIFO liquidation	**42**	—
Natural gas cost over recovery	**107**	193
Other regulatory liabilities	**43**	7
Other current liabilities	**137**	149
Total current liabilities	**2,326**	2,018
Long-term Debt	**7,786**	8,229
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	**1,874**	1,796
Deferred credits related to income taxes	**736**	755
Employee benefit obligations	**63**	78
Operating lease obligations	**88**	30
Other cost of removal obligations	**1,894**	1,846
Accrued environmental remediation	**187**	198
Other deferred credits and liabilities	**224**	231
Total deferred credits and other liabilities	**5,066**	4,934
Total Liabilities	**15,178**	15,181
Common Stockholder's Equity (See accompanying statements)	**11,198**	10,996
Total Liabilities and Stockholder's Equity	**$ 26,376**	$ 26,177

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)		
Balance at December 31, 2023	$ 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)
Balance at March 31, 2024	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)
Balance at June 30, 2024	$ 10,844	$ 165	$ 35	$ 11,044
Balance at December 31, 2024	**$ 10,863**	**$ 85**	**$ 48**	**$ 10,996**
Net income	**—**	**418**	**—**	**418**
Return of capital to parent company	**(56)**	**—**	**—**	**(56)**
Capital contributions from parent company	**3**	**—**	**—**	**3**
Other comprehensive income	**—**	**—**	**12**	**12**
Cash dividends on common stock	**—**	**(149)**	**—**	**(149)**
Other	**—**	**1**	**—**	**1**
Balance at March 31, 2025	**10,810**	**355**	**60**	**11,225**
Net income	**—**	**106**	**—**	**106**
Capital contributions from parent company	**23**	**—**	**—**	**23**
Other comprehensive income (loss)	**—**	**—**	**(7)**	**(7)**
Cash dividends on common stock	**—**	**(148)**	**—**	**(148)**
Other	**—**	**(1)**	**—**	**(1)**
Balance at June 30, 2025	**$ 10,833**	**$ 312**	**$ 53**	**$ 11,198**

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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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 table below indicates the Registrants to which each note applies.

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

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, 2024 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 June 30, 2025 and 2024. 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.

The preparation of financial statements in conformity with GAAP requires the use of estimates, and the actual results may differ from those estimates. 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.

Goodwill and Other Intangible Assets

Goodwill at both June 30, 2025 and December 31, 2024 was as follows:

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

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

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

Other intangible assets were as follows:

	At June 30, 2025			At December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Other Intangible Assets, Net	Gross Carrying Amount	Accumulated Amortization	Other Intangible Assets, Net
	(in millions)			*(in millions)*		
Southern Company						
Subject to amortization:						
Customer relationships	**$ 212**	**$ (184)**	**$ 28**	$ 212	$ (182)	$ 30
Trade names	**64**	**(63)**	**1**	64	(59)	5
PPA fair value adjustments	**390**	**(178)**	**212**	390	(168)	222
Other	**3**	**(3)**	**—**	3	(3)	—
Total subject to amortization	**$ 669**	**$ (428)**	**$ 241**	$ 669	$ (412)	$ 257
Not subject to amortization:						
FCC licenses	**75**	**—**	**75**	75	—	75
Total other intangible assets	**$ 744**	**$ (428)**	**$ 316**	$ 744	$ (412)	$ 332
Southern Power(*)						
PPA fair value adjustments	**$ 390**	**$ (178)**	**$ 212**	$ 390	$ (168)	$ 222
Southern Company Gas(*)						
Gas marketing services						
Customer relationships	**$ 156**	**$ (151)**	**$ 5**	$ 156	$ (150)	$ 6
Trade names	**26**	**(25)**	**1**	26	(23)	3
Total other intangible assets	**$ 182**	**$ (176)**	**$ 6**	$ 182	$ (173)	$ 9

(*) All subject to amortization.

Amortization associated with other intangible assets was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
		(in millions)		
Southern Company[a]	**$ 8**	$ 9	**$ 16**	$ 18
Southern Power[b]	**5**	5	**10**	10
Southern Company Gas				
Gas marketing services	**1**	1	**3**	3

(a) Includes $5 million for the three months ended June 30, 2025 and 2024 and $10 million for the six months ended June 30, 2025 and 2024 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:

	Southern Company	Georgia Power	Southern Power	Southern Company Gas
		(in millions)		
At June 30, 2025				
Cash and cash equivalents	**$ 1,264**	**$ 94**	**$ 143**	**$ 225**
Restricted cash(*):				
Other current assets	**1**	**—**	**—**	**—**
Total cash, cash equivalents, and restricted cash	**$ 1,265**	**$ 94**	**$ 143**	**$ 225**
At December 31, 2024				
Cash and cash equivalents	$ 1,070	$ 97	$ 159	$ 43
Restricted cash(*):				
Other current assets	31	21	9	1
Total cash, cash equivalents, and restricted cash	$ 1,101	$ 118	$ 168	$ 44

(*) For Georgia Power, reflects remaining proceeds held at December 31, 2024 from the issuance of solid waste disposal facility revenue bonds in 2022. For Southern Power, reflects remaining proceeds held at December 31, 2024 from an arbitration award held to fund future replacement costs. For Southern Company, also reflects collateral of $1 million for life insurance and long-term disability insurance, which was included at Southern Holdings and Southern Company Gas at June 30, 2025 and December 31, 2024, respectively.

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 non-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 June 30, 2025 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 six months ended June 30, 2025 was as follows:

	Southern Company	Alabama Power	Georgia Power	Mississippi Power
		(in millions)		
Balance at December 31, 2024	$ (705)	$ 70	$ (827)	$ 52
Accrual(*)	36	13	16	7
Weather-related damages	(198)	(85)	(106)	(7)
Balance at June 30, 2025	**$ (867)**	**$ (2)**	**$ (917)**	**$ 52**

(*) For Alabama Power, includes $7 million of undistributed customer bill credits related to the nuclear fuel disposal costs litigation award, as directed by the Alabama PSC in its December 2024 order. See Note 3 to the financial statements under "Nuclear Fuel Disposal Costs" in Item 8 of the Form 10-K 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 April 1, 2025, the Mississippi PSC approved a stipulation between Mississippi Power and the Mississippi Public Utilities Staff for an $8 million increase in total annual depreciation effective January 1, 2025.

Asset Retirement Obligations

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

In June 2025, Alabama Power recorded a net decrease of approximately $257 million to its AROs related to the CCR Rule and the related state rule resulting from changes in estimates, including lower future inflation rates, higher discount rates, and timing of closure activities.

Also in June 2025, Mississippi Power, as a joint owner of Alabama Power's Plant Greene County Units 1 and 2, recorded a net decrease of approximately $13 million to its AROs related to the CCR Rule and the related Alabama state rule resulting from changes in estimates, including lower future inflation rates, higher discount rates, and timing of closure activities.

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 fuel and natural gas cost recovery balances for the traditional electric operating companies and Southern Company Gas, respectively, at June 30, 2025 and December 31, 2024 were as follows:

Regulatory Clause	Balance Sheet Line Item	At June 30, 2025	At December 31, 2024
		(in millions)	
Alabama Power			
Rate ECR	Other regulatory assets, deferred	**$ 62**	$ —
	Other regulatory liabilities, current	**—**	29
Georgia Power			
Fuel Cost Recovery	Receivables – under recovered retail fuel clause revenues	**$ 655**	$ 713
	Deferred under recovered retail fuel clause revenues	**325**	453
Mississippi Power			
Fuel Cost Recovery(*)	Receivables – customer accounts, net	**$ 28**	$ —
	Deferred under recovered retail fuel clause revenues	**—**	32
	Over recovered retail fuel clause revenues	**—**	32
Southern Company Gas			
Natural Gas Cost Recovery	Natural gas cost over recovery	**$ 107**	$ 193

(*) Mississippi Power also has wholesale MRA and Market Based (MB) fuel cost recovery factors. At June 30, 2025 and December 31, 2024, wholesale MRA fuel costs were over recovered $5 million and $19 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

Petition for Certificate of Convenience and Necessity

On June 6, 2025, the FERC approved Alabama Power's acquisition of Tenaska Alabama Partners, L.P., which owns and operates the Lindsay Hill Generating Station, an approximately 855-MW combined cycle generation facility in Autauga County, Alabama. The total purchase price is approximately $622 million, subject to working capital adjustments. The completion of the acquisition is subject to the satisfaction or waiver of customary closing conditions, including, among others, approval by the Alabama PSC. 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.

Jurisdictional Separation Study Order

On June 5, 2025, the Alabama PSC approved an order authorizing Alabama Power to implement changes related to the Jurisdictional Separation Study (JSS) under Rate RSE, which allocates costs between retail and other electric services. For 2026, a revised JSS allocation factor will account for system capacity previously allocated to wholesale electric services that will be used for retail electric service starting January 1, 2026. In addition, Alabama Power is authorized to establish a regulatory asset to defer certain costs associated with this capacity for 2026, and those costs are estimated to be approximately $100 million. Beginning in 2027, Alabama Power will amortize the regulatory asset on a levelized basis over a period not exceeding 10 years.

Rate NDR

Beginning with July 2025 billings, the NDR reserve maintenance charge was suspended and the reserve establishment charge was activated as a result of the NDR balance falling below $50 million. Alabama Power

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

expects to collect $18 million in the second half of 2025 and approximately $36 million annually beginning in 2026 under Rate NDR unless the NDR balance exceeds $75 million. At June 30, 2025, Alabama Power's regulatory asset balance related to NDR was $2 million. Rate NDR is intended to allow recovery of any existing deferred storm-related operations and maintenance costs and any future reserve deficits over a 48-month period. The Alabama PSC gives Alabama Power authority to record a deficit balance in the NDR when costs of storm damage exceed any established reserve balance.

Reliability Reserve Accounting Order

On June 19, 2025, Alabama Power notified the Alabama PSC of its intent to use a portion of its $131 million reliability reserve balance during 2025. The ultimate outcome of this matter cannot be determined at this time.

Georgia Power

2022 ARP

On July 1, 2025, the Georgia PSC approved a settlement agreement among Georgia Power, the staff of the Georgia PSC, and certain intervenors to extend the 2022 ARP for an additional three-year term through December 31, 2028 (ARP Extension). Under the ARP Extension, base rates will not be adjusted in 2026, 2027, or 2028 (ARP Extension Period) except for reasonable and prudent storm damage costs incurred through December 31, 2025, which will be determined in a separate regulatory proceeding.

Under the ARP Extension, Georgia Power's retail ROE set point will continue at 10.50% and its equity ratio will continue at 56%. Additionally, the retail ROE range approved by the Georgia PSC in the 2022 ARP, of 9.50% to 11.90%, will continue. The ARP Extension includes, among other things, the following modifications to the 2022 ARP:

- Storm damage costs will be included in a separate regulatory proceeding to be filed no sooner than February 1, 2026 and no later than July 1, 2026 to recover the actual reasonable and prudent storm costs incurred through December 31, 2025. Subject to Georgia PSC approval, new rates would be effective approximately 90 days after the filing is made. The Georgia PSC will determine the period over which any such storm damage costs will be recovered.
- Amortization of regulatory assets and liabilities in the 2022 ARP, which were subsequently included in current rates through annual compliance filings, will continue through the ARP Extension Period. This includes those regulatory asset and liability balances that were projected to be fully amortized through 2025 or during the ARP Extension Period.
- The amounts previously deferred during the 2022 ARP for ITCs and PTCs will be amortized through the ARP Extension Period. The acceleration of amortization during the ARP Extension Period is subject to the Internal Revenue Code normalization rules and other guidance (if any) released by the IRS. Certain amounts of ITCs generated during the ARP Extension Period will be amortized over five years, and additional ITC amounts will be deferred to a regulatory liability during the ARP Extension Period. Sixty percent (60%) of PTC benefits generated (excluding PTCs generated under Internal Revenue Code §45J) during the ARP Extension Period will be credited to income tax expense as generated. The remaining forty percent (40%) will be deferred to a regulatory liability.
- The period for depreciation and amortization related to certain generating plants and net book values of retired generating plants will be 13 years effective January 1, 2026.

Using the retail ROE range approved by the Georgia PSC in the 2022 ARP, earnings above 11.90% retail ROE will continue to be subject to sharing whereby 40% of earnings above the band would be applied to regulatory assets, 40% would be directly refunded to customers, and the remaining 20% would be retained by Georgia Power. There will be no recovery of any earnings shortfall below 9.50% retail ROE on an actual basis. However, if at any time during the term of the ARP Extension Period, Georgia Power projects that its retail earnings will be less than the lower end of the approved retail ROE range for any calendar year of the ARP Extension Period, it may petition the Georgia PSC for implementation of the Interim Cost Recovery (ICR) tariff to adjust Georgia Power's retail rates to

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

achieve a retail ROE equal to the lower end of the approved retail ROE range. Any ICR tariff would expire at the earlier of January 1, 2029 or the end of the calendar year in which the ICR tariff becomes effective. In lieu of requesting implementation of an ICR tariff, or if the Georgia PSC chooses not to implement the ICR tariff, Georgia Power may file a full base rate case.

Except as provided above, Georgia Power will not file a base rate increase while the ARP Extension is in effect. Georgia Power is required to file a general base rate case by July 1, 2028.

Integrated Resource Plans

On June 20, 2025, Georgia Power requested certification from the Georgia PSC for a Georgia Power-owned battery energy storage facility with a capacity of 200 MWs and a projected COD in 2027. Georgia Power expects the Georgia PSC to render a final decision in September 2025.

On July 30, 2025, Georgia Power requested certification from the Georgia PSC, for which a final decision is expected to be rendered in December 2025, for the following resources:

- As included in the 2022 IRP final order, Georgia Power initiated a request for proposals (RFP) of up to 8,500 MWs of capacity from a variety of resources with projected CODs or delivery commencement dates between 2028 and 2030. The RFP resulted in 18 resources, totaling 7,999 MWs, being selected which consist of four PPAs (including two affiliate PPAs with Southern Power that are subject to approval by the FERC) with capacity totaling 1,195 MWs commencing between 2028 and 2030, three project sites consisting of five Georgia Power-owned combined cycle units with capacity totaling 3,692 MWs and projected CODs commencing between 2029 and 2030, nine Georgia Power-owned battery energy storage facilities with capacity totaling 2,762 MWs and projected CODs commencing between 2028 and 2030, and two Georgia Power-owned battery energy storage facilities with solar with capacity totaling 350 MWs and projected CODs commencing in 2028.
- In July 2025, Georgia Power extended 50 MWs of an existing 750-MW affiliate PPA with Mississippi Power for an additional year through December 31, 2029.
- Additionally, in July 2025, Georgia Power executed a 20-year non-affiliate PPA for 930 MWs commencing in 2030 and five 25-year non-affiliate PPAs totaling 646 MWs commencing in 2027.
- Georgia Power entered into agreements to initiate acquisition of property and construction of a 260-MW Georgia Power-owned battery energy storage facility with a projected COD in 2027 to be paired with an existing non-affiliate solar PPA.

The certification requests on June 20, 2025 and July 30, 2025 associated with these Georgia Power-owned projects and related transmission investments total approximately $16.7 billion, excluding AFUDC.

As required by the 2025 IRP decision, Georgia Power will update its load forecast to support the certification requests from the RFP of up to 8,500 MWs. The Georgia PSC will determine the necessary generation resources to certify. See "2025 IRP" herein for information regarding the 2025 IRP.

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

2025 IRP

On July 15, 2025, the Georgia PSC approved Georgia Power's 2025 IRP, as modified by a stipulation among Georgia Power, the staff of the Georgia PSC, and certain intervenors. In the 2025 IRP decision, the Georgia PSC approved the following requests:

- Extended operation of Plant Scherer Unit 3 (614 MWs based on 75% ownership) through at least December 31, 2035 and Plant Gaston Units 1 through 4 (500 MWs based on 50% ownership through SEGCO) through at least December 31, 2034. See Note 7 to the financial statements under "SEGCO" in Item 8 of the Form 10-K for additional information.

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

- Installation of environmental controls and natural gas co-firing at Plant Bowen Units 1 through 4 (3,160 MWs), Plant Scherer Units 1 and 2 (137 MWs based on 8.4% ownership), and Plant Scherer Unit 3 for compliance with both ELG supplemental rules and GHG rules.
- Upgrades to Plant McIntosh Units 10 and 11 (1,319 MWs) for a projected 194 MWs of incremental capacity by 2028 and Plant McIntosh Units 1 through 8 (640 MWs) for a projected 74 MWs of incremental capacity by 2033.
- Upgrades to Plant Vogtle Units 1 and 2 (1,060 MWs based on 45.7% ownership) for a projected 54 MWs of incremental capacity, some of which could be available as early as 2028.
- Investments related to the continued reliable hydro operations of four facilities, as well as the authority to spend up to $25 million to undertake engineering studies related to two additional hydro facilities.
- RFP for at least 1,100 MWs of utility scale and distributed generation renewable resources.
- Issuance of a capacity RFP to procure resources to meet capacity needs in 2032 and 2033.
- Strategic power delivery infrastructure plan necessary to help ensure adequate reliability and serve the projected future load growth expected in Georgia.
- Certification of approximately 187 MWs of wholesale capacity associated with Plant Scherer Unit 3 to be placed in retail rate base, some of which will be available beginning in 2026.

In addition, the 2025 IRP assumes Plant Bowen Units 1 and 2 will operate through at least the end of 2035.

Fuel Cost Recovery

On May 14, 2025, Georgia Power submitted an Interim Fuel Rider (IFR) notification and plan informing the Georgia PSC that Georgia Power's under recovered fuel balance exceeded the IFR threshold of $200 million, established in a Georgia PSC stipulation approved in May 2023. Georgia Power proposed no fuel cost recovery rate change and is required to monitor and report to the Georgia PSC monthly as long as the under recovered fuel balance is above $200 million. On July 15, 2025, Georgia Power filed its most recent IFR plan and notification which also proposed no fuel cost recovery rate change. Georgia Power is scheduled to file its next fuel case no later than February 28, 2026. See Note 2 to the financial statements under "Georgia Power – Fuel Cost Recovery" in Item 8 of the Form 10-K for additional information.

Nuclear Construction

Georgia Power placed Plant Vogtle Units 3 and 4 in service on July 31, 2023 and April 29, 2024, respectively. As of June 30, 2025, site demobilization efforts were largely complete. Georgia Power is finalizing remaining contractor obligations. Georgia Power's net capital costs incurred through June 30, 2025 in connection with Plant Vogtle Units 3 and 4, and its approximate proportionate share of remaining capital costs to be incurred after June 30, 2025, is as follows:

		(in millions)
Total project capital cost forecast[(a)(b)]	$	10,732
Net investment at June 30, 2025[(b)]		(10,690)
Remaining estimate to complete	**$**	**42**

(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.

Other Construction

At June 30, 2025, Georgia Power had recorded approximately $1.3 billion of combined capital costs, excluding AFUDC, for the projects reflected in the table below. The total certified amounts related to these projects are

approximately $2.8 billion, excluding AFUDC. The ultimate outcome of these matters cannot be determined at this time.

Project	Resource	Approximate Nameplate Capacity (*MW*)	Projected COD	Regulatory Approval
Projects Under Construction at June 30, 2025				
McGrau Ford	Battery energy storage	265	Fourth quarter 2026	2022 IRP
Plant Yates Units 8 through 10	Combustion turbine	1,326	Fourth quarter 2026 through third quarter 2027	2023 IRP Update
Various facilities	Battery energy storage	500	Second quarter 2026 through fourth quarter 2026	2023 IRP Update

Mississippi Power

Performance Evaluation Plan

On June 17, 2025, the Mississippi PSC approved Mississippi Power's annual retail PEP filing for 2025, resulting in an annual increase in revenues of approximately 4.0%, or $41 million, primarily due to increases in investment and depreciation. In accordance with the PEP rate schedule, an increase of 2.0% of total retail revenues, or approximately $22 million, became effective with the first billing cycle of April 2025, and the remaining approximately $19 million became effective with the first billing cycle of July 2025.

Integrated Resource Plans

On July 8, 2025, Mississippi Power extended 50 MWs of an existing 750-MW affiliate PPA with Georgia Power for an additional year through December 31, 2029, subject to approval by the Georgia PSC. The ultimate outcome of this matter cannot be determined at this time. See "Georgia Power – Integrated Resource Plans" herein for additional information.

Environmental Compliance Overview Plan

On April 1, 2025, the Mississippi PSC approved Mississippi Power's annual ECO Plan filing for 2025, resulting in a $6 million annual increase in revenues effective with the first billing cycle of May 2025.

Ad Valorem Tax Adjustment

On June 30, 2025, Mississippi Power submitted its annual ad valorem tax adjustment filing for 2025 to the Mississippi PSC, which requested a $7 million annual increase in revenues. The ultimate outcome of this matter cannot be determined at this time.

System Restoration Rider

On June 17, 2025, the Mississippi PSC approved Mississippi Power's annual SRR filing for 2025, with no change in retail rates. Mississippi Power's minimum annual SRR accrual increased from $12.6 million to $13.5 million and the target property damage reserve balance increased from $75 million to $125 million. Mississippi Power will continue to record a minimum annual accrual until a target property damage reserve balance of $125 million is met.

Reliability Reserve Accounting Order

On March 17, 2025, Mississippi Power notified the Mississippi PSC of its intent to use a portion of its $57 million reliability reserve balance during 2025, through the annual PEP filing. On June 17, 2025, the Mississippi PSC approved the annual PEP filing which allowed the use of $10.9 million of the reliability reserve balance, which Mississippi Power used for reliability-related generation, transmission, and distribution expenses in the second quarter 2025. See "Performance Evaluation Plan" herein for information regarding approval of the annual PEP filing.

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Plant Daniel

On June 19, 2025, the Florida PSC issued a final order approving the transfer of FP&L's 50% ownership interest in Plant Daniel Units 1 and 2 to Mississippi Power. On July 30, 2025, Mississippi Power completed the acquisition of FP&L's 50% interest in Plant Daniel Units 1 and 2 and, as part of the acquisition, received approximately $36 million from FP&L.

Municipal and Rural Associations Tariff

On April 3, 2025, the FERC approved a settlement agreement filed by Mississippi Power and Cooperative Energy in December 2024. The settlement agreement provides for (i) a $1 million increase in annual wholesale base revenues and a refund to customers of approximately $4 million, (ii) a rate escalation of 2.5% on an annual basis in periods subsequent to December 31, 2024 and continuing through the end of the shared service agreement on December 31, 2035, and (iii) a waiver of rights by Mississippi Power and Cooperative Energy to file for any changes in non-fuel rates through the end of the term of the shared service agreement.

Southern Company Gas

Infrastructure Replacement Programs and Capital Projects

On March 26, 2025, the Illinois Supreme Court denied Nicor Gas' petition for leave to appeal $14 million of the 2019 Qualifying Infrastructure Plant disallowance. This matter is concluded and had no impact on the current period financial statements.

(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

On July 11, 2025, a purported class action complaint was filed in the U.S. District Court for the District of Maryland against two nuclear consulting companies and all U.S. commercial nuclear power operators, or affiliated entities, including Southern Company. The purported class of plaintiffs includes all persons employed in nuclear power generation by the defendants, including nuclear operators, nuclear engineers, and nuclear technicians, from May 1, 2003 to the present. The complaint alleges that, since at least May 2003, the nuclear power industry conspired to fix and suppress employee compensation for nuclear power generation employees in violation of federal antitrust law. Although not named as defendants, other entities are accused of having participated in the plaintiffs' alleged conspiracy, including Southern Nuclear. The plaintiffs seek to recover, among other relief, unspecified monetary damages, including treble damages and attorneys' fees, and injunctive relief. An adverse outcome could have a material impact on Southern Company's financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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Southern Company and Mississippi Power

In 2010, the DOE, through a cooperative agreement with SCS, agreed to fund $270 million of the Kemper County energy facility through the grants awarded to the project by the DOE under the Clean Coal Power Initiative Round 2. In 2016, additional DOE grants in the amount of $137 million were awarded to the Kemper County energy facility. In 2018, Mississippi Power filed with the DOE its request for property closeout certification under the contract related to the $387 million of total grants received. In 2020, Mississippi Power and Southern Company executed an agreement with the DOE completing Mississippi Power's request, which enabled Mississippi Power to proceed with full dismantlement of the abandoned gasifier-related assets and site restoration activities. In connection with the DOE closeout discussions, in 2019, the Civil Division of the Department of Justice informed Southern Company and Mississippi Power of a civil investigation related to the DOE grants. 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. In February 2024, the defendants moved to dismiss the amended complaint. In August 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. In October 2024, the plaintiff requested interlocutory appeal of the court's decision, which was denied on February 25, 2025, and the defendants asserted counterclaims for conversion and misappropriation of trade secrets. In November 2024, the defendants filed a motion for judgment on the pleadings on the plaintiff's employment retaliation claim. In December 2024, the plaintiff filed a motion to dismiss the defendants' counterclaims. On July 15, 2025, the court denied the plaintiff's motion to dismiss the defendants' counterclaims and the defendants' motion for judgment on the pleadings. 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. In January 2024, the lawsuit was dismissed without prejudice by the U.S. District Court judge. In February 2024, the plaintiff filed a motion to reconsider, which was denied by the U.S. District Court judge in July 2024. In August 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 2023, the EPA issued a Notice of Potential Violations (NOPV) associated with Alabama Power's plan to close the Plant Barry surface impoundment. In September 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. The settlement did not resolve the EPA's allegation relating to Alabama Power's plan to close the Plant Barry surface impoundment. Alabama Power has affirmed to the EPA its position that it is in compliance with CCR requirements.

On July 29, 2025, Coosa Riverkeeper filed a citizen suit in the U.S. District Court for the Northern District of Alabama alleging that Alabama Power's closure of the Plant Gadsden surface impoundment violates the RCRA and regulations governing CCR. Among other relief requested, Coosa Riverkeeper seeks declaratory judgment that Alabama Power is in violation of RCRA and regulations governing CCR, and preliminary and injunctive relief to

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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require Alabama Power to close the CCR unit and operate a groundwater monitoring system in a different manner to satisfy RCRA and the regulations governing CCR requirements.

These matters could have a material impact on Alabama Power's and Southern Company'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.

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 at both June 30, 2025 and December 31, 2024. 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 $216 million and $222 million at June 30, 2025 and December 31, 2024, respectively, based on the estimated cost of environmental investigation and remediation at known former manufactured gas plant operating sites.

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

Other Matters

Mississippi Power

On March 31, 2025, the Mississippi Department of Revenue (Mississippi DOR) completed an audit of sales and use taxes paid by Mississippi Power from October 2019 to July 2024 and entered a final assessment, indicating a total amount due of $29 million, including associated penalties and interest. Mississippi Power does not agree with the audit findings and filed an administrative appeal with the Mississippi DOR on May 29, 2025. Mississippi Power's sales and use taxes are generally authorized for rate recovery. The ultimate outcome of this matter cannot be determined at this time.

(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 "Affiliate Transactions" and "Revenues" 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)
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The following table disaggregates revenue from contracts with customers for the three and six months ended June 30, 2025 and 2024:

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
			(in millions)			
Three Months Ended June 30, 2025						
Operating revenues						
Retail electric revenues						
Residential	$ 2,021	$ 725	$ 1,217	$ 79	$ —	$ —
Commercial	1,716	504	1,127	85	—	—
Industrial	1,015	432	496	87	—	—
Other	29	2	25	2	—	—
Total retail electric revenues	4,781	1,663	2,865	253	—	—
Natural gas distribution revenues						
Residential	394	—	—	—	—	394
Commercial	94	—	—	—	—	94
Transportation	331	—	—	—	—	331
Industrial	7	—	—	—	—	7
Other	60	—	—	—	—	60
Total natural gas distribution revenues	886	—	—	—	—	886
Wholesale electric revenues						
PPA energy revenues	310	58	50	2	210	—
PPA capacity revenues	154	29	35	17	85	—
Non-PPA revenues	60	36	10	100	59	—
Total wholesale electric revenues	524	123	95	119	354	—
Other natural gas revenues						
Gas marketing services	81	—	—	—	—	81
Other	5	—	—	—	—	5
Total other natural gas revenues	86	—	—	—	—	86
Other revenues	457	67	206	9	8	—
Total revenue from contracts with customers	6,734	1,853	3,166	381	362	972
Other revenue sources[(*)]	239	115	(56)	19	184	7
Total operating revenues	$ 6,973	$ 1,968	$ 3,110	$ 400	$ 546	$ 979

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
			(in millions)			
Six Months Ended June 30, 2025						
Operating revenues						
Retail electric revenues						
Residential	$ 4,087	$ 1,531	$ 2,403	$ 153	$ —	$ —
Commercial	3,327	986	2,181	160	—	—
Industrial	1,930	822	940	168	—	—
Other	61	4	52	5	—	—
Total retail electric revenues	9,405	3,343	5,576	486	—	—
Natural gas distribution revenues						
Residential	1,239	—	—	—	—	1,239
Commercial	292	—	—	—	—	292
Transportation	737	—	—	—	—	737
Industrial	26	—	—	—	—	26
Other	170	—	—	—	—	170
Total natural gas distribution revenues	2,464	—	—	—	—	2,464
Wholesale electric revenues						
PPA energy revenues	723	112	134	5	491	—
PPA capacity revenues	299	57	74	34	169	—
Non-PPA revenues	136	106	19	233	121	—
Total wholesale electric revenues	1,158	275	227	272	781	—
Other natural gas revenues						
Gas marketing services	337	—	—	—	—	337
Other	10	—	—	—	—	10
Total other natural gas revenues	347	—	—	—	—	347
Other revenues	954	150	436	30	14	—
Total revenue from contracts with customers	14,328	3,768	6,239	788	795	2,811
Other revenue sources[(*)]	420	212	(91)	33	318	7
Total operating revenues	$ 14,748	$ 3,980	$ 6,148	$ 821	$ 1,113	$ 2,818

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
			(in millions)			
Three Months Ended June 30, 2024						
Operating revenues						
Retail electric revenues						
Residential	$ 2,049	$ 736	$ 1,236	$ 77	$ —	$ —
Commercial	1,613	508	1,023	82	—	—
Industrial	962	445	434	83	—	—
Other	30	3	25	2	—	—
Total retail electric revenues	4,654	1,692	2,718	244	—	—
Natural gas distribution revenues						
Residential	287	—	—	—	—	287
Commercial	69	—	—	—	—	69
Transportation	304	—	—	—	—	304
Industrial	5	—	—	—	—	5
Other	63	—	—	—	—	63
Total natural gas distribution revenues	728	—	—	—	—	728
Wholesale electric revenues						
PPA energy revenues	265	55	22	1	192	—
PPA capacity revenues	153	23	32	15	99	—
Non-PPA revenues	54	27	2	95	50	—
Total wholesale electric revenues	472	105	56	111	341	—
Other natural gas revenues						
Gas marketing services	68	—	—	—	—	68
Other	6	—	—	—	—	6
Total other natural gas revenues	74	—	—	—	—	74
Other revenues	419	62	185	10	11	—
Total revenue from contracts with customers	6,347	1,859	2,959	365	352	802
Other revenue sources[(*)]	116	14	(84)	(1)	172	29
Total operating revenues	$ 6,463	$ 1,873	$ 2,875	$ 364	$ 524	$ 831

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
			(in millions)			
Six Months Ended June 30, 2024						
Operating revenues						
Retail electric revenues						
Residential	$ 3,900	$ 1,501	$ 2,252	$ 147	$ —	$ —
Commercial	3,084	976	1,955	153	—	—
Industrial	1,834	855	817	162	—	—
Other	60	6	50	4	—	—
Total retail electric revenues	8,878	3,338	5,074	466	—	—
Natural gas distribution revenues						
Residential	1,032	—	—	—	—	1,032
Commercial	245	—	—	—	—	245
Transportation	666	—	—	—	—	666
Industrial	21	—	—	—	—	21
Other	176	—	—	—	—	176
Total natural gas distribution revenues	2,140	—	—	—	—	2,140
Wholesale electric revenues						
PPA energy revenues	537	112	40	2	394	—
PPA capacity revenues	304	46	64	31	196	—
Non-PPA revenues	112	68	2	187	110	—
Total wholesale electric revenues	953	226	106	220	700	—
Other natural gas revenues						
Gas marketing services	300	—	—	—	—	300
Other	11	—	—	—	—	11
Total other natural gas revenues	311	—	—	—	—	311
Other revenues	746	114	337	22	21	—
Total revenue from contracts with customers	13,028	3,678	5,517	708	721	2,451
Other revenue sources(*)	81	(14)	(244)	(2)	276	87
Total operating revenues	$ 13,109	$ 3,664	$ 5,273	$ 706	$ 997	$ 2,538

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

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Contract Balances

The following table reflects the closing balances of receivables, contract assets, and contract liabilities related to revenues from contracts with customers at June 30, 2025 and December 31, 2024:

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
			(in millions)			
Accounts Receivable						
At June 30, 2025	**$ 3,106**	**$ 778**	**$ 1,485**	**$ 133**	**$ 132**	**$ 451**
At December 31, 2024	3,048	783	1,244	113	106	660
Contract Assets						
At June 30, 2025	**$ 304**	**$ —**	**$ 134**	**$ —**	**$ —**	**$ 74**
At December 31, 2024	323	3	184	—	—	72
Contract Liabilities						
At June 30, 2025	**$ 170**	**$ 14**	**$ 73**	**$ 2**	**$ 1**	**$ —**
At December 31, 2024	140	11	34	—	2	3

Contract assets for Georgia Power primarily relate to unregulated service agreements, where payment is contingent on project completion, and 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. 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 received cash advances totaling approximately $68 million from a third-party financial institution to fund work performed. 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 June 30, 2025 and December 31, 2024, Southern Company's unregulated distributed generation business had contract assets of $95 million and $67 million, respectively, and contract liabilities of $81 million and $95 million, respectively, for outstanding performance obligations, all of which are expected to be satisfied within one year.

Revenues recognized in the three and six months ended June 30, 2025, which were included in contract liabilities at December 31, 2024, were $44 million and $72 million, respectively, for Southern Company, $11 million and $16 million, respectively, for Georgia Power, 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. Southern Company's unregulated distributed generation business also has partially satisfied performance obligations related

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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to certain fixed price contracts. Revenues from contracts with customers related to these performance obligations remaining at June 30, 2025 are expected to be recognized as follows:

	2025 (remaining)	2026	2027	2028	2029	Thereafter
			(in millions)			
Southern Company	$ 548	$ 535	$ 405	$ 343	$ 309	$ 2,636
Alabama Power	49	6	4	1	—	—
Georgia Power	37	43	18	15	2	27
Mississippi Power(*)	31	66	69	73	—	—
Southern Power(*)	183	331	340	316	312	2,609

(*) 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 six months ended June 30, 2025 and 2024 was as follows:

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
			(in millions)			
Three Months Ended June 30, 2025						
Lease income - interest income on sales-type leases	**$ 6**	**$ —**	**$ —**	**$ 4**	**$ 2**	**$ —**
Lease income - operating leases	**33**	**2**	**7**	**1**	**37**	**9**
Variable lease income	**125**	**—**	**—**	**—**	**136**	**—**
Total lease income	**$ 164**	**$ 2**	**$ 7**	**$ 5**	**$ 175**	**$ 9**
Six Months Ended June 30, 2025						
Lease income - interest income on sales-type leases	**$ 11**	**$ —**	**$ —**	**$ 7**	**$ 4**	**$ —**
Lease income - operating leases	**66**	**3**	**14**	**1**	**73**	**18**
Variable lease income	**207**	**1**	**—**	**—**	**225**	**—**
Total lease income	**$ 284**	**$ 4**	**$ 14**	**$ 8**	**$ 302**	**$ 18**
Three Months Ended June 30, 2024						
Lease income - interest income on sales-type leases	$ 7	$ —	$ —	$ 5	$ 2	$ —
Lease income - operating leases	35	2	9	1	22	9
Variable lease income	129	—	—	—	139	—
Total lease income	$ 171	$ 2	$ 9	$ 6	$ 163	$ 9
Six Months Ended June 30, 2024						
Lease income - interest income on sales-type leases	$ 14	$ —	$ —	$ 9	$ 5	$ —
Lease income - operating leases	71	5	16	2	43	18
Variable lease income	201	—	—	—	218	—
Total lease income	$ 286	$ 5	$ 16	$ 11	$ 266	$ 18

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.

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(E) CONSOLIDATED ENTITIES AND EQUITY METHOD INVESTMENTS

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

Southern Company

At June 30, 2025 and December 31, 2024, Southern Holdings had equity method investments totaling $115 million and $128 million, respectively, primarily related to investments in venture capital funds focused on energy and utility investments. The net losses from these investments totaled $14 million and $20 million for the three and six months ended June 30, 2025, respectively. Earnings/losses from these investments for the three and six months ended June 30, 2024 were immaterial.

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 June 30, 2025 and December 31, 2024, SP Solar had total assets of $5.3 billion and $5.4 billion, respectively, total liabilities of $360 million and $372 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 June 30, 2025 and December 31, 2024, SP Wind had total assets of $2.0 billion, total liabilities of $247 million and $177 million, respectively, and noncontrolling interests of $34 million and $35 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.

Subsequent to June 30, 2025, Southern Power notified the Class A members of its intent to exercise the option to purchase all Class A membership interests in the SP Wind tax equity partnership on December 31, 2025 under the terms of the limited liability agreement.

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 June 30, 2025 and December 31, 2024, the other VIEs had total assets of $1.6 billion, total liabilities of $229 million and $224 million, respectively, and noncontrolling interests of $657 million and $691 million, respectively.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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Under the terms of the partnership agreements, distributions of all available cash are required each month or quarter and additional distributions require partner consent.

Southern Company Gas

The carrying amounts of Southern Company Gas' equity method investments at June 30, 2025 and December 31, 2024 were as follows:

Investment Balance	At June 30, 2025	At December 31, 2024
	(in millions)	
SNG	**$ 1,266**	$ 1,245
Other	**34**	34
Total	**$ 1,300**	$ 1,279

The earnings from Southern Company Gas' equity method investment in SNG were $23 million and $32 million for the three months ended June 30, 2025 and 2024, respectively, and $62 million and $76 million for the six months ended June 30, 2025 and 2024, respectively. The earnings from Southern Company Gas' other equity method investments were immaterial for all periods presented.

(F) FINANCING

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 June 30, 2025, committed credit arrangements with banks were as follows:

	Expires					
Company	2026	2027	2030	Total	Unused	Expires within One Year
			(in millions)			
Southern Company parent[(a)]	$ —	$ 500	$ 2,500	$ 3,000	$ 2,999	$ —
Alabama Power[(b)]	665	—	700	1,365	1,364	—
Georgia Power	—	—	2,050	2,050	2,026	—
Mississippi Power[(a)]	—	125	150	275	275	—
Southern Power[(a)(c)]	—	—	600	600	600	—
Southern Company Gas[(d)]	—	—	1,600	1,600	1,598	—
SEGCO	30	—	—	30	30	30
Southern Company	$ 695	$ 625	$ 7,600	$ 8,920	$ 8,892	$ 30

(a) Arrangement expiring in 2030 represents a $3.25 billion combined arrangement for Southern Company, Mississippi Power, and Southern Power allowing for flexible sublimits. Pursuant to the combined facility, the allocations among Southern Company, Southern Power, and Mississippi Power may be adjusted.

(b) Includes $15 million expiring in 2026 at Alabama Property Company, a wholly-owned subsidiary of Alabama Power, of which $14 million was unused at June 30, 2025. Alabama Power is not party to this arrangement.

(c) Does not include Southern Power Company's $75 million and $100 million continuing letter of credit facilities for standby letters of credit, expiring in 2027 and 2028, respectively, of which $17 million and $4 million, respectively, was unused at June 30, 2025. Southern Power's subsidiaries are not parties to its bank credit arrangements or letter of credit facilities.

(d) 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 2030. Southern Company Gas' committed credit arrangement expiring in 2030 also includes $800 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 2030, the allocations between Southern Company Gas Capital and Nicor Gas may be adjusted.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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As reflected in the table above, in March 2025, (i) Southern Company and Southern Power amended and restated their combined multi-year credit arrangement to include Mississippi Power, increase the total credit arrangement from $2.45 billion to $3.25 billion (currently allocated $2.50 billion for Southern Company, $600 million for Southern Power, and $150 million for Mississippi Power), and extend the maturity date from 2029 to 2030; (ii) Southern Company increased its $150 million credit arrangement to $500 million and extended the maturity date from 2025 to 2027; (iii) Georgia Power increased its $1.75 billion credit arrangement to $2.05 billion and extended the maturity date from 2029 to 2030; and (iv) Southern Company Gas Capital, along with Nicor Gas, increased its $1.5 billion credit arrangement to $1.6 billion (currently allocated $800 million for each of Southern Company Gas Capital and Nicor Gas). Also in March 2025, (i) Georgia Power terminated $300 million of credit arrangements expiring in 2025, (ii) Mississippi Power terminated $150 million of credit arrangements expiring in 2027, and (iii) Nicor Gas terminated a $100 million credit arrangement expiring in 2025. Alabama Power and Southern Company Gas Capital, along with Nicor Gas, entered into agreements in March 2025 to extend the maturity date of each of their respective multi-year credit agreements in May 2025 from 2029 to 2030. In May and June 2025, SEGCO amended its credit arrangements aggregating $30 million, which extended the maturity dates from 2025 to 2026.

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 June 30, 2025, 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 June 30, 2025, outstanding variable rate demand revenue bonds of the traditional electric operating companies with allocated liquidity support totaled approximately $1.5 billion (comprised of approximately $796 million at Alabama Power, $667 million at Georgia Power, and $69 million at Mississippi Power). Subsequent to June 30, 2025, Mississippi Power repaid at maturity approximately $11 million of its $69 million variable rate demand revenue bonds. In addition, at June 30, 2025, Alabama Power and Georgia Power had approximately $280 million and $501 million, respectively, of fixed rate revenue bonds outstanding that are required to be remarketed within the next 12 months. Alabama Power's $280 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 2025, Southern Company issued $1.65 billion aggregate principal amount of Series 2025A 3.25% Convertible Senior Notes due June 15, 2028 (Series 2025A Convertible Senior Notes). Southern Company used a portion of the proceeds from the Series 2025A Convertible Senior Notes to repurchase approximately $781.6 million of the $1.725 billion aggregate principal amount outstanding of its Series 2023A 3.875% Convertible Senior Notes due December 15, 2025 and approximately $328.1 million of the $1.5 billion aggregate principal amount outstanding of its Series 2024A 4.50% Convertible Senior Notes due June 15, 2027, in each case, through privately negotiated transactions with a limited number of holders thereof. Southern Company evaluated these repurchases and determined that all of the repurchased notes were accounted for as extinguishment of debt. As a result of these transactions, Southern Company recognized a $129 million loss on extinguishment of debt in the second quarter 2025 within interest expense in the consolidated statements of income.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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Interest on the Series 2025A Convertible Senior Notes is payable semiannually, beginning December 15, 2025. The Series 2025A Convertible Senior Notes will mature on June 15, 2028, unless earlier converted or repurchased, but are not redeemable at the option of Southern Company. The Series 2025A 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 2025A Convertible Senior Notes at their option prior to the close of business on the business day preceding March 15, 2028, but only under the following circumstances:

- during any calendar quarter (and only during such calendar quarter), if the last reported sale price of Southern Company's common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day as determined by Southern Company;
- during the five business day period after any 10 consecutive trading day period (Measurement Period) in which the trading price per $1,000 principal amount of Series 2025A Convertible Senior Notes, as determined by Southern Company following a request by a holder of Series 2025A 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 2025A Convertible Senior Notes.

On or after March 15, 2028, a holder may convert all or any portion of its Series 2025A 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 2025A Convertible Senior Notes by paying cash up to the aggregate principal amount of the Series 2025A 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 2025A Convertible Senior Notes being converted. The Series 2025A Convertible Senior Notes are initially convertible at a rate of 8.8077 shares of common stock per $1,000 principal amount converted, which is approximately equal to $113.54 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 2025A 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, other than an excluded fundamental change (each as defined in the indenture governing the Series 2025A Convertible Senior Notes), holders of the Series 2025A Convertible Senior Notes may require Southern Company to purchase all or a portion of their Series 2025A 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 2025A Convertible Senior Notes to be purchased plus any accrued and unpaid interest.

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Equity Distribution Agreement

See Note 8 to the financial statements under "Equity Distribution Agreement" in Item 8 of the Form 10-K for additional information.

The table below reflects shares of Southern Company common stock sold under separate forward sale contracts with forward purchasers during the six months ended June 30, 2025.

Shares Sold	Initial Forward Price per Share	To be Settled On or Before
292,694[(a)]	$83.3293	December 31, 2025
563,386	$87.9027	December 31, 2025
1,000,000	$88.7502	June 30, 2026
1,000,000	$88.7739	June 30, 2026
1,000,000	$91.2856	June 30, 2026
1,000,000	$89.1444	June 30, 2026
1,000,000	$88.8490	June 30, 2026
1,000,000	$88.8903	June 30, 2026
1,000,000	$90.9196	June 30, 2026
1,255,000	$91.0566	June 30, 2026
1,324,942	$88.7048	December 31, 2026
2,277,113	$88.3227	December 31, 2026
3,130,641	$88.2823	December 31, 2026
3,255,866	$89.4692	December 31, 2026
1,849,629[(b)]	$90.6617[(b)]	December 31, 2026

(a) The total number of shares sold under this forward sale contract is 436,614, of which the first 143,920 shares were sold in December 2024.

(b) The total number of shares sold under this forward sale contract is 3,850,000, of which the remaining 2,000,371 shares were sold subsequent to June 30, 2025. The initial forward price was determined after the completion of sales by the forward seller in July 2025.

As of June 30, 2025, Southern Company had entered into separate forward sale contracts with forward purchasers for a total of 25,093,562 shares of common stock, of which 23,093,191 shares had been sold by the forward sellers, and no shares had been settled under the forward sale contracts.

Each initial forward price is subject to adjustment under certain circumstances as specified in the forward sales contract. Southern Company may settle these forward transactions in shares, cash, or net shares.

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, forward sale contracts pursuant to the equity distribution agreement, and convertible senior notes. EPS dilution resulting from stock-based compensation plans and the forward sale contracts is determined using the treasury stock method, and EPS dilution resulting from the convertible senior notes is determined using the net share settlement method. See "Convertible Senior Notes" and "Equity Distribution Agreement" herein and Note 8 to the financial statements under "Convertible Senior Notes"

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and "Equity Distribution Agreement" 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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in millions)			
As reported shares	**1,101**	1,096	**1,100**	1,095
Effect of stock-based compensation	**6**	6	**6**	6
Effect of convertible senior notes	**1**	—	**1**	—
Diluted shares	**1,108**	1,102	**1,107**	1,101

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 six months ended June 30, 2025, dilution resulting from forward sale contracts was immaterial.

(G) INCOME TAXES

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

Current and Deferred Income Taxes

In 2024, Alabama Power, Georgia Power, and Southern Power entered into agreements with non-affiliated parties to transfer ITCs and PTCs at a discount to the generated credit value in 2024, 2025, and 2026. During the first six months of 2025, Alabama Power, Georgia Power, and Southern Power received cash of $44 million, $28 million, and $13 million, respectively, from credits transferred. The discount is recorded as a reduction in tax credits recognized in the financial statements and does not have a material impact on results of operations. The Southern Company system continues to explore the ability to efficiently monetize its tax credits through third-party transfer agreements.

Pursuant to certain joint ownership agreements, Georgia Power paid $81 million in the second quarter 2025 to the other Vogtle Owners for advanced nuclear PTCs for Plant Vogtle Units 3 and 4. The gain was recognized in 2025 as an income tax benefit and was immaterial.

Tax Credit and Net Operating Loss Carryforwards

Southern Company's federal PTC and ITC carryforwards are expected to be fully utilized by 2030. The utilization of each Registrant's estimated federal and state tax attributes and related valuation allowances could be impacted by numerous factors, including the acquisition of additional renewable energy and battery energy storage projects, changes in taxable income projections, and potential income tax rate changes. See Notes (B) and (K) under "Georgia Power" and "Southern Power," respectively, herein for information regarding current renewable energy and battery energy storage projects.

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 21.1% for the six months ended June 30, 2025 compared to 18.5% for the corresponding period in 2024. The effective tax rate increase was primarily due to charges to a valuation allowance on certain state tax credit carryforwards at Georgia Power, the recognition of certain state tax positions

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from amended returns in the second quarter 2024 at Georgia Power, and a decrease in the flowback of certain excess deferred income taxes at Alabama Power, partially offset by increases in the flowback of excess state deferred income taxes and in the generation of advanced nuclear PTCs at Georgia Power.

Alabama Power

Alabama Power's effective tax rate was 23.0% for the six months ended June 30, 2025 compared to 21.0% for the corresponding period in 2024. 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 21.7% for the six months ended June 30, 2025 compared to 18.4% for the corresponding period in 2024. The effective tax rate increase was primarily due to charges to a valuation allowance on certain state tax credit carryforwards and the recognition of certain state tax positions from amended returns in the second quarter 2024, partially offset by increases in the flowback of excess state deferred income taxes and in the generation of advanced nuclear PTCs.

Mississippi Power

Mississippi Power's effective tax rate was 22.8% for the six months ended June 30, 2025 compared to 18.4% for the corresponding period in 2024. The effective tax rate increase was primarily due to a decrease in the flowback of certain excess deferred income taxes.

Southern Power

Southern Power's effective tax benefit rate was (7.0)% for the six months ended June 30, 2025 compared to (0.8)% for the corresponding period in 2024. The effective tax rate decrease was primarily due to a change in pre-tax earnings attributable to Southern Power, including the impact of accelerated depreciation related to wind repowering projects and changes in tax rates resulting from tax legislation enacted by the State of Georgia in the second quarters of 2024 and 2025. See Note (K) under "Southern Power – Wind Repowering Projects" herein for additional information.

Southern Company Gas

Southern Company Gas' effective tax rate was 23.7% for the six months ended June 30, 2025 compared to 25.1% for the corresponding period in 2024. The effective tax rate decrease was primarily due to an increase in the flowback of excess state deferred income taxes.

Unrecognized Tax Benefits

Southern Company's, Alabama Power's, and Georgia Power's unrecognized tax positions balances at June 30, 2025 were $382 million, $144 million, and $188 million, respectively. At December 31, 2024, Southern Company's and Georgia Power's unrecognized tax positions balances were $82 million and $34 million, respectively, and Alabama Power had no unrecognized tax positions. The increases from prior periods are related to Alabama Power's and Georgia Power's ability to meet prevailing wage requirements related to existing zero-emission nuclear power PTCs and will not impact Southern Company's, Alabama Power's, and Georgia Power's effective tax rates if recognized. The ultimate outcome of this unrecognized tax benefit, which is expected to be resolved within the next 12 months, is dependent on acceptance by the IRS and cannot be determined at this time.

(H) RETIREMENT BENEFITS

The Southern Company system has a qualified defined benefit, trusteed, pension plan covering substantially all employees, with the exception of employees at PowerSecure. The qualified pension plan is funded in accordance with requirements of the Employee Retirement Income Security Act of 1974, as amended. No mandatory contributions to the qualified pension plan are anticipated for the year ending December 31, 2025. The Southern Company system also provides certain non-qualified defined benefits for a select group of management and highly

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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.

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 six months ended June 30, 2025 and 2024 are presented in the following tables.

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	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
			(in millions)			
Three Months Ended June 30, 2025						
Pension Plans						
Service cost	$ 66	$ 15	$ 15	$ 2	$ 2	$ 7
Interest cost	166	38	49	8	3	11
Expected return on plan assets	(320)	(78)	(99)	(14)	(4)	(22)
Amortization:						
Prior service costs	—	—	1	—	—	(1)
Regulatory asset	—	—	—	—	—	4
Net (gain) loss	10	4	3	—	(2)	—
Net periodic pension income	$ (78)	$ (21)	$ (31)	$ (4)	$ (1)	$ (1)
Postretirement Benefits						
Service cost	$ 3	$ 1	$ 1	$ —	$ —	$ —
Interest cost	18	4	7	—	—	2
Expected return on plan assets	(22)	(9)	(8)	—	—	(2)
Amortization:						
Regulatory asset	—	—	—	—	—	2
Net (gain) loss	(4)	—	(2)	1	—	(2)
Net periodic postretirement benefit cost (income)	$ (5)	$ (4)	$ (2)	$ 1	$ —	$ —
Six Months Ended June 30, 2025						
Pension Plans						
Service cost	$ 132	$ 30	$ 31	$ 5	$ 3	$ 13
Interest cost	332	77	98	15	5	22
Expected return on plan assets	(640)	(156)	(198)	(29)	(8)	(43)
Amortization:						
Prior service costs	—	—	1	—	—	(1)
Regulatory asset	—	—	—	—	—	8
Net (gain) loss	19	6	7	1	(1)	—
Net periodic pension income	$ (157)	$ (43)	$ (61)	$ (8)	$ (1)	$ (1)
Postretirement Benefits						
Service cost	$ 6	$ 2	$ 2	$ —	$ —	$ —
Interest cost	35	8	13	1	—	4
Expected return on plan assets	(45)	(18)	(16)	—	—	(4)
Amortization:						
Prior service costs	1	—	—	—	—	—
Regulatory asset	—	—	—	—	—	3
Net gain	(7)	—	(2)	—	—	(4)
Net periodic postretirement benefit cost (income)	$ (10)	$ (8)	$ (3)	$ 1	$ —	$ (1)

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

	Southern Company	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas
			(in millions)			
Three Months Ended June 30, 2024						
Pension Plans						
Service cost	$ 73	$ 17	$ 17	$ 3	$ 1	$ 7
Interest cost	158	37	48	7	2	11
Expected return on plan assets	(315)	(76)	(98)	(15)	(4)	(21)
Amortization:						
Prior service costs	—	—	1	—	—	(1)
Regulatory asset	—	—	—	—	—	4
Net loss	13	4	4	2	1	—
Net periodic pension income	$ (71)	$ (18)	$ (28)	$ (3)	$ —	$ —
Postretirement Benefits						
Service cost	$ 3	$ 1	$ 1	$ —	$ —	$ —
Interest cost	17	4	5	—	—	2
Expected return on plan assets	(22)	(8)	(8)	—	—	(2)
Amortization:						
Regulatory asset	—	—	—	—	—	2
Net gain	(4)	(2)	—	—	—	(1)
Net periodic postretirement benefit cost (income)	$ (6)	$ (5)	$ (2)	$ —	$ —	$ 1
Six Months Ended June 30, 2024						
Pension Plans						
Service cost	$ 146	$ 34	$ 35	$ 6	$ 3	$ 14
Interest cost	317	74	96	14	4	21
Expected return on plan assets	(631)	(153)	(197)	(29)	(8)	(43)
Amortization:						
Prior service costs	—	—	1	—	—	(1)
Regulatory asset	—	—	—	—	—	8
Net loss	27	8	9	2	1	—
Net periodic pension income	$ (141)	$ (37)	$ (56)	$ (7)	$ —	$ (1)
Postretirement Benefits						
Service cost	$ 7	$ 2	$ 2	$ —	$ —	$ —
Interest cost	33	8	11	1	—	4
Expected return on plan assets	(44)	(17)	(16)	—	—	(4)
Amortization:						
Prior service costs	1	—	—	—	—	—
Regulatory asset	—	—	—	—	—	3
Net gain	(8)	(2)	(1)	(1)	—	(3)
Net periodic postretirement benefit income	$ (11)	$ (9)	$ (4)	$ —	$ —	$ —

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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(I) FAIR VALUE MEASUREMENTS

At June 30, 2025, 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				
At June 30, 2025	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Net Asset Value as a Practical Expedient (NAV)**	**Total**
			(in millions)		
Southern Company					
Assets:					
Energy-related derivatives[a]	$ 11	$ 122	$ —	$ —	$ 133
Interest rate derivatives	—	9	—	—	9
Foreign currency derivatives	—	34	—	—	34
Investments in trusts:[b]					
Domestic equity	876	268	—	—	1,144
Foreign equity	164	206	—	—	370
U.S. Treasury and government agency securities	—	355	—	—	355
Municipal bonds	—	48	—	—	48
Pooled funds – fixed income	—	5	—	—	5
Corporate bonds	—	495	—	—	495
Mortgage- and asset-backed securities	—	122	—	—	122
Private equity	—	—	—	191	191
Cash and cash equivalents	1	—	—	—	1
Other	33	3	—	9	45
Investments, available-for-sale:					
U.S. Treasury and government agency securities	1	10	—	—	11
Corporate bonds	—	2	—	—	2
Mortgage- and asset-backed securities	—	9	—	—	9
Cash equivalents and restricted cash	631	18	—	—	649
Other investments	10	37	8	—	55
Total	$ 1,727	$ 1,743	$ 8	$ 200	$ 3,678
Liabilities:					
Energy-related derivatives[a]	$ 6	$ 66	$ —	$ —	$ 72
Interest rate derivatives	—	206	—	—	206
Foreign currency derivatives	—	22	—	—	22
Contingent consideration	3	—	14	—	17
Other	—	13	11	—	24
Total	$ 9	$ 307	$ 25	$ —	$ 341

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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At June 30, 2025	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value as a Practical Expedient (NAV)	Total
			(in millions)		
Alabama Power					
Assets:					
Energy-related derivatives	$ —	$ 47	$ —	$ —	$ 47
Nuclear decommissioning trusts:[(b)]					
Domestic equity	470	258	—	—	728
Foreign equity	164	—	—	—	164
U.S. Treasury and government agency securities	—	17	—	—	17
Municipal bonds	—	1	—	—	1
Corporate bonds	—	299	—	—	299
Mortgage- and asset-backed securities	—	33	—	—	33
Private equity	—	—	—	191	191
Other	11	1	—	9	21
Cash equivalents	145	18	—	—	163
Other investments	—	37	—	—	37
Total	$ 790	$ 711	$ —	$ 200	$ 1,701
Liabilities:					
Energy-related derivatives	$ —	$ 23	$ —	$ —	$ 23
Georgia Power					
Assets:					
Energy-related derivatives	$ —	$ 35	$ —	$ —	$ 35
Nuclear decommissioning trusts:[(b)]					
Domestic equity	406	1	—	—	407
Foreign equity	—	205	—	—	205
U.S. Treasury and government agency securities	—	338	—	—	338
Municipal bonds	—	47	—	—	47
Corporate bonds	—	196	—	—	196
Mortgage- and asset-backed securities	—	89	—	—	89
Other	22	2	—	—	24
Total	$ 428	$ 913	$ —	$ —	$ 1,341
Liabilities:					
Energy-related derivatives	$ —	$ 19	$ —	$ —	$ 19
Interest rate derivatives	—	1	—	—	1
Total	$ —	$ 20	$ —	$ —	$ 20

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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At June 30, 2025	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value as a Practical Expedient (NAV)	Total
			(in millions)		
Mississippi Power					
Assets:					
Energy-related derivatives	$ —	$ 28	$ —	$ —	$ 28
Cash equivalents	2	—	—	—	2
Total	$ 2	$ 28	$ —	$ —	$ 30
Liabilities:					
Energy-related derivatives	$ —	$ 19	$ —	$ —	$ 19
Southern Power					
Assets:					
Energy-related derivatives	$ —	$ 4	$ —	$ —	$ 4
Foreign currency derivatives	—	26	—	—	26
Total	$ —	$ 30	$ —	$ —	$ 30
Liabilities:					
Contingent consideration	3	—	14	—	17
Other	—	13	11	—	24
Total	$ 3	$ 13	$ 25	$ —	$ 41
Southern Company Gas					
Assets:					
Energy-related derivatives[(a)]	$ 11	$ 8	$ —	$ —	$ 19
Interest rate derivatives	—	4	—	—	4
Non-qualified deferred compensation trusts:					
Domestic equity	—	9	—	—	9
Foreign equity	—	1	—	—	1
Pooled funds – fixed income	—	5	—	—	5
Cash and cash equivalents	1	—	—	—	1
Cash equivalents	212	—	—	—	212
Total	$ 224	$ 27	$ —	$ —	$ 251
Liabilities:					
Energy-related derivatives[(a)]	$ 6	$ 5	$ —	$ —	$ 11
Interest rate derivatives	—	63	—	—	63
Total	$ 6	$ 68	$ —	$ —	$ 74

(a) Excludes cash collateral of $6 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 under "Nuclear Decommissioning" 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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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the three and six months ended June 30, 2025 and 2024. The changes were recorded as a change to the regulatory assets and liabilities related to AROs for Georgia Power and Alabama Power, respectively.

	Three Months Ended June 30,		Six Months Ended June 30,	
Fair value increases (decreases)	**2025**	**2024**	**2025**	**2024**
		(in millions)		
Southern Company	**$ 165**	$ 32	**$ 159**	$ 135
Alabama Power	**99**	19	**86**	87
Georgia Power	**66**	13	**73**	48

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 Company's investments, available for sale relate to a wholly-owned subsidiary that insures various risk exposures of Southern Company and its subsidiaries. Corporate and municipal bonds, government agency securities, and commercial paper are valued using pricing models maximizing the use of observable inputs for similar securities, including basing value on yields currently available on comparable securities of issues with similar credit ratings. Mortgage- and asset-backed securities are valued through an analysis of the underlying assets and a review of the documentation, including financials, the manager's valuation methodology in valuing their underlying assets, the types of assets and risks involved, and the investor's exit and termination parameters.

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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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.

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 June 30, 2025, 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 $200 million and unfunded commitments related to the private market investments totaled $101 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 June 30, 2025, other financial instruments for which the carrying amount did not equal fair value were as follows:

	Southern Company(*)	Alabama Power	Georgia Power	Mississippi Power	Southern Power	Southern Company Gas(*)
			(in billions)			
Long-term debt, including securities due within one year:						
Carrying amount	$ 68.1	$ 11.5	$ 19.3	$ 1.8	$ 2.7	$ 8.5
Fair value	63.6	10.3	17.7	1.6	2.7	7.5

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

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

(J) DERIVATIVES

The Registrants are exposed to market risks, including commodity price risk, interest rate risk, weather risk, and occasionally foreign currency exchange rate risk. To manage the volatility attributable to these exposures, each company nets its exposures, where possible, to take advantage of natural offsets and enters into various derivative transactions for the remaining exposures pursuant to each company's policies in areas such as counterparty exposure and risk management practices. 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.

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Energy-Related Derivatives

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

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

At June 30, 2025, 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(*)	415	2030	2028
Alabama Power	130	2028	—
Georgia Power	110	2028	—
Mississippi Power	102	2029	—
Southern Power	8	2030	2025
Southern Company Gas(*)	65	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 78.6 million mmBtu long natural gas positions and 13.6 million mmBtu short natural gas positions at June 30, 2025, which is also included in Southern Company's total volume.

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 2.4 million mmBtu for Southern Company, which includes 0.6 million mmBtu for Alabama Power, 0.9 million mmBtu for Georgia Power, 0.4 million mmBtu for Mississippi Power, and 0.5 million mmBtu for Southern Power.

For cash flow hedges of energy-related derivatives, the estimated pre-tax gains (losses) expected to be reclassified from accumulated OCI to earnings for the 12-month period ending June 30, 2026 is 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.

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

At June 30, 2025, the following interest rate derivatives were outstanding:

	Notional Amount	Weighted Average Interest Rate Paid	Interest Rate Received	Hedge Maturity Date	Fair Value Gain (Loss) at June 30, 2025
	(in millions)				*(in millions)*
Cash Flow Hedges of Forecasted Debt					
Southern Company Gas	$ 250	4.03%	N/A	September 2025	$ 4
Georgia Power	275	4.29%	N/A	August 2025	(1)
Fair Value Hedges of Existing Debt					
Southern Company parent	400	1-month SOFR + 0.80%	1.75%	March 2028	(30)
Southern Company parent	1,000	1-month SOFR + 2.48%	3.70%	April 2030	(106)
Southern Company parent	565	1-month SOFR + 1.56%	6.50%	March 2045	(1)
Southern Company Gas	500	1-month SOFR + 0.49%	1.75%	January 2031	(63)
Southern Company	$ 2,990				$ (197)

For cash flow hedges of interest rate derivatives, the estimated pre-tax gains (losses) expected to be reclassified from accumulated OCI to interest expense for the 12-month period ending June 30, 2026 are immaterial for Southern Company, 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, 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.

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

At June 30, 2025, the following foreign currency derivatives were outstanding:

	Pay Notional	Pay Rate	Receive Notional	Receive Rate	Hedge Maturity Date	Fair Value Gain (Loss) at June 30, 2025
	(in millions)		*(in millions)*			*(in millions)*
Cash Flow Hedges of Existing Debt						
Southern Power	$ 564	3.78%	€ 500	1.85%	June 2026	$ 26
Fair Value Hedges of Existing Debt						
Southern Company parent	1,476	3.39%	1,250	1.88%	September 2027	(14)
Southern Company	$ 2,040		€ 1,750			$ 12

For cash flow hedges of foreign currency derivatives, the estimated pre-tax gains expected to be reclassified from accumulated OCI to earnings for the 12-month period ending June 30, 2026 are $26 million 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.

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

The fair value of energy-related derivatives, interest rate derivatives, and foreign currency derivatives was reflected as either assets or liabilities in the balance sheets (included in "Other" or shown separately as "Risk Management Activities") as follows:

	At June 30, 2025		At December 31, 2024	
Derivative Category and Balance Sheet Location	**Assets**	**Liabilities**	**Assets**	**Liabilities**
		(in millions)		
Southern Company				
Energy-related derivatives designated as hedging instruments for regulatory purposes				
Current	**$ 57**	**$ 38**	$ 33	$ 82
Non-current	**63**	**26**	42	40
Total derivatives designated as hedging instruments for regulatory purposes	**120**	**64**	75	122
Derivatives designated as hedging instruments in cash flow and fair value hedges				
Energy-related derivatives:				
Current	**5**	**2**	4	3
Non-current	**4**	**—**	4	—
Interest rate derivatives:				
Current	**9**	**57**	—	61
Non-current	**—**	**149**	—	208
Foreign currency derivatives:				
Current	**26**	**22**	—	36
Non-current	**8**	**—**	—	182
Total derivatives designated as hedging instruments in cash flow and fair value hedges	**52**	**230**	8	490
Energy-related derivatives not designated as hedging instruments				
Current	**4**	**6**	5	3
Non-current	**—**	**—**	1	—
Total derivatives not designated as hedging instruments	**4**	**6**	6	3
Gross amounts recognized	**176**	**300**	89	615
Gross amounts offset[(a)]	**(56)**	**(62)**	(44)	(61)
Net amounts recognized in the Balance Sheets[(b)]	**$ 120**	**$ 238**	$ 45	$ 554
Alabama Power				
Energy-related derivatives designated as hedging instruments for regulatory purposes				
Current	**$ 23**	**$ 13**	$ 11	$ 30
Non-current	**24**	**10**	15	12
Total derivatives designated as hedging instruments for regulatory purposes	**47**	**23**	26	42
Gross amounts offset	**(20)**	**(20)**	(19)	(19)
Net amounts recognized in the Balance Sheets	**$ 27**	**$ 3**	$ 7	$ 23

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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Derivative Category and Balance Sheet Location	At June 30, 2025 Assets	At June 30, 2025 Liabilities	At December 31, 2024 Assets	At December 31, 2024 Liabilities
		(in millions)		
Georgia Power				
Energy-related derivatives designated as hedging instruments for regulatory purposes				
Current	**$ 15**	**$ 11**	$ 6	$ 32
Non-current	**20**	**6**	13	9
Total derivatives designated as hedging instruments for regulatory purposes	**35**	**17**	19	41
Interest rate derivatives designated as hedging instruments in cash flow and fair value hedges				
Current	**—**	**1**	—	—
Energy-related derivatives not designated as hedging instruments				
Current	**—**	**2**	—	1
Gross amounts recognized	**35**	**20**	19	42
Gross amounts offset	**(16)**	**(16)**	(15)	(15)
Net amounts recognized in the Balance Sheets	**$ 19**	**$ 4**	$ 4	$ 27
Mississippi Power				
Energy-related derivatives designated as hedging instruments for regulatory purposes				
Current	**$ 9**	**$ 9**	$ 5	$ 15
Non-current	**19**	**10**	14	19
Total derivatives designated as hedging instruments for regulatory purposes	**28**	**19**	19	34
Gross amounts offset	**(16)**	**(16)**	(17)	(17)
Net amounts recognized in the Balance Sheets	**$ 12**	**$ 3**	$ 2	$ 17
Southern Power				
Derivatives designated as hedging instruments in cash flow hedges				
Energy-related derivatives:				
Current	**$ 1**	**$ —**	$ 1	$ —
Non-current	**3**	**—**	3	—
Foreign currency derivatives:				
Current	**26**	**—**	—	11
Non-current	**—**	**—**	—	40
Total derivatives designated as hedging instruments in cash flow hedges	**30**	**—**	4	51
Net amounts recognized in the Balance Sheets	**$ 30**	**$ —**	$ 4	$ 51

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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Derivative Category and Balance Sheet Location	At June 30, 2025 Assets	At June 30, 2025 Liabilities	At December 31, 2024 Assets	At December 31, 2024 Liabilities
		(in millions)		
Southern Company Gas				
Energy-related derivatives designated as hedging instruments for regulatory purposes				
Current	**$ 10**	**$ 5**	$ 11	$ 5
Derivatives designated as hedging instruments in cash flow and fair value hedges				
Energy-related derivatives:				
Current	**4**	**2**	3	3
Non-current	**1**	**—**	1	—
Interest rate derivatives:				
Current	**4**	**15**	—	17
Non-current	**—**	**48**	—	67
Total derivatives designated as hedging instruments in cash flow and fair value hedges	**9**	**65**	4	87
Energy-related derivatives not designated as hedging instruments				
Current	**4**	**4**	5	2
Non-current	**—**	**—**	1	—
Total derivatives not designated as hedging instruments	**4**	**4**	6	2
Gross amounts recognized	**23**	**74**	21	94
Gross amounts offset[(a)]	**(4)**	**(10)**	7	(10)
Net amounts recognized in the Balance Sheets[(b)]	**$ 19**	**$ 64**	$ 28	$ 84

(a) Gross amounts offset includes cash collateral held on deposit in broker margin accounts of $6 million and $17 million at June 30, 2025 and December 31, 2024, respectively.

(b) Net amounts of derivative instruments outstanding exclude immaterial premium and intrinsic value associated with weather derivatives at June 30, 2025 and December 31, 2024.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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At June 30, 2025 and December 31, 2024, 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)		
At June 30, 2025:					
Energy-related derivatives:					
Other regulatory assets, current	**$ (8)**	**$ (3)**	**$ (1)**	**$ (3)**	**$ (1)**
Other regulatory liabilities, current	**26**	**13**	**5**	**3**	**5**
Other regulatory liabilities, deferred	**37**	**14**	**14**	**9**	**—**
Total energy-related derivative gains (losses)	**$ 55**	**$ 24**	**$ 18**	**$ 9**	**$ 4**
At December 31, 2024:					
Energy-related derivatives:					
Other regulatory assets, current	$ (61)	$ (23)	$ (26)	$ (11)	$ (1)
Other regulatory assets, deferred	(5)	—	—	(5)	—
Other regulatory liabilities, current	8	4	—	—	4
Other regulatory liabilities, deferred	8	3	4	1	—
Total energy-related derivative gains (losses)	$ (50)	$ (16)	$ (22)	$ (15)	$ 3

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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For the three and six months ended June 30, 2025 and 2024, 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	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
		(in millions)		
Southern Company				
Cash flow hedges:				
Energy-related derivatives	**$ (13)**	$ 3	**$ 6**	$ (5)
Interest rate derivatives	**9**	1	**5**	24
Foreign currency derivatives	**47**	(6)	**67**	(20)
Fair value hedges(*):				
Foreign currency derivatives	**3**	(4)	**(13)**	(4)
Total	**$ 46**	$ (6)	**$ 65**	$ (5)
Georgia Power				
Cash flow hedges:				
Interest rate derivatives	**$ 5**	$ —	**$ 3**	$ 16
Mississippi Power				
Cash flow hedges:				
Interest rate derivatives	**$ —**	$ —	**$ —**	$ 7
Southern Power				
Cash flow hedges:				
Energy-related derivatives	**$ (1)**	$ 1	**$ 2**	$ —
Foreign currency derivatives	**47**	(6)	**67**	(20)
Total	**$ 46**	$ (5)	**$ 69**	$ (20)
Southern Company Gas				
Cash flow hedges:				
Energy-related derivatives	**$ (12)**	$ 2	**$ 4**	$ (5)
Interest rate derivatives	**4**	1	**4**	1
Total	**$ (8)**	$ 3	**$ 8**	$ (4)

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

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

For the three and six months ended June 30, 2025 and 2024, the pre-tax effects of cash flow and fair value hedge accounting on income were as follows:

		Gain (Loss)			
		Three Months Ended June 30,		Six Months Ended June 30,	
Statements of Income Location	Derivative Category	2025	2024	2025	2024
			(in millions)		
Southern Company					
Fuel	Energy-related cash flow hedges	**$ —**	$ (1)	**$ 1**	$ (2)
Cost of natural gas	Energy-related cash flow hedges	**1**	(7)	**—**	(30)
Other operations and maintenance	Energy-related cash flow hedges	**—**	—	**—**	(1)
Interest expense, net of amounts capitalized	Interest rate cash flow hedges	**(3)**	(4)	**(6)**	(8)
	Foreign currency cash flow hedges	**(2)**	(3)	**(5)**	(6)
	Interest rate fair value hedges	**29**	—	**69**	(31)
Other income (expense), net	Foreign currency cash flow hedges	**45**	(5)	**67**	(17)
	Foreign currency fair value hedges	**115**	(18)	**155**	21
	Amount excluded from effectiveness testing recognized in earnings	**(3)**	5	**13**	5
Southern Power					
Fuel	Energy-related cash flow hedges	**$ —**	$ (1)	**$ 1**	$ (2)
Interest expense, net of amounts capitalized	Foreign currency cash flow hedges	**(2)**	(3)	**(5)**	(6)
Other income (expense), net	Foreign currency cash flow hedges	**45**	(5)	**67**	(17)
Southern Company Gas					
Cost of natural gas	Energy-related cash flow hedges	**$ 1**	$ (7)	**$ —**	$ (30)
Operations and maintenance	Energy-related cash flow hedges	**—**	—	**—**	(1)
Interest expense, net of amounts capitalized	Interest rate fair value hedges	**3**	(6)	**21**	(10)

At June 30, 2025 and December 31, 2024, the following amounts were recorded on the balance sheets related to cumulative basis adjustments for fair value hedges:

	Carrying Amount of the Hedged Item		Cumulative Amount of Fair Value Hedging Adjustment included in Carrying Amount of the Hedged Item	
Balance Sheet Location of Hedged Items	At June 30, 2025	At December 31, 2024	At June 30, 2025	At December 31, 2024
		(in millions)		
Southern Company				
Long-term debt	**$ (3,798)**	$ (2,936)	**$ 164**	$ 242
Southern Company Gas				
Long-term debt	**$ (442)**	$ (422)	**$ 56**	$ 75

Pre-tax gains (losses) on energy-related derivatives not designated as hedging instruments were $(14) million and $16 million for the three months ended June 30, 2025 and 2024, respectively, and $(6) million and $63 million for the six months ended June 30, 2025 and 2024, respectively, and reflected in cost of natural gas on the statements of income of Southern Company and Southern Company Gas.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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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 June 30, 2025, 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 $35 million at June 30, 2025. 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 $13 million at June 30, 2025. 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 June 30, 2025. 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 June 30, 2025, 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, which are netted with energy-related derivatives recognized in the balance sheets.

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 have investment grade credit ratings by Moody's, S&P, or Fitch 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.

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

(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 June 6, 2025, the FERC approved Alabama Power's acquisition of Tenaska Alabama Partners, L.P., which owns and operates the Lindsay Hill Generating Station. The ultimate outcome of this matter cannot be determined at this time. See Note (B) under "Alabama Power – Petition for Certificate of Convenience and Necessity" for additional information.

Mississippi Power

On June 19, 2025, the Florida PSC issued a final order approving the transfer of FP&L's 50% ownership interest in Plant Daniel Units 1 and 2 to Mississippi Power. On July 30, 2025, Mississippi Power completed the acquisition of FP&L's 50% interest in Plant Daniel Units 1 and 2 and, as part of the acquisition, received approximately $36 million from FP&L. See Note 2 to the financial statements under "Mississippi Power – Plant Daniel" in Item 8 of the Form 10-K for additional information.

Southern Power

Construction Projects

During the six months ended June 30, 2025, Southern Power continued construction of the three phases of the 512-MW Millers Branch solar facility. At June 30, 2025, the total cost of construction incurred for the Millers Branch project was $537 million, which is primarily included in CWIP. The ultimate outcome of these matters cannot be determined at this time.

Project Facility	Resource	Approximate Nameplate Capacity (*MW*)	Location	Projected COD	PPA Contract Period
Projects Under Construction at June 30, 2025					
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	Solar	132	Haskell County, TX	Fourth quarter 2026	15 years

Wind Repowering Projects

During the six months ended June 30, 2025, Southern Power continued the development project to repower the Kay Wind facility. In addition, Southern Power committed to development projects to repower the Grant Plains, Grant Wind, and Wake Wind facilities. At June 30, 2025, the total cost of construction incurred related to the projects was

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

$89 million and is included in CWIP. The repowered output of the facilities is contracted under new and amended PPAs. The ultimate outcome of these matters cannot be determined at this time.

Project Facility	Resource	Approximate Nameplate Capacity (*MW*)	Location	Projected COD
Projects Under Construction at June 30, 2025				
Kay Wind(*)	Wind	200	Kay County, OK	Third quarter 2026
Grant Plains	Wind	147	Grant County, OK	Fourth quarter 2026
Grant Wind	Wind	152	Grant County, OK	Fourth quarter 2026
Wake Wind	Wind	257	Crosby & Floyd Counties, TX	Second quarter 2027

(*) The facility has a total capacity of 299 MWs, of which 200 MWs is projected to be repowered and is contracted under an amended PPA.

(L) SEGMENT AND RELATED INFORMATION

See Note 16 to the financial statements in Item 8 of the Form 10-K for additional 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, operates, 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. While the traditional electric operating companies represent three separate operating segments, they are vertically integrated utilities providing electric service to retail customers, as well as wholesale customers, in the Southeast and have been aggregated into one reportable segment. Revenues from sales by Southern Power to the traditional electric operating companies were $114 million and $229 million for the three and six months ended June 30, 2025, respectively, and $86 million and $179 million for the three and six months ended June 30, 2024, 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.

Southern Company's CODM utilizes segment net income, including variances to budget and forecasts, to assess performance and is not provided with segment expense information. To achieve the consolidated net income goal, Southern Company's CODM sets net income expectations for each operating segment, which is expected to monitor its expenses in order to achieve its assigned net income target. Therefore, Southern Company has no reportable significant segment expenses.

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

Financial data for business segments for the three and six months ended June 30, 2025 and 2024 was as follows:

	Electric Utilities								
	Traditional Electric Operating Companies	Southern Power	Eliminations	Total	Southern Company Gas	Total Reportable Segments	All Other	Eliminations	Consolidated
					(in millions)				
Three Months Ended June 30, 2025									
Operating revenues	$ 5,380	$ 546	$ (122)	$ 5,804	$ 979	$ 6,783	$ 225	$ (35)	$ 6,973
Other segment items[a]	2,674	296	(122)	2,848	599	3,447	193	(23)	3,617
Depreciation and amortization[b]	957	177	—	1,134	172	1,306	17	—	1,323
Earnings from equity method investments	4	—	—	4	23	27	(17)	—	10
Interest expense[c]	336	24	—	360	92	452	422	—	874
Income taxes (benefit)	370	(2)	—	368	33	401	(112)	—	289
Segment net income (loss)[b][c][d]	$ 1,047	$ 51	$ —	$ 1,098	$ 106	$ 1,204	$ (312)	$ (12)	$ 880
Six Months Ended June 30, 2025									
Operating revenues	$ 10,692	$ 1,113	$ (245)	$ 11,560	$ 2,818	$ 14,378	$ 454	$ (84)	$ 14,748
Other segment items[a]	5,468	599	(245)	5,822	1,670	7,492	401	(81)	7,812
Depreciation and amortization[b]	1,905	329	—	2,234	341	2,575	33	—	2,608
Earnings from equity method investments	2	—	—	2	62	64	(21)	—	43
Interest expense[c]	652	50	—	702	183	885	703	—	1,588
Income taxes (benefit)	596	(3)	—	593	162	755	(186)	—	569
Segment net income (loss)[b][c][d]	$ 2,073	$ 138	$ —	$ 2,211	$ 524	$ 2,735	$ (518)	$ (3)	$ 2,214
At June 30, 2025									
Goodwill	$ —	$ 2	$ —	$ 2	$ 5,015	$ 5,017	$ 144	$ —	$ 5,161
Total assets	108,676	12,817	(1,013)	120,480	26,376	146,856	2,417	(420)	148,853

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

	Electric Utilities								
	Traditional Electric Operating Companies	Southern Power	Eliminations	Total	Southern Company Gas	Total Reportable Segments	All Other	Eliminations	Consolidated
					(in millions)				
Three Months Ended June 30, 2024									
Operating revenues	$ 5,025	$ 524	$ (93)	$ 5,456	$ 831	$ 6,287	$ 222	$ (46)	$ 6,463
Other segment items[a][e]	2,322	268	(93)	2,497	478	2,975	193	(43)	3,125
Depreciation and amortization	880	127	—	1,007	158	1,165	17	—	1,182
Earnings from equity method investments	—	—	—	—	32	32	(1)	—	31
Interest expense	323	30	—	353	83	436	259	(1)	694
Income taxes (benefit)	308	13	—	321	36	357	(67)	—	290
Segment net income (loss)[d][e]	$ 1,192	$ 86	$ —	$ 1,278	$ 108	$ 1,386	$ (181)	$ (2)	$ 1,203
Six Months Ended June 30, 2024									
Operating revenues	$ 9,463	$ 997	$ (189)	$ 10,271	$ 2,538	$ 12,809	$ 383	$ (83)	$ 13,109
Other segment items[a][e]	4,603	512	(189)	4,926	1,443	6,369	347	(60)	6,656
Depreciation and amortization	1,733	245	—	1,978	313	2,291	36	—	2,327
Earnings from equity method investments	2	—	—	2	76	78	(2)	1	77
Interest expense	635	59	—	694	167	861	508	(11)	1,358
Income taxes (benefit)	482	(1)	—	481	174	655	(142)	—	513
Segment net income (loss)[d][e]	$ 2,012	$ 182	$ —	$ 2,194	$ 517	$ 2,711	$ (368)	$ (11)	$ 2,332
At December 31, 2024									
Goodwill	$ —	$ 2	$ —	$ 2	$ 5,015	$ 5,017	$ 144	$ —	$ 5,161
Total assets	105,577	12,653	(1,025)	117,205	26,177	143,382	2,371	(573)	145,180

(a) Primarily consists of fuel, purchased power, cost of natural gas, cost of other sales, other operations and maintenance, taxes other than income taxes, AFUDC equity, non-service cost-related retirement benefits income, and net income (loss) attributable to noncontrolling interests.

(b) For Southern Power, includes accelerated depreciation related to the repowering of the Kay Wind, Grant Plains, and Grant Wind facilities of $42 million ($31 million after tax, net of noncontrolling interest impacts) and $69 million ($51 million after tax, net of noncontrolling interest impacts) for the three and six months ended June 30, 2025, respectively. See Note (K) under "Southern Power – Wind Repowering Projects" herein and Note 15 to the financial statements under "Southern Power – Development Projects" in Item 8 of the Form 10-K for additional information.

(c) For all other, includes a pre-tax loss of $129 million ($97 million after tax) associated with the extinguishment of debt at the parent company. See Note (F) under "Convertible Senior Notes" herein for additional information.

(d) Attributable to Southern Company.

(e) For the traditional electric operating companies, includes a pre-tax credit to income at Georgia Power of $21 million ($16 million after tax) related to the estimated probable loss associated with the completion of Plant Vogtle Units 3 and 4, as well as a pre-tax gain at Georgia Power of approximately $114 million ($84 million after tax) related to the sale of transmission line assets under the integrated transmission system agreement. See Note 2 to the financial statements under "Georgia Power" in Item 8 of the Form 10-K for additional information.

Traditional Electric Operating Companies

Each of the traditional electric operating companies' single reportable business segment is the sale of electricity.

Alabama Power and Georgia Power have identified utility operations and maintenance expenses as significant segment expenses provided to their CODMs. Utility operations and maintenance expenses is calculated as other operations and maintenance, as reflected on the statements of income, less expenses from unregulated products and

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

services, losses (gains) on asset dispositions, impairment charges, amortization of cloud software, and, for Georgia Power, charges (credits) for estimated loss on Plant Vogtle Units 3 and 4. Alabama Power's utility operations and maintenance expenses are disaggregated into expenses related to Rate RSE and Rate CNP Compliance, which are not applicable to Georgia Power. See Note 2 to the financial statements under "Alabama Power" in Item 8 of the Form 10-K for additional information.

Financial data for Alabama Power's and Georgia Power's significant segment expenses and other segment information for the three and six months ended June 30, 2025 and 2024 was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in millions)			
Alabama Power				
Operating revenues	**$ 1,968**	$ 1,873	**$ 3,980**	$ 3,664
Utility operations and maintenance				
Rate RSE expenses	**374**	339	**739**	664
Rate CNP Compliance expenses	**67**	66	**142**	129
Total utility operations and maintenance	**441**	405	**881**	793
Other segment items[(a)]	**544**	519	**1,152**	1,033
Depreciation and amortization	**371**	364	**741**	725
Interest expense	**116**	114	**225**	224
Income taxes	**115**	102	**226**	187
Segment net income	**$ 381**	$ 369	**$ 755**	$ 702
Capital expenditures	**$ 599**	$ 470	**$ 1,159**	$ 921
Georgia Power				
Operating revenues	**$ 3,110**	$ 2,875	**$ 6,148**	$ 5,273
Utility operations and maintenance	**568**	499	**1,104**	962
Other segment items[(a)(b)]	**989**	790	**2,106**	1,610
Depreciation and amortization	**512**	447	**1,015**	872
Interest expense	**198**	185	**385**	359
Income taxes	**236**	192	**334**	271
Segment net income[(b)]	**$ 607**	$ 762	**$ 1,204**	$ 1,199
Capital expenditures	**$ 1,676**	$ 1,320	**$ 3,313**	$ 2,353

(a) Primarily consists of fuel, purchased power, expenses from unregulated products and services, losses (gains) on asset dispositions, amortization of cloud software, taxes other than income taxes, AFUDC equity, non-service cost-related retirement benefits income, and, for Georgia Power, charges (credits) for estimated loss on Plant Vogtle Units 3 and 4. Also includes earnings from equity method investments, which were immaterial for all periods presented.

(b) For the three and six months ended June 30, 2024, includes a pre-tax credit to income of $21 million ($16 million after tax) related to the estimated probable loss associated with the completion of Plant Vogtle Units 3 and 4, as well as a pre-tax gain of approximately $114 million ($84 million after tax) related to the sale of transmission line assets under the integrated transmission system agreement. See Note 2 to the financial statements under "Georgia Power" in Item 8 of the Form 10-K for additional information.

Mississippi Power's CODM utilizes segment expense information in the form of variances to budget to assess performance; therefore, Mississippi Power has no reportable significant segment expenses. Mississippi Power's segment information for revenues, depreciation and amortization, interest expense, and income taxes is reflected on its statements of income. Mississippi Power's earnings from equity method investments are included in other income (expense), net on its statements of income and were immaterial for all periods presented. Other segment items primarily consist of fuel and purchased power, other operations and maintenance, taxes other than income taxes, and non-service cost-related retirement benefits income and totaled $252 million and $528 million for the

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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three and six months ended June 30, 2025, respectively, and $221 million and $438 million for the three and six months ended June 30, 2024, respectively.

Southern Power

Southern Power's single reportable business segment is the sale of electricity in the competitive wholesale market. Southern Power's CODM utilizes segment expense information in the form of variances to budget to assess performance; therefore, Southern Power has no reportable significant segment expenses. Southern Power's segment information for revenues, depreciation and amortization, interest expense, and income taxes (benefit) is reflected on its consolidated statements of income. Southern Power had no earnings from equity method investments for any period presented. Other segment items primarily consist of fuel, purchased power, other operations and maintenance, taxes other than income taxes, and net income (loss) attributable to noncontrolling interests and totaled $296 million and $599 million for the three and six months ended June 30, 2025, respectively, and $268 million and $512 million for the three and six months ended June 30, 2024, respectively.

For the three and six months ended June 30, 2025, depreciation and amortization includes accelerated depreciation of $42 million ($31 million after tax, net of noncontrolling interest impacts) and $69 million ($51 million after tax, net of noncontrolling interest impacts), respectively, related to the repowering of the Kay Wind, Grant Plains, and Grant Wind facilities. See Note (K) under "Southern Power – Wind Repowering Projects" herein and Note 15 to the financial statements under "Southern Power – Development Projects" in Item 8 of the Form 10-K for additional information.

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.

The gas distribution operations segment 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.

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

The gas marketing services segment 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.

Southern Company Gas' CODM utilizes segment expense information in the form of variances to budget to assess performance; therefore, Southern Company Gas has no reportable significant segment expenses.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
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Financial data for business segments for the three and six months ended June 30, 2025 and 2024 was as follows:

	Gas Distribution Operations	Gas Pipeline Investments	Gas Marketing Services	Total Reportable Segments	All Other	Eliminations	Consolidated
				(in millions)			
Three Months Ended June 30, 2025							
Operating revenues	**$ 885**	**$ 8**	**$ 83**	**$ 976**	**$ 5**	**$ (2)**	**$ 979**
Other segment items(*)	**526**	**1**	**68**	**595**	**6**	**(2)**	**599**
Depreciation and amortization	**167**	**1**	**3**	**171**	**1**	**—**	**172**
Earnings from equity method investments	**—**	**23**	**—**	**23**	**—**	**—**	**23**
Interest expense	**82**	**9**	**1**	**92**	**—**	**—**	**92**
Income taxes	**19**	**5**	**3**	**27**	**6**	**—**	**33**
Segment net income	**$ 91**	**$ 15**	**$ 8**	**$ 114**	**$ (8)**	**$ —**	**$ 106**
Six Months Ended June 30, 2025							
Operating revenues	**$ 2,454**	**$ 16**	**$ 345**	**$ 2,815**	**$ 9**	**$ (6)**	**$ 2,818**
Other segment items(*)	**1,431**	**3**	**234**	**1,668**	**8**	**(6)**	**1,670**
Depreciation and amortization	**330**	**3**	**7**	**340**	**1**	**—**	**341**
Earnings from equity method investments	**—**	**62**	**—**	**62**	**—**	**—**	**62**
Interest expense	**164**	**18**	**1**	**183**	**—**	**—**	**183**
Income taxes (benefit)	**123**	**13**	**29**	**165**	**(3)**	**—**	**162**
Segment net income	**$ 406**	**$ 41**	**$ 74**	**$ 521**	**$ 3**	**$ —**	**$ 524**
Total assets at June 30, 2025	**$ 24,864**	**$ 1,595**	**$ 1,679**	**$ 28,138**	**$ 10,492**	**$ (12,254)**	**$ 26,376**
Three Months Ended June 30, 2024							
Operating revenues	$ 749	$ 8	$ 70	$ 827	$ 7	$ (3)	$ 831
Other segment items(*)	420	2	52	474	7	(3)	478
Depreciation and amortization	152	1	4	157	1	—	158
Earnings from equity method investments	—	32	—	32	—	—	32
Interest expense	76	9	2	87	(4)	—	83
Income taxes	21	6	3	30	6	—	36
Segment net income (loss)	$ 80	$ 22	$ 9	$ 111	$ (3)	$ —	$ 108
Six Months Ended June 30, 2024							
Operating revenues	$ 2,212	$ 16	$ 305	$ 2,533	$ 13	$ (8)	$ 2,538
Other segment items(*)	1,246	4	193	1,443	8	(8)	1,443
Depreciation and amortization	303	2	7	312	1	—	313
Earnings from equity method investments	—	76	—	76	—	—	76
Interest expense	154	18	2	174	(7)	—	167
Income taxes (benefit)	127	16	29	172	2	—	174
Segment net income	$ 382	$ 52	$ 74	$ 508	$ 9	$ —	$ 517
Total assets at December 31, 2024	$ 24,067	$ 1,573	$ 1,696	$ 27,336	$ 10,047	$ (11,206)	$ 26,177

(*) Primarily consists of cost of natural gas, other operations and maintenance, taxes other than income taxes, AFUDC equity, and non-service cost-related retirement benefits income.

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. 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. 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. 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. 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 June 5, 2025, the Alabama PSC approved an order authorizing Alabama Power to implement changes related to the Jurisdictional Separation Study (JSS) under Rate RSE, which allocates costs between retail and other electric services. For 2026, a revised JSS allocation factor will account for system capacity previously allocated to wholesale electric services that will be used for retail electric service starting January 1, 2026. In addition, Alabama Power is authorized to establish a regulatory asset to defer certain costs associated with this capacity for 2026, and those costs are estimated to be approximately $100 million. Beginning in 2027, Alabama Power will amortize the regulatory asset on a levelized basis over a period not exceeding 10 years.

On June 6, 2025, the FERC approved Alabama Power's acquisition of Tenaska Alabama Partners, L.P., which owns and operates the Lindsay Hill Generating Station. The ultimate outcome of this matter cannot be determined at this time. See Note (B) to the Condensed Financial Statements under "Alabama Power – Petition for Certificate of Convenience and Necessity" herein for additional information.

Georgia Power

2022 ARP

On July 1, 2025, the Georgia PSC approved a settlement agreement among Georgia Power, the staff of the Georgia PSC, and certain intervenors to extend the 2022 ARP for an additional three-year term through December 31, 2028 (ARP Extension). Under the ARP Extension, base rates will not be adjusted in 2026, 2027, or 2028 except for reasonable and prudent storm damage costs incurred through December 31, 2025, which will be determined in a separate regulatory proceeding.

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

Under the ARP Extension, Georgia Power's retail ROE set point will continue at 10.50% and its equity ratio will continue at 56%. Additionally, the retail ROE range approved by the Georgia PSC in the 2022 ARP, of 9.50% to 11.90%, will continue.

See Note (B) to the Condensed Financial Statements under "Georgia Power – 2022 ARP" herein for additional information.

Integrated Resource Plans

On June 20, 2025, Georgia Power requested certification from the Georgia PSC for a Georgia Power-owned battery energy storage facility with a capacity of 200 MWs and a projected COD in 2027. Georgia Power expects the Georgia PSC to render a final decision in September 2025.

On July 30, 2025, Georgia Power requested certification from the Georgia PSC, for which a final decision is expected to be rendered in December 2025, for the following resources:

- As included in the 2022 IRP final order, Georgia Power initiated a request for proposals (RFP) of up to 8,500 MWs of capacity from a variety of resources with projected CODs or delivery commencement dates between 2028 and 2030. The RFP resulted in 18 resources, totaling 7,999 MWs, being selected.
- In July 2025, Georgia Power extended 50 MWs of an existing 750-MW affiliate PPA with Mississippi Power for an additional year through December 31, 2029.
- Additionally, in July 2025, Georgia Power executed a 20-year non-affiliate PPA for 930 MWs commencing in 2030 and five 25-year non-affiliate PPAs totaling 646 MWs commencing in 2027.
- Georgia Power entered into agreements to initiate acquisition of property and construction of a 260-MW Georgia Power-owned battery energy storage facility with a projected COD in 2027 to be paired with an existing non-affiliate solar PPA.

The certification requests on June 20, 2025 and July 30, 2025 associated with these Georgia Power-owned projects and related transmission investments total approximately $16.7 billion, excluding AFUDC.

The ultimate outcome of these matters cannot be determined at this time. See Note (B) to the Condensed Financial Statements under "Georgia Power – Integrated Resource Plans" and FINANCIAL CONDITION AND LIQUIDITY – "Cash Requirements" herein for additional information.

2025 IRP

On July 15, 2025, the Georgia PSC approved Georgia Power's 2025 IRP, as modified by a stipulation among Georgia Power, the staff of the Georgia PSC, and certain intervenors. In the 2025 IRP decision, the Georgia PSC approved several requests, including the following:

- Extended operation of Plant Scherer Unit 3 (614 MWs based on 75% ownership) through at least December 31, 2035 and Plant Gaston Units 1 through 4 (500 MWs based on 50% ownership through SEGCO) through at least December 31, 2034.
- Installation of environmental controls and natural gas co-firing at Plant Bowen Units 1 through 4 (3,160 MWs), Plant Scherer Units 1 and 2 (137 MWs based on 8.4% ownership), and Plant Scherer Unit 3 for compliance with both ELG supplemental rules and GHG rules.
- Upgrades to Plant McIntosh Units 10 and 11 (1,319 MWs) for a projected 194 MWs of incremental capacity by 2028 and Plant McIntosh Units 1 through 8 (640 MWs) for a projected 74 MWs of incremental capacity by 2033.
- Upgrades to Plant Vogtle Units 1 and 2 (1,060 MWs based on 45.7% ownership) for a projected 54 MWs of incremental capacity, some of which could be available as early as 2028.
- Investments related to the continued reliable hydro operations of four facilities, as well as the authority to spend up to $25 million to undertake engineering studies related to two additional hydro facilities.

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

- RFP for at least 1,100 MWs of utility scale and distributed generation renewable resources.

See Note (B) to the Condensed Financial Statements under "Georgia Power – Integrated Resource Plans" herein for additional information.

Mississippi Power

On April 3, 2025, the FERC approved a settlement agreement filed by Mississippi Power and Cooperative Energy in December 2024, as part of the MRA tariff.

On June 17, 2025, the Mississippi PSC approved Mississippi Power's annual retail PEP filing for 2025, resulting in an annual increase in revenues of approximately 4.0%, or $41 million. In accordance with the PEP rate schedule, an increase of 2.0% of total retail revenues, or approximately $22 million, became effective with the first billing cycle of April 2025, and the remaining approximately $19 million became effective with the first billing cycle of July 2025.

On June 19, 2025, the Florida PSC issued a final order approving the transfer of FP&L's 50% ownership interest in Plant Daniel Units 1 and 2 to Mississippi Power. On July 30, 2025, Mississippi Power completed the acquisition of FP&L's 50% interest in Plant Daniel Units 1 and 2 and, as part of the acquisition, received approximately $36 million from FP&L.

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

Southern Power

During the six months ended June 30, 2025, Southern Power continued the development project to repower 200 MWs of the 299-MW Kay Wind facility. In addition, Southern Power committed to development projects to repower the full capacity of the 147-MW Grant Plains, the 152-MW Grant Wind, and the 257-MW Wake Wind facilities. The output of the development projects is contracted under new and amended PPAs, with commercial operations projected to occur between the third quarter 2026 and the second quarter 2027. The ultimate outcome of these matters cannot be determined at this time. See Note (K) to the Condensed Financial Statements under "Southern Power" herein for additional information.

Subsequent to June 30, 2025, Southern Power notified the Class A members of its intent to exercise the option to purchase all Class A membership interests in the SP Wind tax equity partnership on December 31, 2025 under the terms of the limited liability agreement. See Note (E) to the Condensed Financial Statements under "Southern Power" herein for additional information.

At June 30, 2025, 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 96% through 2029 and 87% through 2034, with an average remaining contract duration of approximately 12 years.

RESULTS OF OPERATIONS

Southern Company

Net Income

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(323)	(26.8)	$(118)	(5.1)

Consolidated net income attributable to Southern Company was $880 million ($0.80 per share) in the second quarter 2025 compared to $1.2 billion ($1.10 per share) for the corresponding period in 2024. For year-to-date 2025, consolidated net income attributable to Southern Company was $2.2 billion ($2.01 per share) compared to $2.3

billion ($2.13 per share) for the corresponding period in 2024. The decreases were primarily due to increases in non-fuel operations and maintenance expenses, depreciation and amortization, interest expense, and income taxes, partially offset by increases in retail electric revenues associated with rates and pricing and sales growth, natural gas revenues associated with base rate increases, other revenues, and allowance for equity funds used during construction. Also contributing to the second quarter 2025 decrease were weather impacts, which partially offset the increase in retail electric revenues.

Retail Electric Revenues

In the second quarter 2025, retail electric revenues were $4.8 billion compared to $4.5 billion for the corresponding period in 2024. For year-to-date 2025, retail electric revenues were $9.4 billion compared to $8.4 billion for the corresponding period in 2024. Details of the changes in retail electric revenues were as follows:

	Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
	(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
Rates and pricing	$ 199	4.4 %	$ 558	6.6 %
Sales growth	93	2.1	69	0.8
Weather	(100)	(2.2)	17	0.2
Fuel and other cost recovery	80	1.8	287	3.4
Retail electric revenues	$ 272	6.1 %	$ 931	11.0 %

Changes in rates and pricing resulted in an increase in revenues in the second quarter and year-to-date 2025 when compared to the corresponding periods in 2024 primarily due to the inclusion of Plant Vogtle Unit 4 in retail rates net of elimination of the NCCR tariff at Georgia Power, an increase in Rate RSE at Alabama Power, base tariff increases and increased ECCR tariff revenues at Georgia Power in accordance with the 2022 ARP, and higher contributions from commercial and industrial customers with variable demand-driven pricing at Georgia Power. See Note 2 to the financial statements under "Alabama Power" and "Georgia Power" in Item 8 of the Form 10-K for additional information.

Changes in sales resulted in an increase in revenues in the second quarter and year-to-date 2025 when compared to the corresponding periods in 2024. Weather-adjusted residential KWH sales increased 2.8% in the second quarter 2025 primarily due to increased customer usage and customer growth. Weather-adjusted residential KWH sales increased 0.3% for year-to-date 2025 primarily due to customer growth, largely offset by decreased customer usage. Weather-adjusted commercial KWH sales increased 3.5% and 2.0% in the second quarter and year-to-date 2025, respectively, primarily due to increased customer usage, primarily driven by data centers. Industrial KWH sales increased 2.8% and 1.7% in the second quarter and year-to-date 2025, respectively, primarily due to increases in the paper, primary metals, and transportation sectors, partially offset by a decrease in the pipeline sector.

Fuel and other cost recovery revenues increased $80 million and $287 million in the second quarter and year-to-date 2025, respectively, compared to the corresponding periods in 2024 primarily due to higher recoverable fuel 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.

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

Wholesale Electric Revenues

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$54	8.6	$227	18.9

In the second quarter 2025, wholesale electric revenues were $681 million compared to $627 million for the corresponding period in 2024. For year-to-date 2025, wholesale electric revenues were $1.4 billion compared to $1.2 billion for the corresponding period in 2024. The increases in the second quarter and year-to-date 2025 were due to increases in energy revenues of $60 million and $239 million, respectively, partially offset by decreases in capacity revenues of $6 million and $12 million, respectively. The increases in energy revenues were primarily due to fuel and purchased power price increases. The decreases in capacity revenues were primarily due to net decreases in MW capacity under contract from natural gas PPAs at Southern Power, partially offset by higher non-fuel revenues from wholesale capacity contracts at Georgia Power.

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

Other Electric Revenues

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$10	4.8	$54	13.2

For year-to-date 2025, other electric revenues were $463 million compared to $409 million for the corresponding period in 2024. The increase was primarily due to increases of $14 million in regulated sales associated with power delivery construction and maintenance projects at Georgia Power, $14 million in regulated outdoor lighting sales at Georgia Power, $11 million in open access transmission tariff sales at Alabama Power, $11 million in regulated energy services revenues at Alabama Power, $7 million related to undistributed customer bill credits at Alabama Power, which was offset by an additional NDR accrual within other operations and maintenance expenses, and $6 million in receipts associated with liquidated damages at Southern Power, partially offset by a $15 million decrease associated with transmission revenues at Southern Power. See Note 3 to the financial statements under "Nuclear Fuel Disposal Costs" in Item 8 of the Form 10-K for additional information regarding customer bill credits at Alabama Power.

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

Natural Gas Revenues

In the second quarter 2025, natural gas revenues were $979 million compared to $831 million for the corresponding period in 2024. For year-to-date 2025, natural gas revenues were $2.8 billion compared to $2.5 billion for the corresponding period in 2024. Details of the changes in natural gas revenues were as follows:

	Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
	(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
Rates	$ 28	3.4 %	$ 71	2.8 %
Gas costs and other cost recovery	104	12.5	166	6.5
Gas marketing services	17	2.0	35	1.4
Other	(1)	(0.1)	8	0.3
Natural gas revenues	$ 148	17.8 %	$ 280	11.0 %

Changes in rates resulted in an increase in revenues in the second quarter and year-to-date 2025 compared to the corresponding periods in 2024 primarily due to base rate increases at Atlanta Gas Light and Virginia Natural 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 increased in the second quarter and year-to-date 2025 compared to the corresponding periods in 2024 primarily due to higher natural gas prices and gas volumes. 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 increased in the second quarter and year-to-date 2025 compared to the corresponding periods in 2024 primarily due to higher commodity prices.

Other Revenues

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$26	8.4	$147	27.4

In the second quarter 2025, other revenues were $335 million compared to $309 million for the corresponding period in 2024. For year-to-date 2025, other revenues were $684 million compared to $537 million for the corresponding period in 2024. The increases in the second quarter and year-to-date 2025 were primarily due to increases of $20 million and $81 million, respectively, at PowerSecure primarily related to distributed infrastructure projects and $13 million and $71 million, respectively, in unregulated sales at Georgia Power primarily associated with power delivery construction and maintenance, energy conservation, and renewables projects. Partially offsetting the second quarter 2025 increase was a $6 million decrease at Southern Linc related to equipment sales associated with commercial customers.

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

Fuel and Purchased Power Expenses

	Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
	(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
Fuel	$ 84	8.1 %	$ 380	18.7 %
Purchased power	38	17.1	90	21.4
Total fuel and purchased power expenses	$ 122		$ 470	

In the second quarter 2025, total fuel and purchased power expenses were $1.4 billion compared to $1.3 billion for the corresponding period in 2024. The increase was due to a $106 million net increase related to the average cost of fuel and purchased power and a $16 million net increase related to the volume of KWHs generated and purchased.

For year-to-date 2025, total fuel and purchased power expenses were $2.9 billion compared to $2.4 billion for the corresponding period in 2024. The increase was due to a $336 million net increase related to the average cost of fuel and purchased power and a $134 million net increase related to the volume of KWHs generated and purchased.

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

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.

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

	Second Quarter 2025	Second Quarter 2024	**Year-to-Date 2025**	Year-to-Date 2024
Total generation *(in billions of KWHs)*[(a)]	**45**	47	**91**	92
Total purchased power *(in billions of KWHs)*	**6**	4	**11**	8
Sources of generation *(percent)* —				
Gas	**50**	50	**50**	50
Nuclear[(a)]	**18**	20	**19**	20
Coal	**19**	19	**19**	18
Hydro	**4**	2	**4**	3
Wind, Solar, and Other	**9**	9	**8**	9
Cost of fuel, generated *(in cents per net KWH)*—				
Gas	**3.23**	2.56	**3.56**	2.72
Nuclear[(a)]	**0.88**	0.89	**0.86**	0.85
Coal	**3.77**	3.95	**3.90**	3.88
Average cost of fuel, generated *(in cents per net KWH)*[(a)]	**2.86**	2.49	**3.04**	2.54
Average cost of purchased power *(in cents per net KWH)*[(b)]	**4.73**	5.14	**5.07**	5.40

(a) Excludes KWHs generated from test period energy at Plant Vogtle Unit 4 prior to its in-service date. The related fuel costs were charged to CWIP in accordance with FERC guidance. See Note 2 to the financial statements under "Georgia Power – Nuclear Construction" in Item 8 of the Form 10-K for additional information on Plant Vogtle Units 3 and 4.

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

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

Cost of Natural Gas

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$106	71.1	$175	23.2

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 85% and 82% of the total cost of natural gas in the second quarter and year-to-date 2025, respectively.

In the second quarter 2025, cost of natural gas was $255 million compared to $149 million for the corresponding period in 2024. For year-to-date 2025, cost of natural gas was $929 million compared to $754 million for the corresponding period in 2024. The increases reflect higher gas cost recovery as a result of increases of 82% and 72% in natural gas prices in the second quarter and year-to-date 2025, respectively.

Cost of Other Sales

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$—	—	$68	22.8

For year-to-date 2025, cost of other sales was $366 million compared to $298 million for the corresponding period in 2024. The increase was primarily due to increases of $43 million at PowerSecure primarily related to distributed infrastructure projects and $36 million at Georgia Power primarily associated with unregulated power delivery construction and maintenance projects, partially offset by an $11 million decrease at Southern Company Gas related to energy services contracts.

Other Operations and Maintenance Expenses

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$297	21.4	$445	15.6

In the second quarter 2025, other operations and maintenance expenses were $1.7 billion compared to $1.4 billion for the corresponding period in 2024. The increase was primarily due to a $114 million gain from the sale of integrated transmission system assets at Georgia Power recorded in the second quarter 2024, an increase of $61 million in generation expenses primarily resulting from planned outages, an increase of $22 million in technology infrastructure and application production costs, a $21 million credit at Georgia Power related to the estimated loss on Plant Vogtle Units 3 and 4 recorded in the second quarter 2024, an increase of $17 million in transmission and distribution expenses at the traditional electric operating companies primarily due to line maintenance costs, an increase of $15 million in employee compensation and benefit expenses at Southern Company Gas, and a $12 million increase in certain employee compensation and benefit expenses at the traditional electric operating companies.

For year-to-date 2025, other operations and maintenance expenses were $3.3 billion compared to $2.9 billion for the corresponding period in 2024. The increase was primarily due to an increase of $134 million in generation expenses primarily resulting from planned outages, primarily at Alabama Power, and non-outage maintenance expenses, primarily at Georgia Power and Southern Power, a $114 million gain from the sale of integrated transmission system assets at Georgia Power recorded in the second quarter 2024, an increase of $34 million in certain employee compensation and benefit expenses at the traditional electric operating companies, an increase of $32 million in

technology infrastructure and application production costs, an increase of $32 million in employee compensation and benefit expenses at Southern Company Gas, an increase of $21 million in transmission and distribution expenses at the traditional electric operating companies primarily due to line maintenance costs, and a $21 million credit related to the estimated loss on Plant Vogtle Units 3 and 4 recorded in the second quarter 2024 at Georgia Power.

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

Depreciation and Amortization

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$141	11.9	$281	12.1

In the second quarter 2025, depreciation and amortization was $1.3 billion compared to $1.2 billion for the corresponding period in 2024. For year-to-date 2025, depreciation and amortization was $2.6 billion compared to $2.3 billion for the corresponding period in 2024. The increases in the second quarter and year-to-date 2025 were primarily due to increases of $64 million and $141 million, respectively, associated with additional plant in service, $42 million and $69 million, respectively, in accelerated depreciation related to wind repowering projects at Southern Power, and $31 million and $62 million, respectively, in amortization of regulatory assets related to CCR AROs at Georgia Power as approved in the 2025 compliance filing under the terms of the 2022 ARP. See Note (K) to the Condensed Financial Statements under "Southern Power – Wind Repowering Projects" herein and Notes 2 and 15 to the financial statements under "Georgia Power" and "Southern Power – Development Projects," respectively, in Item 8 of the Form 10-K for additional information.

Taxes Other Than Income Taxes

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$19	4.9	$68	8.7

In the second quarter 2025, taxes other than income taxes were $403 million compared to $384 million for the corresponding period in 2024. For year-to-date 2025, taxes other than income taxes were $848 million compared to $780 million for the corresponding period in 2024. The increases in the second quarter and year-to-date 2025 were primarily due to increases of $4 million and $22 million, respectively, in property taxes primarily resulting from an increase in the assessed value of property, $3 million and $14 million, respectively, in municipal franchise fees resulting from higher retail revenues at Georgia Power, $4 million and $14 million, respectively, in revenue taxes resulting from higher natural gas revenues at Nicor Gas, and $4 million and $9 million, respectively, in utility license taxes resulting from an increase in the tax base at Alabama Power. See Note 2 to the financial statements under "Georgia Power – Nuclear Construction" in Item 8 of the Form 10-K for additional information on Plant Vogtle Unit 4.

Allowance for Equity Funds Used During Construction

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$29	56.9	$44	40.4

In the second quarter 2025, allowance for equity funds used during construction was $80 million compared to $51 million for the corresponding period in 2024. For year-to-date 2025, allowance for equity funds used during construction was $153 million compared to $109 million for the corresponding period in 2024. The increases were primarily associated with increases in capital expenditures subject to AFUDC at Georgia Power and Alabama

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

Power. Partially offsetting the year-to-date 2025 increase was the impact of Plant Vogtle Unit 4 being placed in service in April 2024 at Georgia Power. See Note 2 to the financial statements under "Georgia Power – Nuclear Construction" in Item 8 of the Form 10-K for additional information on Plant Vogtle Unit 4.

Earnings from Equity Method Investments

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(21)	(67.7)	$(34)	(44.2)

In the second quarter 2025, earnings from equity method investments were $10 million compared to $31 million for the corresponding period in 2024. For year-to-date 2025, earnings from equity method investments were $43 million compared to $77 million for the corresponding period in 2024. The decreases in the second quarter and year-to-date 2025 were primarily due to decreases of $13 million and $21 million, respectively, at Southern Holdings related to investment losses and decreases of $9 million and $14 million, respectively, at Southern Company Gas related to lower rates at SNG. 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" and "Southern Company Gas" for additional information.

Interest Expense, Net of Amounts Capitalized

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$180	25.9	$230	16.9

In the second quarter 2025, interest expense, net of amounts capitalized was $874 million compared to $694 million for the corresponding period in 2024. For year-to-date 2025, interest expense, net of amounts capitalized was $1.6 billion compared to $1.4 billion for the corresponding period in 2024. The increases in the second quarter and year-to-date 2025 were primarily due to a $129 million loss associated with the extinguishment of debt at the parent company, as well as increases of approximately $54 million and $101 million, respectively, related to higher average outstanding borrowings. See FINANCIAL CONDITION AND LIQUIDITY – "Sources of Capital" and "Financing Activities" herein and Note (F) to the Condensed Financial Statements under "Convertible Senior Notes" herein for additional information.

Income Taxes

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(1)	(0.3)	$56	10.9

In the second quarter 2025, income taxes were $289 million compared to $290 million for the corresponding period in 2024. The decrease was primarily due to lower pre-tax earnings and a $19 million increase in the flowback of excess state deferred income taxes at Georgia Power, largely offset by a $64 million increase in charges to a valuation allowance on certain state tax credit carryforwards and $33 million from the recognition of certain state tax positions from amended returns in the second quarter 2024, both at Georgia Power, and a $9 million decrease in the flowback of certain excess deferred income taxes at Alabama Power.

For year-to-date 2025, income taxes were $569 million compared to $513 million for the corresponding period in 2024. The increase was primarily due to a $71 million increase in charges to a valuation allowance on certain state tax credit carryforwards and $33 million from the recognition of certain state tax positions from amended returns in the second quarter 2024, both at Georgia Power, and a $19 million decrease in the flowback of certain excess deferred income taxes at Alabama Power, partially offset by increases of $34 million in the flowback of excess state

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

deferred income taxes and $21 million in the generation of advanced nuclear PTCs, both at Georgia Power, as well as lower pre-tax earnings.

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

Net Loss Attributable to Noncontrolling Interests

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(12)	(80.0)	$(18)	(24.7)

Substantially all noncontrolling interests relate to renewable projects at Southern Power. In the second quarter 2025, net loss attributable to noncontrolling interests was $27 million compared to $15 million for the corresponding period in 2024. The increase was primarily due to $9 million in lower income allocations to Southern Power's equity partners and $4 million in higher HLBV loss allocations to Southern Power's tax equity partners.

For year-to-date 2025, net loss attributable to noncontrolling interests was $91 million compared to $73 million for the corresponding period in 2024. The increase was primarily due to $12 million in higher HLBV loss allocations to Southern Power's tax equity partners and $7 million in lower income allocations to Southern Power's equity partners.

Alabama Power

Net Income

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$12	3.3	$53	7.5

Alabama Power's net income in the second quarter 2025 was $381 million compared to $369 million for the corresponding period in 2024. The increase was primarily due to higher retail electric revenues resulting from changes in rates and pricing and increased customer usage, partially offset by weather impacts and an increase in non-fuel operations and maintenance expenses.

For year-to-date 2025, net income was $755 million compared to $702 million for the corresponding period in 2024. The increase was primarily due to higher retail electric revenues resulting from changes in rates and pricing, as well as an increase in other revenues, partially offset by increases in non-fuel operations and maintenance expenses and depreciation and amortization.

Retail Revenues

In the second quarter 2025, retail revenues were $1.7 billion compared to $1.6 billion for the corresponding period in 2024. For year-to-date 2025, retail revenues were $3.4 billion compared to $3.2 billion for the corresponding period in 2024. Details of the changes in retail revenues were as follows:

	Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
	(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
Rates and pricing	$ 68	4.1 %	$ 159	4.9 %
Sales growth	23	1.4	—	—
Weather	(40)	(2.5)	5	0.2
Fuel and other cost recovery	20	1.2	64	2.0
Retail revenues	$ 71	4.2 %	$ 228	7.1 %

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

Changes in rates and pricing resulted in increases in revenues in the second quarter and year-to-date 2025 when compared to the corresponding periods in 2024 primarily due to an increase in Rate RSE. See Note 2 to the financial statements under "Alabama Power" in Item 8 of the Form 10-K for additional information.

Changes in sales resulted in an increase in revenues in the second quarter and no change in revenues for year-to-date 2025 when compared to the corresponding periods in 2024. Weather-adjusted residential KWH sales increased 3.9% in the second quarter 2025 primarily due to increased customer usage. Weather-adjusted residential KWH sales increased 0.2% for year-to-date 2025 primarily due to customer growth. Weather-adjusted commercial KWH sales increased 2.0% in the second quarter 2025 primarily due to increased customer usage. Weather-adjusted commercial KWH sales increased 0.3% for year-to-date 2025 primarily due to customer growth. Industrial KWH sales increased 2.2% and 1.1% in the second quarter and year-to-date 2025, respectively, primarily due to increases in the primary metals sector.

Fuel and other cost recovery revenues increased in the second quarter and year-to-date 2025 when compared to the corresponding periods in 2024 primarily as a result of higher 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

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$14	16.7	$20	11.8

In the second quarter 2025, wholesale revenues from sales to non-affiliates were $98 million compared to $84 million for the corresponding period in 2024. For year-to-date 2025, wholesale revenues from sales to non-affiliates were $189 million compared to $169 million for the corresponding period in 2024. The increases for the second quarter and year-to-date 2025 were primarily due to increases of 27.4% and 20.1%, respectively, in the price of energy due to an increase in natural gas prices.

Wholesale Revenues – Affiliates

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$9	33.3	$37	54.4

In the second quarter 2025, wholesale revenues from sales to affiliates were $36 million compared to $27 million for the corresponding period in 2024. For year-to-date 2025, wholesale revenues from sales to affiliates were $105 million compared to $68 million for the corresponding period in 2024. The increases for the second quarter and year-to-date 2025 were primarily due to increases of 31.8% and 59.7%, respectively, in the price of energy due to an increase in natural gas prices.

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

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

Other Revenues

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$1	0.9	$31	14.5

For year-to-date 2025, other revenues were $245 million compared to $214 million for the corresponding period in 2024. The increase was primarily due to an $11 million increase in transmission revenue primarily associated with open access transmission tariff sales, an $11 million increase in regulated energy services revenues, $7 million related to undistributed customer bill credits associated with nuclear fuel disposal costs litigation, which was offset by an additional NDR accrual within other operations and maintenance expenses, and a $4 million increase in cogeneration revenues primarily related to higher fuel prices. These increases were partially offset by a $10 million decrease in pole attachment rental revenues. See Note 3 to the financial statements under "Nuclear Fuel Disposal Costs" in Item 8 of the Form 10-K for additional information.

Fuel and Purchased Power Expenses

	Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
	(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
Fuel	$ 2	0.6 %	$ 57	8.6 %
Purchased power – non-affiliates	7	14.9	25	25.3
Purchased power – affiliates	23	52.3	34	39.1
Total fuel and purchased power expenses	$ 32		$ 116	

In the second quarter 2025, total fuel and purchased power expenses were $458 million compared to $426 million for the corresponding period in 2024. The increase was primarily due to a $19 million net increase related to the average cost of fuel and purchased power and a $13 million net increase related to the volume of KWHs generated and purchased.

For year-to-date 2025, total fuel and purchased power expenses were $968 million compared to $852 million for the corresponding period in 2024. The increase was due to a $63 million net increase related to the volume of KWHs generated and purchased and a $53 million net increase related to the average cost of fuel and purchased power.

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

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.

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.

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

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

	Second Quarter 2025	Second Quarter 2024	**Year-to-Date 2025**	Year-to-Date 2024
Total generation *(in billions of KWHs)*	**14**	15	**29**	30
Total purchased power *(in billions of KWHs)*	**2**	2	**4**	3
Sources of generation *(percent)* —				
Gas	**37**	37	**35**	35
Coal	**36**	37	**35**	33
Nuclear	**16**	21	**20**	24
Hydro	**11**	5	**10**	8
Cost of fuel, generated *(in cents per net KWH)* —				
Gas	**3.13**	2.62	**3.35**	2.78
Coal	**3.10**	3.09	**3.27**	3.17
Nuclear	**0.78**	0.72	**0.73**	0.71
Average cost of fuel, generated *(in cents per net KWH)*	**2.69**	2.38	**2.73**	2.39
Average cost of purchased power *(in cents per net KWH)*(*)	**5.35**	5.68	**6.26**	6.60

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

Other Operations and Maintenance Expenses

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$43	10.0	$95	11.3

In the second quarter 2025, other operations and maintenance expenses were $472 million compared to $429 million for the corresponding period in 2024. The increase was primarily due to increases of $14 million in generation expenses primarily associated with planned and unplanned outages, $7 million associated with an additional NDR accrual, which is offset within other revenues, $4 million in vegetation management expenses, $4 million in certain employee compensation and benefit expenses, and $3 million in technology infrastructure and application production costs. See Note 3 to the financial statements under "Nuclear Fuel Disposal Costs" in Item 8 of the Form 10-K for additional information.

For year-to-date 2025, other operations and maintenance expenses were $935 million compared to $840 million for the corresponding period in 2024. The increase was primarily due to increases of $52 million in generation expenses primarily associated with planned outages, $12 million in certain employee compensation and benefit expenses, and $8 million in technology infrastructure and application production costs.

Depreciation and Amortization

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$7	1.9	$16	2.2

For year-to-date 2025, depreciation and amortization was $741 million compared to $725 million for the corresponding period in 2024. The increase was primarily due to additional plant in service related to transmission and distribution systems.

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

Taxes Other Than Income Taxes

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$2	1.7	$12	5.0

For year-to-date 2025, taxes other than income taxes were $250 million compared to $238 million for the corresponding period in 2024. The increase was primarily due to an increase in utility license taxes resulting from an increase in the tax base.

Allowance for Equity Funds Used During Construction

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$6	50.0	$10	38.5

In the second quarter 2025, allowance for equity funds used during construction was $18 million compared to $12 million for the corresponding period in 2024. For year-to-date 2025, allowance for equity funds used during construction was $36 million compared to $26 million for the corresponding period in 2024. The increases were primarily due to increases in capital expenditures subject to AFUDC.

Other Income (Expense), Net

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$10	27.0	$6	7.7

In the second quarter 2025, other income (expense), net was $47 million compared to $37 million for the corresponding period in 2024. The increase was primarily due to the receipt of liquidated damages associated with the termination of two solar projects.

Income Taxes

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$13	12.7	$39	20.9

In the second quarter 2025, income taxes were $115 million compared to $102 million for the corresponding period in 2024. For year-to-date 2025, income taxes were $226 million compared to $187 million for the corresponding period in 2024. The increases for the second quarter and year-to-date 2025 were primarily due to higher pre-tax earnings and decreases of $9 million and $19 million, respectively, in the flowback of certain excess deferred income taxes. See Note (G) to the Condensed Financial Statements herein for additional information.

Georgia Power

Net Income

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(155)	(20.3)	$5	0.4

Georgia Power's net income in the second quarter 2025 was $607 million compared to $762 million for the corresponding period in 2024. The decrease was primarily due to higher non-fuel operations and maintenance expenses and depreciation and amortization, weather impacts on retail revenues, and higher income taxes, partially

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

offset by higher retail revenues associated with increased base tariff and ECCR tariff revenues in accordance with the 2022 ARP, the inclusion of Plant Vogtle Unit 4 in retail rates, and higher contributions from customers with demand-driven pricing. Also partially offsetting this decrease were higher wholesale revenues and other revenues.

For year-to-date 2025, net income was essentially flat compared to the corresponding period in 2024. Higher retail revenues associated with the inclusion of Plant Vogtle Unit 4 in retail rates, increased base tariff and ECCR tariff revenues in accordance with the 2022 ARP, and higher contributions from customers with demand-driven pricing, as well as higher wholesale revenues and other revenues, were largely offset by higher non-fuel operations and maintenance expenses, depreciation and amortization, and income taxes.

Retail Revenues

In the second quarter 2025, retail revenues were $2.8 billion compared to $2.6 billion for the corresponding period in 2024. For year-to-date 2025, retail revenues were $5.4 billion compared to $4.8 billion for the corresponding period in 2024. Details of the changes in retail revenues were as follows:

	Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
	(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
Rates and pricing	$ 123	4.7 %	$ 390	8.2 %
Sales growth	65	2.5	64	1.4
Weather	(57)	(2.2)	10	0.2
Fuel cost recovery	37	1.4	179	3.8
Retail revenues	$ 168	6.4 %	$ 643	13.6 %

Changes in rates and pricing resulted in an increase in revenues in the second quarter and year-to-date 2025 when compared to the corresponding periods in 2024 primarily due to the inclusion of Plant Vogtle Unit 4 in retail rates net of elimination of the NCCR tariff, base tariff increases and increased ECCR tariff revenues in accordance with the 2022 ARP, and higher contributions from commercial and industrial customers with variable demand-driven pricing. See Note 2 to the financial statements under "Georgia Power" in Item 8 of the Form 10-K for additional information.

Changes in sales resulted in an increase in revenues in the second quarter and year-to-date 2025 when compared to the corresponding periods in 2024. Weather-adjusted residential KWH sales increased 2.1% in the second quarter 2025 primarily due to customer growth and increased customer usage. Weather-adjusted residential KWH sales increased 0.4% for year-to-date 2025 primarily due to customer growth, partially offset by decreased customer usage. Weather-adjusted commercial KWH sales increased 4.4% and 2.9% in the second quarter and year-to-date 2025, respectively, primarily due to increased customer usage, primarily driven by data centers. Weather-adjusted industrial KWH sales increased 3.5% in the second quarter 2025 primarily due to increases in the transportation and paper sectors, partially offset by a decrease in the pipeline sector. Weather-adjusted industrial KWH sales increased 1.8% for year-to-date 2025 primarily due to increases in the transportation and paper sectors, partially offset by decreases in the pipeline and textiles sectors.

Fuel revenues and costs are allocated between retail and wholesale jurisdictions. Retail fuel cost recovery revenues increased in the second quarter and year-to-date 2025 when compared to the corresponding periods in 2024 due to higher recoverable fuel costs. Electric rates include provisions to adjust billings for fluctuations in fuel costs, including the energy component of purchased power costs. Under these fuel cost recovery provisions, fuel revenues generally equal fuel expenses and do not affect net income. See Note (B) to the Condensed Financial Statements herein and Note 2 to the financial statements under "Georgia Power – Fuel Cost Recovery" in Item 8 of the Form 10-K for additional information.

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

Wholesale Revenues

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$44	69.8	$130	108.3

In the second quarter 2025, wholesale revenues were $107 million compared to $63 million for the corresponding period in 2024. For year-to-date 2025, wholesale revenues were $250 million compared to $120 million for the corresponding period in 2024. The increases for the second quarter and year-to-date 2025 were due to increases of $21 million and $63 million, respectively, related to the volume of KWH sales associated with higher market demand, $11 million and $35 million, respectively, related to the average cost per KWH sold due to higher Southern Company system fuel and purchased power prices, and $12 million and $32 million, respectively, related to additional non-fuel revenues from wholesale capacity contracts.

Wholesale revenues from sales to non-affiliates consist of PPAs and short-term opportunity sales. Wholesale revenues from PPAs have both capacity and energy components. Wholesale capacity revenues from PPAs are recognized in amounts billable under the contract terms and provide for recovery of fixed costs and a return on investment. Wholesale revenues from sales to non-affiliates will vary depending on fuel prices, the market prices of wholesale energy compared to the cost of Georgia Power's and the Southern Company system's generation, demand for energy within the Southern Company system's electric service territory, and the availability of the Southern Company system's generation. Increases and decreases in energy revenues that are driven by fuel prices are accompanied by an increase or decrease in fuel costs and do not have a significant impact on net income. Short-term opportunity sales are made at market-based rates that generally provide a margin above Georgia Power's variable cost of energy.

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

Other Revenues

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$23	10.7	$102	25.4

In the second quarter 2025, other revenues were $238 million compared to $215 million for the corresponding period in 2024. The increase was primarily due to increases of $15 million in unregulated sales primarily associated with power delivery construction and maintenance projects and $5 million in outdoor lighting sales.

For year-to-date 2025, other revenues were $503 million compared to $401 million for the corresponding period in 2024. The increase was primarily due to increases of $77 million in unregulated sales primarily associated with power delivery construction and maintenance, energy conservation, and renewables projects, $14 million in regulated sales associated with power delivery construction and maintenance projects, and $9 million in outdoor lighting sales.

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

Fuel and Purchased Power Expenses

	Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
	(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
Fuel	$ 35	7.9 %	$ 170	20.5 %
Purchased power – non-affiliates	29	19.2	49	16.8
Purchased power – affiliates	15	8.2	98	27.0
Total fuel and purchased power expenses	$ 79		$ 317	

In the second quarter 2025, total fuel and purchased power expenses were $853 million compared to $774 million for the corresponding period in 2024. For year-to-date 2025, total fuel and purchased power expenses were $1.8 billion compared to $1.5 billion for the corresponding period in 2024. The increases for the second quarter and year-to-date 2025 were due to net increases of $69 million and $182 million, respectively, related to the volume of KWHs generated and purchased and increases of $10 million and $135 million, respectively, related to the average cost of fuel and purchased power.

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.

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.

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. See Note 2 to the financial statements under "Georgia Power – Integrated Resource Plans" in Item 8 of the Form 10-K for information regarding two new PPAs with Southern Power.

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

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

	Second Quarter 2025	Second Quarter 2024	**Year-to-Date 2025**	Year-to-Date 2024
Total generation *(in billions of KWHs)*[a]	**16**	17	**31**	32
Total purchased power *(in billions of KWHs)*	**9**	7	**18**	14
Sources of generation *(percent)* —				
Gas	**38**	41	**39**	44
Nuclear[a]	**37**	36	**37**	34
Coal	**21**	20	**21**	19
Hydro and other	**4**	3	**3**	3
Cost of fuel, generated *(in cents per net KWH)* —				
Gas	**3.39**	2.85	**3.75**	3.00
Nuclear[a]	**0.92**	0.98	**0.92**	0.95
Coal	**4.59**	5.19	**4.66**	4.81
Average cost of fuel, generated *(in cents per net KWH)*[a]	**2.68**	2.63	**2.87**	2.63
Average cost of purchased power *(in cents per net KWH)*[b]	**4.97**	4.97	**5.11**	4.80

(a) Excludes KWHs generated from test period energy at Plant Vogtle Unit 4 prior to its in-service date. The related fuel costs were charged to CWIP in accordance with FERC guidance. See Note 2 to the financial statements under "Georgia Power – Nuclear Construction" in Item 8 of the Form 10-K for additional information on Plant Vogtle Units 3 and 4.

(b) Average cost of purchased power includes fuel purchased by Georgia Power for tolling agreements where power is generated by the provider.

Other Operations and Maintenance Expenses

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$207	47.3	$330	34.6

In the second quarter 2025, other operations and maintenance expenses were $645 million compared to $438 million for the corresponding period in 2024. The increase was primarily due to a $114 million gain from the sale of integrated transmission system assets in the second quarter 2024, an increase of $24 million in generation expenses primarily due to planned outages, a $21 million credit related to the estimated loss on Plant Vogtle Units 3 and 4 recorded in the second quarter 2024, and increases of $19 million in certain technology infrastructure and application production costs, $11 million in transmission and distribution expenses primarily due to line maintenance costs, and $8 million in certain employee compensation and benefit expenses.

For year-to-date 2025, other operations and maintenance expenses were $1.3 billion compared to $1.0 billion for the corresponding period in 2024. The increase was primarily due to a $114 million gain from the sale of integrated transmission system assets in the second quarter 2024, increases of $56 million in generation expenses primarily due to non-outage maintenance expenses largely resulting from Plant Vogtle Unit 4 being placed in service in April 2024, $50 million in expenses associated with unregulated power delivery construction and maintenance, energy conservation, and renewables projects, and $23 million in certain technology infrastructure and application production costs, a $21 million credit related to the estimated loss on Plant Vogtle Units 3 and 4 recorded in the second quarter 2024, and increases of $21 million in certain employee compensation and benefit expenses and $20 million in transmission and distribution expenses primarily due to line maintenance costs.

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

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

Depreciation and Amortization

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$65	14.5	$143	16.4

In the second quarter 2025, depreciation and amortization was $512 million compared to $447 million for the corresponding period in 2024. For year-to-date 2025, depreciation and amortization was $1.0 billion compared to $0.9 billion for the corresponding period in 2024. The increases for the second quarter and year-to-date 2025 were primarily due to increases of $37 million and $87 million, respectively, associated with additional plant in service and $31 million and $62 million, respectively, in amortization of regulatory assets related to CCR AROs as approved in the 2025 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

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$9	5.5	$31	10.0

In the second quarter 2025, taxes other than income taxes were $173 million compared to $164 million for the corresponding period in 2024. The increase was primarily due to increases of $4 million in property taxes primarily resulting from an increase in the assessed value of property and $3 million in municipal franchise fees resulting from higher retail revenues.

For year-to-date 2025, taxes other than income taxes were $342 million compared to $311 million for the corresponding period in 2024. The increase was primarily due to an increase of $14 million in municipal franchise fees resulting from higher retail revenues, an increase of $10 million in property taxes primarily resulting from an increase in the assessed value of property, and a decrease of $6 million in property taxes capitalized primarily due to Plant Vogtle Unit 4 being placed in service in April 2024. See Note 2 to the financial statements under "Georgia Power – Nuclear Construction" in Item 8 of the Form 10-K for additional information on Plant Vogtle Unit 4.

Allowance for Equity Funds Used During Construction

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$23	69.7	$32	44.4

In the second quarter 2025, allowance for equity funds used during construction was $56 million compared to $33 million for the corresponding period in 2024. For year-to-date 2025, allowance for equity funds used during construction was $104 million compared to $72 million for the corresponding period in 2024. The increases were primarily due to an increase in capital expenditures subject to AFUDC. Partially offsetting the increase for year-to-date 2025 was the impact of Plant Vogtle Unit 4 being placed in service in April 2024. See Note 2 to the financial statements under "Georgia Power – Nuclear Construction" in Item 8 of the Form 10-K for additional information on Plant Vogtle Unit 4.

Interest Expense, Net of Amounts Capitalized

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$13	7.0	$26	7.2

In the second quarter 2025, interest expense, net of amounts capitalized was $198 million compared to $185 million for the corresponding period in 2024. For year-to-date 2025, interest expense, net of amounts capitalized was $385

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

million compared to $359 million for the corresponding period in 2024. The increases for the second quarter and year-to-date 2025 were primarily associated with increases of approximately $13 million and $23 million, respectively, related to higher average outstanding borrowings and decreases of $3 million and $12 million, respectively, in net deferred financing costs related to Plant Vogtle Unit 3, partially offset by decreases of approximately $2 million and $4 million, respectively, related to lower interest rates.

See Note 2 to the financial statements under "Georgia Power – Nuclear Construction – Regulatory Matters" in Item 8 of the Form 10-K and FINANCIAL CONDITION AND LIQUIDITY – "Sources of Capital" and "Financing Activities" herein for additional information.

Income Taxes

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$44	22.9	$63	23.2

In the second quarter 2025, income taxes were $236 million compared to $192 million for the corresponding period in 2024. The increase was primarily due to a $64 million increase in charges to a valuation allowance on certain state tax credit carryforwards and $33 million from the recognition of certain state tax positions from amended returns in the second quarter 2024, partially offset by lower pre-tax earnings and an increase of $19 million in the flowback of excess state deferred income taxes.

For year-to-date 2025, income taxes were $334 million compared to $271 million for the corresponding period in 2024. The increase was primarily due to a $71 million increase in charges to a valuation allowance on certain state tax credit carryforwards, $33 million from the recognition of certain state tax positions from amended returns in the second quarter 2024, and higher pre-tax earnings, partially offset by increases of $34 million in the flowback of excess state deferred income taxes and $21 million in the generation of advanced nuclear PTCs.

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

Mississippi Power

Net Income

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(2)	(3.3)	$3	2.7

Mississippi Power's net income for year-to-date 2025 was $114 million compared to $111 million for the corresponding period in 2024. The increase was primarily due to higher retail revenues primarily resulting from changes in rates and pricing, largely offset by an increase in depreciation and amortization.

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

Retail Revenues

In the second quarter 2025, retail revenues were $274 million compared to $242 million for the corresponding period in 2024. For year-to-date 2025, retail revenues were $522 million compared to $462 million for the corresponding period in 2024. Details of the changes in retail revenues were as follows:

	Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
	(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
Rates and pricing	$ 8	3.3 %	$ 9	1.9 %
Sales growth	4	1.7	6	1.3
Weather	(2)	(0.8)	2	0.4
Fuel and other cost recovery	22	9.1	43	9.3
Retail revenues	$ 32	13.3 %	$ 60	12.9 %

Changes in rates and pricing resulted in increases in revenues in the second quarter and year-to-date 2025 when compared to the corresponding periods in 2024 primarily due to new PEP rates that became effective for the first billing cycle of April 2025. See Note (B) to the Condensed Financial Statements "Mississippi Power – Performance Evaluation Plan" for additional information.

Changes in sales resulted in increases in revenues in the second quarter and year-to-date 2025 when compared to the corresponding periods in 2024. Weather-adjusted residential KWH sales increased 2.4% in the second quarter 2025 primarily due to increased customer usage and were flat for year-to-date 2025. Weather-adjusted commercial KWH sales decreased 0.9% and 0.2% in the second quarter and year-to-date 2025, respectively, primarily due to decreased customer usage. Industrial KWH sales increased 3.7% and 4.3% in the second quarter and year-to-date 2025, respectively, primarily due to increases in the chemical and petroleum sectors.

Fuel and other cost recovery revenues increased in the second quarter and year-to-date 2025 when compared to the corresponding periods in 2024 primarily as a result of higher 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.

Wholesale Revenues – Non-Affiliates

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$8	14.8	$20	17.7

In the second quarter 2025, wholesale revenues from sales to non-affiliates were $62 million compared to $54 million for the corresponding period in 2024. The increase was primarily due to an increase associated with MRA customers largely due to higher recoverable fuel costs.

For year-to-date 2025, wholesale revenues from sales to non-affiliates were $133 million compared to $113 million for the corresponding period in 2024. The increase was primarily due to a $14 million increase associated with MRA customers largely due to higher recoverable fuel costs and a $5 million increase associated with changes in power supply agreements.

Wholesale revenues from sales to non-affiliates will vary depending on fuel prices, the market prices of wholesale energy compared to the cost of Mississippi Power's and the Southern Company system's generation, demand for energy within the Southern Company system's electric service territory, and the availability of the Southern Company system's generation. Increases and decreases in energy revenues that are driven by fuel prices are

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

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

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(3)	(5.2)	$27	24.8

In the second quarter 2025, wholesale revenues from sales to affiliates were $55 million compared to $58 million for the corresponding period in 2024. The decrease was primarily due to a $12 million decrease related to the volume of KWH sales, partially offset by a $9 million increase related to the price of energy driven by natural gas prices.

For year-to-date 2025, wholesale revenues from sales to affiliates were $136 million compared to $109 million for the corresponding period in 2024. The increase was primarily due to an increase related to the price of energy driven by natural gas prices.

Wholesale revenues from sales to affiliated companies will vary depending on demand and the availability and cost of generating resources at each company. These affiliate sales are made in accordance with the IIC 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.

Other Revenues

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(1)	(10.0)	$8	36.4

For year-to-date 2025, other revenues were $30 million compared to $22 million for the corresponding period in 2024. The increase was primarily due to customer charges related to contributions in aid of construction included in rates.

Fuel and Purchased Power Expenses

	Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
	(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
Fuel	$ 21	19.8 %	$ 71	33.6 %
Purchased power	5	45.5	9	50.0
Total fuel and purchased power expenses	$ 26		$ 80	

In the second quarter 2025, total fuel and purchased power expenses were $143 million compared to $117 million for the corresponding period in 2024. The increase was primarily due to a net increase related to the average cost of fuel and purchased power.

For year-to-date 2025, total fuel and purchased power expenses were $309 million compared to $229 million for the corresponding period in 2024. The increase was due to a $65 million increase related to the average cost of fuel and purchased power and a $15 million increase related to the volume of KWHs generated and purchased.

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

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.

Energy purchases 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. These purchases are made in accordance with the IIC or other contractual agreements, as approved by the FERC.

Details of Mississippi Power's generation and purchased power and the related costs were as follows:

	Second Quarter 2025	Second Quarter 2024	**Year-to-Date 2025**	Year-to-Date 2024
Total generation *(in millions of KWHs)*	**3,945**	4,456	**8,484**	8,408
Total purchased power *(in millions of KWHs)*	**403**	231	**591**	401
Sources of generation *(percent)* –				
Gas	**89**	93	**90**	92
Coal	**11**	7	**10**	8
Cost of fuel, generated *(in cents per net KWH)* –				
Gas	**3.26**	2.24	**3.39**	2.44
Coal	**5.03**	5.83	**4.98**	5.25
Average cost of fuel, generated *(in cents per net KWH)*	**3.47**	2.52	**3.57**	2.68
Average cost of purchased power *(in cents per net KWH)*	**3.88**	4.89	**4.48**	4.36

Other Operations and Maintenance Expenses

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(1)	(1.2)	$(5)	(2.9)

In the second quarter 2025, other operations and maintenance expenses were $82 million compared to $83 million for the corresponding period in 2024. For year-to-date 2025, other operations and maintenance expenses were $166 million compared to $171 million for the corresponding period in 2024. The second quarter and year-to-date 2025 included $10.9 million of reliability-related expenses that were offset by utilization of the reliability reserve. See Note (B) to the Condensed Financial Statements "Mississippi Power – Reliability Reserve Accounting Order" for additional information.

Depreciation and Amortization

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$5	10.6	$12	12.9

In the second quarter 2025, depreciation and amortization was $52 million compared to $47 million for the corresponding period in 2024. For year-to-date 2025, depreciation and amortization was $105 million compared to $93 million for the corresponding period in 2024. The increases were primarily due to an increase in depreciation rates and additional plant in service. See Note (A) to the Condensed Financial Statements under "Depreciation and Amortization" herein for additional information.

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

Taxes Other Than Income Taxes

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$4	12.5	$6	9.5

In the second quarter 2025, taxes other than income taxes were $36 million compared to $32 million for the corresponding period in 2024. For year-to-date 2025, taxes other than income taxes were $69 million compared to $63 million for the corresponding period in 2024. The increases were primarily due to increases in property taxes primarily resulting from an increase in the assessed value of property.

Other Income (Expense), Net

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(2)	(18.2)	$(9)	(36.0)

For year-to-date 2025, other income (expense), net was $16 million compared to $25 million for the corresponding period in 2024. The decrease was primarily due to lower customer charges related to contributions in aid of construction.

Income Taxes

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$2	13.3	$9	36.0

For year-to-date 2025, income taxes were $34 million compared to $25 million for the corresponding period in 2024. The increase was primarily due to a decrease of $6 million in the flowback of certain excess deferred income taxes and higher pre-tax earnings. See Note (G) to the Condensed Financial Statements herein for additional information.

Southern Power

Net Income Attributable to Southern Power

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(35)	(40.7)	$(44)	(24.2)

Net income attributable to Southern Power in the second quarter 2025 was $51 million compared to $86 million for the corresponding period in 2024. The decrease was primarily due to accelerated depreciation related to wind repowering projects and an increase in other operations and maintenance expenses due to increases in scheduled outage expenses and generation maintenance, partially offset by higher HLBV income associated with tax equity partnerships.

Net income attributable to Southern Power for year-to-date 2025 was $138 million compared to $182 million for the corresponding period in 2024. The decrease was primarily due to accelerated depreciation related to wind repowering projects and an increase in other operations and maintenance expenses due to increases in scheduled outage expenses and generation maintenance, partially offset by higher revenues driven by higher market prices of energy and higher HLBV income associated with tax equity partnerships.

See Note (K) to the Condensed Financial Statements under "Southern Power – Wind Repowering Projects" herein and Note 15 to the financial statements under "Southern Power – Development Projects" in Item 8 of the Form 10-K for additional information.

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

Operating Revenues

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$22	4.2	$116	11.6

Total operating revenues include PPA capacity revenues, which are derived primarily from long-term contracts associated with natural gas facilities, and PPA energy revenues derived from long-term contracts associated with 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:

	Second Quarter 2025	Second Quarter 2024	**Year-to-Date 2025**	Year-to-Date 2024
		(in millions)		
PPA capacity revenues	**$ 124**	$ 122	**$ 246**	$ 244
PPA energy revenues	**345**	331	**716**	612
Total PPA revenues	**469**	453	**962**	856
Non-PPA revenues	**69**	60	**137**	120
Other revenues	**8**	11	**14**	21
Total operating revenues	**$ 546**	$ 524	**$ 1,113**	$ 997

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

In the second quarter 2025, total operating revenues were $546 million, reflecting a $22 million, or 4.2%, increase from the corresponding period in 2024. The change in operating revenues was primarily due to the following:

- PPA energy revenues increased $14 million, or 4.2%, primarily due to an increase of $25 million related to the volume of KWHs sold under natural gas PPAs, partially offset by a decrease of $8 million driven by fuel and purchased power prices.
- Non-PPA revenues increased $9 million, or 15.0%, primarily due to an increase of $10 million driven by the market price of energy.

For year-to-date 2025, total operating revenues were $1.1 billion, reflecting a $116 million, or 11.6%, increase from the corresponding period in 2024. The change in operating revenues was primarily due to the following:

- PPA energy revenues increased $104 million, or 17.0%, due to an increase of $58 million primarily related to the volume of KWHs sold under natural gas PPAs and an increase of $46 million driven by fuel and purchased power prices.
- Non-PPA revenues increased $17 million, or 14.2%, due to an increase of $36 million driven by the market price of energy, partially offset by a decrease of $19 million related to the volume of KWHs sold through short-term sales.
- Other revenues decreased $7 million, or 33.3%, primarily due to a $15 million decrease associated with transmission revenues, partially offset by a $6 million increase in receipts associated with liquidated damages related to generation facility production guarantees and warranty settlements.

Fuel and Purchased Power Expenses

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

	Second Quarter 2025	Second Quarter 2024	**Year-to-Date 2025**	Year-to-Date 2024
		(in billions of KWHs)		
Generation	**11.6**	11.0	**22.5**	21.3
Purchased power	**0.8**	0.8	**1.3**	1.2
Total generation and purchased power	**12.4**	11.8	**23.8**	22.5
Total generation and purchased power (excluding solar, wind, fuel cells, and tolling agreements)	**7.5**	6.6	**14.5**	13.2

Southern Power's PPAs for natural gas generation generally provide that the purchasers are responsible for either procuring the fuel (tolling agreements) or reimbursing Southern Power for substantially all of the cost of fuel relating to the energy delivered under such PPAs. Consequently, changes in such fuel costs are generally accompanied by a corresponding change in related fuel revenues and do not have a significant impact on net income. Southern Power is responsible for the cost of fuel for generating units that are not covered under PPAs. Power from these generating units is sold into the wholesale market or into the Southern Company power pool for capacity owned directly by Southern Power.

Purchased power expenses will vary depending on demand, availability, and the cost of generating resources throughout the Southern Company system and other contract resources. Load requirements are submitted to the Southern Company power pool on an hourly basis and are fulfilled with the lowest cost alternative, whether that is generation owned by Southern Power, an affiliate company, or external parties. Such purchased power costs are generally recovered through PPA revenues.

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:

	Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
	(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
Fuel	$ 15	11.4 %	$ 67	23.3 %
Purchased power	9	40.9	19	47.5
Total fuel and purchased power expenses	$ 24		$ 86	

In the second quarter 2025, total fuel and purchased power expenses increased $24 million, or 15.6%, compared to the corresponding period in 2024. Fuel expense increased $15 million due to a $22 million increase related to the volume of KWHs generated, partially offset by a $7 million decrease associated with the average cost of fuel. Purchased power expense increased $9 million due to an increase associated with the average cost of purchased power.

For year-to-date 2025, total fuel and purchased power expenses increased $86 million, or 26.2%, compared to the corresponding period in 2024. Fuel expense increased $67 million due to a $37 million increase associated with the average cost of fuel and a $30 million increase related to the volume of KWHs generated. Purchased power expense increased $19 million primarily due to a $17 million increase associated with the average cost of purchased power.

Other Operations and Maintenance Expenses

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$16	13.4	$16	6.6

In the second quarter 2025, other operations and maintenance expenses were $135 million compared to $119 million for the corresponding period in 2024. For year-to-date 2025, other operations and maintenance expenses were $257 million compared to $241 million for the corresponding period in 2024. The increases were primarily due to increases in scheduled outage and generation maintenance expenses.

Depreciation and Amortization

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$50	39.4	$84	34.3

In the second quarter 2025, depreciation and amortization was $177 million compared to $127 million for the corresponding period in 2024. For year-to-date 2025, depreciation and amortization was $329 million compared to $245 million for the corresponding period in 2024. The increases for the second quarter and year-to-date 2025 were primarily due to accelerated depreciation of $42 million and $69 million, respectively, related to wind repowering projects. See Note (K) to the Condensed Financial Statements under "Southern Power – Wind Repowering Projects" herein and Note 15 to the financial statements under "Southern Power – Development Projects" in Item 8 of the Form 10-K for additional information.

Income Taxes (Benefit)

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(15)	N/M	$(2)	N/M

In the second quarter 2025, income tax benefit was $2 million compared to income tax expense of $13 million for the corresponding period in 2024. For year-to-date 2025, income tax benefit was $3 million compared to $1 million for the corresponding period in 2024. The changes were primarily due to a change in pre-tax earnings attributable to

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

Southern Power, including the impact of accelerated depreciation related to wind repowering projects. See Note (G) to the Condensed Financial Statements and Note (K) to the Condensed Financial Statements under "Southern Power – Wind Repowering Projects" herein for additional information.

Net Loss Attributable to Noncontrolling Interests

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(12)	(80.0)	$(18)	(24.7)

In the second quarter 2025, net loss attributable to noncontrolling interests was $27 million compared to $15 million for the corresponding period in 2024. The increase was primarily due to $9 million in lower income allocations to equity partners and $4 million in higher HLBV loss allocations to tax equity partners.

For year-to-date 2025, net loss attributable to noncontrolling interests was $91 million compared to $73 million for the corresponding period in 2024. The increase was primarily due to $12 million in higher HLBV loss allocations to tax equity partners and $7 million in lower income allocations to equity partners.

Southern Company Gas

Southern Company Gas measures weather and the effect on its business using Heating Degree Days. Generally, increased Heating Degree Days results in higher demand for natural gas on Southern Company Gas' distribution system. Southern Company Gas has various regulatory mechanisms, such as weather and revenue normalization and straight-fixed-variable rate design, which limit its exposure to weather changes within typical ranges in each of its utility's respective service territory. Southern Company Gas also utilizes weather hedges to limit the negative income impacts in the event of warmer-than-normal weather 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, more customers are connected to the gas distribution systems and natural gas usage is higher in periods of colder weather. 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 as a result of seasonality.

Net Income

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(2)	(1.9)	$7	1.4

Southern Company Gas' net income in the second quarter 2025 was $106 million compared to $108 million for the corresponding period in 2024. The decrease was primarily due to a $7 million decrease in net income at gas pipeline investments and a $5 million increase in net loss at all other, largely offset by an $11 million increase in net income at gas distribution operations.

For year-to-date 2025, net income was $524 million compared to $517 million for the corresponding period in 2024. The increase was primarily due to a $24 million increase in net income at gas distribution operations, partially offset by an $11 million decrease in net income at gas pipeline investments and a $6 million decrease in net income at all other.

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

Natural Gas Revenues

In the second quarter 2025, natural gas revenues were $979 million compared to $831 million for the corresponding period in 2024. For year-to-date 2025, natural gas revenues were $2.8 billion compared to $2.5 billion for the corresponding period in 2024. Details of the changes in natural gas revenues were as follows:

	Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
	(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
Rates	$ 28	3.4 %	$ 71	2.8 %
Gas costs and other cost recovery	104	12.5	166	6.5
Gas marketing services	17	2.0	35	1.4
Other	(1)	(0.1)	8	0.3
Natural gas revenues	$ 148	17.8 %	$ 280	11.0 %

Changes in rates resulted in an increase in revenues in the second quarter and year-to-date 2025 compared to the corresponding periods in 2024 primarily due to base rate increases at Atlanta Gas Light and Virginia Natural 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 increased in the second quarter and year-to-date 2025 compared to the corresponding periods in 2024 primarily due to higher natural gas prices and gas volumes. See "Cost of Natural Gas" herein for additional information.

Revenues from gas marketing services increased in the second quarter and year-to-date 2025 compared to the corresponding periods in 2024 primarily due to higher commodity prices.

Cost of Natural Gas

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$106	71.1	$175	23.2

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 85% and 82% of the total cost of natural gas in the second quarter and year-to-date 2025, 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.

In the second quarter 2025, cost of natural gas was $255 million compared to $149 million for the corresponding period in 2024. For year-to-date 2025, cost of natural gas was $929 million compared to $754 million for the corresponding period in 2024. The increases reflect higher gas cost recovery as a result of increases of 81.6% and 71.5% in natural gas prices in the second quarter and year-to-date 2025, respectively.

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

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

	Second Quarter			Year-to-Date		
	2025	2024	2025 vs. 2024	2025	2024	2025 vs. 2024
Gas distribution operations *(mmBtu in millions)*						
Firm	**102**	95	7.4 %	**403**	361	11.6 %
Interruptible	**20**	22	(9.1)	**43**	47	(8.5)
Total	**122**	117	4.3 %	**446**	408	9.3 %
Gas marketing services *(mmBtu in millions)*						
Firm:						
Georgia	**4**	5	(20.0)%	**22**	22	— %
Illinois	**—**	1	(100.0)	**3**	3	—
Other	**4**	2	100.0	**12**	9	33.3
Interruptible large commercial and industrial	**3**	4	(25.0)	**7**	8	(12.5)
Total	**11**	12	(8.3)%	**44**	42	4.8 %

Other Operations and Maintenance Expenses

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$13	4.5	$36	6.2

In the second quarter 2025, other operations and maintenance expenses were $301 million compared to $288 million for the corresponding period in 2024. For year-to-date 2025, other operations and maintenance expenses were $617 million compared to $581 million for the corresponding period in 2024. The increases for the second quarter and year-to-date 2025 were primarily due to increases of $15 million and $32 million, respectively, in employee compensation and benefit expenses and $8 million and $20 million, respectively, in expenses passed through to customers primarily related to bad debt and energy efficiency programs at gas distribution operations, partially offset by decreases of $5 million and $12 million, respectively, related to deferred expenses.

Depreciation and Amortization

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$14	8.9	$28	8.9

In the second quarter 2025, depreciation and amortization was $172 million compared to $158 million for the corresponding period in 2024. For year-to-date 2025, depreciation and amortization was $341 million compared to $313 million for the corresponding period in 2024. The increases were primarily due to additional plant in service related to continued investments at the natural gas distribution utilities.

Taxes Other Than Income Taxes

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$5	8.9	$15	10.5

In the second quarter 2025, taxes other than income taxes were $61 million compared to $56 million for the corresponding period in 2024. For year-to-date 2025, taxes other than income taxes were $158 million compared to $143 million for the corresponding period in 2024. The increases for the second quarter and year-to-date 2025 were

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

primarily due to increases in revenue taxes of $4 million and $14 million, respectively, as a result of higher natural gas revenues at Nicor Gas. Revenue taxes imposed on Nicor Gas are recoverable from its customers.

Earnings from Equity Method Investments

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(9)	(28.1)	$(14)	(18.4)

In the second quarter 2025, earnings from equity method investments were $23 million compared to $32 million for the corresponding period in 2024. For year-to-date 2025, earnings from equity method investments were $62 million compared to $76 million for the corresponding period in 2024. The decreases were primarily due to lower rates at SNG. See Note 7 to the financial statements under "Southern Company Gas" in Item 8 of the Form 10-K and Note (E) to the Condensed Financial Statements herein under "Southern Company Gas" for additional information.

Interest Expense, Net of Amounts Capitalized

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$9	10.8	$16	9.6

In the second quarter 2025, interest expense, net of amounts capitalized was $92 million compared to $83 million for the corresponding period in 2024. For year-to-date 2025, interest expense, net of amounts capitalized was $183 million compared to $167 million for the corresponding period in 2024. The increases were primarily associated with higher average outstanding borrowings. See FINANCIAL CONDITION AND LIQUIDITY – "Sources of Capital" herein for additional information on borrowings.

Income Taxes

Second Quarter 2025 vs. Second Quarter 2024		Year-to-Date 2025 vs. Year-to-Date 2024	
(change in millions)	*(% change)*	*(change in millions)*	*(% change)*
$(3)	(8.3)	$(12)	(6.9)

For year-to-date 2025, income taxes were $162 million compared to $174 million for the corresponding period in 2024. The decreases were primarily due to the flowback of excess state deferred income taxes. 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)

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.

	2025			2024		
	Operating Revenues	Operating Expenses	Net Income (Loss)	Operating Revenues	Operating Expenses	Net Income (Loss)
			(in millions)			
Second Quarter						
Gas distribution operations	**$ 885**	**$ 707**	**$ 91**	$ 749	$ 582	$ 80
Gas pipeline investments	**8**	**2**	**15**	8	2	22
Gas marketing services	**83**	**71**	**8**	70	57	9
All other	**5**	**7**	**(8)**	7	9	(3)
Intercompany eliminations	**(2)**	**2**	**—**	(3)	1	—
Consolidated	**$ 979**	**$ 789**	**$ 106**	$ 831	$ 651	$ 108
Year-to-Date						
Gas distribution operations	**$ 2,454**	**$ 1,789**	**$ 406**	$ 2,212	$ 1,571	$ 382
Gas pipeline investments	**16**	**5**	**41**	16	5	52
Gas marketing services	**345**	**241**	**74**	305	205	74
All other	**9**	**9**	**3**	13	11	9
Intercompany eliminations	**(6)**	**1**	**—**	(8)	(1)	—
Consolidated	**$ 2,818**	**$ 2,045**	**$ 524**	$ 2,538	$ 1,791	$ 517

Gas Distribution Operations

The gas distribution operations segment 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 second quarter 2025, net income increased $11 million, or 13.8%, when compared to the corresponding period in 2024, as described further below:

- Operating revenues increased $136 million primarily due to higher gas cost recovery and base 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 $125 million primarily due to a $96 million increase in cost of natural gas as a result of higher gas prices and higher volumes sold compared to 2024, a $14 million increase in depreciation primarily due to additional plant in service related to continued investments at the natural gas distribution utilities, and an $8 million increase related to expenses passed through to customers primarily related to bad debt and energy efficiency programs.
- Interest expense, net of amounts capitalized increased $6 million primarily due to higher average outstanding borrowings.

For year-to-date 2025, net income increased $24 million, or 6.3%, when compared to the corresponding period in 2024, as described further below:

- Operating revenues increased $242 million primarily due to higher gas cost recovery and base rate increases. Gas costs recovered through natural gas revenues generally equal the amount expensed in cost of natural gas.
- Operating expenses increased $218 million primarily due to a $145 million increase in cost of natural gas as a result of higher gas prices and higher volumes sold compared to 2024, a $28 million increase in depreciation primarily due to additional plant in service related to continued investments at the natural gas distribution utilities, and a $20 million increase related to expenses passed through to customers primarily related to bad debt and energy efficiency programs.
- Interest expense, net of amounts capitalized increased $10 million primarily due to higher average outstanding borrowings.

Gas Pipeline Investments

The gas pipeline investments segment 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.

In the second quarter and year-to-date 2025, net income decreased $7 million and $11 million, respectively, when compared to the corresponding periods in 2024. The decreases were primarily due to lower rates at SNG.

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

In the second quarter 2025, net loss increased $5 million when compared to the corresponding period in 2024. For year-to-date 2025, net income decreased $6 million when compared to the corresponding period in 2024. The changes were primarily due to higher interest expense as a result of higher average outstanding borrowings.

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. The Registrants are unable to predict changes in law, regulations, regulatory guidance, legal interpretations, policy positions, and implementation actions that may result from the presidential administration.

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, extending the retirement dates of certain fossil fuel plants, and expanding and improving the transmission and distribution systems; continued customer growth; and the trends of

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

an uncertain inflationary environment 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 and pricing of large customers such that incremental costs are met with adequate incremental revenues, 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.

Economic uncertainty and policy uncertainty have increased the volatility of future economic outlooks above historical norms. Significant changes in fiscal, monetary, or trade policies could disrupt anticipated economic outlooks. This uncertainty in economic growth, interest rates, tariffs, and inflation could impact customer demand for energy, access to capital markets, and the cost of doing business. 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 six months of 2025.

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 under current and future tax legislation and U.S. Treasury guidance; 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 "Income Tax Matters – Federal Tax Legislation" herein for information regarding the One Big Beautiful Bill Act's (OBBB) restrictions on federal ITCs and PTCs. Also see 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 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 United States 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.

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

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; demand growth in data centers; 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, joint ventures, 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/or 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 April 14, 2025, the U.S. Court of Appeals for the D.C. Circuit granted the EPA's motion to hold in abeyance the litigation regarding the 2015 Ozone National Ambient Air Quality Standards (NAAQS) Good Neighbor federal implementation plan (FIP).

On March 25, 2025, the U.S. Court of Appeals for the Fifth Circuit vacated and remanded the EPA's disapproval of the Mississippi state implementation plan (SIP) addressing interstate transport provisions of the Clean Air Act for the 2015 NAAQS. The decision protects the State of Mississippi from the requirements of the federal Good Neighbor plan unless or until the EPA properly disapproves Mississippi's SIP.

On June 18, 2025, the U.S. Supreme Court issued an opinion holding that the proper venue for reviewing interstate transport SIP disapprovals are regional appellate courts instead of the U.S. Court of Appeals for the D.C. Circuit.

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 February 28, 2025, the U.S. Court of Appeals for the Eighth Circuit granted the EPA's motion to hold the 2024 ELG Rule litigation in abeyance for 60 days. On March 12, 2025, the EPA announced its intent to reconsider the

standards finalized in the 2024 ELG Rule, including the new technology-based ELGs for leachate. On May 1, 2025, the U.S. Court of Appeals for the Eighth Circuit granted the EPA's motion requesting an additional 60-day abeyance of the 2024 ELG Rule litigation. On July 11, 2025, the U.S. Court of Appeals for the Eighth Circuit granted the EPA's request to continue to hold the 2024 ELG Rule litigation in abeyance for another 30 days. The ultimate impact of the 2024 ELG Rule and associated legal matters cannot be determined at this time; however, it may result in significant compliance costs.

Coal Combustion Residuals

On March 12, 2025, the EPA announced its intent to undertake several regulatory actions related to the CCR Rule, including reviewing the 2024 Legacy Rule and evaluating whether to grant short- and long-term relief, such as extending compliance deadlines. On June 13, 2025, the U.S. Court of Appeals for the D.C. Circuit granted the EPA's motion requesting an additional 60-day abeyance of the litigation over the 2024 Legacy Rule.

On January 16, 2025, the EPA simultaneously published a direct final rule and companion proposed rule that included identical revisions to certain definitions in the 2024 Legacy Rule. On March 20, 2025, the EPA published a notice withdrawing its direct final rule and stating the EPA's intent to respond to comments received on the companion proposed rule. On July 22, 2025, the EPA published a direct final rule and companion proposed rule extending certain deadlines for compliance for owners and operators of CCR management units. The ultimate impact of any final rule and associated legal matters 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 February 19, 2025, the U.S. Court of Appeals for the D.C. Circuit granted the EPA's motion to hold the litigation over the 2024 GHG Rules in abeyance for 60 days. On April 25, 2025, the U.S. Court of Appeals for the D.C. Circuit granted the EPA's motion requesting a continuing abeyance of the litigation over the 2024 GHG Rules. The EPA states in its motion that the agency will issue a proposed reconsideration rule in spring 2025 and a final reconsideration rule by December 2025. On June 17, 2025, the EPA published a proposed rule that, if finalized, would repeal all or a portion of the 2024 GHG Rules. The proposed rule includes a primary proposal and an alternative proposal. Under the primary proposal, the EPA would repeal all emissions standards promulgated under Section 111 of the Clean Air Act based on a finding that fossil fuel-fired power plants do not contribute significantly to dangerous air pollution. Under the alternative proposal, the EPA would repeal all of the emissions guidelines for existing fossil fuel-fired steam generating units as well as the carbon capture and storage requirement for new base load stationary combustion turbines. 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.

In 2009, the EPA finalized its determination that concentration of certain GHGs in the atmosphere represent a danger to public health and welfare, and such endangerment finding is a prerequisite for regulation of GHG emissions from electric generating units. On March 21, 2025, the EPA announced its intent to ask for public comment on its reconsideration of this endangerment finding. On July 29, 2025, the EPA released a proposed rule to repeal the 2009 endangerment finding with regard to motor vehicles. In the proposal, the EPA acknowledged that

other Clean Air Act rulemakings, including those for electric generating units, have partially relied on the 2009 endangerment finding, and the EPA said it would address any overlapping issues in separate rulemakings. The ultimate impact of this proposal cannot be determined at this time.

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 state PSC approval in order to be included in retail rates, through which the traditional electric operating companies recover their investment and a return. See Note 2 to the financial statements under "Georgia Power – Integrated Resource Plans" in Item 8 of the Form 10-K and Note (B) to the Condensed Financial Statements under "Georgia Power – Integrated Resource Plans" and " – Other Construction" herein for information regarding Georgia Power's future and current construction projects.

Alabama Power executed an agreement to build a battery energy storage facility at the former Plant Gorgas site in Walker County, Alabama. The new Gorgas battery facility is designed to have the capacity to store up to 150 MWs of electricity generated by other Alabama Power resources. Construction is expected to begin in the third quarter 2025, with estimated completion by 2027.

Southern Power's construction program includes the Millers Branch solar project and the Kay Wind, Grant Plains, Grant Wind, and Wake Wind repowering projects. The repowering projects result in accelerated depreciation related to the equipment being replaced that will continue until the commercial operation dates of the projects, which are projected to occur between the third quarter 2026 and the second quarter 2027. At June 30, 2025, the remaining pre-tax accelerated depreciation, net of noncontrolling interest impacts, is projected to total approximately $215 million in 2025, $320 million in 2026, and $25 million in 2027. 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 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, as approved by their applicable state regulatory agency. See Note 2 to the financial statements in Item 8 of the Form 10-K for additional information on Southern Company Gas' construction program.

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

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

Income Tax Matters

See Note (G) to the Condensed Financial Statements herein and MANAGEMENT'S DISCUSSION AND ANALYSIS – FUTURE EARNINGS POTENTIAL – "Income Tax Matters" in Item 7 of the Form 10-K for additional information.

Federal Tax Legislation

The OBBB was signed into law on July 4, 2025. It extends many of the Tax Cuts and Jobs Act's provisions that were set to expire and makes some of them permanent. The OBBB includes major changes to tax incentives for renewable energy projects. The legislation restricts the ITCs and PTCs for solar and wind power projects, which were originally set to run through 2032. Such projects must now either begin construction by July 2026 or be fully operational by the end of 2027 in order to claim the applicable tax credits. Nuclear, hydropower, and geothermal energy projects maintain tax credits under the new law. Battery energy storage projects retain their full tax credit through 2033, with a gradual phase-out by 2036. The OBBB adds new restrictions for tax credits for renewable facilities that are owned or influenced by a prohibited foreign entity or receive material assistance from a prohibited foreign entity. Following enactment of the OBBB, the president issued an executive order directing the U.S. Treasury to issue new and revised wind and solar tax credit guidance within 45 days. Additionally, the IRS is expected to issue significant guidance on the tax provisions in the OBBB. Southern Company is still assessing and will continue to monitor the impacts of the OBBB. The ultimate outcome of this legislation cannot be determined at this time.

Georgia State Tax Legislation

On April 15, 2025, the State of Georgia enacted tax legislation that reduced the corporate income tax rate from 5.39% to 5.19% effective for the 2025 tax year. This legislation reduced the amount of Southern Company's and 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 in 2025.

Zero-Emission Nuclear Power Production Tax Credit

Alabama Power and Georgia Power have nuclear generating facilities that qualify for Internal Revenue Code §45U PTCs for the 2024 tax year that are expected to be claimed on Southern Company's consolidated tax return by October 15, 2025. The base credit amounts are $75 million, $36 million, and $39 million for Southern Company, Alabama Power, and Georgia Power, respectively, which have been recorded as a regulatory liability. Additionally, each company may qualify for the prevailing wage multiplier which would allow Southern Company, Alabama Power, and Georgia Power to claim §45U PTCs totaling $373 million, $180 million, and $193 million, respectively. The §45U PTC is available for tax years 2024 to 2032 and is subject to a phase-out. As such, Southern Company, Alabama Power, and Georgia Power will each evaluate annually whether it qualifies for the credit. 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.

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

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.

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 June 30, 2025. 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 second quarter 2025, the market price of Southern Company's common stock was $91.83 per share (based on the closing price as reported on the NYSE) and the book value was $30.92 per share, representing a market-to-book ratio of 297%, compared to $82.32, $30.28, and 272%, respectively, at the end of 2024. Southern Company's common stock dividend for the second quarter 2025 was $0.74 per share compared to $0.72 per share in the second quarter 2024.

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. 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, with respect to the traditional electric operating companies and the natural gas distribution utilities, there can be no assurance that any 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 June and July 2025, Georgia Power requested certification from the Georgia PSC for several Georgia Power-owned projects through various RFPs. Estimated capital expenditures associated with these projects and related transmission investments through 2029 total approximately $14.3 billion, excluding previously committed expenditures and AFUDC. See Note (B) to the Condensed Financial Statements under "Georgia Power – Integrated Resource Plans" for additional information.

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

During the second quarter 2025, Southern Power committed to development projects to repower the Grant Plains, Grant Wind, and Wake Wind facilities. The remaining aggregate construction costs for these projects are expected to be between $715 million and $805 million. 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, 2024.

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.

The amount, type, and timing of any financings in 2025, 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.

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 June 30, 2025, the amount of subsidiary retained earnings restricted to dividend totaled $1.8 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 June 30, 2025 for the applicable Registrants:

At June 30, 2025	Southern Company	Georgia Power	Southern Power	Southern Company Gas
		(in millions)		
Current liabilities in excess of current assets	$ 3,769	$ 921	$ 1,321	$ 1,171

The Registrants believe the need for working capital can be adequately met by utilizing operating cash flows, as well as commercial paper, lines of credit, and short-term bank notes, as market conditions permit. In addition, under certain circumstances, the Subsidiary Registrants may utilize equity contributions and/or loans from Southern Company.

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

Bank Credit Arrangements

At June 30, 2025, unused committed credit arrangements with banks were as follows:

At June 30, 2025	Southern Company parent	Alabama Power[a]	Georgia Power	Mississippi Power	Southern Power[b]	Southern Company Gas[c]	SEGCO	Southern Company
				(in millions)				
Unused committed credit	$ 2,999	$ 1,364	$ 2,026	$ 275	$ 600	$ 1,598	$ 30	$ 8,892

(a) Includes $14 million at Alabama Property Company, a wholly-owned subsidiary of Alabama Power. Alabama Power is not party to this arrangement.

(b) At June 30, 2025, 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.

(c) 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 June 30, 2025, outstanding variable rate demand revenue bonds of the traditional electric operating companies with allocated liquidity support totaled approximately $1.5 billion (comprised of approximately $796 million at Alabama Power, $667 million at Georgia Power, and $69 million at Mississippi Power). Subsequent to June 30, 2025, Mississippi Power repaid at maturity approximately $11 million of its $69 million variable rate demand revenue bonds. In addition, at June 30, 2025, Alabama Power and Georgia Power had approximately $280 million and $501 million, respectively, of fixed rate revenue bonds outstanding that are required to be remarketed within the next 12 months. Alabama Power's $280 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-

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 June 30, 2025		Short-term Debt During the Period(*)		
	Amount Outstanding	Weighted Average Interest Rate	Average Amount Outstanding	Weighted Average Interest Rate	Maximum Amount Outstanding
	(in millions)		*(in millions)*		*(in millions)*
Southern Company	$ 988	4.6 %	$ 876	4.9 %	$ 1,610
Alabama Power	—	—	1	4.4	40
Georgia Power	285	4.7	451	5.0	1,025
Mississippi Power	32	4.6	8	4.6	34
Southern Power	200	4.6	35	4.6	200
Southern Company Gas:					
Southern Company Gas Capital	471	4.7	339	4.7	507

(*) Average and maximum amounts are based upon daily balances during the three-month period ended June 30, 2025.

Analysis of Cash Flows

Net cash flows provided from (used for) operating, investing, and financing activities for the six months ended June 30, 2025 and 2024 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)			
Six Months Ended June 30, 2025						
Operating activities	**$ 3,431**	**$ 678**	**$ 1,335**	**$ 78**	**$ 232**	**$ 1,210**
Investing activities	**(5,734)**	**(1,169)**	**(3,218)**	**(145)**	**(418)**	**(735)**
Financing activities	**2,467**	**300**	**1,859**	**76**	**161**	**(294)**
Six Months Ended June 30, 2024						
Operating activities	$ 3,999	$ 877	$ 1,680	$ 85	$ 230	$ 1,270
Investing activities	(4,222)	(951)	(2,199)	(218)	(127)	(696)
Financing activities	513	(46)	551	114	(85)	(574)

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 decreased $568 million for the six months ended June 30, 2025 as compared to the corresponding period in 2024 primarily due to the timing of vendor payments, decreased retail fuel cost recovery, primarily at Alabama Power, and storm restoration costs at Georgia Power, partially offset by the timing of materials and supplies purchases. See Note 2 to the financial statements under "Georgia Power – Storm Damage Recovery" in Item 8 of the Form 10-K for additional information relating to storm restoration costs.

The net cash used for investing activities for the six months ended June 30, 2025 was primarily related to the Subsidiary Registrants' construction programs.

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

The net cash provided from financing activities for the six months ended June 30, 2025 was primarily related to net issuances of long-term debt, partially offset by common stock dividend payments.

Alabama Power

Net cash provided from operating activities decreased $199 million for the six months ended June 30, 2025 as compared to the corresponding period in 2024 primarily due to a decrease in fuel cost recovery and customer refunds associated with the nuclear fuel disposal cost award, partially offset by the timing of vendor payments. See Note 3 to the financial statements under "Nuclear Fuel Disposal Cost" in Item 8 of the Form 10-K for additional information.

The net cash used for investing activities for the six months ended June 30, 2025 was primarily related to gross property additions.

The net cash provided from financing activities for the six months ended June 30, 2025 was primarily related to capital contributions from Southern Company and net issuances of senior notes, partially offset by common stock dividend payments.

Georgia Power

Net cash provided from operating activities decreased $345 million for the six months ended June 30, 2025 as compared to the corresponding period in 2024 primarily due to the timing of vendor payments and storm restoration costs, partially offset by the timing of customer receivable collections. See Note 2 to the financial statements under "Georgia Power – Storm Damage Recovery" in Item 8 of the Form 10-K for additional information relating to storm restoration costs.

The net cash used for investing activities for the six months ended June 30, 2025 was primarily related to gross property additions.

The net cash provided from financing activities for the six months ended June 30, 2025 was primarily related to capital contributions from Southern Company and net issuances of senior notes, partially offset by common stock dividend payments.

Mississippi Power

Net cash provided from operating activities decreased $7 million for the six months ended June 30, 2025 as compared to the corresponding period in 2024 primarily due to decreased fuel cost recovery, partially offset by the timing of fossil fuel stock purchases.

The net cash used for investing activities for the six months ended June 30, 2025 was primarily related to gross property additions, partially offset by contributions in aid of construction.

The net cash provided from financing activities for the six months ended June 30, 2025 was primarily related to issuances of senior notes and capital contributions from Southern Company, partially offset by common stock dividend payments.

Southern Power

Net cash provided from operating activities increased $2 million for the six months ended June 30, 2025 as compared to the corresponding period in 2024.

The net cash used for investing activities for the six months ended June 30, 2025 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 provided from financing activities for the six months ended June 30, 2025 was primarily related to an increase in commercial paper borrowings and capital contributions from Southern Company, partially offset by common stock dividend payments and net distributions to noncontrolling interests.

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

Southern Company Gas

Net cash provided from operating activities decreased $60 million for the six months ended June 30, 2025 as compared to the corresponding period in 2024 primarily due to the timing of customer receivable collections.

The net cash used for investing activities for the six months ended June 30, 2025 was primarily related to construction of transportation and distribution assets recovered through base rates.

The net cash used for financing activities for the six months ended June 30, 2025 was primarily related to common stock dividend payments.

Significant Balance Sheet Changes

Southern Company

Significant balance sheet changes for the six months ended June 30, 2025 included:

- an increase of $4.9 billion in long-term debt (including securities due within one year) primarily related to issuances of senior notes and junior subordinated notes, partially offset by repayment of senior notes;
- an increase of $3.5 billion in total property, plant, and equipment primarily related to the Subsidiary Registrants' construction programs;
- a decrease of $753 million in accounts payable primarily related to the timing of vendor payments;
- an increase of $668 million in total stockholders' equity primarily related to net income, partially offset by common stock dividend payments;
- an increase of $564 million in accumulated deferred income taxes primarily related to property-related timing differences and monetization of tax credits in 2025;
- a decrease of $436 million in accrued compensation due to the timing of payments;
- decreases of $389 million and $307 million in AROs and regulatory assets associated with AROs, respectively, primarily related to cost estimate updates at Alabama Power; and
- a decrease of $350 million in notes payable primarily due to repayment of short-term bank debt and a reduction in commercial paper borrowings.

See "Financing Activities" and Note (A) to the Condensed Financial Statements under "Asset Retirement Obligations" herein for additional information.

Alabama Power

Significant balance sheet changes for the six months ended June 30, 2025 included:

- an increase of $712 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 $367 million in total property, plant, and equipment primarily related to the construction of transmission and distribution facilities;
- an increase of $351 million in long-term debt (including securities due within one year) primarily due to net issuances of senior notes;
- decreases of $305 million and $218 million in AROs and regulatory assets associated with AROs, respectively, primarily related to cost estimate updates;
- a decrease of $228 million in other accounts payable primarily due to the timing of vendor payments; and
- a decrease of $191 million in cash and cash equivalents, as reflected in the statements of cash flows and discussed further under "Analysis of Cash Flows – Alabama Power" herein.

See "Financing Activities – Alabama Power" and Note (A) to the Condensed Financial Statements under "Asset Retirement Obligations" herein for additional information.

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

Georgia Power

Significant balance sheet changes for the six months ended June 30, 2025 included:

- an increase of $2.4 billion in total property, plant, and equipment primarily related to the construction of generation, transmission, and distribution facilities, including costs associated with Plant Yates Units 8, 9, and 10;
- an increase of $1.8 billion in common stockholder's equity primarily due to capital contributions from Southern Company and net income, partially offset by dividends paid to Southern Company;
- an increase of $1.3 billion in long-term debt (including securities due within one year) primarily due to net issuances of senior notes;
- a decrease of $522 million in accounts payable primarily related to timing of vendor payments;
- an increase of $286 million in accumulated deferred income taxes primarily related to increases in property-related timing differences and a valuation allowance on certain state tax credit carryforwards, partially offset by decreases for timing differences in fuel recovery and customer advances; and
- a decrease of $234 million in accrued taxes primarily due to payments for municipal franchise fees and property taxes.

See "Financing Activities – Georgia Power" and Notes (B) and (G) to the Condensed Financial Statements under "Georgia Power – Other Construction" and "Georgia Power," respectively, herein for additional information.

Mississippi Power

Significant balance sheet changes for the six months ended June 30, 2025 included:

- an increase of $99 million in long-term debt (including securities due within one year) primarily due to issuances of senior notes;
- an increase of $83 million in total property, plant, and equipment primarily related to the construction of transmission and distribution facilities;
- an increase of $75 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 $53 million in other deferred credits and liabilities primarily due to contributions in aid of construction; and
- a decrease of $49 million in accrued taxes is primarily due to the payment of ad valorem taxes.

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

Southern Power

Significant balance sheet changes for the six months ended June 30, 2025 included:

- an increase of $200 million in notes payable due to an increase in commercial paper borrowings;
- an increase of $136 million in total property, plant, and equipment due to an increase in CWIP primarily related to the continued construction of the Millers Branch solar facility and wind repowering projects, partially offset by the continued depreciation of assets;
- an increase of $67 million in long-term debt (including securities due within one year) primarily due to the change in fair value related to the foreign currency hedge on euro-denominated senior notes; and
- an increase of $62 million in customer accounts receivable, net primarily related to the timing of customer receivables.

See Notes (I) and (J) to the Condensed Financial Statements and Note (K) to the Condensed Financial Statements under "Southern Power" 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 six months ended June 30, 2025 included:

- an increase of $446 million in total property, plant, and equipment primarily related to the construction of transportation and distribution assets;
- a decrease of $208 million in total accounts receivable primarily related to seasonality;
- an increase of $202 million in common stockholder's equity primarily related to net income, partially offset by dividends paid to Southern Company;
- a decrease of $191 million in natural gas for sale due to higher volumes of natural gas sold; and
- an increase of $182 million in cash and cash equivalents, as reflected in the statements of cash flows and discussed further under "Analysis of Cash Flows – Southern Company Gas" herein.

Financing Activities

The following table outlines long-term debt financing activities for the first six months of 2025:

	Issuances and Reofferings		Maturities and Redemptions	
Company	Senior Notes	Other Long-Term Debt	Senior Notes	Other Long-Term Debt[a]
		(in millions)		
Southern Company parent	$ 1,650	$ 2,365	$ 1,110	$ —
Alabama Power	600	4	250	1
Georgia Power	1,600	—	700	57
Mississippi Power	100	—	—	1
Other[b]	—	—	—	11
Elimination[c]	—	—	—	(1)
Southern Company	$ 3,950	$ 2,369	$ 2,060	$ 69

(a) Includes reductions in finance lease obligations resulting from cash payments under finance leases and, for Georgia Power, principal amortization payments totaling $43 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, 2025, which is guaranteed by Alabama Power. At June 30, 2025, $70 million of the long-term bank loan remains outstanding. See Note 3 to the financial statements under "Guarantees" in Item 8 of the Form 10-K for additional information.

(c) Represents reductions in affiliate finance lease obligations at Georgia Power, which are eliminated in Southern Company's consolidated financial statements.

Except as otherwise described herein, the Registrants used the proceeds of debt issuances for their redemptions and maturities shown in the table above, to repay short-term indebtedness, and for general corporate purposes, including working capital. The Subsidiary Registrants also used the proceeds for their construction programs.

In addition to any financings that may be necessary to meet capital requirements and contractual obligations, the Registrants plan to continue, when economically feasible, a program to retire higher-cost securities and replace these obligations with lower-cost capital if market conditions permit.

Southern Company

During the first six months of 2025, Southern Company issued approximately 3.4 million shares of common stock primarily through employee equity compensation and savings plans. Also during the first six months of 2025, Southern Company entered into forward sale contracts for the issuance of shares of common stock that may be settled through December 2026. See Note (F) to the Condensed Financial Statements under "Equity Distribution Agreement" herein for additional information.

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

In January 2025, Southern Company issued $565 million aggregate principal amount of Series 2025A 6.50% Junior Subordinated Notes due March 15, 2085.

In February 2025, Southern Company issued $1.8 billion aggregate principal amount of Series 2025B 6.375% Fixed-to-Fixed Reset Rate Junior Subordinated Notes due March 15, 2055.

In May 2025, Southern Company issued $1.65 billion aggregate principal amount of Series 2025A 3.25% Convertible Senior Notes due June 15, 2028 in a private offering. Southern Company used a portion of the proceeds from this issuance to repurchase approximately $781.6 million of the $1.725 billion aggregate principal amount outstanding of its Series 2023A 3.875% Convertible Senior Notes due December 15, 2025 and approximately $328.1 million of the $1.5 billion aggregate principal amount outstanding of its Series 2024A 4.50% Convertible Senior Notes due June 15, 2027. See Note (F) to the Condensed Financial Statements under "Convertible Senior Notes" herein for additional information.

Alabama Power

In March 2025, Alabama Power issued $500 million aggregate principal amount of Series 2025A 5.10% Senior Notes due April 2, 2035.

In April 2025, Alabama Power repaid at maturity $250 million aggregate principal amount of its Series 2015B 2.80% Senior Notes.

In June 2025, Alabama Power issued $100 million aggregate principal amount of Series 2025B Floating Rate Senior Notes due August 15, 2075.

Georgia Power

In March 2025, Georgia Power issued $400 million aggregate principal amount of Series 2025A Floating Rate Senior Notes due September 15, 2026, $500 million aggregate principal amount of Series 2025B 4.85% Senior Notes due March 15, 2031, and $700 million aggregate principal amount of Series 2025C 5.20% Senior Notes due March 15, 2035.

In May 2025, Georgia Power repaid at maturity $700 million aggregate principal amount of its Series 2023C Floating Rate Senior Notes.

Also in May 2025, Georgia Power entered into a $200 million short-term floating rate bank loan bearing interest based on term SOFR.

In June 2025, Georgia Power extended both of its short-term floating rate bank loans totaling $400 million to long-term term loans, which mature in June 2026.

Subsequent to June 30, 2025, Georgia Power repaid at maturity its obligations with respect to $45 million aggregate principal amount of Development Authority of Monroe County (Georgia) Pollution Control Revenue Bonds (Georgia Power Company Plant Scherer Project), First Series 1995.

Mississippi Power

In March 2025, Mississippi Power issued $50 million aggregate principal amount of Series 2025A 5.01% Senior Notes due March 15, 2030 and $50 million aggregate principal amount of Series 2025B 6.03% Senior Notes due March 15, 2055.

Subsequent to June 30, 2025, Mississippi Power repaid at maturity its obligations with respect to approximately $11 million aggregate principal amount of Mississippi Business Finance Corporation Solid Waste Disposal Facilities Revenue Bonds, Series 1995 (Mississippi Power Company Project).

Credit Rating Risk

At June 30, 2025, 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.

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

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 equipment purchases related to construction of facilities.

The maximum potential collateral requirements under these contracts at June 30, 2025 were as follows:

Credit Ratings	Southern Company(*)	Alabama Power	Georgia Power	Mississippi Power	Southern Power(*)	Southern Company Gas
			(in millions)			
At BBB and/or Baa2	$ 34	$ 1	$ —	$ —	$ 33	$ —
At BBB- and/or Baa3	456	2	36	—	417	—
At BB+ and/or Ba1 or below	3,626	421	2,352	274	1,351	14

(*) 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 June 30, 2025.

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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

During the six months ended June 30, 2025, 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 second quarter 2025 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 June 30, 2025 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 June 30, 2025. 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 June 30, 2025.

Name	Title	Date of Adoption	Expiration Date	Aggregate Number of Shares Covered
Bryan D. Anderson	Executive Vice President	May 30, 2025	September 30, 2026	6,206

Item 6. Exhibits.

The exhibits below with an asterisk (*) preceding the exhibit number are filed herewith. The remaining exhibits have previously been filed with the SEC and are incorporated herein by reference. The exhibits marked with a pound sign (#) are management contracts or compensatory plans or arrangements.

(3) Articles of Incorporation and By-Laws

Southern Company

(a) Certificate of Amendment to the Certificate of Incorporation of Southern Company, effective May 27, 2025. (Designated in Form 8-K dated May 21, 2025, File No. 1-3526, as Exhibit 3.1.)

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

Southern Company

(a) Thirty-Fourth Supplemental Indenture to Senior Note Indenture dated as of May 23, 2025, providing for the issuance of the Series 2025A 3.25% Convertible Senior Notes due June 15, 2028. (Designated in Form 8-K dated May 20, 2025, File No. 1-3526 as Exhibit 4.2.)

Alabama Power

(b) Sixty-Ninth Supplemental Indenture to Senior Note Indenture dated as of June 13, 2025, providing for the issuance of the Series 2025B Floating Rate Senior Notes due August 15, 2075. (Designated in Form 8-K dated June 11, 2025, File No. 1-3164 as Exhibit 4.6.)

(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, 2024, 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, 2024, 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, 2024, 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, 2024, 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, 2024, 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, 2024, 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 and Chief Financial Officer
(Principal Financial Officer)

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

Date: July 30, 2025

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: July 30, 2025

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: July 30, 2025

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 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: July 30, 2025

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: July 30, 2025

SOUTHERN COMPANY GAS

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature of the undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof included in such company's report.

SOUTHERN COMPANY GAS

By *James Y. Kerr II*
Chairman, President, and Chief Executive Officer
(Principal Executive Officer)

By *Grace A. Kolvereid*
Executive Vice President, Chief Financial Officer, and Treasurer
(Principal Financial Officer)

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

Date: July 30, 2025