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Actuarial Valuation Report

The Southern Company Nonqualified Pension Plans

For 2021 Fiscal Year

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Introduction

This report documents the results of the December 31, 2020 actuarial valuation for Southern Company's nonqualified pension plans for the plan sponsor and for the operating companies within Southern Company ("Company"). The information provided in this report is intended strictly for documenting:

- Pension cost for the 2021 fiscal year;
- Information relating to company financial accounting and reporting requirements; and
- Information relating to regulatory accounting for Southern Company Gas.

Determinations for purposes other than financial accounting and reporting requirements may be significantly different from the results in this report. Thus, the use of this report for purposes other than those expressed here may not be appropriate.

This valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. In addition, the valuation results are based on our understanding of the financial accounting and reporting requirements under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715, including any guidance or interpretations provided by the Company and reviewed by its auditors prior to the issuance of this report. The information in this report is not intended to supersede or supplant the advice and interpretations of the Company's auditors.

A valuation model was used to develop the liabilities for the current measurement. The valuation model relies on ProVal software, which was developed by Winklevoss Technologies, LLC. Experts within Aon selected this software and determined it is appropriate for performing valuations. We coded the software to reflect the benefit provisions, assumptions, methods, and personnel data of the Plan.

Future actuarial measurements may differ significantly from the current measurements presented in this report due (but not limited to) to such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions;
- Changes in actuarial methods or in economic or demographic assumptions;
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- Changes in plan provisions or applicable law.

Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuation, we have relied on personnel, plan design and asset information supplied by the Company. While we cannot verify the accuracy of all the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it has produced appropriate results.

The actuarial assumptions and methods used in this valuation are described in the Actuarial Assumptions and Methods section of this report. Each significant assumption used in this actuarial valuation represents, in our opinion, a reasonable expectation of anticipated experience under the plan.

A valuation model was used to develop the liabilities for the current measurement. The valuation model relies on ProVal software, which was developed by Winklevoss Technologies, LLC. Experts within Aon selected this software and determined it is appropriate for performing valuations. We coded the software to reflect the benefit provisions, assumptions, methods, and personnel data of the Plan. The undersigned relied on experts at Aon for the development of the capital market assumptions models underlying the yield curve.

The undersigned are familiar with the near-term and long-term aspects of pension valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. The information provided in this report is dependent upon various factors as documented throughout this report, which may be subject to change. Each section of this report is considered to be an integral part of the actuarial opinions.

To our knowledge, no colleague of Aon providing services to the Company has any material direct or indirect financial interest in the Company. Thus, we believe there is no relationship existing that might affect our capacity to prepare and certify this actuarial report for the Company.

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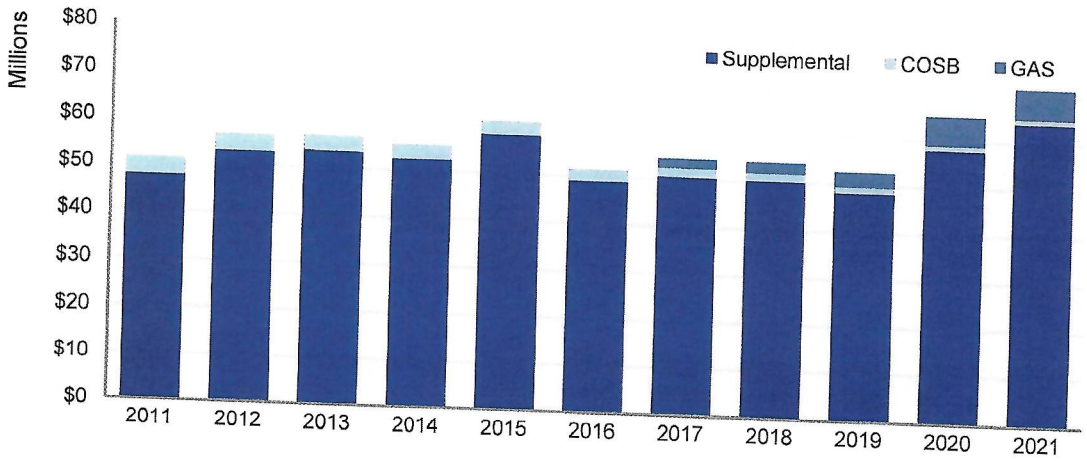
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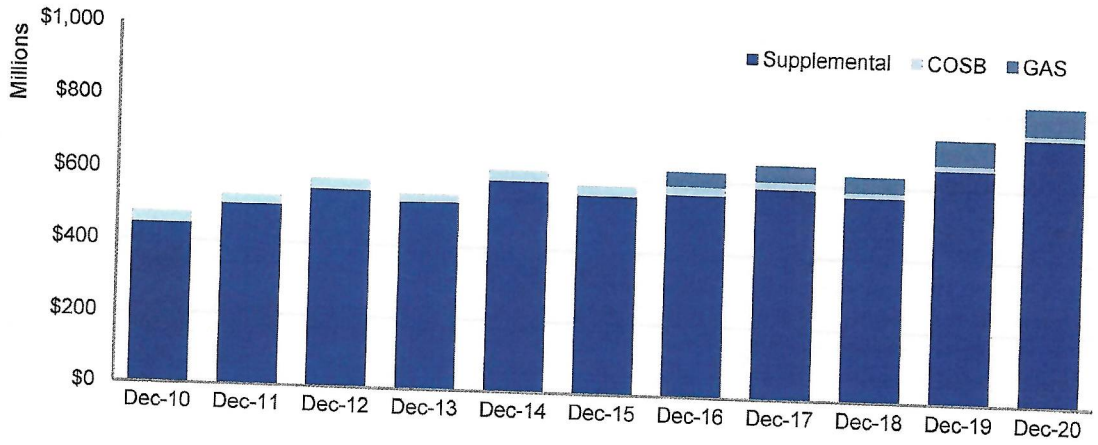
Annual Cost

The fiscal 2021 annual cost/(income) for Southern Company's nonqualified pension plans is **$71,178,273**. The annual costs for the current period and prior ten years for the Plan are shown below. Changes in costs over this period have been attributable to a variety of factors that include plan amendments, assumption changes, and plan experience that differed from expectations.



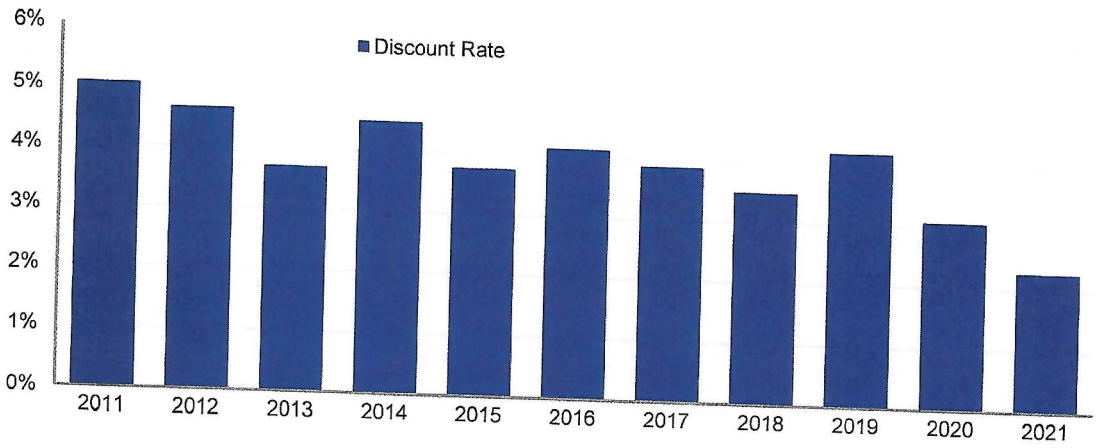
Projected Benefit Obligation

The December 31, 2020 projected benefit obligation for all nonqualified pension plans is **$828,404,942**. The projected benefit obligation as of the measurement date for the current and prior ten years are shown below.



Discount Rate

The effective discount rate for all nonqualified benefit obligations is 2.27%, which is 81 basis points lower compared to the prior measurement date. Discount rates for the prior ten years are shown below.



ASC 715 Accounting Requirements

Reconciliation of ASC 715 Funded Status – Supplemental Pension Plans (excludes Gas & COSB)

The funded status of the plan is recognized as an asset or a liability on the statement of financial position. The funded status is reconciled between amounts already accrued in prior periods (prepaid or accrued pension cost) and amounts recognized in Accumulated Other Comprehensive Income (AOCI) that will be reflected in future annual costs as amortization payments.

	Southern	Georgia Power Company Savannah
As of December 31, 2020		
(1) Funded Status		
(a) Projected benefit obligation	(139,247,666)	(6,535,265)
(b) Fair value of plan assets	0	0
(c) Funded status	(139,247,666)	(6,535,265)
(2) Amounts recognized in AOCI		
(a) Prior service cost	62,422	0
(b) Net (gain)/loss	79,091,275	2,793,408
(c) Total AOCI	79,153,697	2,793,408
(3) Prepaid/(accrued) pension cost	(60,093,969)	(3,741,857)

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Reconciliation of ASC 715 Funded Status – Southern Company Gas

The funded status of the plan is recognized as an asset or a liability on the statement of financial position. The funded status is reconciled between amounts already accrued in prior periods (prepaid or accrued pension cost) and amounts recognized in Accumulated Other Comprehensive Income (AOCI) that will be reflected in future annual costs as amortization payments.

As of December 31, 2020

(1) Funded Status
  (a) Projected benefit obligation
  (b) Fair value of plan assets
  (c) Funded status

(2) Amounts recognized in AOCI
  (a) Prior service cost
  (b) Net (gain)/loss
  (c) Total AOCI

(3) Prepaid/(accrued) pension cost

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ASC 715 Annual Cost/(Income) – Supplemental Pension Plans (excludes Gas & COSB)

The net periodic pension cost is the annual amount to be recognized on the income statement as the cost of benefits provided under the plan for the current fiscal year. Annual cost consists of benefit accruals for the current period (service cost), interest on the projected benefit obligation (interest cost), expected return on market-related value of assets, and amortization amounts relating to plan amendments (prior service cost) and gains or losses.

	Georgia Power Company	
	Southern	Savannah
Fiscal 2021 Annual Cost		
(1) Service cost	3,190,967	0
(2) Interest cost	2,146,281	84,447
(3) Expected return on assets	0	0
(4) Amortization of:		
(a) Prior service cost	20,808	0
(b) Net (gain)/loss	7,240,723	213,988
(c) Total amortizations	7,261,531	213,988
(5) Net annual cost/(income)	12,598,779	298,435
Supporting Information		
Market-related value of assets	0	0
Expected benefit payments	8,830,324	636,948
Expected contributions	8,830,324	636,948
Average remaining service	9 Years	10 Years

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ASC 715 Annual Cost/(Income) – Southern Company Gas

The net periodic pension cost is the annual amount to be recognized on the income statement as the cost of benefits provided under the plan for the current fiscal year. Annual cost consists of benefit accruals for the current period (service cost), interest on the projected benefit obligation (interest cost), expected return on market-related value of assets, and amortization amounts relating to plan amendments (prior service cost) and gains or losses.

Fiscal 2021 Annual Cost

(1) Service cost

(2) Interest cost

(3) Expected return on assets

(4) Amortization of:

  (a) Prior service cost

  (b) Net (gain)/loss

  (c) Total amortizations

(5) Net annual cost/(income)

Supporting Information

Market-related value of assets

Expected benefit payments

Expected contributions

Average remaining service

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ASC 715 Benefit Obligations – Supplemental Pension Plans (excludes Gas & COSB)

The benefit obligations are based on personnel information and plan provisions supplied by the Company and actuarial assumptions as described in the Actuarial Assumptions section of this report.

- Accumulated Benefit Obligation (ABO) is the actuarial present value of benefits based on service and pay earned as of the measurement date.
- Projected Benefit Obligation (PBO) is the actuarial present value of benefits based on service earned as of the measurement date and reflecting assumed future pay increases.
- Service Cost is the actuarial present value of benefits attributed to the current fiscal year, reflecting assumed future pay increases, and includes interest to the end of the year.

	Southern	Georgia Power Company Savannah
As of December 31, 2020		
(1) Accumulated benefit obligation		
(a) Actives	59,074,479	0
(b) Deferred inactives	669,167	0
(c) Retirees and beneficiaries	56,624,537	6,535,265
(d) Total	116,368,183	6,535,265
(2) Projected benefit obligation		
(a) Actives	81,953,962	0
(b) Deferred inactives	669,167	0
(c) Retirees and beneficiaries	56,624,537	6,535,265
(d) Total	139,247,666	6,535,265
(3) 2021 Service cost	3,190,967	0

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ASC 715 Benefit Obligations – Southern Company Gas

The benefit obligations are based on personnel information and plan provisions supplied by the Company and actuarial assumptions as described in the Actuarial Assumptions section of this report.

- Accumulated Benefit Obligation (ABO) is the actuarial present value of benefits based on service and pay earned as of the measurement date.
- Projected Benefit Obligation (PBO) is the actuarial present value of benefits based on service earned as of the measurement date and reflecting assumed future pay increases.
- Service Cost is the actuarial present value of benefits attributed to the current fiscal year, reflecting assumed future pay increases, and includes interest to the end of the year.

As of December 31, 2020

(1) Accumulated benefit obligation
  (a) Actives
  (b) Deferred inactives
  (c) Retirees and beneficiaries
  (d) Total

(2) Projected benefit obligation
  (a) Actives
  (b) Deferred inactives
  (c) Retirees and beneficiaries
  (d) Total

(3) 2021 Service cost

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Amortization of Net (Gain)/Loss – Supplemental Pension Plans (excludes Gas & COSB)

Gains or losses are changes in the value of either projected benefit obligation or plan assets resulting from experience different from that assumed or from a change in an actuarial assumption. Only gains or losses that exceed 10 percent of the greater of projected benefit obligation or market-related value of assets are amortized and asset gains or losses not yet reflected in the market-related value are excluded from being amortized. The amount included in net pension cost is the amortizable amount, if any, divided by the average remaining service period of active employees expected to receive benefits under the plan. Remaining life expectancy is used if all or almost all of the plan participants are inactive.

	Georgia Power Company	
	Southern	Savannah
Fiscal 2021 (Gain)/Loss Amortization		
(1) (Gain)/loss subject to corridor		
(a) Outstanding net (gain)/loss	79,091,275	2,793,408
(b) Nonadmitted asset (gain)/loss	0	0
(c) Amount subject to corridor, (a)-(b)	79,091,275	2,793,408
(2) (Gain)/loss corridor		
(a) Projected benefit obligation	139,247,666	6,535,265
(b) Market-related value of assets	0	0
(c) Corridor, 10% of max (a) or (b)	13,924,767	653,527
(3) (Gain)/loss amortization		
(a) Excess of (1)(c) over (2)(c)	65,166,508	2,139,881
(b) Amortization period	9 Years	10 Years
(c) Amortization amount, (a)÷(b)	7,240,723	213,988

Amortization of Net (Gain)/Loss – Southern Company Gas

Gains or losses are changes in the value of either projected benefit obligation or plan assets resulting from experience different from that assumed or from a change in an actuarial assumption. Only gains or losses that exceed 10 percent of the greater of projected benefit obligation or market-related value of assets are amortized and asset gains or losses not yet reflected in the market-related value are excluded from being amortized. The amount included in net pension cost is the amortizable amount, if any, divided by the average remaining service period of active employees expected to receive benefits under the plan. Remaining life expectancy is used if all or almost all of the plan participants are inactive.

Fiscal 2021 (Gain)/Loss Amortization

(1) (Gain)/loss subject to corridor
  (a) Outstanding net (gain)/loss
  (b) Nonadmitted asset (gain)/loss
  (c) Amount subject to corridor, (a)-(b)
(2) (Gain)/loss corridor
  (a) Projected benefit obligation
  (b) Market-related value of assets
  (c) Corridor, 10% of max (a) or (b)
(3) (Gain)/loss amortization
  (a) Excess of (1)(c) over (2)(c)
  (b) Amortization period
  (c) Amortization amount, (a)÷(b)

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Amortization of Prior Service Cost – Supplemental Pension Plans (excludes Gas & COSB)

Increases in the projected benefit obligation attributable to plan amendments are amortized over the remaining service period of employees benefiting under the Plan. Decreases in benefit obligations attributable to plan amendments are first used to reduce any existing prior service cost, with any remaining amount being amortized on the same basis as a benefit increase. As permitted under ASC 715-30-35-13, the amortization of prior service cost is determined using a straight-line amortization over the average remaining service period of employees expected to receive benefits under the plan. Remaining life expectancy is used if all or almost all of the plan participants are inactive.

	Georgia Power Company	
	Southern	Savannah
Remaining Amount as of December 31, 2020		
(1) 12/31/2016	62,422	0
(2) 12/31/2014	0	0
(3) 12/31/2013	0	0
(4) 12/31/2011	0	0
(5) 03/31/2007	0	0
(6) Total	62,422	0
Fiscal 2021 Amortization		
(1) 12/31/2016	20,808	0
(2) 12/31/2014	0	0
(3) 12/31/2013	0	0
(4) 12/31/2011	0	0
(5) 03/31/2007	0	0
(6) Total	20,808	0

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Amortization of Prior Service Cost – Southern Company Gas

Increases in the projected benefit obligation attributable to plan amendments are amortized over the remaining service period of employees benefiting under the Plan. Decreases in benefit obligations attributable to plan amendments are first used to reduce any existing prior service cost, with any remaining amount being amortized on the same basis as a benefit increase. As permitted under ASC 715-30-35-13, the amortization of prior service cost is determined using a straight-line amortization over the average remaining service period of employees expected to receive benefits under the plan. Remaining life expectancy is used if all or almost all of the plan participants are inactive.

	Exc Benef
Remaining Amount as of December 31, 2020	
(1) 12/31/2017	
(2) Total	
Fiscal 2021 Amortization	
(1) 12/31/2017	
(2) Total	

Certain Other Supplemental Benefits

The accounting results for the company's Certain Other Supplemental Benefits (COSB) are shown below. These amounts are not included with the accounting results reported on prior pages. The amortization of gains and losses for these benefits is determined without a corridor.

	Georgia Power Company
Funded Status as of December 31, 2020	
(1) Funded Status	
(a) Projected benefit obligation	(4,536,905)
(b) Fair value of plan assets	0
(c) Funded status	(4,536,905)
(2) Amounts recognized in AOCI	
(a) Prior service cost	0
(b) Net (gain)/loss	486,399
(c) Total AOCI	486,399
(3) Prepaid/(accrued) pension cost	(4,050,506)
Fiscal 2021 Annual Cost	
(1) Service cost	0
(2) Interest cost	42,932
(3) Expected return on assets	0
(4) Amortization of:	
(a) Prior service cost	0
(b) Net (gain)/loss	81,067
(c) Total amortizations	81,067
(5) Net annual cost/(income)	123,999
Supporting Information	
Market-related value of assets	0
Expected benefit payments	674,799
Expected contributions	674,799
Average remaining lifetime	6 Years

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Regulatory Accounting for Southern Company Gas

Accounting Results Ignoring Purchase Accounting

Southern Company Gas (formerly AGL Resources) was acquired by Southern Company on July 1, 2016 and ASC 715 accounting positions were reset at that time as required by purchase accounting. The following results were developed ignoring the impact of purchase accounting. All other information is the same as that used to develop ASC 715 accounting results.

	Be
Funded Status as of December 31, 2020	
(1) Funded Status	
(a) Projected benefit obligation	
(b) Fair value of plan assets	
(c) Funded status	
(2) Amounts recognized in AOCI	
(a) Prior service cost	
(b) Net (gain)/loss	
(c) Total AOCI	
(3) Prepaid/(accrued) pension cost	
Fiscal 2021 Annual Cost	
(1) Service cost	
(2) Interest cost	
(3) Expected return on assets	
(4) Amortization of:	
(a) Prior service cost	
(b) Net (gain)/loss	
(c) Total amortizations	
(5) Net annual cost/(income)	
Amortization of Prior Service Cost	
(1) Remaining Amount as of December 31, 2020	
(a) 12/31/2017	
(b) Total	
(2) Fiscal 2021 Amortization	
(a) 12/31/2017	
(b) Total	

Appendix

Participant Data

The actuarial valuation is based on personnel information from company records as of January 1, 2020, supplemented by updated 2020 base and bonus pay information. Following are some of the pertinent characteristics from the personnel data. Both age and service have been determined using years and months as of the census collection date.

	Georgia Power Company
Supplemental Pension Benefits (excludes COSB	
Active Participants	
• Count	154
• Average Age	52.0
• Average Service	25.2
• Average Base Pay	$206,715
Deferred Vested Participants	
• Count	4
• Average Monthly Benefit	$1,419
In-Pay Monthly Annuities	
• Count	157
• Average Monthly Benefit	$1,497
In-Pay Installments	
• Count	127
• Average Remaining Balance	$235,230
Certain Other Supplemental Benefits (COSB)	
In-Pay Participants	
• Count	155
• Average Monthly Benefit	$418
Other Gas NQ Benefits (Gas Special Agreement, NUI SERP, Nicor SERP)	
In-Pay Participants	
• Count	0
• Average Monthly Benefit	n/a

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Actuarial Assumptions and Methods

Weighted-Average Assumptions

	Georgia Power Company	
	Southern	Savannah
Nonqualified Plans (excludes COSB)		
Weighted Average Discount Rates		
• Benefit Obligations	2.30%	2.04%
• Service Cost	2.67%	n/a
• Interest Cost	1.60%	1.36%
Annual Salary Increase Rate	4.80%	n/a
Certain Other Supplemental Benefits (COSB)		
Weighted Average Discount Rates		
• Benefit Obligations	1.61%	n/a
• Service Cost	n/a	n/a
• Interest Cost	1.04%	n/a

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Assumptions and Methods for ASC 715 Requirements

Measurement date	December 31, 2020.
Discount Rates	Based on the Aon AA Above Median Yield Curve as of the measurement date; applied in the calculation of pension benefit obligation, service cost and interest cost.
Expected long-term rate of return on plan assets	N/A
Pay increases	Rates that vary by age, service and employee group. See Table A for specific rates.
Incentive pay	145% of target in future years. Incentive targets varying by salary grade are provided by the Company.
Social Security	
Formula breakpoints increases	3.25% per year.
Cost-of-living increases	2.25% per year.
Benefit and compensation limits	Current limits are increased 2.25% per year.
Cash balance interest crediting rate	3.00% per year.
Single Sum Discount Rate	2.25% compounded annually.
Single Sum Prime Rate	3.75% compounded annually.
Mortality—Base rates	
Healthy	Pri-2012 Total Employee/Retiree Tables.
Disabled	Blended table with 50% Pri-2012 Retiree Table rates and 50% Pri-2012 Disabled Retiree Table rates.
Contingent survivors	Pri-2012 Contingent Survivor Table (applies only when the participant is deceased as of the census collection date).
Mortality—Improvements	Generational projection using scale MP-2020 applied to all mortality rates.
Disability rates	Rates that vary by age. See Table B for specific rates.

Retirement rates Active	Rates that vary by age and pension program. See Table C for specific rates.
Deferred vested	100% at Age 61, or current age if older, if eligible to draw benefits for Legacy Southern, 100% at Age 60 for Legacy AGL, and 100% at age 65 for Legacy Nicor/NUI
Withdrawal rates	Rates that vary by age, service and employee group. See Table D for specific rates.
Payment form	Baseline on participant's election.
Asset valuation method	Benefits are currently unfunded and are paid from company's general assets.
Cost method	Projected unit credit.
Participant data	Benefit obligations are based on reasonable and normal actuarial projections of participant and other employee data supplied prior to the measurement date.

ASC 715 Assumption Changes Since Prior Measurement Date

- The following assumptions were updated to reflect the market conditions as of the measurement date as required by ASC 715:
  - Discount rates;
  - Social Security formula breakpoint increases;
  - Single Sum discount rate;
  - Prime rate.
- The following assumptions were updated to better reflect anticipated experience based on information available as of the measurement date:
  - Mortality improvement (MP-2020 scale published by the Society of Actuaries)
  - Incentive pay target percentage for future years.

The rationale for selecting each assumption used in this valuation is described in more detail in the Parameter Guide delivered to the Company on January 26, 2021.

As required by ASC 715, the impact of all of these changes was treated as an experience item.

ASC 715 Method Changes Since Prior Measurement Date

There were no method changes reflected in the 2021 valuation.

Table A—Pay Increase Rates

Nonqualified Pension Employees	
Age	**All Service**
<35	10.25%
35-39	8.25%
40-44	6.25%
45-49	5.25%
50-54	4.25%
55-59	3.75%
60-64	3.25%
65+	2.75%

Table B—Disability Rates

Age	Per 1,000 Participants
Under 40	0.85
40 to 44	1.76
45 to 49	3.80
50 to 54	6.39
55 to 59	11.60
60 to 64	15.52
65 & Over	0.00

Table C—Retirement Rates

Age	Nonqualified
50	2.5%
51	2.5%
52	2.5%
53	2.5%
54	2.5%
55	5.0%
56	7.0%
57	9.0%
58	11.0%
59	13.0%
60	15.0%
61	17.0%
62	30.0%
63	25.0%
64	25.0%
65	50.0%
66	50.0%
67	100.0%
68	100.0%
69	100.0%
70	100.0%

Table D—Withdrawal Rates – Legacy Southern

	Noncovered Employees Years of Service						Covered Employees
Age	**0-1**	**1-2**	**2-3**	**3-4**	**4-5**	**5+YR**	**All Service**
<20	17.5%	12.5%	8.5%	8.5%	8.5%	8.50%	6.00%
20	17.5%	12.5%	8.5%	8.5%	8.5%	8.50%	6.00%
21	17.5%	12.5%	8.5%	8.5%	8.5%	8.50%	5.50%
22	17.5%	12.5%	8.5%	8.5%	8.5%	8.50%	5.00%
23	17.5%	12.5%	8.0%	7.8%	7.8%	7.80%	4.50%
24	17.5%	12.5%	8.0%	7.1%	7.1%	7.10%	4.00%
25	17.5%	12.5%	8.0%	6.5%	6.4%	6.40%	3.50%
26	17.5%	12.5%	8.0%	6.5%	5.7%	5.70%	3.00%
27	17.5%	12.5%	8.0%	6.5%	5.0%	5.00%	2.90%
28	17.5%	12.5%	8.0%	6.5%	5.0%	4.80%	2.80%
29	17.5%	12.5%	8.0%	6.5%	5.0%	4.60%	2.70%
30	17.5%	12.5%	8.0%	6.5%	5.0%	4.40%	2.60%
31	17.5%	12.5%	8.0%	6.5%	5.0%	4.20%	2.50%
32	17.5%	12.5%	8.0%	6.5%	5.0%	4.00%	2.40%
33	17.5%	12.5%	8.0%	6.5%	5.0%	3.80%	2.30%
34	17.5%	12.5%	8.0%	6.5%	5.0%	3.70%	2.20%
35	17.5%	12.5%	8.0%	6.5%	5.0%	3.55%	2.10%
36	17.5%	12.5%	8.0%	6.5%	5.0%	3.40%	2.00%
37	17.5%	12.5%	8.0%	6.5%	5.0%	3.25%	1.90%
38	17.5%	12.5%	8.0%	6.5%	5.0%	3.05%	1.80%
39	17.5%	12.5%	8.0%	6.5%	5.0%	2.85%	1.70%
40	17.5%	12.5%	8.0%	6.5%	5.0%	2.70%	1.60%
41	17.5%	12.5%	8.0%	6.5%	5.0%	2.55%	1.50%
42	17.5%	12.5%	8.0%	6.5%	5.0%	2.40%	1.40%
43	17.5%	12.5%	8.0%	6.5%	5.0%	2.25%	1.30%
44	17.5%	12.5%	8.0%	6.5%	5.0%	2.10%	1.20%
45	17.5%	12.5%	8.0%	6.5%	5.0%	2.00%	1.10%
46	17.5%	12.5%	8.0%	6.5%	5.0%	2.10%	1.05%
47	17.5%	12.5%	8.0%	6.5%	5.0%	2.20%	1.00%
48	17.5%	12.5%	8.0%	6.5%	5.0%	2.30%	1.00%
49	17.5%	12.5%	8.0%	6.5%	5.0%	2.40%	1.00%
50	17.5%	12.5%	8.0%	6.5%	5.0%	2.50%	1.00%
51	17.5%	12.5%	8.0%	6.5%	5.0%	2.50%	1.00%
52	17.5%	12.5%	8.0%	6.5%	5.0%	2.50%	1.00%
53	17.5%	12.5%	8.0%	6.5%	5.0%	2.50%	1.00%
54	17.5%	12.5%	8.0%	6.5%	5.0%	2.50%	1.00%
55+	17.5%	12.5%	8.0%	6.5%	5.0%	2.50%	1.00%

Discussion of Actuarial Assumptions and Methods

The Company selected the economic and demographic assumptions and prescribed them for use for purposes of compliance with ASC 715. Aon provided guidance with respect to these assumptions, and it is our belief that the assumptions represent reasonable expectations of anticipated plan experience. The actuarial cost method used is prescribed by ASC 715. While the method used to value assets is prescribed by the Company, Aon provided guidance with respect to the use of this method, and it is our belief that the method is appropriate for financial accounting purposes.

Calculation of Normal Costs and Liabilities

The method used to calculate the service cost and projected benefit obligation for determining pension expense is the projected unit credit cost method. Under this method, benefits are estimated at each decrement age by crediting future accruals based on projected pay as applicable. The liability is determined as the present value of the projected benefit based on service at the valuation date. The service cost is the amount of the present value of projected benefits attributable to the valuation year.

Accounting Information Under ASC 715

Benefit obligations and cost/(income) are calculated under U.S. Generally Accepted Accounting Principles as set forth in Accounting Standards Codification (ASC) Topic 715.

The accumulated benefit obligation represents the actuarial present value of benefits based on service and pay earned as of the measurement date. The projected benefit obligation represents the actuarial present value of benefits based on service earned through the measurement date reflecting the effect of assumed future pay increases on ultimate benefit amounts.

The service cost represents the actuarial present value of benefits that are attributed to the current fiscal year, reflecting the effect of assumed future pay increases. The service cost includes interest to the end of the measurement period.

Interest cost and service cost are calculated by applying the individual spot rates in the yield curve to each of the discounted cash flows as of the measurement date.

The net periodic pension cost/(income) is the annual amount to be recognized in the income statement as the cost of pension benefits for this plan for the current fiscal year.

Certain special events can result in additional cost/(income) recognized in the income statement during the current fiscal year. Settlement cost/(income) is the accelerated recognition of gains and losses due to certain actions that irrevocably relieve the plan sponsor of significant plan liabilities. Curtailment cost/(income) is an accelerated recognition of certain amounts due to actions that significantly reduce the future years of expected service for existing participants. Special termination benefit cost is an immediate recognition of the liability associated with certain one-time benefits that may be provided in conjunction with participants' separation from service.

Plan Provisions

Supplemental Benefit Plan

Participation	Eligibility is determined by the plan's Administrative Committee.
Benefit	Monthly retirement income under The Southern Company Pension Plan that is not payable under that plan as a result of the exclusion of compensation deferred under the Southern Company Deferred Compensation Plan, the IRC section 401(a)(17) pay limit, and/or the IRC section 415(b) annual benefit limit.
Form of Payment	Ten annual installments derived from the Single Sum Value of the monthly retirement income benefits. Each annual installment is determined by dividing the remaining balance of the Single Sum Value by the remaining number of installments. After its initial determination, the remaining balance is reduced by the amount of the installments paid and is increased monthly with interest at the monthly equivalent of the Single Sum Prime Rate. Active Southern Classic participants as of March 1, 2007 could elect to receive their benefit as a monthly annuity instead of the ten annual installments. Participants with benefits under the AGL Resources, Inc. Excess Plan will receive a life annuity payable at the later of retirement date and age 62 for benefits earned as of December 31, 2017 and ten annual installments for benefits earned after December 31, 2017.
Single Sum Value	
Eligible Participants as of December 31, 2017	The initial Single Sum Value is determined as of the date installments commence and is based on the monthly benefits expected to be paid over an average lifetime (based on the mortality table from Revenue Ruling 2001-62) and the Single Sum Discount Rate.
All Other Participants	The initial Single Sum Value is determined as of the date installments commence and is the actuarial present value of the monthly benefit payable as a single life annuity (based on the applicable mortality table as prescribed by Code section 417(e)(3)) and the Single Sum Discount Rate .
Single Sum Discount Rate	
Eligible Participants as of December 31, 2017	The 30-year Treasury rate for September prior to the calendar year of separation from service (but no more than 6.00%).
All Other Participants	The applicable interest rates as prescribed by Code section 417(e)(3) for September prior to the calendar year of separation from service.
Single Sum Prime Rate	The annual prime rate as published in the Wall Street Journal.

Southern Company Supplemental Executive Retirement Plan

Participation	Eligibility is determined by the plan's Administrative Committee. Effective January 2, 2016 no new participants may participate in the Supplemental Executive Retirement Plan.
Benefit	Monthly retirement income provided under the 1.7% final average pay formula of The Southern Company Pension Plan and Supplemental Benefit Plan, with recognition of incentive pay that is not included under those plans.
Form of Payment	Ten annual installments as described under the Supplemental Benefit Plan. Active participants as of March 1, 2007 could elect to receive their benefit as a monthly annuity instead of the ten annual installments.
Final Average Pay	Average eligible pay over the three plan years of participation which produce the highest average out of the last 10 plan years. The greater of final average pay reflecting incentives in year earned and year paid is used to determine the benefit.
Eligible Pay	Highest base pay rate plus incentives that exceeds 15% of base pay rate for each year.

Benefits Provided in Individual Agreements

Participation	Employees who execute individual agreements with the company that provide nonqualified pension benefits.
Benefit	Pension benefits specified in individual agreements.
Form of Payment	Ten annual installments as described under the Supplemental Benefit Plan.

Certain Other Supplemental Benefits (COSB)

Participation	Employees who retired under nonqualified early retirement window offers in the late 1980's and early 1990's.
Benefit	Pension benefits provided in early retirement window offers.
Form of Payment	Life annuities as elected during the early retirement window offers.

Nicor Gas Company Supplementary Retirement Plan

Participation	Employees who were eligible for a benefit at the time the plan was frozen.
Benefit	Pension benefits earned as of January 1, 2015.
Form of Payment	Life annuities as elected at retirement date.

NUI Corporation Supplemental Retirement Plan

Participation	Employees who were eligible for a benefit at the time the plan was frozen.
Benefit	Pension benefits earned as of the date the plan was frozen.
Form of Payment	Life annuities as elected at retirement date.

AGL Resources Special Agreements

Participation	Employees who execute individual agreements with the company that provide nonqualified pension benefits.
Benefit	Pension benefits specified in individual agreements.
Form of Payment	Life annuities as elected at retirement date.

Plan Changes Since Prior Measurement Date

The December 31, 2020 accounting valuation does not reflect any plan changes since the prior measurement date.