Think Bold.

Contents

Steady As She Goes

Construction moves apace at the Plant Vogtle nuclear site, as crews unload a 14-ton section of steel-reinforced concrete piping that will be used to circulate cooling water into the new Westinghouse AP1000® reactor vessels.

On the Cover: John Massey – *Business Development Manager, Southern Power*

Act Sure.

What's the best way to innovate? First, you have to embrace new ideas and fresh approaches. You must be willing to reach. To aspire. To be first. Then comes the hard part – making it work. That requires something entirely different. **It takes patience. Discipline. Perspective.** In the electric utility industry, the challenges are new but the best way to address them remains the same. **And Southern Company – with its unique combination of size, financial integrity and operational experience – is leading the way.**

Southern Company serves 4.4 million customers in one of the nation's most economically vibrant regions. With more than 42,000 megawatts of generating capacity and a competitive generation business, Southern Company is a major source of electricity in the southeastern U.S.

Thomas A. Fanning
Chairman, President and CEO

Dear Fellow Shareholders,

It's an exciting time to be at Southern Company. It's a time of challenges and opportunities, a time when the innovative spirit of our workforce will be called upon to solve complex issues and open the door to new ways of thinking. It's the beginning of a highly emergent period in the development of our nation's energy policy, and our company is already helping to lead that transformation. Against that backdrop, I am pleased to report to you on our accomplishments from 2010 and our plans for 2011 and beyond.

I could not, however, continue this message without first acknowledging the incalculable contributions of my predecessor, David Ratcliffe. David retired in December 2010 after 39 years of service to Southern Company, including the last six years as CEO. Through his strong sense of character, dedication and integrity, David crafted a legacy that will endure for many years to come. He did more than manage a Fortune 200 company; he helped lead an entire industry, always with a focus on the present and an eye toward the future.

As a friend and mentor, David Ratcliffe has few equals, and the lessons he imparted during his tenure here – lessons about commitment, discipline and perseverance – will be gratefully carried forward by the next generation of leadership. On behalf of everyone here at Southern Company, David, we thank you.

Our company's financial performance in 2010 was largely influenced by two factors: an emerging economic recovery and an unusual pattern of consistently unseasonable weather. On the economic front, an upward trend in exports and an increasingly efficient manufacturing base helped fuel a rebound in the industrial sector, a trend that has continued into the early part of this year. While job creation so far has not kept pace with this industrial recovery, signs increasingly point to the potential for new jobs in 2011, with anticipated positive impact on residential and commercial sales.

Overall, revenues increased 10.9 percent compared with 2009, to $17.46 billion. Earnings rose to $1.98 billion, or $2.37 a share, compared with $1.64 billion, or $2.07 a share, in 2009. In April 2010, we increased our dividend, marking nine consecutive years of increases.

It was a year of developmental milestones in the generation and delivery of our product. Construction at the site of Plant Vogtle near Waynesboro, Ga., is now well under way, in preparation for the building of two new nuclear units. We broke ground on a new coal-fired generating facility in Kemper County, Miss., that will feature a carbon footprint similar to that of natural gas. We're building a facility near Austin, Texas, that represents one of the largest biomass efforts in the entire country. And we began commercial operation on a new 30-megawatt solar energy plant in New Mexico that is one of the largest of its kind.

In terms of workforce culture, we continue to distinguish ourselves on multiple fronts. Earlier this year, we were named the World's Most Admired Electric and Gas Utility by Fortune magazine. We were ranked among the top 50 companies in the 2010 Corporate Social Responsibility Index by the Boston College Center for Corporate Citizenship, the only utility to make that list. Diversity Inc. magazine named us to its list of Top 10 Companies for Blacks. We received the Freedom Award from the U.S. Department of Defense for our support of employees serving in the National Guard or Reserve and were ranked 21st nationally among military-friendly employers by GI Jobs magazine.

The stage is set for further achievement in the years to come. In many important ways, Southern Company is best positioned to address the myriad challenges facing our industry today. And that's exactly what we're doing. Beginning with research and development and applying our time-tested approach to due diligence and risk management, we're enacting fresh solutions to new-age problems. With the right mix of "arrows" in our "quiver" – including nuclear, coal, natural gas, renewables and energy efficiency – we intend to become a model for the successful utility of the future.

In the process, we will remain anchored in our heritage, and take care never to stray too far from that essential foundation. The real strength of Southern Company is in the surety of its identity, the guiding principles of which were established by our founders more than a century ago. Those early visionaries knew that bold thinking – informed by sound, considered judgment – would be the key to success in a burgeoning industry. That same formula remains a cornerstone of our business today, and will ultimately lead us to the right answers for tomorrow.

With that in mind, we have established five distinct priorities for the next few years. In sum, we will:

- **Stick to the fundamentals.** We must continue to keep customers at the center of everything we do by providing the best combination of service, reliability and price competitiveness in the industry. Maintaining constructive relationships with regulators will preserve accessibility to capital, which we will use to better serve customers and communities.
- **Achieve success with major construction projects.** The expansion of Plant Vogtle represents more than just new generating capacity; it is the forward edge of a potential national renaissance for nuclear energy. While recent events in Japan have underscored the importance of sound, safe nuclear design, we remain committed to leading that movement. Meanwhile, the new generating facility in Kemper County, Miss., will pioneer technologies for using coal in a more economic, reliable and environmentally friendly way.
- **Support the building of a national energy policy.** A variety of fuel sources will be needed to maintain the flow of electricity, which we believe is the lifeblood of the national economy. To help achieve that outcome, we will engage in constructive dialogue with government agencies while undertaking serious, cutting-edge research into ways to make electricity cleaner and more affordable.
- **Promote smart energy.** We will continue our long history of leadership in the development of emerging technologies that benefit customers. This includes new forms of generation, more reliable distribution methods and innovations that give customers more influence over their electricity use.
- **Value and develop our people.** We must continue to build a diverse workforce of innovative thinkers and encourage their personal and professional growth. New ideas will push us to new heights, and we must be prepared to cultivate and harvest that intellectual energy.

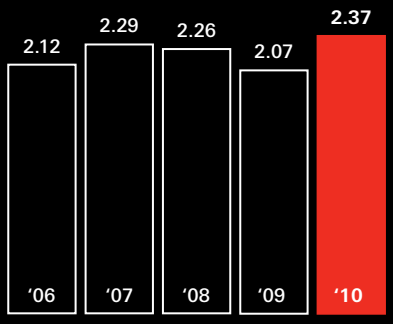
It's a tall order. But it's the kind of thing we do, and have always done, at Southern Company. Our track record – with its focus on customer satisfaction, industry-leading reliability and prices below the national average – speaks for itself. Far from being intimidated by the challenges we face, we are energized by them. And we will use that energy to fuel our ambition of providing exceptional shareholder value with the best risk-adjusted return in the industry. I thank you for your continued confidence in Southern Company, and look forward to serving you.

Sincerely,

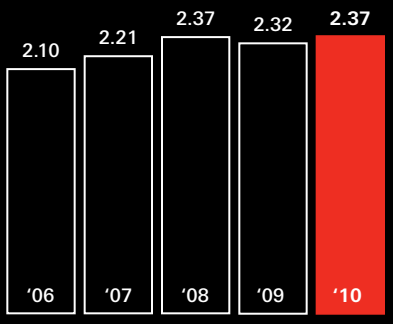
Thomas A. Fanning
March 28, 2011

Financial Highlights:

	2010	2009	CHANGE
Operating revenues *(in millions)*	**$17,456**	$15,743	10.9 %
Earnings *(in millions)*	**$1,975**	$1,643	20.2 %
Basic earnings per share	**$2.37**	$2.07	14.5 %
Diluted earnings per share	**$2.36**	$2.06	14.6 %
Dividends per share *(amount paid)*	**$1.8025**	$1.7325	4.0 %
Dividend yield *(year-end, percent)*	**4.7**	5.2	(9.6)%
Average shares outstanding *(in thousands)*	**832,189**	794,795	4.7 %
Return on average common equity *(percent)*	**12.71**	11.67	8.9 %
Book value per share	**$19.21**	$18.15	5.8 %
Market price per share *(year-end, closing)*	**$38.23**	$33.32	14.7 %
Total market value of common stock *(year-end, in millions)*	**$32,241**	$27,311	18.1 %
Total assets *(in millions)*	**$55,032**	$52,046	5.7 %
Total kilowatt-hour sales *(in millions)*	**196,787**	186,094	5.7 %
Retail	**164,217**	152,591	7.6 %
Wholesale	**32,570**	33,503	(2.8)%
Total traditional operating company customers *(year-end, in thousands)*	**4,417**	4,402	0.3 %

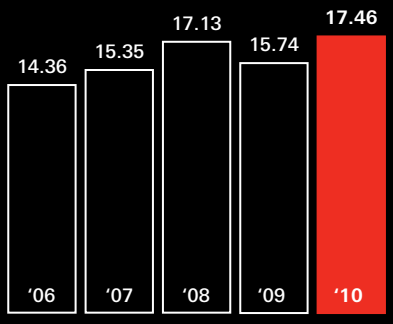


Basic Earnings Per Share
(in dollars)

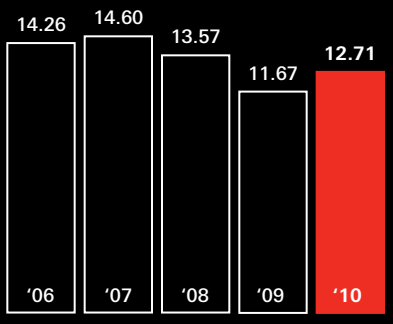


Basic Earnings Per Share, Excluding Litigation Settlement with MC Asset Recovery, Leveraged Lease Charges and Synthetic Fuels*
(in dollars)

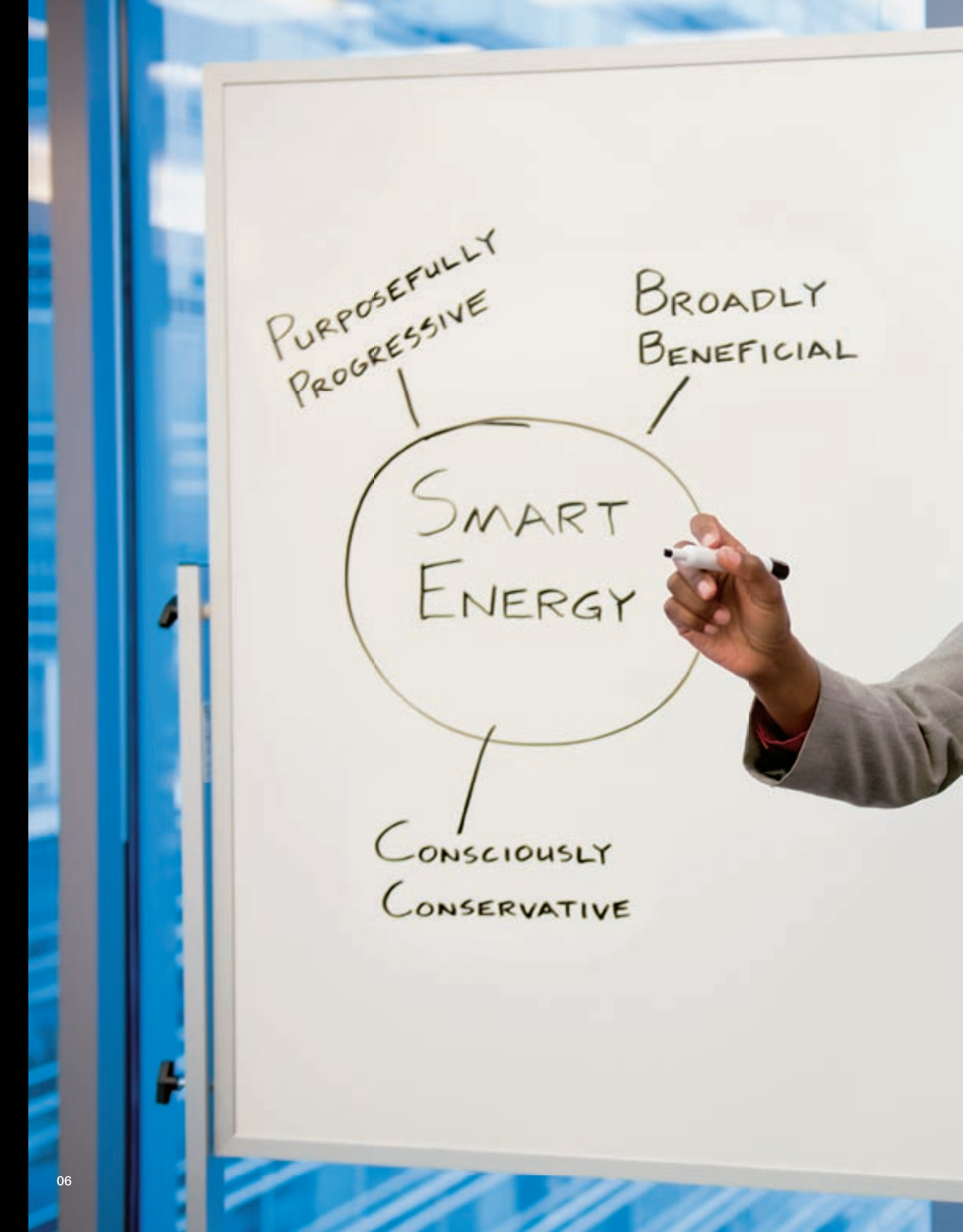
* Not a financial measure under generally accepted accounting principles.
See Glossary on page 34 for additional information.



Operating Revenues
(in billions of dollars)



Return On Average Common Equity
(percent)


PURPOSEFULLY
PROGRESSIVE
BROADLY
BENEFICIAL
SMART
ENERGY
CONSCIOUSLY
CONSERVATIVE

Ideas that Make Life Better

A new generation of energy challenges is facing the U.S. today. And a new generation of innovators is rising to meet those challenges.

At the heart of it all is a central question: How can we satisfy the increasing demand for electricity while providing the best reliability and economic value with minimal environmental impact?

Southern Company is tackling that question head-on. We're building the first new U.S. nuclear power units ordered in more than 30 years. We're developing new processes for reducing emissions from coal-fired plants. We're adding new gas-fired generation and investing in renewable energy sources. And we're pioneering new energy-efficient applications and smart grid technologies.

We're introducing a lot of new ideas, and employing a time-tested approach for determining their viability. With the nation's most comprehensive in-house research and development function among regulated utilities, we're in a unique position to gather insights into what works and what doesn't, and then use that knowledge to create a better world for the customers and communities we serve.

In the end, we want to devise a smart approach to energy that ensures a reliable supply, reasonable prices, minimal environmental impact and a strong commitment to corporate responsibility. Our nearly 26,000 employees, including Georgia Power's Delores Lazare White (pictured), are working every day to make that happen. Their efforts are helping to keep Southern Company on the leading edge of the U.S. utility industry.

Work in Progress: Putting the Pieces Together

Construction continues at the Plant Vogtle site, as a fleet of giant earth movers (far left) lines up for a long day's work. The centerpiece of the new units will be the Westinghouse AP1000® reactor vessel (center), the details of which plant operators are already studying in a new state-of-the-art control room simulator (far right). Also on the way: The world's largest heavy lift derrick, standing more than 300 feet tall, currently being built in Arizona and scheduled to arrive onsite in June 2011.

Meeting the Demand for Reliable Energy

As demand for electricity in the U.S. continues to grow, so do concerns about environmental impact. Part of the solution is nuclear power, and Southern Company – with more than 35 years of nuclear operational experience – is leading the way. At Plant Vogtle, near Waynesboro, Ga., we're launching the next generation of nuclear units, the first ordered in this country in more than 30 years.

In the process, we're leveraging innovation and technology from across the country and around the globe. From as far away as Italy and South Korea – and in places like Chicago, Allentown, Pa. and Lake Charles, La. – we're taking the best of the advances that have been made and bringing them together in two new approximately 1,100-megawatt units scheduled to begin operation in 2016 and 2017.

Construction at the Vogtle site is well under way, with both units on track to obtain their construction and operating licenses before the end of 2011. The economic impact of the project will be considerable; we anticipate peak construction employment to reach 3,500 workers, and a team of 800 permanent employees will be added to Vogtle's existing staff once the units go online.

Benefiting from the latest enhancements in technology – including passive safety systems that rely on gravity, natural circulation and other features to maintain safe operation and shut down safely if needed – nuclear power is a vital component of America's energy portfolio. The expansion of Plant Vogtle is the vanguard of a movement to re-establish this important source of energy for a growing Southeast and a growing nation.

New Nuclear Energy:

A High-Tech Renaissance Takes Shape

New Designs, Advanced Technology

Plant Vogtle's first two generating units, which went online in the late 1980s, are among the last nuclear power stations licensed in this country. Now, with a possible U.S. nuclear rebirth in the offing, the Vogtle facility is once again front and center, drawing the interest of employees like Raymond Nazon (left) and Jerome Richard. But units 3 and 4 won't be built the same way as their predecessors. The design process this time around will be almost completely modular. How does that work? Instead of fabricating the entire plant onsite, key components – including the reactor vessels, steam generators and simulator modules – are manufactured elsewhere and transported for assembly. It's a more simplified design that uses 50 percent fewer valves, 80 percent less pipe and 85 percent less cable than Vogtle's first two units.

21st Century Coal:

A Powerful Tradition Fuels a New Era

Cleaner Emissions from Coal-Fired Generation

A significant portion of the world's remaining coal reserves is available right here in the U.S. In fact, nearly half of our nation's electricity is currently generated from coal. But preserving the viability of America's most abundant energy resource requires that we use it in better and smarter ways. At Southern Company, it's a philosophy we like to think of as 21st Century Coal.

Since the 1960s, we've invested millions of dollars in studying methods for reducing emissions from our coal-fired plants, and billions in implementing them – more than $8 billion since 1990, resulting in a more than 70 percent reduction of sulfur dioxide and nitrogen oxides. On top of that, we anticipate spending $1.2 billion on environmental controls for our newest and largest units over the next three years.

Our research and development team – the nation's most comprehensive in-house function of its kind among regulated utilities – has spent years developing a process called Transport Integrated Gasification (TRIG™), which produces energy by converting low-grade coals, such as lignite, into a synthesis gas. In 2012, that technology is set to make its commercial debut in China, a nation better known for exporting, rather than importing, innovation.

Two years later, TRIG™ is scheduled to be introduced in the U.S. at Mississippi Power's new 582-megawatt plant in Kemper County, Miss. – a facility also designed to remove 65 percent of its carbon dioxide (CO_2) and sell it for use in recovering underground oil reserves. That plant will draw on the state's lignite reserve of some 4 billion tons.

Separate research under way at Alabama Power's Plant Barry is expected to remove 150,000 metric tons of CO_2 annually beginning in 2011 and transport it offsite for permanent injection into an underground geologic formation.

Elsewhere, we're developing a process that removes water from flue gas at coal-fired power plants and re-uses it, requiring less water from the natural habitat. And we're building alloy-free power plant scrubbers that could save tens of millions of dollars.

Where the Rubber Meets the Road

Southern Company conducts research and development in a variety of different settings. Some of it takes place in the laboratory, in places like the National Carbon Capture Center near Birmingham, Ala., which Southern Company manages on behalf of the U.S. Department of Energy. But when it comes to reducing emissions from coal-fired generation, nowhere is the work more revealing than in an actual power plant environment. Experts like Southern Company consulting engineer Nick Irvin (pictured) test new applications at generating facilities throughout the company, gaining valuable knowledge that can help increase efficiency and reduce environmental impact.

Gas-Fired Generation Is On the Rise

One of the cleaner-burning, fuel-efficient alternatives to coal is natural gas, and we're taking advantage of it. W. J. Thomas (pictured), operations team leader at Georgia Power's Plant McDonough-Atkinson, is helping to oversee the installation of three new gas-fired units. The first two units are scheduled to begin operating in 2012, with the last one scheduled to go online in 2013. It's a more environmentally friendly way of meeting the increasing demands of one of our fastest-growing service regions and brings additional balance to Southern Company's regulated capacity mix, with natural gas accounting for nearly a third of the total.

Natural Gas:

A Better Mix for a Cleaner Future

Gas Project Reduces Plant's Emissions

The power plants of the Southern Company system generate electricity using a variety of fuel sources. That diversity in fuel mix has long been a hallmark of the company's success in managing risk and maintaining a reliable supply of energy for customers.

Now we're taking steps to further that approach by adding the largest portfolio of new clean energy assets in the U.S. While other utilities are focusing on a narrower set of options for new generation, only Southern Company is doing it all – updating our portfolio of nuclear, coal, natural gas, renewables and energy efficiency to get the best combination of economic value, reliability and societal benefit.

Part of our strategy involves replacing a portion of the system's coal-fired fleet with natural gas. At Georgia Power's Plant McDonough-Atkinson near Atlanta, we're replacing 540 megawatts of coal-fired generation with more than 2,500 megawatts of gas-fired generation. In the process, we expect to dramatically increase the plant's capacity – making it one of the largest in the system – while reducing its emissions of sulfur dioxide by 99 percent, nitrogen oxides by 95 percent and mercury by 100 percent. The plant is also expected to achieve a 50 percent reduction in the production rate of carbon dioxide on a per-megawatt basis.

Exploring Multiple Options for Renewable Energy

In a remote corner of the New Mexico desert, at an elevation approaching 6,500 feet, the sun shines down on one of the largest fully commercial photovoltaic solar energy stations in the U.S. And Southern Company is there.

It may seem strange that the leading utility in the Southeast is setting up shop in the farthest reaches of the Southwest. But as innovation drives the price of solar power down and makes it more commercially attractive, the best applications are turning out to be in those places where the terrain is flat and the cloud cover minimal.

The 30-megawatt Cimarron Solar Facility – a joint venture between Southern Company and Turner Renewable Energy (owned by conservationist Ted Turner) – began operation on Nov. 25, 2010. It's providing energy to some 9,000 homes in rural New Mexico, and may represent one of the best options yet for demonstrating the effectiveness of solar power.

Southern Company is immersing itself in renewable energy efforts like this one. Closer to home, we're conducting smaller-scale solar research with rooftop arrays in Birmingham, Ala. and Atlanta, an effort that's helping the company determine which solar technologies perform best in the Southeast. Georgia Power has also received regulatory approval to nearly double the amount of solar energy it purchases and to build a portfolio of solar demonstration projects throughout the state.

We're continuing our work in biomass energy. Southern Power is building a 100-megawatt waste wood-fired generating plant in Nacogdoches County, Texas, to serve customers in nearby Austin. When it begins operation in 2012, it will be one of the largest plants of its kind in the U.S. Meanwhile, Alabama Power is adding 7 megawatts of renewable energy from wood byproducts.

In Escambia County, Fla., Gulf Power operates a 3.2-megawatt plant that converts landfill gas into electricity, enough to serve 900 homes. We're doing wind power research in places like Navarre Beach, Fla., Birmingham, Ala. and along the Georgia coast.

We're also contributing to our renewable portfolio through increases in hydroelectric production. By improving hydro plant efficiency, we've added 16 megawatts of new capacity to the system. Southern Company is actually the seventh-largest producer of hydro – one of the most natural renewable energy sources – among U.S. utilities.

Renewable Energy:

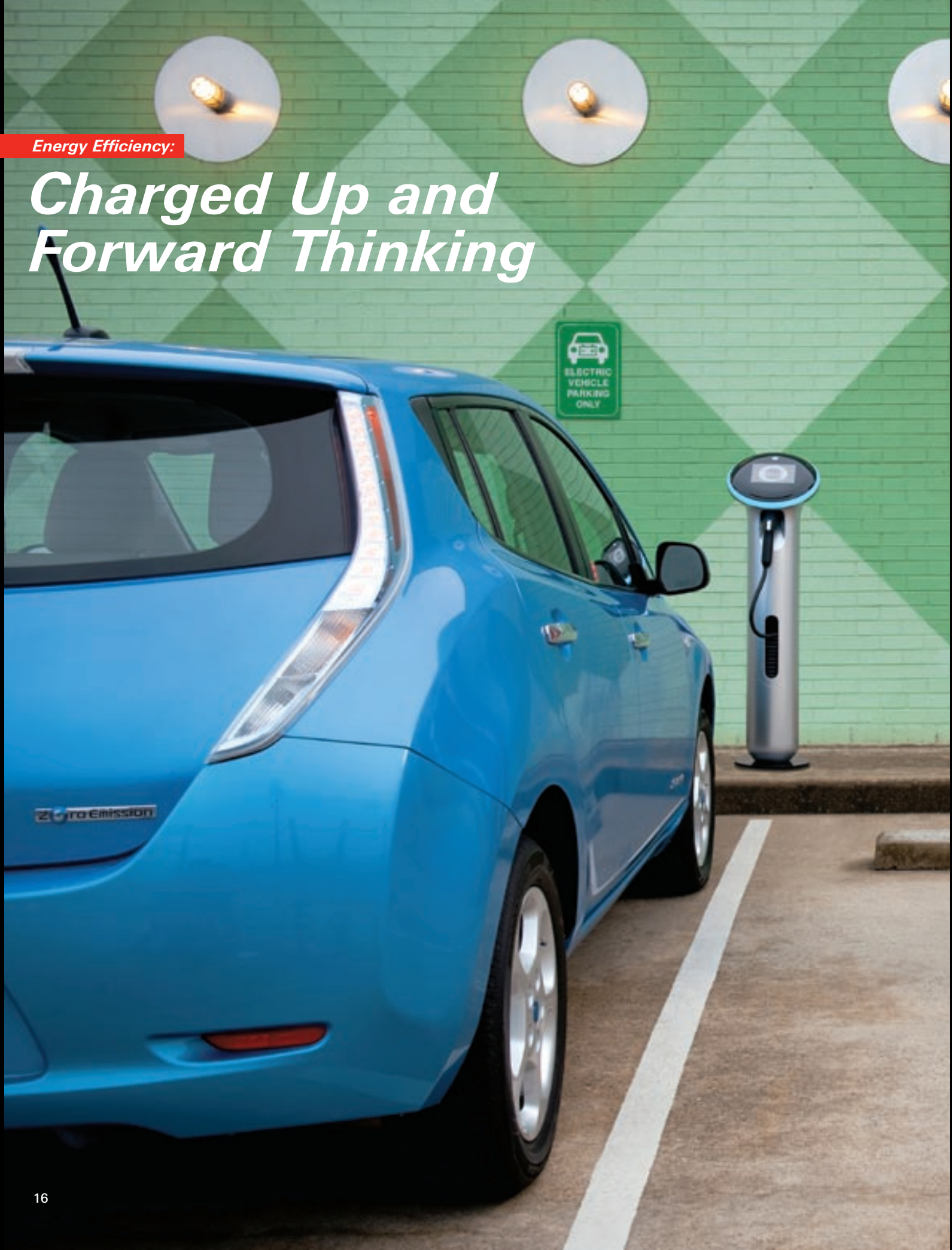
Finding Viable Solutions in Interesting Places

Cimarron Facility Gives Solar Movement a Boost

In the American Southwest, temperatures can range from below zero in the winter to more than 100 degrees in the summer. But the sun shines 300 days a year, and without much of the humidity and cloud cover that can hamper the collection of solar radiation. Project manager Heather Hill (pictured) spent nearly a year overseeing the construction of Cimarron's thin-film arrays, which collectively are big enough to cover more than 180 football fields. The facility is a fully commercial venture that's generating positive revenue for Southern Company.

Energy Efficiency:

Charged Up and Forward Thinking



Research Efforts Aim for Big Payoffs

What is efficiency? Different people have different definitions. But in the end, everyone wants the same thing – to make better use of the resources that are available.

Southern Company's research and development function is working to do just that. We partner with manufacturers from across the country, helping to commercialize new products by evaluating their viability, first in the laboratory and then in the field. In the process, we're creating more and better choices for energy users, while improving quality and reliability, lowering costs and reducing environmental impact.

Many products require years of study before they're ready to bring to market. But the returns can be significant. Right now, we're researching several new products that, if successful, could provide big benefits. For example:

- We're part of a national study to evaluate a residential heat pump water heater design that could be two to four times more efficient than traditional models. That study concludes at the end of 2011.
- At a school in Mobile, Ala., we're testing an advanced commercial heat pump system that replaces duct work with refrigerant lines, which take up less space and could reduce heating and cooling energy in some buildings by as much as 40 percent.
- We're studying a new design for glare-free LED street lights that use up to 50 percent less energy and could be 10 times more durable than traditional models.

These developments, and many others like them, are clearing the way for the more efficient use of valuable resources.

Meanwhile, energy-efficiency programs at the operating company level have reduced peak electricity demand by more than 3,400 megawatts. By 2020, we plan to invest another $1 billion to reduce peak demand by an additional 1,000 megawatts.

Electric Vehicles: This Time It's For Real

Over the past few decades, multiple attempts have been made to encourage the widespread manufacture and use of electric vehicles (EVs), with mixed results. But now, at long last, real momentum seems to be building. According to the Edison Electric Institute, nearly three-quarters of Americans support the use of EVs as a way to make the U.S. more energy independent, and one-third predict they'll be driving one in the next five years. Southern Company professionals like Shelley Scarborough (pictured) have been working to educate consumers on the advantages of new EV models like the all-electric Nissan Leaf (pictured), which can be charged at home using a standard 120-volt outlet or a twice-as-fast, 240-volt "Level 2" charger, like the GE WattStation shown here.

More than Four Million Smart Meters by 2012

An important part of the smart grid is the smart meter, and the Southern Company system is installing 4.6 million of them. The new meters will report the customer's usage remotely, reducing the need for manual readings. They'll tell us when the power goes out and when it's been restored, and also when the voltage is low. The result is less cost for the company and better service for customers.

New Systems Will Speed Restoration, Cut Costs

Imagine this: In the middle of the night, the power goes out. By the time you realize what's happened, an electronic signal has been delivered from the source of the trouble to a system operator miles away, identifying the exact nature and location of the problem. As you're turning on a flashlight and reaching for the phone, a repair crew is already being dispatched to the area.

That's Southern Company's smart grid in action.

Over the next three years, we will expand the use of smart devices on our power grid, leading to better data gathering and shorter restoration times. Included will be an integrated distribution management system that enhances the ability of power lines to "talk" to system operators, using computer logic to convert raw information into actionable intelligence. That system will make its debut in 2011.

The changes will be comprehensive. Automated switching will enable computers and operators to redirect power and isolate downed lines faster. Automatic fault location will graphically show where power has been interrupted. New capacitor controls will be used to regulate voltage, helping maintain grid stability and reduce load during peak periods. And remote monitors will report on the health of substation equipment, reducing the need for in-person inspections and lowering maintenance costs.

It's not exactly a new initiative for us. In fact, you could even say we were using smart grid technology before it was cool – as far back as 20 years ago. More recently, a team of Southern Company engineers put together a 10-year strategy for updating the company's transmission and distribution system, a timeline that has since been accelerated to a three-year plan.

Now we're rapidly establishing a leadership position in smart grid development, conducting consumer research to learn which features and options our customers most desire. Along the way, we're deploying improvements that are expected to reap benefits for customers and ultimately enhance shareholder value.

Smart Grid:

Solutions at the Speed of Light

The Power of the Internet is Changing Our Business

In the digital age, the speed at which information travels offers limitless opportunities for improving electric service and reliability. Southern Company's new smart grid technology will collect real-time information from power lines, substations and other equipment and route it through a server room like this one. Project manager Dawn Toporek (pictured) says that data will then be transferred to a trouble call dispatch center where it will be interpreted by computers and displayed graphically, enabling system operators to isolate the problem more quickly and get help on the way.

Everyday Solutions:

Hail to the Thinkers

Inquisitive Innovators Making a Difference

Southern Company's Everyday Solutions program recognizes employees who come up with new and better ways of doing things. Employees like Project Manager Joe Schifano (far left), who developed an online tool that helps commercial customers more quickly identify the rate schedule that's best for them. Or Senior Engineer Brandon Looney (center), who with fellow Senior Engineer Damon Woodson created a process that enables power plant baghouses to operate more efficiently, thereby reducing emissions while also saving money. Or Diversity Action Manager Shelton Goode (far right), who designed a state-of-the-art approach for helping managers create and maintain a more inclusive work environment.

A Tradition Fueled by Invention…

From their earliest days, the subsidiaries of Southern Company were ventures built on innovation. In 1916-17, T. F. Johnson of the Georgia Railway and Power Company (later Georgia Power) invented the Johnson transmission clamp, which enabled line crews to repair high-tension lines while they were still energized. He also invented a "buzz stick" that was used by linemen to detect faulty line insulators. During the same period, company engineer C. E. Bennett developed an early version of the lightning arrester.

From 1925-30, George Middlemiss and James Oliver of Alabama Power collaborated to develop high-capacity fuses that lessened the effect of lightning on transmission lines, improving system reliability. A few years later, the unit substation was designed by another Alabama Power engineer, S. J. Spurgeon.

In the early 1920s, Alabama Power's Oscar Thurlow invented what became known as the Thurlow Backwater Suppressor, which swept hydro dam backwater away from the discharge opening and enabled the plant to operate more efficiently.

…Powers a Culture Rich with Promise

Today, that same spirit of innovation is alive throughout Southern Company. Through our Everyday Solutions program, employees are encouraged to develop and share their own intellectual curiosity.

Since the program began, hundreds of employees have introduced new devices and procedures that have enhanced reliability, safety and operational efficiency while also helping to reduce costs. Many of these ideas have been patented and licensed for use by other utilities.

Consider the case of Alabama Power training analyst Danny Davis, who invented a new meter socket bypass device that provides for safer connecting and disconnecting of customer meters.

Or Gulf Power safety and health representative Robbie Nelson, who designed a fiberglass jib line link that enables linemen to more safely and effectively manipulate energized lines.

Or Mississippi Power lineman Alex Parnell, who developed a device that prevents bucket truck outrigger supports from mistakenly being lowered onto a crew member's foot. Parnell's inspiration? A co-worker who had suffered that precise injury while on the job.

Or Georgia Power senior equipment technician Philip Moore, who has developed at least a dozen different ideas so far, including many that aid in the testing of meter equipment and high-voltage probes.

These employees and others like them are carrying on a rich and lasting legacy. By asking one simple question – "How can we do this better?" – they are helping to build a brighter future for their co-workers, customers and shareholders.

Shareholder Value:

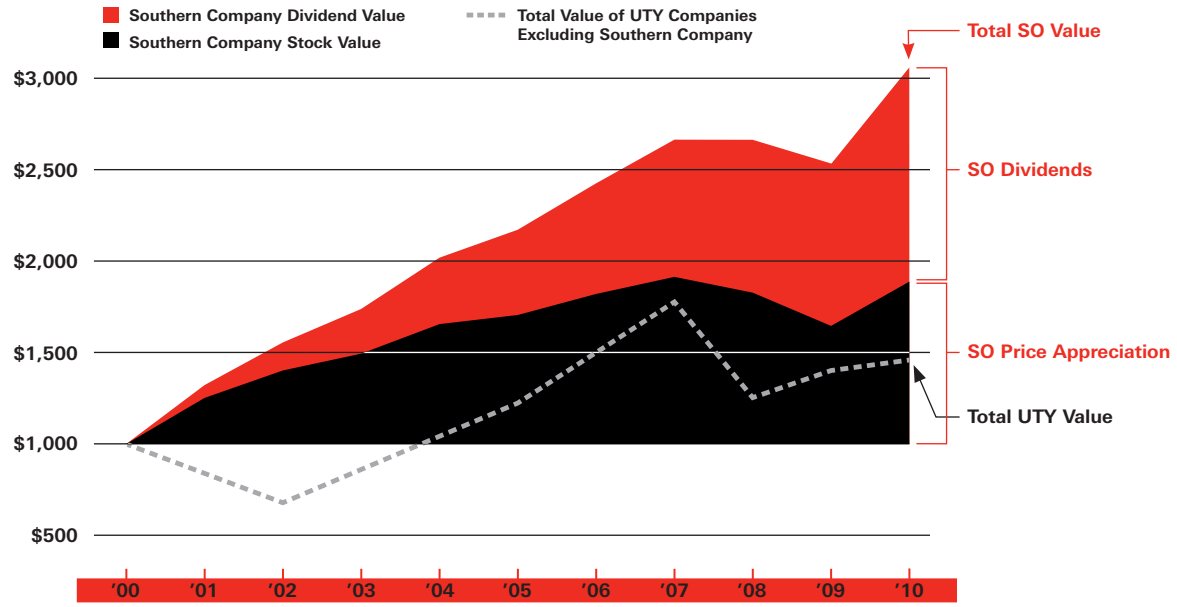
One of the (Not-So-Secret) Secrets of Our Success

Earnings Growth Helps Pace Dividend, Total Return

It's well known that Southern Company has a long history of paying regular quarterly dividends to its common shareholders. In fact, we've paid a dividend for 253 consecutive quarters, dating all the way back to 1948. That's a direct testament to our company's ability to provide consistent value to investors.

Over the years, our continued commitment to satisfying customers has helped us maintain a constructive regulatory environment that in turn has enabled us to grow our earnings in a regular, predictable and sustainable way. That strategy has rewarded us with a low risk profile relative to the market and financial integrity that is among the industry's best, all of which reduces volatility and makes regular dividends possible. The result has been a history of greater investment stability; even during those times when utility stocks have suffered unusual swings in valuation, Southern Company's price has tended to experience less impact than the sector as a whole.

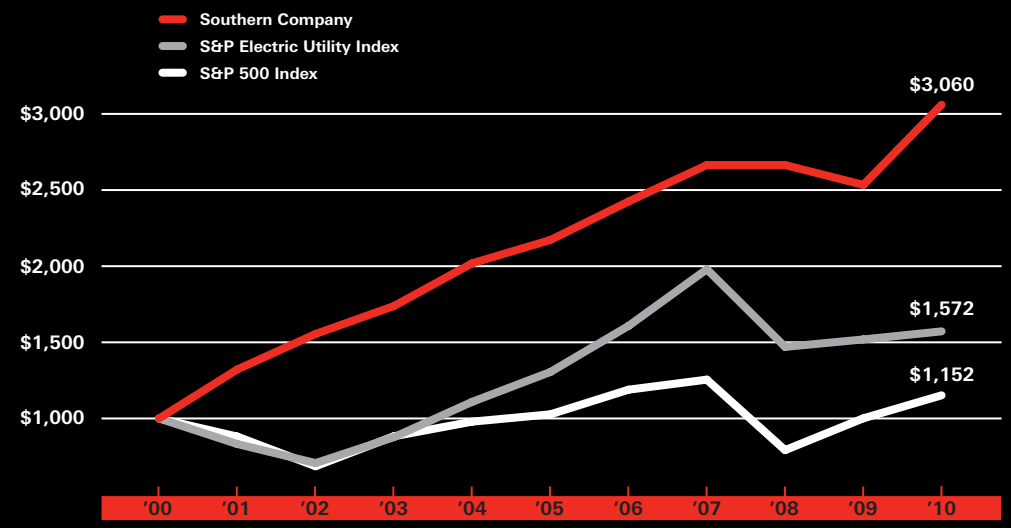
Our shareholders expect value, in the form of dividends, and long-term price growth – and Southern Company has provided both. Over the long haul, we have continued to outpace the Standard & Poor's (S&P) and Philadelphia Electric Utility indices, as well as the broader S&P 500 Index, producing an average annual total return of 7.1 percent over the five-year period, 11.8 percent over the 10-year period and 13.7 percent over the 20-year period ended December 31, 2010. By staying true to our core strategy of exceptional customer service, industry-leading reliability and prices below the national average, we have been able to achieve operational success and reinforce our reputation as an outstanding investment value.



Value Created by Dividend Performance & Price Performance

This chart shows the power of our dividend relative to the Philadelphia Electric Utility Index (UTY), excluding SO. Over the last 10 years a $1,000 investment in SO grew to $3,060, a $2,060 increase. Our price was up $890 and our dividends accounted for $1,170, or about 57 percent, of the gain in value. The UTY companies, excluding SO, made only $460 on a $1,000 investment. Southern Company's $2,060 increase is more than four times the $460 average increase generated by the UTY companies. The graph assumes that $1,000 was invested on December 31, 2000 in Southern Company's common stock and the UTY index and all dividends were reinvested.

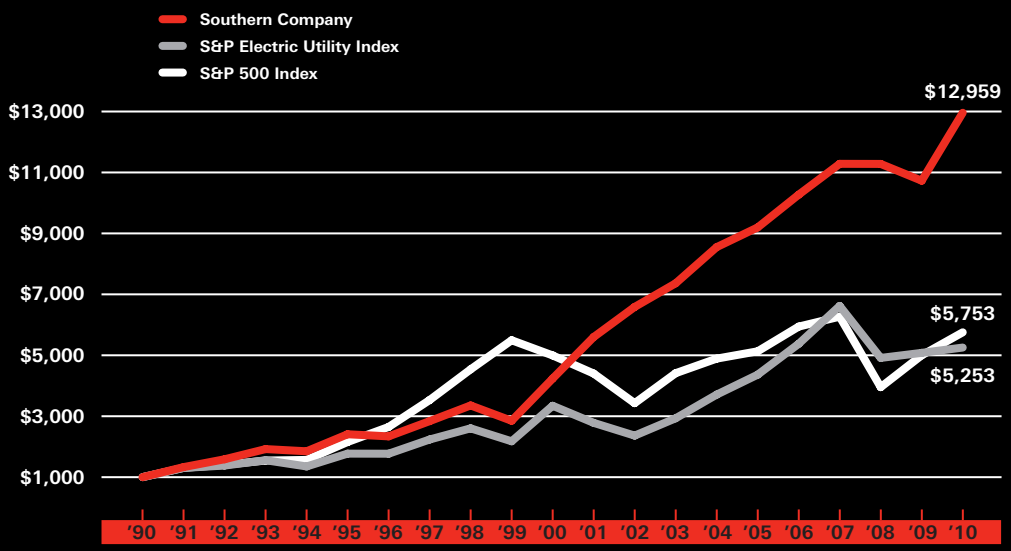
Source: *Bloomberg, SNL*



Value of $1,000 invested in SO over 10 years

This performance graph compares the cumulative return on Southern Company (SO) common stock with the Standard & Poor's Electric Utility Index and the Standard & Poor's 500 Index for the past 10 years. The graph assumes that $1,000 was invested on December 31, 2000, in Southern Company's common stock and each of the above indices and that all dividends were reinvested. A five-year performance graph is included in Appendix B to the Proxy Statement. See Glossary on page 34 for information on total shareholder return.

Source: *Bloomberg*



Value of $1,000 invested in SO over 20 years

This performance graph compares the cumulative return on Southern Company (SO) common stock with the Standard & Poor's Electric Utility Index and the Standard & Poor's 500 Index for the past 20 years. The graph assumes that $1,000 was invested on December 31, 1990, in Southern Company's common stock and each of the above indices and that all dividends were reinvested. A five-year performance graph is included in Appendix B to the Proxy Statement. See Glossary on page 34 for information on total shareholder return.

Source: *Bloomberg*

Cautionary Statement Regarding Forward-Looking Statements

This report contains forward-looking statements. Forward-looking statements include, among other things, retail sales, customer growth, economic recovery, environmental regulations and expenditures, future earnings and dividends, financing activities, start and completion of construction projects, plans and estimated costs for new generation resources and environmental control equipment, and estimated construction and other expenditures. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "should," "expects," "plans," "anticipates," "believes," "estimates," "projects," "predicts," "potential" or "continue" or the negative of these terms or other similar terminology. There are various factors that could cause actual results to differ materially from those suggested by the forward-looking statements; accordingly, there can be no assurance that such indicated results will be realized. These factors include:

- the impact of recent and future federal and state regulatory changes, including legislative and regulatory initiatives regarding deregulation and restructuring of the electric utility industry, implementation of the Energy Policy Act of 2005, environmental laws including regulation of water quality, coal combustion byproducts and emissions of sulfur, nitrogen, carbon, soot, particulate matter, hazardous air pollutants, including mercury, and other substances, financial reform legislation, and also changes in tax and other laws and regulations to which Southern Company and its subsidiaries are subject, as well as changes in application of existing laws and regulations;
- current and future litigation, regulatory investigations, proceedings or inquiries, including the pending Environmental Protection Agency civil actions against certain Southern Company subsidiaries, Federal Energy Regulatory Commission matters and Internal Revenue Service audits;
- the effects, extent and timing of the entry of additional competition in the markets in which Southern Company's subsidiaries operate;
- variations in demand for electricity, including those relating to weather, the general economy and recovery from the recent recession, population and business growth (and declines) and the effects of energy conservation measures;
- available sources and costs of fuels;
- effects of inflation;
- ability to control costs and avoid cost overruns during the development and construction of facilities;
- investment performance of Southern Company's employee benefit plans and nuclear decommissioning trust funds;
- advances in technology;
- state and federal rate regulations and the impact of pending and future rate cases and negotiations, including rate actions relating to fuel and other cost recovery mechanisms;
- regulatory approvals and actions related to the Plant Vogtle expansion, including Georgia Public Service Commission (PSC) and U.S. Nuclear Regulatory Commission approvals and potential U.S. Department of Energy (DOE) loan guarantees;
- regulatory approvals and actions related to the Kemper integrated coal gasification combined cycle facility, including Mississippi PSC approvals and potential DOE loan guarantees;
- the performance of projects undertaken by the non-utility businesses and the success of efforts to invest in and develop new opportunities;
- internal restructuring or other restructuring options that may be pursued;
- potential business strategies, including acquisitions or dispositions of assets or businesses, which cannot be assured to be completed or beneficial to Southern Company or its subsidiaries;
- the ability of counterparties of Southern Company and its subsidiaries to make payments as and when due and to perform as required;
- the ability to obtain new short- and long-term contracts with wholesale customers;
- the direct or indirect effect on Southern Company's business resulting from terrorist incidents and the threat of terrorist incidents;
- interest rate fluctuations and financial market conditions and the results of financing efforts, including Southern Company's and its subsidiaries' credit ratings;
- the ability of Southern Company and its subsidiaries to obtain additional generating capacity at competitive prices;
- catastrophic events such as fires, earthquakes, explosions, floods, hurricanes, droughts, pandemic health events such as influenzas or other similar occurrences;
- the direct or indirect effects on Southern Company's business resulting from incidents affecting the U.S. electric grid or operation of generating resources;
- the effect of accounting pronouncements issued periodically by standard setting bodies; and
- other factors discussed elsewhere herein and in other reports, including Southern Company's annual report on Form 10-K for the fiscal year ended December 31, 2010 (Form 10-K), filed by Southern Company from time to time with the Securities and Exchange Commission.

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

Financial Information

The following condensed financial presentation should not be considered a substitute for the full financial statements, inclusive of footnotes and Management's Discussion and Analysis of Financial Condition and Results of Operations, provided to all shareholders in Appendix B to the Company's 2011 Proxy Statement and included in the Form 10-K as filed with the Securities and Exchange Commission. Appendix B to the Proxy Statement and the Form 10-K also contain detailed discussions of major uncertainties, contingencies, risks, and other issues the Company faces. A copy of the Form 10-K and/or the Proxy Statement, including the full financial statements, can be obtained by calling **1-800-554-7626** or accessing it online at **http://investor.southerncompany.com**.

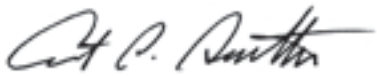
Management's Report On Internal Control Over Financial Reporting

Southern Company's management is responsible for establishing and maintaining an adequate system of internal control over financial reporting as required by the Sarbanes-Oxley Act of 2002 and as defined in Exchange Act Rule 13a-15(f). A control system can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Under management's supervision, an evaluation of the design and effectiveness of Southern Company's internal control over financial reporting was conducted based on the framework in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that Southern Company's internal control over financial reporting was effective as of December 31, 2010.

Deloitte & Touche LLP, an independent registered public accounting firm, as auditors of Southern Company's financial statements, has issued an attestation report on the effectiveness of Southern Company's internal control over financial reporting as of December 31, 2010. Deloitte & Touche LLP's report on Southern Company's internal control over financial reporting appears in Appendix B to the Proxy Statement and in the Form 10-K as filed with the Securities and Exchange Commission.

Thomas A. Fanning
Chairman, President, and Chief Executive Officer



Art P. Beattie
Executive Vice President and Chief Financial Officer

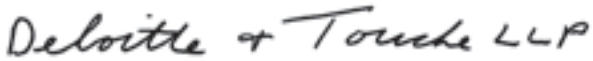
February 25, 2011

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Southern Company

We have audited the consolidated balance sheets and consolidated statements of capitalization of Southern Company and Subsidiary Companies (the "Company") as of December 31, 2010 and 2009, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2010. We have also audited the effectiveness of the Company's internal control over financial reporting as of December 31, 2010. Such consolidated financial statements, management's assessment of the effectiveness of the Company's internal control over financial reporting, and our report on the consolidated financial statements and internal control over financial reporting dated February 25, 2011, expressing unqualified opinions (which are not included herein) are included in Appendix B to the Proxy Statement for the 2011 annual meeting of stockholders. The accompanying condensed consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on such condensed consolidated financial statements in relation to the complete consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated balance sheets as of December 31, 2010 and 2009, and the related condensed consolidated statements of income and of cash flows for each of the three years in the period ended December 31, 2010, is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.



Atlanta, Georgia
February 25, 2011

Condensed Consolidated Statements of Income

For the Years Ended December 31, 2010, 2009 and 2008

(in millions)	**2010**	2009	2008
Operating Revenues:			
Retail revenues	**$14,791**	$13,307	$14,055
Wholesale revenues	**1,994**	1,802	2,400
Other electric revenues	**589**	533	545
Other revenues	**82**	101	127
Total operating revenues	**17,456**	15,743	17,127
Operating Expenses:			
Fuel	**6,699**	5,952	6,818
Purchased power	**563**	474	815
Other operations and maintenance	**4,010**	3,526	3,748
MC Asset Recovery litigation settlement	**-**	202	-
Depreciation and amortization	**1,513**	1,503	1,443
Taxes other than income taxes	**869**	818	797
Total operating expenses	**13,654**	12,475	13,621
Operating Income	**3,802**	3,268	3,506
Other Income and (Expense):			
Allowance for equity funds used during construction	**194**	200	152
Interest income	**24**	23	33
Leveraged lease income (losses)	**18**	31	(85)
Gain on disposition of lease termination	**-**	26	-
Loss on extinguishment of debt	**-**	(17)	-
Interest expense, net of amounts capitalized	**(895)**	(905)	(866)
Other income (expense), net	**(77)**	(22)	(18)
Total other income and (expense)	**(736)**	(664)	(784)
Earnings Before Income Taxes	**3,066**	2,604	2,722
Income taxes	**1,026**	896	915
Consolidated Net Income	**2,040**	1,708	1,807
Dividends on Preferred and Preference Stock of Subsidiaries	**65**	65	65
Consolidated Net Income After Dividends on Preferred and Preference Stock of Subsidiaries	**$ 1,975**	$ 1,643	$ 1,742
Common Stock Data:			
Earnings per share (EPS)–			
Basic EPS	**$2.37**	$2.07	$2.26
Diluted EPS	**2.36**	2.06	2.25
Average number of shares of common stock outstanding – *(in millions)*			
Basic	**832**	795	771
Diluted	**837**	796	775
Cash dividends paid per share of common stock	**$1.8025**	$1.7325	$1.6625

Full disclosure of all financial information is included in Appendix B to the Proxy Statement and in the Form 10-K as filed with the Securities and Exchange Commission, including the accompanying footnotes, which are an integral part of the financial statements.

Condensed Consolidated Statements of Cash Flows

For the Years Ended December 31, 2010, 2009 and 2008

(in millions)	**2010**	2009	2008
Operating Activities:			
Consolidated net income	**$2,040**	$1,708	$1,807
Adjustments to reconcile consolidated net income			
to net cash provided from operating activities –			
Depreciation and amortization, total	**1,831**	1,788	1,704
Deferred income taxes	**1,038**	25	215
Deferred revenues	**(103)**	(54)	120
Allowance for equity funds used during construction	**(194)**	(200)	(152)
Leveraged lease (income) losses	**(18)**	(31)	85
Gain on disposition of lease termination	**-**	(26)	-
Loss on extinguishment of debt	**-**	17	-
Pension, postretirement, and other employee benefits	**(614)**	(3)	21
Stock based compensation expense	**33**	23	20
Hedge settlements	**2**	(19)	15
Generation construction screening costs	**(51)**	(22)	-
Other, net	**86**	102	(108)
Changes in certain current assets and liabilities –			
Receivables	**80**	585	(176)
Fossil fuel stock	**135**	(432)	(303)
Materials and supplies	**(30)**	(39)	(23)
Other current assets	**(17)**	(47)	(36)
Accounts payable	**4**	(125)	(74)
Accrued taxes	**(308)**	(95)	293
Accrued compensation	**180**	(226)	36
Other current liabilities	**(103)**	334	20
Net cash provided from operating activities	**3,991**	3,263	3,464
Investing Activities:			
Property additions	**(4,086)**	(4,670)	(3,961)
Investment in restricted cash from revenue bonds	**(50)**	(55)	(96)
Distribution of restricted cash from revenue bonds	**25**	119	69
Nuclear decommissioning trust fund purchases	**(2,009)**	(1,234)	(720)
Nuclear decommissioning trust fund sales	**2,004**	1,228	712
Proceeds from property sales	**18**	340	34
Cost of removal, net of salvage	**(125)**	(119)	(123)
Change in construction payables	**(51)**	215	83
Other investing activities	**18**	(143)	(124)
Net cash used for investing activities	**(4,256)**	(4,319)	(4,126)
Financing Activities:			
Increase (decrease) in notes payable, net	**659**	(306)	(314)
Proceeds –			
Long-term debt issuances	**3,151**	3,042	3,687
Common stock issuances	**772**	1,286	474
Redemptions –			
Long-term debt	**(2,966)**	(1,234)	(1,469)
Redeemable preferred stock	**-**	-	(125)
Payment of common stock dividends	**(1,496)**	(1,369)	(1,280)
Payment of dividends on preferred and preference stock of subsidiaries	**(65)**	(65)	(66)
Other financing activities	**(33)**	(25)	(29)
Net cash provided from financing activities	**22**	1,329	878
Net Change in Cash and Cash Equivalents	**(243)**	273	216
Cash and Cash Equivalents at Beginning of Year	**690**	417	201
Cash and Cash Equivalents at End of Year	**$ 447**	$ 690	$ 417

Full disclosure of all financial information is included in Appendix B to the Proxy Statement and in the Form 10-K as filed with the Securities and Exchange Commission, including the accompanying footnotes, which are an integral part of the financial statements.

Condensed Consolidated Balance Sheets

At December 31, 2010 and 2009

Assets *(in millions)*	**2010**	2009
Current Assets:		
Cash and cash equivalents	**$ 447**	$ 690
Restricted cash and cash equivalents	**68**	43
Receivables –		
Customer accounts receivable	**1,140**	953
Unbilled revenues	**420**	394
Under recovered regulatory clause revenues	**209**	333
Other accounts and notes receivable	**285**	375
Accumulated provision for uncollectible accounts	**(25)**	(25)
Fossil fuel stock, at average cost	**1,308**	1,447
Materials and supplies, at average cost	**827**	794
Vacation pay	**151**	145
Prepaid expenses	**784**	508
Other regulatory assets, current	**210**	167
Other current assets	**59**	49
Total current assets	**5,883**	5,873
Property, Plant, and Equipment:		
In service	**56,731**	53,588
Less accumulated depreciation	**20,174**	19,121
Plant in service, net of depreciation	**36,557**	34,467
Nuclear fuel, at amortized cost	**670**	593
Construction work in progress	**4,775**	4,170
Total property, plant, and equipment	**42,002**	39,230
Other Property and Investments:		
Nuclear decommissioning trusts, at fair value	**1,370**	1,070
Leveraged leases	**624**	610
Miscellaneous property and investments	**277**	283
Total other property and investments	**2,271**	1,963
Deferred Charges and Other Assets:		
Deferred charges related to income taxes	**1,280**	1,047
Prepaid pension costs	**88**	-
Unamortized debt issuance expense	**178**	208
Unamortized loss on reacquired debt	**274**	255
Deferred under recovered regulatory clause revenues	**218**	373
Other regulatory assets, deferred	**2,402**	2,702
Other deferred charges and assets	**436**	395
Total deferred charges and other assets	**4,876**	4,980
Total Assets	**$55,032**	$52,046

Full disclosure of all financial information is included in Appendix B to the Proxy Statement and in the Form 10-K as filed with the Securities and Exchange Commission, including the accompanying footnotes, which are an integral part of the financial statements.

Condensed Consolidated Balance Sheets

At December 31, 2010 and 2009

Liabilities and Stockholders' Equity *(in millions)*	**2010**	2009
Current Liabilities:		
Securities due within one year	**$ 1,301**	$ 1,113
Notes payable	**1,297**	639
Accounts payable	**1,275**	1,329
Customer deposits	**332**	331
Accrued taxes –		
Accrued income taxes	**8**	13
Unrecognized tax benefits	**187**	166
Other accrued taxes	**440**	398
Accrued interest	**225**	218
Accrued vacation pay	**194**	184
Accrued compensation	**438**	248
Liabilities from risk management activities	**152**	125
Other regulatory liabilities, current	**88**	528
Other current liabilities	**535**	292
Total current liabilities	**6,472**	5,584
Long-Term Debt	**18,154**	18,131
Deferred Credits and Other Liabilities:		
Accumulated deferred income taxes	**7,554**	6,455
Deferred credits related to income taxes	**235**	248
Accumulated deferred investment tax credits	**509**	448
Employee benefit obligations	**1,580**	2,304
Asset retirement obligations	**1,257**	1,201
Other cost of removal obligations	**1,158**	1,091
Other regulatory liabilities, deferred	**312**	278
Other deferred credits and liabilities	**517**	346
Total deferred credits and other liabilities	**13,122**	12,371
Total Liabilities	**37,748**	36,086
Redeemable Preferred Stock of Subsidiaries	**375**	375
Common Stockholders' Equity	**16,202**	14,878
Preferred and Preference Stock of Subsidiaries	**707**	707
Total Stockholders' Equity	**16,909**	15,585
Total Liabilities and Stockholders' Equity	**$55,032**	$52,046

Full disclosure of all financial information is included in Appendix B to the Proxy Statement and in the Form 10-K as filed with the Securities and Exchange Commission, including the accompanying footnotes, which are an integral part of the financial statements.

Board of Directors:

Thomas A. Fanning

Juanita Powell Baranco

Jon A. Boscia

Henry A. Clark III

H. William Habermeyer, Jr.

Veronica M. Hagen

Warren A. Hood, Jr.

Donald M. James

Dale E. Klein

J. Neal Purcell

William G. Smith, Jr.

Steven R. Specker

Larry D. Thompson

Thomas A. Fanning

Chairman, President and CEO
Southern Company
Atlanta, Georgia
Age 54; elected 2010
Other corporate directorships:
The St. Joe Company

Juanita Powell Baranco

Executive Vice President and
Chief Operating Officer
Baranco Automotive Group
(automobile sales)
Atlanta, Georgia
Age 62; elected 2006
Board committees: Governance *(chair)*,
Nuclear/Operations
Other corporate directorships: None

Jon A. Boscia

Retired Chairman and CEO
Lincoln Financial Group
(financial services)
Sarasota, Florida
Age 58; elected 2007
Board committees: Audit
Other corporate directorships: None

Henry A. Clark III

Senior Advisor
Lexicon Partners LLC
(corporate finance advisory firm)
New York, New York
Age 61; elected 2009
Board committees: Finance *(chair)*,
Compensation and Management Succession
Other corporate directorships: None

H. William Habermeyer, Jr.

Retired President and CEO
Progress Energy Florida Inc. *(energy)*
St. Petersburg, Florida
Age 68; elected 2007
Board committees: Nuclear/Operations *(chair)*,
Compensation and Management Succession
Other corporate directorships:
Raymond James Financial Inc., USEC Inc.

Veronica M. Hagen

CEO
Polymer Group Inc.
(engineered materials)
Charlotte, North Carolina
Age 65; elected 2008
Board committees: Governance,
Nuclear/Operations
Other corporate directorships:
Polymer Group Inc.,
Newmont Mining Corporation

Warren A. Hood, Jr.

Chairman and CEO
Hood Companies Inc.
(packaging and construction products)
Hattiesburg, Mississippi
Age 59; elected 2007
Board committees: Audit
Other corporate directorships:
Hood Companies Inc.,
BancorpSouth Bank

Donald M. James

Presiding Director
Southern Company Board
Chairman and CEO
Vulcan Materials Company
(construction materials)
Birmingham, Alabama
Age 62; elected 1999
Board committees: Compensation and
Management Succession, Finance
Other corporate directorships:
Vulcan Materials Company,
Wells Fargo & Company

Dale E. Klein

Associate Vice Chancellor of Research
University of Texas System
Associate Director
The Energy Institute at The University
of Texas at Austin
Retired Chairman
U.S. Nuclear Regulatory Commission *(energy)*
Austin, Texas
Age 63; elected 2010
Board committees: Nuclear/Operations, Governance
Other corporate directorships:
Pinnacle West Capital Corporation

J. Neal Purcell

Retired Vice Chairman-Audit Operations
KPMG *(audit and accounting)*
Duluth, Georgia
Age 69; elected 2003
Board committees: Compensation and
Management Succession *(chair)*, Finance
Other corporate directorships:
Synovus Financial Corp.,
Kaiser Permanente Health Care and Hospitals

William G. Smith, Jr.

Chairman, President and CEO
Capital City Bank Group Inc. *(banking)*
Tallahassee, Florida
Age 57; elected 2006
Board committees: Audit *(chair)*
Other corporate directorships:
Capital City Bank Group Inc.,
Capital City Bank

Steven R. Specker

Retired President and CEO
Electric Power Research Institute *(energy)*
Scottsdale, Arizona
Age 65; elected 2010
Board committees: Nuclear/Operations, Governance
Other corporate directorships:
Trilliant Inc.

Larry D. Thompson

Senior Vice President, Government Affairs,
General Counsel and Secretary
PepsiCo, Inc. *(food and beverage)*
Purchase, New York
Age 65; elected 2010
Board committees: Audit
Other corporate directorships:
Cbeyond Inc.

Management Council:

Thomas A. Fanning

Art P. Beattie

W. Paul Bowers

Mark A. Crosswhite

Edward Day VI

G. Edison Holland, Jr.

Charles D. McCrary

James H. Miller III

Susan N. Story

Anthony J. Topazi

Christopher C. Womack

Thomas A. Fanning

Chairman, President and CEO

Fanning, 54, joined the company as a financial analyst in 1980. He has held his current position since December 2010. Previously, Fanning served as chief operating officer for Southern Company, president and CEO of Gulf Power and chief financial officer for Southern Company, Georgia Power and Mississippi Power.

Art P. Beattie

Executive Vice President and Chief Financial Officer

Beattie, 56, joined the company in 1976 as a junior accountant with Alabama Power. He has held his current position since August 2010. Beattie is responsible for the company's accounting, finance, tax, investor relations, treasury and risk management functions. He also serves as chief risk officer. Previously, Beattie served in several executive accounting and finance positions at Alabama Power, including chief financial officer, treasurer and comptroller.

W. Paul Bowers

Executive Vice President,
President and CEO, Georgia Power

Bowers, 54, joined the company as a residential sales representative with Gulf Power in 1979. He has held his current position since December 2010. Previously, Bowers served as chief financial officer for Southern Company. He also served as president of Southern Company Generation, president and CEO of Southern Power, president and CEO of Southern Company's former United Kingdom subsidiary and senior vice president and chief marketing officer for Southern Company.

Mark A. Crosswhite

President and CEO, Gulf Power

Crosswhite, 48, joined the company in 2004 as senior vice president and general counsel for Southern Company Generation. He has held his current position since January 2011. He also served as executive vice president of external affairs and senior vice president and counsel at Alabama Power. Prior to joining the company, he was a partner in the law firm of Balch & Bingham LLP in Birmingham, Ala., where he practiced for 17 years.

Edward Day VI

President and CEO, Mississippi Power

Day, 50, joined the company as an engineer with Georgia Power in 1983. He has held his current position since August 2010. Previously, Day served as executive vice president of engineering and construction for Southern Company Generation. He has held positions in a number of functional areas within the company such as nuclear, wholesale power marketing, engineering, procurement and construction.

G. Edison Holland, Jr.

Executive Vice President, General Counsel
and Corporate Secretary

Holland, 58, joined the company as vice president and corporate counsel for Gulf Power in 1992. He was named to his current position, which includes serving as the chief compliance officer, in 2001. Previously, he was president and CEO of Savannah Electric and vice president of power generation and transmission at Gulf Power.

Charles D. McCrary

Executive Vice President,
President and CEO, Alabama Power

McCrary, 59, joined the company as an assistant project planning engineer with Alabama Power in 1973. He assumed his current position in 2001. Previously, McCrary was chief production officer for Southern Company and president and CEO of Southern Power. He has held executive positions at Alabama Power and Southern Nuclear as well as various jobs in engineering, system planning, fuels and environmental affairs.

James H. Miller III

President and CEO, Southern Nuclear

Miller, 61, joined the company in 1994 as general counsel for Southern Nuclear. He assumed his current position in 2008. Previously, Miller served as senior vice president, compliance officer and general counsel for Georgia Power. He also has held the positions of senior vice president of external affairs and senior vice president of the Birmingham Division at Alabama Power.

Susan N. Story

Executive Vice President,
President and CEO, Southern Company Services

Story, 51, joined the company as a nuclear power plant engineer in 1982. She has held her current position since January 2011. Previously, Story served as president and CEO of Gulf Power and executive vice president of engineering and construction services for Southern Company Generation and Energy Marketing. She has held executive and management positions in the areas of supply chain management, real estate, corporate services and human resources.

Anthony J. Topazi

Executive Vice President and Chief Operating Officer

Topazi, 60, joined the company as a cooperative education student with Alabama Power in 1969. He assumed his current position in August 2010. Topazi previously served as president and CEO of Mississippi Power, executive vice president for Southern Company Generation and Energy Marketing and senior vice president of Southern Power. He also has held various positions at Alabama Power, including Western Division vice president and Birmingham Division vice president.

Christopher C. Womack

Executive Vice President,
President of External Affairs

Womack, 53, joined the company in 1988 as a governmental affairs representative for Alabama Power. He has held his current position since 2009. Previously, Womack was executive vice president of external affairs for Georgia Power. He has held numerous executive and management positions, including senior vice president of human resources and chief people officer for Southern Company as well as senior vice president and senior production officer of Southern Company Generation.

Glossary:

Basic Earnings Per Share Excluding Litigation Settlement with MC Asset Recovery, Leveraged Lease Charges and Synthetic Fuels – Basic earnings per share of $2.07 plus an excluded 25-cent charge related to a litigation settlement with MC Asset Recovery in 2009; basic earnings per share of $2.26 plus 11 cents of excluded leveraged lease charges in 2008; basic earnings per share of $2.29 and $2.12 minus excluded synthetic fuel earnings of 8 cents and 2 cents in 2007 and 2006, respectively.

Biomass – Plant matter such as dead trees and branches, yard clippings and wood chips used to generate electricity.

Book Value – A company's common stock equity as it appears on a balance sheet, equal to total assets minus liabilities, preferred and preference stock, and intangible assets such as goodwill. Book value per share refers to the book value of a company divided by the number of shares outstanding.

Capacitor – A common component in electric power systems used to help manage the flow of electricity.

Capital – Money invested in a firm, typically in permanent facilities or equipment rather than non-durable items.

Construction and Operating License – A Nuclear Regulatory Commission-issued license to construct and (with certain specified conditions) operate a nuclear power plant at a specific site.

Commercialize – To prepare a new product or service for eventual marketing to potential buyers.

Diluted Earnings Per Share – A company's earnings per share calculated using fully diluted shares outstanding, including the impact of stock option grants and convertible bonds that can be converted into shares of stock in the issuing company.

Dividend Yield – The annual dividend income per share received from a company divided by its current stock price.

Earnings Per Share – Net income divided by the average number of shares of common stock outstanding.

Fault Location – A process by which an interruption in electric service is traced to its point of origin.

Flue Gas – Combustion exhaust gas emitted from a power generating station into the atmosphere.

Generating Capacity – The amount of energy that can be produced using all of our power generation facilities.

Grid Stability – The extent to which a utility's power is able to recover to a state of acceptable frequency and voltage after being subjected to a physical disturbance.

Kilowatt-Hour – A unit of electricity, equal to 1,000 watt-hours, delivered by an electric utility steadily for one hour.

LED – An acronym that represents the term Light-Emitting Diode, a commonly used semiconductor light source.

Lightning Arrester – A device used on electric power systems to protect power equipment from the effects of lightning.

Line Insulator – A device used to support an overhead power conductor and prevent short circuits.

Load – The amount of electricity being produced and transmitted at a given point in time.

Market Value – What investors believe a company is worth, calculated by multiplying the number of shares outstanding by the current market price of those shares.

Megawatt – A measurement of electricity equal to 1,000 kilowatts and typically used when describing large amounts of generating capacity.

Outrigger Support – A mechanized extension used to stabilize and support line trucks on a job site.

Photovoltaic – A method of generating electricity by using solar panels to convert sunlight into direct current.

Renewable Energy – Energy generated directly from natural resources such as sunlight, wind, rain, ocean tides and geothermal heat from the ground.

Return on Equity – A measure of profitability, calculated as net income divided by shareholders' equity.

Risk-Adjusted Return – A measure of how much an investment returns in relation to the amount of risk it takes on.

Scrubber – A technology that reduces sulfur dioxide and other emissions from coal plants using a lime/limestone mixture to "wash" pollutants from a gas stream.

Synthetic Fuels – Gaseous liquids or solid fuels that do not occur naturally and can be made from natural substances such as coal or oil.

Total Shareholder Return – Stock price appreciation plus reinvested dividends. (The distribution of shares of Mirant Corporation stock to Southern Company shareholders is treated as a special dividend for purposes of calculating Southern Company shareholder return.)

Unit Substation – A facility used to reduce or "step down" high-voltage electricity into lower voltages in preparation for serving retail customers.

Viability – In finance, the ability to create value.

Transfer Agent

Bank of New York Mellon Shareowner Services is Southern Company's transfer agent, dividend-paying agent, investment plan administrator and registrar. If you have questions concerning your registered Southern Company shareowner account, please contact:

By Mail
BNY Mellon
Shareowner Services
P.O. Box 358016
Pittsburgh, PA 15252-8016

By Courier
BNY Mellon
Shareowner Services
500 Ross St.
Pittsburgh, PA 15262

By Phone
9 a.m. to 7 p.m. ET
Monday through Friday
800–554–7626
(Automated voice response system
24 hours/day, 7 days/week)

Shareowner Services Internet Site

To take advantage of Shareowner Services' online services you will need to activate your account. This one-time authentication process will be used to validate your identity in addition to your 12-digit Investor ID and self-assigned PIN. The internet address is **www.bnymellon.com/shareowner/equityaccess**. Through this site, registered shareowners can securely access their account information, as well as submit numerous transactions. Also, transfer instructions and service request forms can be obtained.

Southern Investment Plan

The Southern Investment Plan provides a convenient way to purchase common stock and reinvest dividends. You can access the Southern Company internet site to review the Prospectus and download an enrollment form.

Direct Registration

Southern Company common stock can be issued in direct registration (uncertificated) form. The stock is Direct Registration System eligible.

Dividend Payments

The entire amount of dividends paid in 2010 is taxable. The board of directors sets the record and payment dates for quarterly dividends. A dividend of 45.50 cents per share was paid in March 2011. For the remainder of 2011, projected record dates are May 2, August 1 and November 7. Projected payment dates for dividends declared during the remainder of 2011 are June 6, September 6 and December 6.

Annual Meeting

The 2011 Annual Meeting of Stockholders will be held Wednesday, May 25, at 10 a.m. Eastern time at The Lodge Conference Center at Callaway Gardens, Highway 18, Pine Mountain, Ga. 31822.

Auditors

Deloitte & Touche LLP
191 Peachtree St. NE
Suite 2000
Atlanta, GA 30303

Investor Information Line

For recorded information about earnings and dividends, stock quotes and current news releases, call toll–free 866–762–6411.

Institutional Investor Inquiries

Southern Company maintains an investor relations office in Atlanta, 404–506–0571, to meet the information needs of institutional investors and securities analysts.

Electronic Delivery Of Proxy Materials

Any stockholder may enroll for electronic delivery of proxy materials by logging on at **www.icsdelivery.com/so**.

Certifications

Southern Company has filed the required certifications of its chief executive officer and chief financial officer under Section 302 of the Sarbanes-Oxley Act of 2002, regarding the quality of its public disclosures as exhibits 31(a)1 and 31(a)2, respectively, to Southern Company's Annual Report on Form 10–K for the year ended December 31, 2010. The certification of Southern Company's chief executive officer regarding compliance with the New York Stock Exchange (NYSE) corporate governance listing standards, required by NYSE Rule 303A.12, will be filed with the NYSE following the 2011 Annual Meeting of Stockholders. Last year, Southern Company filed this certification with the NYSE on June 9, 2010.

Environmental Information

Southern Company publishes information on its activities to meet environmental commitments. This information is available online at **www.southerncompany.com/planetpower/#reports**.
To request printed materials, write to:

Chris Hobson
Chief Environmental Officer & Senior Vice President
Research and Environmental Affairs
600 North 18th St.
Bin 14N–8195
Birmingham, AL 35203–2206

Common Stock

Southern Company common stock is listed on the NYSE under the ticker symbol SO. On December 31, 2010, Southern Company had 160,426 shareowners of record.

The 2010 summary annual report is submitted for shareholders' information. It is not intended for use in connection with any sale or purchase of, or any solicitation of offers to buy or sell, securities.

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Visit our Corporate Responsibility Report at
www.southerncompany.com/corporateresponsibility

Follow us on Twitter at **www.twitter.com/southerncompany**

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