Southern Company

2023 EIA Relative Price Position

Executive Summary

- **Based on EIA data, Southern Company's electric price position improved relative to the National and Southeast averages from 2022 to 2023. However, Southern's residential prices remained higher than our Southeast peers for calendar year 2023.**
  - Southern's average total retail price was 16% below the National average[1] for 2023, compared to 4.4% below in 2022.
  - Southern's average total retail price was 1.3% below the Southeast regional average[2] for 2023, compared to 13.5% above in 2022. Southern Company's Residential prices were 4.9% above our Southeast peers for calendar year 2023.
- **EIA data does not necessarily equate to the price customers are seeing on their bills.**
  - For example, there are timing discrepancies between when fuel costs are incurred and when they show up on a customer's bill.
- **The 2023 year-end results return Southern's relative price to historical trends after a volatile 2022 fuel environment.**
  - In 2022, Southern Company experienced rapid fuel expense increases leading to a sharp degradation in Southern's relative price position.
  - In 2023, fuel costs declined causing our relative price position to improve and yielding results in line with historical trends.

[1]National Comparison is based on peer IOUs reported on by US Energy information Administration.
[2]Southeast region is based on Dominion Energy South Carolina, Duke Energy Carolinas, Duke Energy Progress, Duke Energy Florida, Entergy Arkansas, Entergy Louisiana, Entergy Mississippi, Entergy New Orleans, Florida Power & Light, Gulf Power, Tampa Electric, and Virginia Electric & Power.
National and Southeast region peer groups exclude Southern Company.

2023 Relative Price Position – Southern Company and OpCos

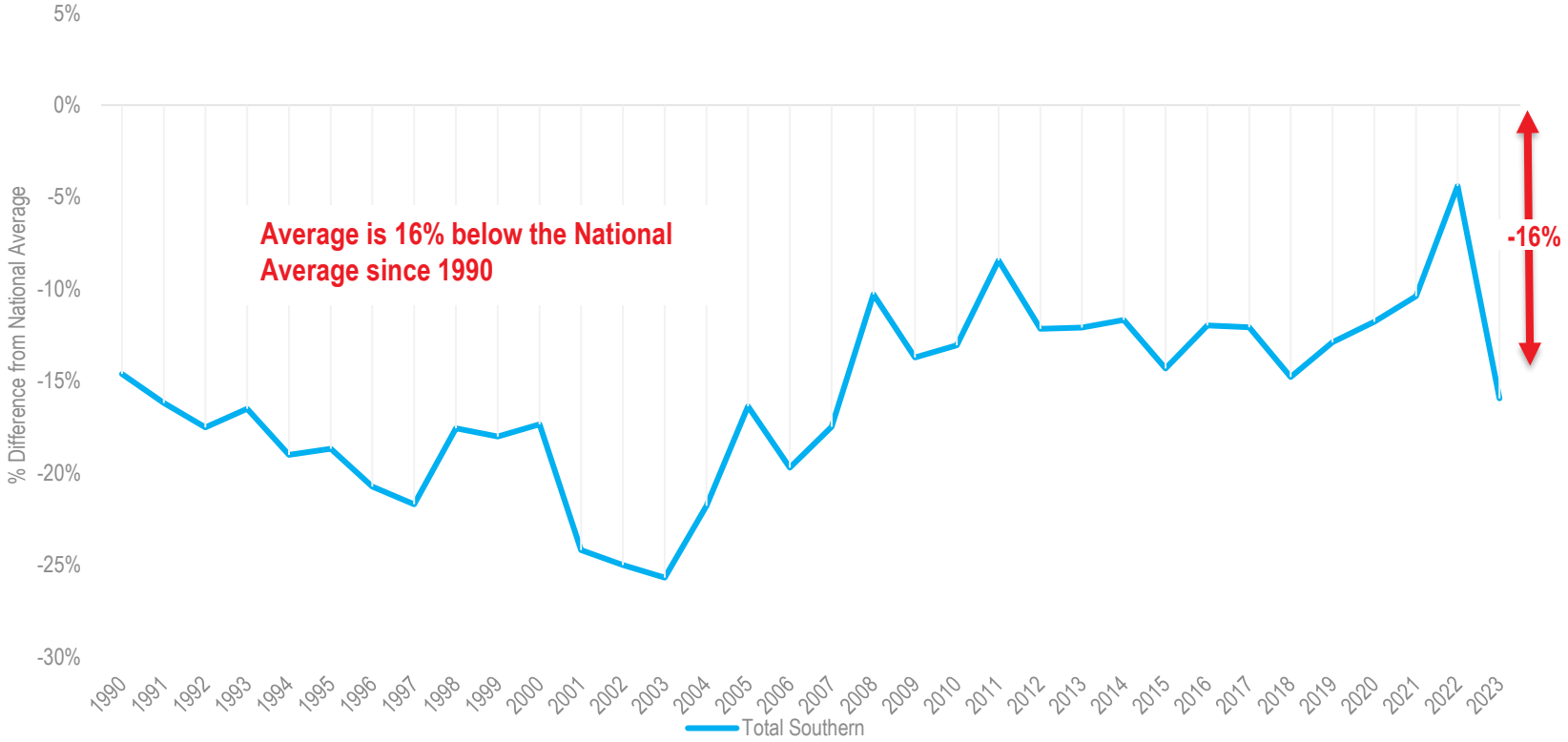
- Southern Company's relative price position for calendar year 2023 was 16% below the National average and 1.3% below Southeast regional peers.
- However, Southern Company's Residential prices were 4.9% above our Southeast peers for calendar year 2023.
- Shown in the table at right are Southern Company's retail prices by customer class and total retail price as reported by EIA for the 12 months ending December 2023.
- The below table shows total retail and R,C, & I prices and relative price position for each electric OpCo.

12-months ending December 2023	Benchmark - Average Prices, ¢/kWh		Total Southern 12-months ending December 2023		
	National Average	Southeast Average	¢/kWh	Difference from National Average	Difference from select Southeast Peers
Residential Price	16.63	14.38	15.09	-9.3%	4.9%
Commercial Price	12.77	10.50	11.87	-7.0%	13.0%
Industrial Price	8.46	6.89	7.08	-16.3%	2.7%
Total Retail Price[1]	13.45	11.45	11.31	-16.0%	-1.3%

12-months ending December 2023	REDACTED			Georgia Power			REDACTED		
	REDACTED	REDACTED	REDACTED	¢/kWh	Difference from National Average	Difference from select Southeast Peers	REDACTED	REDACTED	REDACTED
Residential Price	REDACTED	REDACTED	REDACTED	14.62	-12.1%	1.7%	REDACTED	REDACTED	REDACTED
Commercial Price	REDACTED	REDACTED	REDACTED	11.05	-13.5%	5.2%	REDACTED	REDACTED	REDACTED
Industrial Price	REDACTED	REDACTED	REDACTED	6.54	-22.7%	-5.1%	REDACTED	REDACTED	REDACTED
Total Retail Price [1]	REDACTED	REDACTED	REDACTED	10.96	-18.5%	-4.3%	REDACTED	REDACTED	REDACTED

[1]Total Southern Retail Price represents total revenues ($) for listed customer classes divided by total sales (kWh) for listed customer classes.

Southern Company Continues to Offer Prices Below the National Average

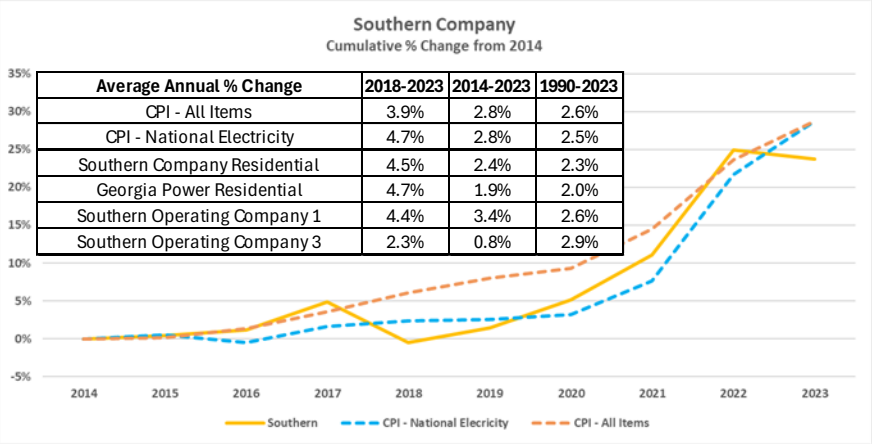


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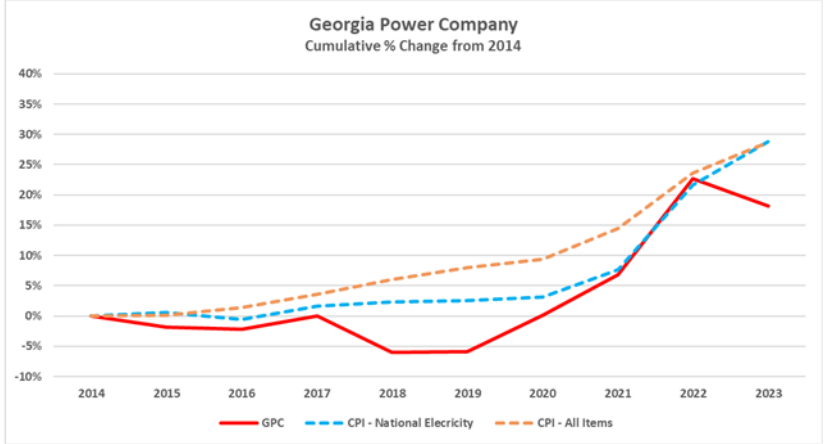
Retail Price vs. Inflation Trends

Historical Residential Price vs. Consumer Price Index

Southern prices are EIA 861 data (revenue / kWh) vs the Bureau of Labor Statistics' consumer price index



Average Annual % Change	2018-2023	2014-2023	1990-2023
CPI - All Items	3.9%	2.8%	2.6%
CPI - National Electricity	4.7%	2.8%	2.5%
Southern Company Residential	4.5%	2.4%	2.3%
Georgia Power Residential	4.7%	1.9%	2.0%
Southern Operating Company 1	4.4%	3.4%	2.6%
Southern Operating Company 3	2.3%	0.8%	2.9%



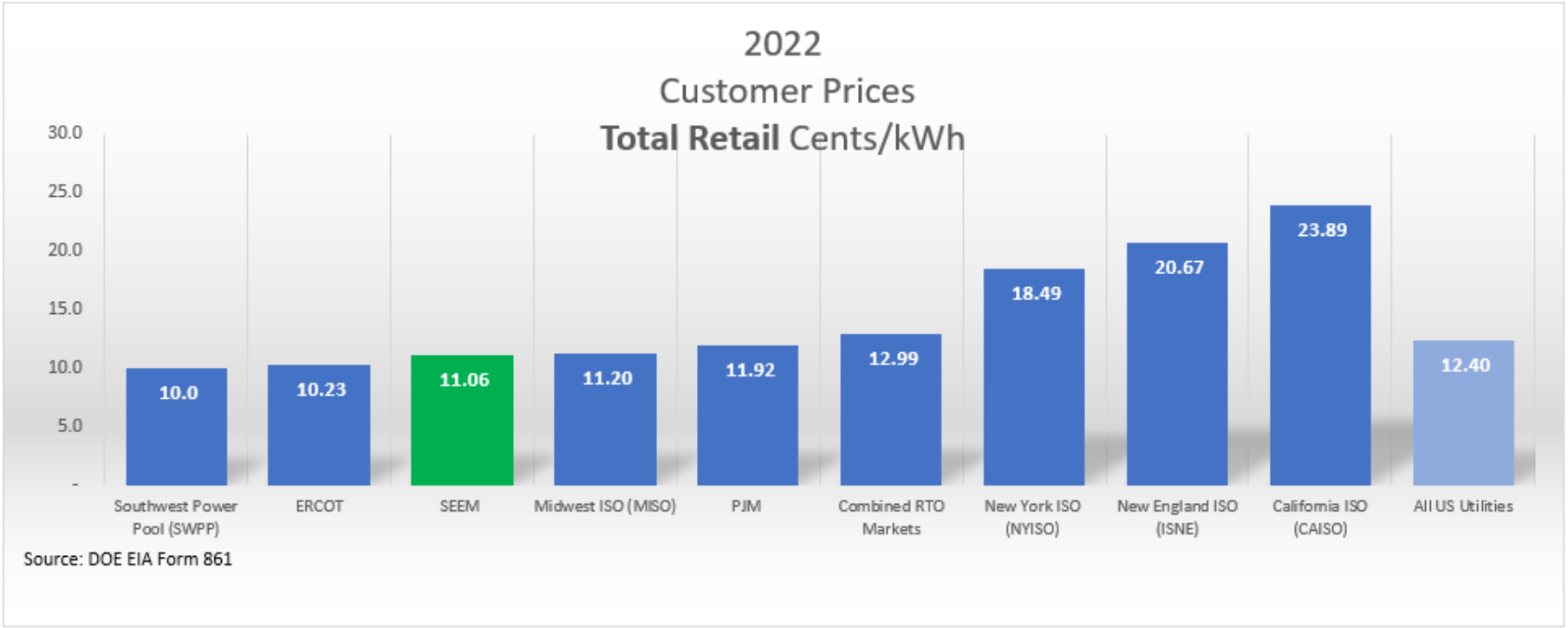
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Southeast Energy Exchange Market (SEEM)

2022 SEEM comparison



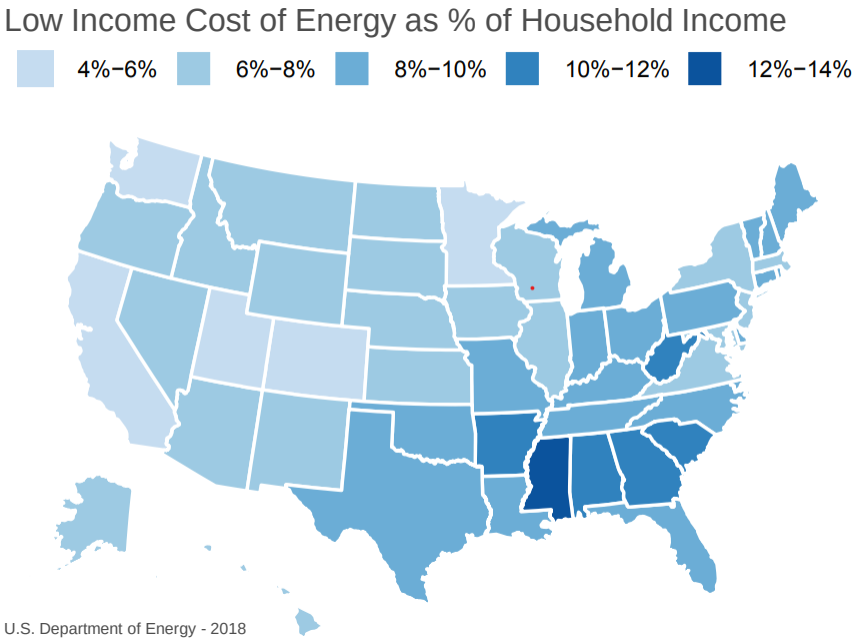
2023 results will be available in Q42024

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Affordability

Source: Customer Service, Customer Experience, System Customer Council

Combined Electric Demographics



United States

- Median household income is $74,580
- 12.6% of households fall below the poverty level
- 34% of households have income < $50,000

REDACTED

Georgia

- Georgia's median household income is $72,860
- 12.7% of households fall below the poverty level
- REDACTED REDACTED REDACTED

REDACTED

Source: Energy Assistance Overview Presentation – Customer Service, 2022 Census Data, S&P Global

Bill Affordability Remains a Challenge for LMI Customers

REDACTED

Source: Energy Affordability Update Presentation March 2024 – System Customer Council, JD Power

Strategic Approach

Affordability
Help alleviate the strain that customers are facing with limited financial resources, causing them to be unable to afford their basic standard of living.

Awareness
Ensure that stakeholders are well informed of Energy Assistance resources and programs that can help.

Accessibility
Enable the sharing of resources with partners to expand access to additional funding.

Assistance
Successfully match LMI customers to assistance to help prevent financial hardship.



Internal Use – please contact SCS Planning and Regulatory Support for external data needs

Source: Energy Affordability Update Presentation March 2024 – System Customer Council

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Appendix

Impact of Fuel on 2022 and 2023 Relative Price Position

- In 2022, Southern Company experienced rapid fuel expense increases leading to a sharp degradation in Southern's relative price position.
  - Beginning in 2021, numerous variables drove an increase in the cost of fuel used for power generation such as geopolitical unrest, global supply chain constraints, which included slower-than-expected gas production coming out of the COVID-19 pandemic, higher than expected domestic demand for natural gas, and an increased demand for LNG-exports. These variables not only drove the cost of natural gas to levels not seen since 2008, but also increased the cost of coal, as its supply (influenced in part by transportation constraints) did not keep pace with increased demand.
  - Weather volatility exacerbated these cost pressures. Higher temperatures in the summer, coupled with lower temperatures in the winter, increased demand for electricity,
- In 2023, fuel costs declined causing our relative price position to improve and yielding results in line with historical trends.
- The accounting for fuel revenues and fuel expense did cause some changes in relative price position between Southern and the National Average in 2022 and 2023 as demonstrated below.

EIA Relative Price Position

Total Revenue

÷ Total kWh sales

= c/kWh

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Fuel Revenue is set to match Fuel Expense on the income statement. (any over/under recovery falls to the balance sheet) Therefore, in 2022, rapid fuel expenses impacted our total revenue (and EIA relative price position) greatly and in 2023 we saw that trend reverse.

Some Peer Utilities

Fuel Revenue is set to match Fuel Collection (via fuel cost recovery tariffs) on the income statement. (any over/under recovery falls to balance sheet) Therefore, in 2022, rapid fuel expenses had less of an impact on total revenue (and EIA relative price position) for some peers. By 2023, as these costs were being passed through via rates some of our peers' relative price were going up as Southern was coming down.