

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) August 2, 2017

<u>Commission File Number</u>	<u>Registrant, State of Incorporation, Address and Telephone Number</u>	<u>I.R.S. Employer Identification No.</u>
1-3526	The Southern Company (A Delaware Corporation) 30 Ivan Allen Jr. Blvd., N.W. Atlanta, Georgia 30308 (404) 506-5000	58-0690070
1-3164	Alabama Power Company (An Alabama Corporation) 600 North 18 th 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
001-31737	Gulf Power Company (A Florida Corporation) One Energy Place Pensacola, Florida 32520 (850) 444-6111	59-0276810
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. Blvd., 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

The names and addresses of the registrants have not changed since the last report.

This combined Form 8-K is furnished separately by seven registrants: The Southern Company, Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, Southern Power Company and Southern Company Gas. Information contained herein relating to each registrant is furnished by each registrant solely on its own behalf. Each registrant makes no representation as to information relating to the other registrants.

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrants under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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. ☐

Item 2.02 Results of Operations and Financial Condition

The information in this Current Report on Form 8-K, including the exhibits attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities under that Section. Furthermore, such information, including the exhibits attached hereto, shall not be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

On August 2, 2017, The Southern Company (“Southern Company”) issued a press release regarding its earnings for the three-month and six-month periods ended June 30, 2017. A copy of this release is being furnished as Exhibit 99.01 to this Current Report on Form 8-K. In addition, certain additional information regarding the financial results for the three-month and six-month periods ended June 30, 2017 is being furnished as Exhibits 99.02 through 99.07 to this Current Report on Form 8-K.

Use of Non-GAAP Financial Measures

Exhibits 99.01, 99.02, 99.03 and 99.04 to this Current Report on Form 8-K, in addition to including earnings and earnings per share in accordance with generally accepted accounting principles (“GAAP”) for the three-month and six-month periods ended June 30, 2017 and 2016, also include earnings and earnings per share (1) for the three-month and six-month periods ended June 30, 2017 and 2016 excluding charges for estimated losses relating to Mississippi Power Company’s integrated coal gasification combined cycle construction project in Kemper County, Mississippi (the “Kemper IGCC”), (2) for the six-month period ended June 30, 2017 excluding charges for a write-down of Gulf Power Company’s ownership of Plant Scherer Unit 3, (3) for the three-month and six-month periods ended June 30, 2017 and 2016 excluding costs related to the acquisition and integration of Southern Company Gas, (4) for the three-month and six-month periods ended June 30, 2017 excluding earnings from the Wholesale Gas Services business of Southern Company Gas, and (5) for the three-month and six-month periods ended June 30, 2017 excluding earnings related to the equity return related to the Kemper IGCC schedule extension from November 30, 2016 through the project’s suspension in June 2017. The attached exhibits include additional information regarding these excluded items, as well as reconciliations of each non-GAAP financial measure to the most comparable financial measure under GAAP. Southern Company believes the presentation of earnings and earnings per share, excluding these items, is useful to investors because it provides investors with additional information to evaluate the performance of Southern Company’s ongoing business activities. Southern Company management also uses earnings and earnings per share, excluding the effect of these items, to evaluate the performance of Southern Company’s ongoing business activities. The presentation of this additional information is not meant to be considered a substitute for financial measures prepared in accordance with GAAP.

Exhibits

The exhibits hereto contain business segment information for Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, Southern Power Company and Southern Company Gas. Accordingly, this report is also being furnished on behalf of each such registrant.

The following exhibits relate to the three and six month periods ended June 30, 2017:

Exhibit 99.01	Press Release.
Exhibit 99.02	Financial Highlights.
Exhibit 99.03	Significant Factors Impacting EPS.
Exhibit 99.04	EPS Earnings Analysis.
Exhibit 99.05	Consolidated Earnings.
Exhibit 99.06	Kilowatt-Hour Sales and Customers.
Exhibit 99.07	Financial Overview.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each of the registrants has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 2, 2017

THE SOUTHERN COMPANY

By /s/Ann P. Daiss
Ann P. Daiss
Comptroller

ALABAMA POWER COMPANY
GEORGIA POWER COMPANY
GULF POWER COMPANY
MISSISSIPPI POWER COMPANY
SOUTHERN POWER COMPANY
SOUTHERN COMPANY GAS

By /s/Melissa K. Caen
Melissa K. Caen
Assistant Secretary

News



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www.southerncompany.com

Investor Relations Contact:
Aaron Abramovitz
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August 2, 2017

Southern Company reports second-quarter 2017 results

ATLANTA - Southern Company today reported a second quarter 2017 loss of \$1.38 billion, or \$1.38 per share, compared with earnings of \$623 million, or 67 cents per share, in the second quarter of 2016. For the six months ended June 30, 2017, Southern Company reported a loss of \$723 million, or 73 cents per share, compared with earnings of \$1.11 billion, or \$1.20 per share, for the same period in 2016.

Excluding the items described in the “Net Income - Excluding Items” table below, Southern Company earned \$728 million, or 73 cents per share, during the second quarter of 2017, compared with \$704 million, or 75 cents per share, during the second quarter of 2016. For the six months ended June 30, 2017, excluding these items, Southern Company earned \$1.38 billion, or \$1.39 per share, compared with earnings of \$1.24 billion, or \$1.34 per share, for the same period in 2016.

Non-GAAP Financial Measures	Three Months Ended June		Year-to-Date June	
	2017	2016	2017	2016
Net Income - Excluding Items (in millions)				
Net Income (Loss) - As Reported	\$(1,381)	\$623	\$(723)	\$1,112
Estimated Loss on Kemper IGCC	3,012	81	3,120	134
Tax Impact	(896)	(31)	(937)	(51)
Loss on Plant Scherer Unit 3	—	—	33	—
Tax Impact	—	—	(13)	—
Acquisition and Integration Costs	9	44	13	65
Tax Impact	(4)	(13)	(5)	(20)
Wholesale Gas Services	28	—	(86)	—
Tax Impact	(11)	—	35	—
Earnings Guidance Comparability Item:				
Equity Return Related to Kemper IGCC				
Schedule Extension	(24)	—	(47)	—
Tax Impact	(5)	—	(9)	—
Net Income - Excluding Items	\$728	\$704	\$1,381	\$1,240
Average Shares Outstanding - (in millions)	998	934	996	925
Basic Earnings Per Share - Excluding Items	\$0.73	\$0.75	\$1.39	\$1.34

NOTE: For more information regarding these non-GAAP adjustments, see the footnotes accompanying the Financial Highlights page of the earnings package.

Earnings drivers year-over-year for the second quarter 2017 were positively influenced by Southern Company Gas, which was acquired on July 1, 2016 and retail revenue effects at Southern Company's traditional electric operating companies. Earnings were negatively influenced by mild weather, increased interest expense and share issuances.

"Our premier state-regulated electric and gas operating companies performed well during the second quarter," said Chairman, President and CEO Thomas A. Fanning. "This consistency in our core operations has been a hallmark of the Southern Company system and reflects our long-standing commitment to keep customers at the center of all we do as we continue to deliver safe, clean, reliable and affordable energy to the constituents we are privileged to serve."

Second quarter 2017 operating revenues were \$5.43 billion, compared with \$4.46 billion for the second quarter of 2016, an increase of 21.8 percent. Southern Company Gas accounted for \$716 million of the increase in operating revenues for the second quarter of 2017. For the six months ended June 30, 2017, operating revenues were \$11.20 billion, compared with \$8.45 billion, an increase of 32.6 percent. Southern Company Gas accounted for \$2.28 billion of the increase in operating revenues for the six months ended June 30, 2017.

Southern Company's second quarter earnings slides with supplemental financial information are available at <http://investor.southerncompany.com>.

Southern Company's financial analyst call will begin at 1 p.m. Eastern Time today, during which Fanning and Chief Financial Officer Art P. Beattie will discuss earnings and provide a general business update. Investors, media and the public may listen to a live webcast of the call and view associated slides at <http://investor.southerncompany.com/webcasts>. A replay of the webcast will be available on the site for 12 months.

About Southern Company

Southern Company (NYSE: SO) is America's premier energy company, with 46,000 megawatts of generating capacity and 1,500 billion cubic feet of combined natural gas consumption and throughput volume serving 9 million customers through its subsidiaries. The company provides clean, safe, reliable and affordable energy through electric operating companies in four states, natural gas distribution companies in seven states, a competitive generation company serving wholesale customers across America and a nationally recognized provider of customized energy solutions, as well as fiber optics and wireless communications. Southern Company brands are known for excellent customer service, high reliability and affordable prices that are below the national average. Through an industry-leading commitment to innovation, Southern Company and its subsidiaries are inventing America's energy future by developing the full portfolio of energy resources, including carbon-free nuclear, 21st century coal, natural gas, renewables and energy efficiency, and creating new products and services for the benefit of customers. Southern Company has been named by the U.S. Department of Defense and G.I. Jobs magazine as a top military employer, recognized among the Top 50 Companies for Diversity by DiversityInc, listed by Black Enterprise magazine as one of the 40 Best Companies for Diversity and designated a Top Employer for Hispanics by Hispanic Network. The company has earned a National Award of Nuclear Science and History from the National Atomic Museum Foundation for its leadership and commitment to nuclear development and is continually ranked among the top energy companies in Fortune's annual *World's Most Admired Electric and Gas Utility* rankings. Visit our website at www.southerncompany.com.

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Southern Company
Financial Highlights
(In Millions of Dollars Except Earnings Per Share)

	Three Months Ended June		Year-to-Date June	
	2017	2016	2017	2016
Net Income (Loss)—As Reported (See Notes)				
Traditional Electric Operating Companies	\$ (1,442)	\$ 599	\$ (1,010)	\$ 1,064
Southern Power	82	89	151	139
Southern Company Gas ¹	49	—	288	—
Total	(1,311)	688	(571)	1,203
Parent Company and Other	(70)	(65)	(152)	(91)
Net Income (Loss)—As Reported	\$ (1,381)	\$ 623	\$ (723)	\$ 1,112
Basic Earnings (Loss) Per Share ²	\$ (1.38)	\$ 0.67	\$ (0.73)	\$ 1.20
Average Shares Outstanding <i>(in millions)</i>	998	934	996	925
End of Period Shares Outstanding <i>(in millions)</i>			999	942

Non-GAAP Financial Measures	Three Months Ended June		Year-to-Date June	
	2017	2016	2017	2016
Net Income—Excluding Items (See Notes)				
Net Income (Loss)—As Reported	\$ (1,381)	\$ 623	\$ (723)	\$ 1,112
Estimated Loss on Kemper IGCC ³	3,012	81	3,120	134
Tax Impact	(896)	(31)	(937)	(51)
Loss on Plant Scherer Unit 3 ⁴	—	—	33	—
Tax Impact	—	—	(13)	—
Acquisition and Integration Costs ⁵	9	44	13	65
Tax Impact	(4)	(13)	(5)	(20)
Wholesale Gas Services ⁶	28	—	(86)	—
Tax Impact	(11)	—	35	—
Earnings Guidance Comparability Item:				
Equity Return Related to Kemper IGCC Schedule Extension ⁷	(24)	—	(47)	—
Tax Impact	(5)	—	(9)	—
Net Income—Excluding Items	\$ 728	\$ 704	\$ 1,381	\$ 1,240
Basic Earnings Per Share—Excluding Items	\$ 0.73	\$ 0.75	\$ 1.39	\$ 1.34

- See Notes on the following page.

Southern Company

Financial Highlights

Notes

- In connection with the adoption in the fourth quarter 2016 of a new accounting standard for stock compensation, previously reported amounts for income tax expense were reduced by a total of \$11.3 million and \$15.8 million for the three and six months ended June 30, 2016, respectively.

- For comparative purposes, Net Income - Excluding Items and Basic Earnings Per Share - Excluding Items in prior year periods do not reflect any adjustments to exclude acquisition debt financing costs (\$0.03 per share for the three and six months ended June 30, 2016) related to the acquisition of Southern Company Gas. This item was not contemplated in Southern Company's February 2016 guidance and was excluded in the previously reported periods through December 31, 2016.

(1) On July 1, 2016, Southern Company completed the acquisition of Southern Company Gas.

(2) For the three and six months ended June 30, 2017 and 2016, dilution does not change basic earnings per share by more than 1 cent and is not material.

(3) Earnings for the three and six months ended June 30, 2017 and 2016 include the estimated losses relating to Mississippi Power Company's integrated coal gasification combined cycle facility construction project in Kemper County, Mississippi (Kemper IGCC) which significantly impacted the presentation of earnings and earnings per share. Further charges of uncertain amounts may occur in future periods in connection with the resolution of the Mississippi Public Service Commission's Kemper Settlement Docket.

(4) Earnings for the six months ended June 30, 2017 include a \$32.5 million write-down (\$20 million after tax) of Gulf Power Company's ownership of Plant Scherer Unit 3 as a result of the retail rate case settlement approved by the Florida Public Service Commission on April 4, 2017. Further charges are not expected to occur.

(5) Earnings for the three and six months ended June 30, 2017 and 2016 include costs related to the acquisition and integration of Southern Company Gas. Further costs are expected to continue to occur in connection with the related integration activities; however, the amount and duration of such expenditures is uncertain.

(6) Earnings for the three and six months ended June 30, 2017 include the Wholesale Gas Services business of Southern Company Gas. Presenting earnings and earnings per share excluding Wholesale Gas Services provides investors with an additional measure of operating performance that excludes the volatility resulting from mark-to-market and lower of weighted average cost or current market price accounting adjustments.

(7) Earnings for the three and six months ended June 30, 2017 include additional allowance for funds used during construction (AFUDC) equity as a result of extending the schedule for the Kemper IGCC construction project. AFUDC equity ceased as of the project's suspension in June 2017. Southern Company's 2017 earnings guidance, initially presented in October 2016 assumed construction would be complete and AFUDC equity would cease by November 30, 2016. As a result, Southern Company believes presentation of earnings per share excluding these amounts provides investors with information comparable to the 2017 guidance. Management also uses such measures to evaluate Southern Company's performance in 2017.

Southern Company
Significant Factors Impacting EPS

	Three Months Ended June			Year-to-Date June		
	2017	2016	Change	2017	2016	Change
Earnings (Loss) Per Share— As Reported¹ (See Notes)	\$ (1.38)	\$ 0.67	\$ (2.05)	\$ (0.73)	\$ 1.20	\$ (1.93)
Significant Factors:						
Traditional Electric Operating Companies			\$ (2.18)			\$ (2.24)
Southern Power			(0.01)			0.01
Southern Company Gas ²			0.05			0.31
Parent Company and Other			—			(0.07)
Increase in Shares ³			0.09			0.06
Total—As Reported			<u>\$ (2.05)</u>			<u>\$ (1.93)</u>

	Three Months Ended June			Year-to-Date June		
	2017	2016	Change	2017	2016	Change
Non-GAAP Financial Measures						
Earnings Per Share— Excluding Items (See Notes)	\$ 0.73	\$ 0.75	\$ (0.02)	\$ 1.39	\$ 1.34	\$ 0.05
Total—As Reported			\$ (2.05)			\$ (1.93)
Kemper IGCC Impacts ⁴			2.04			2.05
Loss on Plant Scherer Unit 3 ⁵			—			0.02
Acquisition and Integration Costs ⁶			(0.03)			(0.04)
Wholesale Gas Services ⁷			0.02			(0.05)
Total—Excluding Items			<u>\$ (0.02)</u>			<u>\$ 0.05</u>

- See Notes on the following page.

Southern Company
Significant Factors Impacting EPS

Notes

- In connection with the adoption in the fourth quarter 2016 of a new accounting standard for stock compensation, previously reported amounts for income tax expense were reduced by a total of \$11.3 million and \$15.8 million for the three and six months ended June 30, 2016, respectively.

- For comparative purposes, Basic Earnings Per Share - Excluding Items in prior year periods does not reflect any adjustments to exclude acquisition debt financing costs (\$0.03 per share for the three and six months ended June 30, 2016) related to the acquisition of Southern Company Gas. This item was not contemplated in Southern Company's February 2016 guidance and was excluded in the previously reported periods through December 31, 2016.

(1) For the three and six months ended June 30, 2017 and 2016, dilution does not change basic earnings per share by more than 1 cent and is not material.

(2) On July 1, 2016, Southern Company completed the acquisition of Southern Company Gas.

(3) Per share changes for each of the business segments reported in this table are calculated based on average shares outstanding as of June 30, 2016. The per share change attributable to Increase in Shares reflects the impact of the increase in average shares outstanding from June 30, 2016 through June 30, 2017. Because Southern Company reported a net loss for the three and six month periods ended June 30, 2017, the dilutive impact of the increase of average shares outstanding for these periods served to reduce the net loss per share.

(4) Earnings for the three and six months ended June 30, 2017 and 2016 include the estimated losses relating to Mississippi Power Company's integrated coal gasification combined cycle facility construction project in Kemper County, Mississippi (Kemper IGCC) which significantly impacted the presentation of earnings and earnings per share. Further charges of uncertain amounts may occur in future periods in connection with the resolution of the Mississippi Public Service Commission's Kemper Settlement Docket.

Earnings for the three and six months ended June 30, 2017 also include additional allowance for funds used during construction (AFUDC) equity as a result of extending the schedule for the Kemper IGCC construction project. AFUDC equity ceased as of the project's suspension in June 2017. Southern Company's 2017 earnings guidance, initially presented in October 2016 assumed construction would be complete and AFUDC equity would cease by November 30, 2016. As a result, Southern Company believes presentation of earnings per share excluding these amounts provides investors with information comparable to the 2017 guidance. Management also uses such measures to evaluate Southern Company's performance in 2017.

(5) Earnings for the six months ended June 30, 2017 include a \$32.5 million write-down (\$20 million after tax) of Gulf Power Company's ownership of Plant Scherer Unit 3 as a result of the retail rate case settlement approved by the Florida Public Service Commission on April 4, 2017. Further charges are not expected to occur.

(6) Earnings for the three and six months ended June 30, 2017 and 2016 include costs related to the acquisition and integration of Southern Company Gas. Further costs are expected to continue to occur in connection with the related integration activities; however, the amount and duration of such expenditures is uncertain.

(7) Earnings for the three and six months ended June 30, 2017 include the Wholesale Gas Services business of Southern Company Gas. Presenting earnings and earnings per share excluding Wholesale Gas Services provides investors with an additional measure of operating performance that excludes volatility resulting from mark-to-market and lower of weighted average cost or current market price accounting adjustments.

Southern Company
EPS Earnings Analysis
Three Months Ended June 2017 vs. June 2016

Dollars	Description
\$(0.01)	Retail Sales
0.05	Retail Revenue Impacts
(0.03)	Weather
(0.01)	Wholesale Operations
0.01	Non-Fuel O&M
(0.01)	Other Income and Deductions
(0.01)	Interest Expense
0.01	Income Taxes
\$—	Total Traditional Electric Operating Companies
(0.01)	Southern Power
0.07	Southern Company Gas ¹
(0.03)	Parent and Other
(0.05)	Increase in Shares
\$(0.02)	Total Change in EPS (Excluding Items)
(2.04)	Kemper IGCC Impacts ²
0.03	Acquisition and Integration Costs ³
(0.02)	Wholesale Gas Services ⁴
\$(2.05)	Total Change in EPS (As Reported)

- See Notes on the following page.

Southern Company
EPS Earnings Analysis
Three Months Ended June 2017 vs. June 2016

Notes

- In connection with the adoption in the fourth quarter 2016 of a new accounting standard for stock compensation, previously reported amounts for income tax expense were reduced by a total of \$11.3 million for the three months ended June 30, 2016.

- For comparative purposes, Basic Earnings Per Share - Excluding Items in the prior year period does not reflect any adjustments to exclude acquisition debt financing costs (\$0.03 per share for the three months ended June 30, 2016) related to the acquisition of Southern Company Gas. This item was not contemplated in Southern Company's February 2016 guidance and was excluded in the previously reported periods through December 31, 2016.

(1) On July 1, 2016, Southern Company completed the acquisition of Southern Company Gas.

(2) Earnings for the three months ended June 30, 2017 and 2016 include the estimated losses relating to Mississippi Power Company's integrated coal gasification combined cycle facility construction project in Kemper County, Mississippi (Kemper IGCC) which significantly impacted the presentation of earnings and earnings per share. Further charges of uncertain amounts may occur in future periods in connection with the resolution of the Mississippi Public Service Commission's Kemper Settlement Docket.

Earnings for the three months ended June 30, 2017 also include additional allowance for funds used during construction (AFUDC) equity as a result of extending the schedule for the Kemper IGCC construction project. AFUDC equity ceased as of the project's suspension in June 2017. Southern Company's 2017 earnings guidance, initially presented in October 2016 assumed construction would be complete and AFUDC equity would cease by November 30, 2016. As a result, Southern Company believes presentation of earnings per share excluding these amounts provides investors with information comparable to the 2017 guidance. Management also uses such measures to evaluate Southern Company's performance in 2017.

(3) Earnings for the three months ended June 30, 2017 and 2016 include costs related to the acquisition and integration of Southern Company Gas. Further costs are expected to continue to occur in connection with the related integration activities; however, the amount and duration of such expenditures is uncertain.

(4) Earnings for the three months ended June 30, 2017 include the Wholesale Gas Services business of Southern Company Gas in future periods. Presenting earnings and earnings per share excluding Wholesale Gas Services provides investors with an additional measure of operating performance that excludes the volatility resulting from mark-to-market and lower of weighted average cost or current market price accounting adjustments.

Southern Company
Consolidated Earnings As Reported
(In Millions of Dollars)

	Three Months Ended June			Year-to-Date June		
	2017	2016	Change	2017	2016	Change
Income Account-						
Retail Electric Revenues-						
Fuel	\$ 1,016	\$ 998	\$ 18	\$ 1,944	\$ 1,873	\$ 71
Non-Fuel	2,761	2,750	11	5,227	5,251	(24)
Wholesale Electric Revenues	618	446	172	1,149	842	307
Other Electric Revenues	167	166	1	342	348	(6)
Natural Gas Revenues	684	—	684	2,214	—	2,214
Other Revenues	184	99	85	326	137	189
Total Revenues	5,430	4,459	971	11,202	8,451	2,751
Fuel and Purchased Power	1,303	1,212	91	2,478	2,288	190
Cost of Natural Gas	232	—	232	951	—	951
Cost of Other Sales	114	58	56	203	77	126
Non-Fuel O & M	1,301	1,099	202	2,631	2,206	425
Depreciation and Amortization	754	569	185	1,469	1,110	359
Taxes Other Than Income Taxes	308	255	53	638	511	127
Estimated Loss on Kemper IGCC	3,012	81	2,931	3,120	134	2,986
Total Operating Expenses	7,024	3,274	3,750	11,490	6,326	5,164
Operating Income	(1,594)	1,185	(2,779)	(288)	2,125	(2,413)
Allowance for Equity Funds Used During Construction	58	45	13	115	98	17
Earnings from Equity Method Investments	28	(1)	29	67	(1)	68
Interest Expense, Net of Amounts Capitalized	424	293	131	840	539	301
Other Income (Expense), net	(3)	(28)	25	(11)	(56)	45
Income Taxes	(587)	261	(848)	(273)	479	(752)
Net Income (Loss)	(1,348)	647	(1,995)	(684)	1,148	(1,832)
Less:						
Dividends on Preferred and Preference Stock of Subsidiaries	11	12	(1)	22	23	(1)
Net Income (Loss) Attributable to Noncontrolling Interests	22	12	10	17	13	4
NET INCOME (LOSS) ATTRIBUTABLE TO SOUTHERN COMPANY	\$ (1,381)	\$ 623	\$ (2,004)	\$ (723)	\$ 1,112	\$ (1,835)

Notes

- Certain prior year data may have been reclassified to conform with current year presentation.

- In connection with the adoption in the fourth quarter 2016 of a new accounting standard for stock compensation, previously reported amounts for income tax expense were reduced by a total of \$11.3 million and \$15.8 million for the three and six months ended June 30, 2016, respectively.

Southern Company
Kilowatt-Hour Sales and Customers

(In Millions of KWHs)

	Three Months Ended June				Year-to-Date June			
	2017	2016	Change	Weather Adjusted Change	2017	2016	Change	Weather Adjusted Change
Kilowatt-Hour Sales-								
Total Sales	50,665	47,572	6.5 %		96,358	93,048	3.6 %	
Total Retail Sales-	38,849	39,426	(1.5)%	(0.4)%	74,353	77,465	(4.0)%	(0.8)%
Residential	12,087	12,443	(2.9)%	(0.4)%	23,003	25,045	(8.2)%	0.2 %
Commercial	13,271	13,381	(0.8)%	— %	25,038	25,704	(2.6)%	(0.9)%
Industrial	13,280	13,382	(0.8)%	(0.8)%	25,886	26,270	(1.5)%	(1.5)%
Other	211	220	(4.2)%	(4.0)%	426	446	(4.6)%	(4.4)%
Total Wholesale Sales	11,816	8,146	45.1 %	N/A	22,005	15,583	41.2 %	N/A

(In Thousands of Customers)

	Period Ended June		
	2017	2016 ¹	Change
Regulated Utility Customers-			
Total Utility Customers-	9,194	9,119	0.8 %
Total Traditional Electric	4,621	4,575	1.0 %
Southern Company Gas	4,573	4,544	0.6 %

Notes

(1) Southern Company's acquisition of Southern Company Gas was completed on July 1, 2016. June 2016 customers are shown on a pro forma basis for comparative purposes.

Southern Company
Financial Overview As Reported
(In Millions of Dollars)

	Three Months Ended June			Year-to-Date June		
	2017	2016	% Change	2017	2016	% Change
Southern Company –						
Operating Revenues	\$ 5,430	\$ 4,459	21.8 %	\$ 11,202	\$ 8,451	32.6 %
Earnings (Loss) Before Income Taxes	(1,935)	908	N/M	(957)	1,627	N/M
Net Income (Loss) Available to Common	(1,381)	623	N/M	(723)	1,112	N/M
Alabama Power –						
Operating Revenues	\$ 1,484	\$ 1,444	2.8 %	\$ 2,866	\$ 2,776	3.2 %
Earnings Before Income Taxes	386	358	7.8 %	689	621	11.0 %
Net Income Available to Common	230	213	8.0 %	403	370	8.9 %
Georgia Power –						
Operating Revenues	\$ 2,048	\$ 2,051	(0.1)%	\$ 3,880	\$ 3,923	(1.1)%
Earnings Before Income Taxes	551	565	(2.5)%	971	998	(2.7)%
Net Income Available to Common	347	349	(0.6)%	607	618	(1.8)%
Gulf Power –						
Operating Revenues	\$ 357	\$ 365	(2.2)%	\$ 707	\$ 700	1.0 %
Earnings Before Income Taxes	61	61	— %	95	112	(15.2)%
Net Income Available to Common	35	34	2.9 %	53	63	(15.9)%
Mississippi Power –						
Operating Revenues	\$ 303	\$ 277	9.4 %	\$ 575	\$ 533	7.9 %
Earnings (Loss) Before Income Taxes	(2,934)	(14)	N/M	(2,981)	(13)	N/M
Net Income (Loss) Available to Common	(2,054)	2	N/M	(2,074)	13	N/M
Southern Power –						
Operating Revenues	\$ 529	\$ 373	41.8 %	\$ 979	\$ 688	42.3 %
Earnings Before Income Taxes	66	60	10.0 %	78	87	(10.3)%
Net Income Available to Common	82	89	(7.9)%	151	139	8.6 %
Southern Company Gas¹ –						
Operating Revenues	\$ 716	\$ —	N/A	\$ 2,276	\$ —	N/A
Earnings Before Income Taxes	80	—	N/A	468	—	N/A
Net Income Available to Common	49	—	N/A	288	—	N/A

N/M - not meaningful

N/A - not applicable

Notes

- In connection with the adoption in the fourth quarter 2016 of a new accounting standard for stock compensation, previously reported amounts for income tax expense were reduced by a total of \$11.3 million and \$15.8 million for the three and six months ended June 30, 2016, respectively.

(1) On July 1, 2016, Southern Company completed the acquisition of Southern Company Gas.