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SOUTHERN CO
Form U5S
May 01, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM U5S

ANNUAL REPORT

For the Fiscal Year Ended December 31, 2001

Filed pursuant to the Public Utility Holding Company Act of 1935

by

THE SOUTHERN COMPANY

270 PEACHTREE STREET, N. W.
ATLANTA, GEORGIA 30303

THE SOUTHERN COMPANY
FORM U5S
2001

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ITEMS

ITEM 1. SYSTEM COMPANIES AND INVESTMENTS THEREIN AS OF DECEMBER 31, 2001.

| Name of Company (Add abbreviation used herein) | Number of Common Shares Owned | Percentage of Voting Power | Issu Boo Val In T |
|--|-------------------------------------|----------------------------------|----------------------------|
| THE SOUTHERN COMPANY (SOUTHERN) | None | None | n |
| ALABAMA POWER COMPANY (ALABAMA) | 6,000,000 | 100 | \$3,310,8 |
| Alabama Energy Providers, Inc. | 1,000 | 100 | |
| Alabama Property Company | 1,000 | 100 | 10,4 |
| Alabama Power Capital Trust I (ALABAMA TRUST I) | n/a | n/a | 3,0 |
| Alabama Power Capital Trust II (ALABAMA TRUST II) | n/a | n/a | 6,1 |
| Alabama Power Capital Trust III (ALABAMA TRUST III) | n/a | n/a | 1,5 |
| Southern Electric Generating Company (SEGCO) (a) | 164,000 | 50 | 28,9 |
| GEORGIA POWER COMPANY (GEORGIA) | 7,761,500 | 100 | 4,397,4 |

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| | | | |
|--|---------|-----|-------------|
| SEGCO (a) | 164,000 | 50 | 28,9 |
| Piedmont-Forrest Corporation (PIEDMONT) | 100,000 | 100 | 5,7 13,5 |
| Georgia Power Capital Trust I (GEORGIA TRUST I) | n/a | n/a | 9,7 |
| Georgia Power Capital Trust II (GEORGIA TRUST II) | n/a | n/a | 7,4 |
| Georgia Power Capital Trust III (GEORGIA TRUST III) | n/a | n/a | 7,9 |

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ITEM 1. SYSTEM COMPANIES AND INVESTMENTS THEREIN AS OF DECEMBER 31, 2001.

(Continued)

| Name of Company (Add abbreviation used herein) | Number of Common Shares Owned | Percentage of Voting Power | Issu Boo Val |
|--|-------------------------------------|----------------------------------|--------------------|
| Georgia Power Capital Trust IV (GEORGIA TRUST IV) | n/a | n/a | 7,3 |
| GULF POWER COMPANY (GULF) | 992,717 | 100 | 504,8 |
| Gulf Power Capital Trust I (GULF TRUST I) | n/a | n/a | 1,7 |
| Gulf Power Capital Trust II (GULF TRUST II) | n/a | n/a | 1,7 |
| MISSISSIPPI POWER COMPANY (MISSISSIPPI) | 1,121,000 | 100 | 491,6 |
| Mississippi Power Capital Trust I (MISSISSIPPI TRUST I) | n/a | n/a | 1,0 |
| Mississippi Power Services, Inc. | 100 | 100 | 7 |
| MOBILE ENERGY SERVICES HOLDINGS, INC. (MESH) | 1,000 | 100 | |
| Mobile Energy Services Company, LLC (MESCL) | n/a | 99 | |

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| | | | |
|--|------------|-------|-------|
| SAVANNAH ELECTRIC AND POWER COMPANY (SAVANNAH) | 10,844,635 | 100 | 176,9 |
| Savannah Electric and Power Capital Trust I (SAVANNAH ELECTRIC TRUST I) | n/a | n/a | 1,4 |
| CHANGE IN CONTROL TRUST | n/a | n/a | 19,9 |
| DEFERRRED CASH TRUST | n/a | n/a | 8 |
| SOUTHERN COMPANY HOLDINGS, INC. | 10,000 | 91.11 | 280,0 |
| Southern Company Capital Funding, Inc. | 1,000 | 100 | 50,4 |
| Southern Company Capital Trust I | n/a | n/a | 335,3 |
| Southern Company Capital Trust II | n/a | n/a | 77,3 |
| Southern Company Capital Trust III | n/a | n/a | 206,1 |
| Southern Company Capital Trust IV | n/a | n/a | 206,1 |
| Southern Company Capital Trust V | n/a | n/a | 154,6 |

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ITEM 1. SYSTEM COMPANIES AND INVESTMENTS THEREIN AS OF DECEMBER 31, 2001.

(Continued)

| Name of Company (Add abbreviation used herein) | Number of Common Shares Owned | Percentage of Voting Power | Iss Bo Va |
|--|-------------------------------------|----------------------------------|-----------------|
| Southern Company Energy Solutions LLC (c) | n/a | 100 | 19,5 |
| Alabama Synfuel Energy, Inc. | 1,000 | 100 | 21,3 |
| Synfuel Services, Inc. | 1,000 | 100 | 4 |
| Energy Related Activities Inc. | 1,000 | 100 | 1,0 |
| Southern Company Electrotechnologies (d) | 100 | 100 | n |
| SE Finance Capital Corporation | 1,000 | 100 | 157,5 |
| SE Finance Company, Inc. | 1,000 | 100 | 339,8 |
| EPZ Lease, Inc. | 1,000 | 100 | 52,2 |
| EPZ Lease, LLC | n/a | n/a | 102,6 |
| EPZ Lease Holding A, LLC | n/a | n/a | 31,0 |

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| | | | |
|--------------------------------|-------|-----|-------|
| EPZ Lease Trust A (e) | n/a | n/a | 31,0 |
| EPZ Lease Holding B, LLC | n/a | n/a | 31,0 |
| EPZ Lease Trust B (e) | n/a | n/a | 31,0 |
| EPZ Lease Holding C, LLC | n/a | n/a | 41,4 |
| EPZ Lease Trust C (e) | n/a | n/a | 41,4 |
| Dutch Gas Lease, Inc. | 1,000 | 100 | 156,2 |
| Dutch Gas Lease, LLC | n/a | n/a | 220,4 |
| Dutch Gas Lease Holding A, LLC | n/a | n/a | 86,1 |
| Dutch Gas Lease Trust A (e) | n/a | n/a | 86,1 |
| Dutch Gas Lease Holding B, LLC | n/a | n/a | 69,0 |
| Dutch Gas Lease Trust B (e) | n/a | n/a | 69,0 |
| Dutch Gas Lease Holding C, LLC | n/a | n/a | 65,2 |
| Dutch Gas Lease Trust C (e) | n/a | n/a | 65,1 |
| NUON Lease, Inc. | 1,000 | 100 | 140,9 |
| NUON Lease Holding D, LLC | n/a | n/a | 83,2 |
| NUON Trust D (e) | n/a | n/a | 83,2 |
| NUON Lease Holding E, LLC | n/a | n/a | 62,5 |
| NUON Trust E (e) | n/a | n/a | 62,5 |
| NUON Lease Holding F, LLC | n/a | n/a | 41,0 |
| NUON Trust F (e) | n/a | n/a | 41,0 |
| GAMOG Lease, Inc. | 1,000 | 100 | 109,5 |
| GAMOG Lease Holding G, LLC | n/a | n/a | 30,8 |
| GAMOG Trust G (e) | n/a | n/a | 30,8 |
| GAMOG Lease Holding H, LLC | n/a | n/a | 75,0 |
| GAMOG Trust H (e) | n/a | n/a | 75,0 |
| GAMOG Lease Holding I, LLC | n/a | n/a | 38,4 |
| GAMOG Trust I (e) | n/a | n/a | 38,4 |
| Clairton, Inc. | 1,000 | 100 | 27,8 |
| Clairton, LLC | 1,000 | 85 | 36,8 |
| Clairton 2, Inc. | 1,000 | 100 | 5,7 |
| Carbontronics, Inc. | 1,000 | 100 | 20,1 |
| Carbontronics, LLC | 1,000 | 99 | 11,9 |

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ITEM 1. SYSTEM COMPANIES AND INVESTMENTS THEREIN AS OF DECEMBER 31, 2001.

(Continued)

| Name of Company (Add abbreviation used herein) | Number of Common Shares Owned | Percentage of Voting Power | Iss Bo Va |
|---|-------------------------------------|----------------------------------|-----------------|
| SOUTHERN COMPANY FUNDING CORPORATION (f) | 1,000 | 100 | |
| SOUTHERN COMPANY SERVICES, INC. (SCS) | 14,500 | 100 | 8 |
| SOUTHERN COMMUNICATIONS SERVICES, INC. (Southern LINC) | 500 | 100 | 80,1 |

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| | | | |
|---|-------|-----|-------|
| SOUTHERN ELECTRIC RAILROAD COMPANY (SERC) | 5,000 | 100 | |
| SOUTHERN NUCLEAR OPERATING COMPANY, INC. (Southern Nuclear) | 1,000 | 100 | 7,1 |
| SOUTHERN POWER COMPANY (g) | 1,000 | 100 | 466,9 |
| Southern Power-Florida LLC (h) | 1,000 | 100 | 29,5 |
| Klondike Development LLC (i) | n/a | 100 | 1,0 |
| Madison County Energy Center LLC (j) | n/a | 100 | 1,0 |
| SOUTHERN TELECOM, INC. | 1,000 | 100 | 5,4 |
| SOUTHERN MANAGEMENT DEVELOPMENT, INC. (Southern Management) | 500 | 100 | 25,0 |

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ITEM 1. SYSTEM COMPANIES AND INVESTMENTS THEREIN AS OF DECEMBER 31, 2001.

(Continued)

Notes to Item 1:

- (a) SEGCO is 50% owned by ALABAMA and 50% owned by GEORGIA. The amounts shown reflect the respective ownership interests of each company.
- (b) Promissory note due on demand; interest rate, based on GEORGIA's embedded cost of capital, was 9.55% at January 1, 2002.
- (c) A Delaware limited liability company organized on February 21, 2001.
- (d) A Georgia corporation was organized on November 29, 2001. The corporation was inactive at year-end 2001.
- (e) A Delaware business trust. The form of equity investment is paid in capital.
- (f) A Delaware corporation organized on January 17, 2001.
- (g) A Delaware corporation organized on January 8, 2001.
- (h) A Delaware limited liability company organized on January 9, 2001.
- (i) A Delaware limited liability company organized on August 31, 2001.
- (j) A Delaware limited liability company organized on November 21, 2001.

ITEM 2. ACQUISITION OR SALES OF UTILITY ASSETS.

NONE.

ITEM 3. ISSUE, SALE, PLEDGE, GUARANTEE OR ASSUMPTION OF SYSTEM SECURITIES.

NONE.

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ITEM 4. ACQUISITION, REDEMPTION, OR RETIREMENT OF SYSTEM SECURITIES.

| Calendar Year 2001 | | | | |
|--|---|--------------------------------------|---------------|---------------|
| Name of Issuer and Title of Issue | Name of Company Acquiring, Redeeming or Retiring Securities | Number of Shares or Principal Amount | | |
| | | Acquired | Redeemed | Retired |
| ALABAMA: | | | | |
| First Mortgage Bonds 9.00% Series due 2024 | ALABAMA | None | \$138,991,000 | \$138,991,000 |
| GEORGIA: | | | | |
| First Mortgage Bonds 6 5/8% Series due 2003 | GEORGIA | None | \$200,000,000 | \$200,000,000 |
| 6.35% Series due 2003 | GEORGIA | None | \$75,000,000 | \$75,000,000 |
| 6.07% Series due 2005 | GEORGIA | None | \$8,140,000 | \$8,140,000 |
| 6 7/8% Series due 2008 | GEORGIA | None | \$50,000,000 | \$50,000,000 |
| 7.70% Series due 2025 | GEORGIA | None | \$57,000,000 | \$57,000,000 |
| Pollution Control Revenue Bonds | | | | |
| 6.25% Series due 2019 | GEORGIA | None | \$5,300,000 | \$5,300,000 |
| 6.75% Series due 2024 | GEORGIA | None | \$43,420,000 | \$43,420,000 |
| 6.625% Series due 2024 | GEORGIA | None | \$10,000,000 | \$10,000,000 |
| 5.0% Series due 2005 | GEORGIA | None | \$57,000,000 | \$57,000,000 |
| 6.25% Series due 2021 | GEORGIA | None | \$10,125,000 | \$10,125,000 |
| 5.40% Series due 2024 | GEORGIA | None | \$28,065,000 | \$28,065,000 |
| 5.75% Series due 2023 | GEORGIA | None | \$11,935,000 | \$11,935,000 |
| 6.0% Series due 2025 | GEORGIA | None | \$71,580,000 | \$71,580,000 |
| 5.75% Series due 2023 | GEORGIA | None | \$60,000,000 | \$60,000,000 |
| 6.10% Series due 2025 | GEORGIA | None | \$73,535,000 | \$73,535,000 |
| Variable Rate Series due 2024 | GEORGIA | None | \$12,475,000 | \$12,475,000 |
| Variable Rate Series due 2026 | GEORGIA | None | \$1,600,000 | \$1,600,000 |
| GULF: | | | | |
| Senior Notes 6.70% Series due 2038 | GULF | None | \$862,000 | None |
| First Mortgage Bonds 6.125% Series due 2003 | GULF | None | None | \$30,000,000 |
| MISSISSIPPI: | | | | |
| First Mortgage Bonds 7.45% Series due 2023 | MISSISSIPPI | None | \$1,000,000 | None |
| 6.60% Series due 2004 | MISSISSIPPI | None | \$35,000,000 | None |

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| | | | | |
|-------------------------|-------------|------|----------|------|
| Pollution Control Bonds | | | | |
| 5.80% Series due 2007 | MISSISSIPPI | None | \$20,000 | None |

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ITEM 4. ACQUISITION, REDEMPTION, OR RETIREMENT OF SYSTEM SECURITIES.

Calendar Year 2001

| Name of Issuer and Title of Issue ----- | Name of Company Acquiring, Redeeming or Retiring Securities ----- | Number of Shares or Principal Amount ----- | | | |
|---|--|---|-------------------|------------------|-------------|
| | | Acquired ----- | Redeemed ----- | Retired ----- | Co ----- |
| MISSISSIPPI (Continued): | | | | | |
| Senior Notes | | | | | |
| Floating Rate due 2002 | MISSISSIPPI | None | \$20,000,000 | \$20,000,000 | |
| 6.75% Series due 2038 | MISSISSIPPI | None | \$1,001,000 | | None |
| SAVANNAH: | | | | | |
| Senior Notes | | | | | |
| Variable Rate Notes due 2001 | SAVANNAH | None | \$20,000,000 | \$20,000,000 | |
| 6.88% Note due 2001 | SAVANNAH | None | \$10,000,000 | \$10,000,000 | |

Note to Item 4: All transactions exempt pursuant to Rule 42(b)(2), (4) or (5) or authorized in

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ITEM 5. INVESTMENTS IN SECURITIES OF NONSYSTEM COMPANIES.

| Name of Owner ----- | Name of Issuer ----- | Number of Shares or Principal Amount Owned ----- | Carryin Value to Owne ----- |
|------------------------|-------------------------|--|--------------------------------------|
|------------------------|-------------------------|--|--------------------------------------|

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| | | | |
|--------------------------------|-----|---------------------------|-----------|
| SOUTHERN (one item) | (1) | 538,935 shares | \$4,439,2 |
| ALABAMA (one item) | (2) | 204 shares | |
| ALABAMA (five items) | (3) | \$2,591,140 | \$2,591,1 |
| GEORGIA (one item) | (4) | \$4,700,000 | \$3,604,6 |
| GULF (nine items) | (2) | 640 shares | |
| Southern Management (one item) | (5) | 130,381 shares | |
| SAVANNAH (one item) | (2) | 285 shares | |
| SOUTHERN (one item) | (6) | option for 323,812 shares | \$5,025,5 |

Notes to Item 5:

(1) Represents the transfer of the investment in Pantellos from Southern Telecom to SOUTHERN. Pantellos is an independent, open marketplace for the energy and utility industries that brings together buyers and sellers to improve the way they do business.

(2) Securities representing bankruptcy distributions applicable to obligations of customers incurred in the ordinary course of business.

(3) Debt securities issued by instrumentalities of political subdivisions within ALABAMA's service area to build promotional industrial buildings that will assist in advancing business and industrial development.

(4) Investment made in a private venture capital fund for the purpose of assisting early-stage and high technology companies located principally in the Southeast, with a focus on Georgia-based firms. (See File No. 70-8085.)

(5) Represents Southern Management's investment in Integrated Communication Systems, Inc. (ICS). ICS is engaged in providing two-way communications over local telephone lines for a wide range of energy-related services in residential and small commercial markets.

(6) Represents SOUTHERN's option on Mirant Corporation shares to be used in 2003 to settle certain employee compensation liabilities related to a long-term incentive plan assumed in connection with the spin-off of Mirant Corporation (File No. 70-9727). The option can be settled in cash only. Any Mirant Corporation shares acquired with the cash settlement will be owned directly by these individuals.

ITEM 6. OFFICERS AND DIRECTORS.

PART I.

The following are the abbreviations to be used for principal business address and positions.

| | |
|----------------------------|------|
| Principal Business Address | Code |
| ----- | |

| | |
|---|-----|
| 270 Peachtree Street Atlanta, GA 30303 | (a) |
|---|-----|

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| | |
|---|-----|
| 600 North 18th Street Birmingham, AL 35291 | (b) |
| 241 Ralph McGill Boulevard, N.E. Atlanta, GA 30308-3374 | (c) |
| One Energy Place Pensacola, FL 32520 | (d) |
| 2992 West Beach Boulevard Gulfport, MS 39501 | (e) |
| 600 East Bay Street Savannah, GA 31401 | (f) |
| 5555 Glenridge Connector Atlanta, GA 30342 | (g) |
| 42 Inverness Center Parkway Birmingham, AL 35242 | (h) |
| 40 Inverness Center Parkway Birmingham, AL 35242 | (i) |
| 1130 Connecticut Ave., NW Suite 830 Washington, DC 20036 | (j) |
| 1403 Foulk Road Foulkstone Plaza Suite 102-9 Wilmington, DE 19803 | (k) |
| 4000 DeKalb Technology Parkway Suite 100 Atlanta, GA 30340 | (l) |

| | |
|----------|-------|
| Position | Code |
| ----- | ----- |

| | |
|---------------------------------|------|
| Chairman of the Board | CH |
| Vice Chairman of the Board | VCH |
| Director | D |
| President | P |
| Chief Executive Officer | CEO |
| Chief Financial Officer | CFO |
| Chief Accounting Officer | CAO |
| Chief Information Officer | CIO |
| Chief Operating Officer | COO |
| Chief Production Officer | CPO |
| Senior Executive Vice President | SEVP |
| Executive Vice President | EVP |
| Senior Vice President | SVP |
| Financial Vice President | FVP |
| Vice President | VP |
| Controller/Comptroller | C |
| Counsel | L |
| Secretary | S |
| Treasurer | T |

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| Name and Principal Address (a) | Position |
|--|---------------|
| Daniel P. Amos 1932 Wynnton Road Columbus, GA 31999 | D |
| Dorrit J. Bern 450 Winks Lane Bensalem, PA 19020 | D |
| Thomas F. Chapman 1600 Peachtree Street, NW Atlanta, GA 30309 | D |
| H. Allen Franklin | D, P, CEO, CH |
| Bruce S. Gordon 1095 Avenue of the Americas New York, NY 10036 | D |
| L. G. Hardman III P. O. Box 149 Commerce, GA 30529 | D |
| Elmer B. Harris (b) | D, EVP |
| Donald M. James P. O. Box 385014 Birmingham, AL 35238-5014 | D |

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ITEM 6. OFFICERS AND DIRECTORS.

PART I. (Continued)

SOUTHERN (continued)

| Name and Principal Address (a) | Position |
|--|----------|
| Zack T. Pate 700 Galleria Parkway Atlanta, GA 303339 | D |
| Gerald J. St. Pe' P. O. Box 149 Pascagoula, MS 39568 | D |
| Dwight H. Evans | EVP |
| Leonard J. Haynes | EVP |
| G. Edison Holland | EVP, L |
| Charles D. McCrary (b) | EVP |
| David M. Ratcliffe (c) | EVP |
| Gale E. Klappa | SVP |
| David R. Altman | VP |
| Joseph A. Miller (j) | VP |
| W. Dean Hudson (c) | C |
| Tommy Chisholm | S |

ALABAMA

| Name and Principal Address (b) | Position |
|---|----------|
| Whit Armstrong P. O. Box 900 Enterprise, AL 36331 | D |

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| | |
|--|-------------|
| David J. Cooper 118 N. Royal Street Mobile, AL 36602 | D |
| H. Allen Franklin (a) | D |
| Elmer B. Harris | D, CH |
| R. Kent Henslee 754 Chestnut Street Gadsden, AL 35901 | D |
| Carl E. Jones, Jr. P. O. Box 1024 Birmingham, AL 35202 | D |
| Patricia M. King 1501 South Quintard Avenue Anniston, AL 36201 | D |
| James K. Lowder 2000 Interstate Park Drive Suite 400 Montgomery, AL 36109 | D |
| Wallace D. Malone, Jr. P. O. Box 2554 Birmingham, AL 35290 | D |
| Charles D. McCrary | D, P, CEO |
| Thomas C. Meredith 401 Queen City Avenue Tuscaloosa, AL 35401 | D |
| Mayer Mitchell 3800 Airport Boulevard, Suite 301 Mobile, AL 36608 | D |
| William V. Muse 107 Samford Hall Auburn, AL 36849 | D |
| Robert D. Powers 202 East Broad Street Eufaula, AL 36027 | D |
| Andreas Renschler Dornierstrasse 6 Renningen, Germany | D |
| C. Dowd Ritter P. O. Box 11007 Birmingham, AL 35288 | D |
| James H. Sanford 1001 McQueen Smith Road South Prattville, AL 36066 | D |
| John C. Webb, IV 125 W. Washington Street Demopolis, AL 36732 | D |
| James W. Wright 100 Commerce Street Montgomery, AL 36104 | D |
| William B. Hutchins, III | EVP, CFO, T |
| C. Alan Martin | EVP |
| Steven R. Spencer | EVP |
| Robert Holmes, Jr. | SVP |
| Robin A. Hurst | SVP |
| Rodney O. Mundy | SVP, L |
| Michael L. Scott | SVP |
| Jerry L. Stewart | SVP |
| Christopher C. Womack (c) | SVP |
| Art P. Beattie | VP, C |
| Christopher T. Bell | VP |
| Gerald L. Johnson | VP |

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| | |
|-----------------------|------|
| Marsha S. Johnson | VP |
| William B. Johnson | VP |
| J. Bruce Jones | VP |
| William B. Keller | VP |
| Bobby Kerley | VP |
| Penny M. Manuel | VP |
| Gordon Martin | VP |
| Donald W. Reese | VP |
| Julian H. Smith, Jr. | VP |
| W. Ronald Smith | VP |
| Cheryl A. Thompson | VP |
| Terry H. Waters | VP |
| William E. Zales, Jr. | VP,S |

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ITEM 6. OFFICERS AND DIRECTORS

PART I. (Continued)

ALABAMA PROPERTY COMPANY

| Name and Principal Address (b) | Position |
|--------------------------------|----------|
|--------------------------------|----------|

| | |
|--------------------------|------|
| Charles D. McCrary | D,P |
| William B. Hutchins, III | D,VP |
| C. Alan Martin | D,VP |
| Larry Grill | VP |
| Art P. Beattie | C |
| William E. Zales, Jr. | S |
| J. Randy DeRieux | T |

ALABAMA ENERGY PROVIDERS, INC.

| Name and Principal Address (b) | Position |
|--------------------------------|----------|
|--------------------------------|----------|

| | |
|--------------------------|------|
| Rodney O. Mundy | D |
| William B. Hutchins, III | D,VP |
| C. Alan Martin | D |
| Michael L. Scott | D,P |
| William E. Zales, Jr. | S |
| J. Randy DeRieux | T |

GEORGIA

| Name and Principal Address (c) | Position |
|--------------------------------|----------|
|--------------------------------|----------|

| | |
|--------------------------|---|
| Juanita Baranco | D |
| 7060 Jonesboro Road | |
| Morrow, GA 30260 | |
| Anna R. Cablik | D |
| 1513 Johnson Ferry Road | |
| Suite B-20 | |
| Marietta, GA 30062 | |
| William A. Fickling, Jr. | D |
| P. O. Box 1976 | |
| Macon, GA 31202-1976 | |
| H. Allen Franklin (a) | D |

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| | |
|---|-------------|
| L. G. Hardman III P. O. Box 149 Commerce, GA 30529 | D |
| James R. Lientz, Jr. P. O. Box 4899 Mail Code GAI-006-55-05 Atlanta, GA 30302-4899 | D |
| G. Joseph Prendergast 100 North Main Street Winston-Salem, NC 27101 | D |
| David M. Ratcliffe | D, P, CEO |
| Richard W. Ussey 1600 First Avenue Columbus, GA 31902-1755 | D |
| William Jerry Vereen P. O. Box 1663 Moultrie, GA 31776-1663 | D |
| Carl Ware P. O. Box Drawer 1734, Nat 25 Atlanta, GA 30301 | D |
| E. Jenner Wood, III P.O. Box 4418 M.C. 0445 Atlanta, GA 30302 | D |
| William C. Archer, III | EVP |
| Thomas A. Fanning | EVP, T, CFO |
| Judy M. Anderson | SVP |
| Ronnie L. Bates | SVP |
| M. A. Brown | SVP |
| James K. Davis | SVP |
| Fred D. Williams | SVP |
| Christopher C. Womack | SVP |
| David R. Altman | VP |
| Rebecca A. Blalock | VP |
| Robert L. Boyer | VP |
| A. Bryan Fletcher | VP |
| J. Kevin Fletcher | VP |
| O. Ben Harris | VP |
| Chris M. Hobson | VP |
| Ed F. Holcombe | VP |
| Richard L. Holmes | VP |
| E. Lamont Houston | VP |
| Anne Kaiser | VP |
| Frank J. McCloskey | VP |
| C. Philip Saunders | VP |
| Leslie Sibert | VP |
| Cliff S. Thrasher | VP, C, CAO |
| Jeffrey L. Wallace | VP |
| Janice G. Wolfe | S |

PIEDMONT

| Name and Principal Address (c) | Position |
|--------------------------------|-----------|
| ----- | ----- |
| David M. Ratcliffe | D, P |
| Thomas A. Fanning | D, EVP, T |
| Janice G. Wolfe | D, VP, S |

SEGCO

| Name and Principal Address (b) | Position |
|--------------------------------|----------|
| ----- | ----- |

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| | |
|--------------------------|------|
| Art P. Beattie | D,C |
| William P. Bowers | D,VP |
| Robert L. Boyer (c) | D |
| Thomas A. Fanning (c) | D |
| Robert H. Haubein, Jr. | D |
| William B. Hutchins, III | D,VP |
| Charles D. McCrary | D,P |
| David M. Ratcliffe (c) | D,VP |
| Jerry L. Stewart | D |
| William E. Zales, Jr. | S |
| J. Randy DeRieux | T |

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ITEM 6. OFFICERS AND DIRECTORS

PART I. (Continued)

GULF

| Name and Principal Address (d) | Position |
|--------------------------------|----------|
|--------------------------------|----------|

| | |
|---------------------------|----------|
| C. LeDon Anchors | D |
| Travis J. Bowden | D,P,CEO |
| Fred C. Donovan, Sr. | D |
| P. O. Box 13370 | |
| Pensacola, FL 32591 | |
| H. Allen Franklin (a) | D |
| W. Deck Hull, Jr. | D |
| P. O. Box 2266 | |
| Panama City, FL 32402 | |
| William D. Pullum | D |
| 8494 Navarre Parkway | |
| Navarre, FL 32566 | |
| Joseph K. Tannehill | D |
| 10 Arthur Drive | |
| Lynn Haven, FL 32444 | |
| F. M. Fisher, Jr. | VP |
| J. E. Hodges, Jr. | VP |
| Ronnie R. Labrato | VP,CFO,C |
| Robert G. Moore | VP |
| Christopher C. Womack (c) | VP |
| Warren E. Tate | VP,S,T |

MISSISSIPPI

| Name and Principal Address (e) | Position |
|--------------------------------|----------|
|--------------------------------|----------|

| | |
|--------------------|---------|
| Tommy E. Dulaney | D |
| P. O. Box 2929 | |
| Meridian, MS 39302 | |
| Michael D. Garrett | D,P,CEO |
| Linda T. Howard | D |
| P.O. Box 1588 | |
| Laurel, MS 39401 | |
| Aubrey K. Lucas | D |
| Box 5164 | |

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| | |
|---------------------------|------------|
| Hattiesburg, MS 39406 | |
| Malcolm Portera | D |
| 401 Queen City Avenue | |
| Tuscaloosa, AL 35401 | |
| George A. Schloegel | D |
| Hancock Bank | |
| P. O. Box 4019 | |
| Gulfport, MS 39502 | |
| Philip J. Terrell | D |
| 701 West North Street | |
| Pass Christian, MS 39571 | |
| Gene Warr | D |
| 2600 Beach Boulevard | |
| Biloxi, MS 39531 | |
| H. Ed Blakeslee | VP |
| Don E. Mason | VP |
| Michael L. Scott | VP |
| Michael W. Southern | VP, CFO, T |
| Gene L. Ussery, Jr. | VP |
| Christopher C. Womack (c) | VP |
| Vicki L. Pierce | S |
| Frances V. Turnage | C |

MISSISSIPPI POWER SERVICES, INC.

| Name and Principal Address (e) | Position |
|--------------------------------|----------|
|--------------------------------|----------|

| | |
|---------------------|---------------|
| H. Ed Blakeslee | D, P, CEO |
| Michael D. Garrett | D, CH |
| Don E. Mason | D, VP |
| Michael W. Southern | D, VP, T, CFO |
| Gene L. Ussery, Jr. | D, VP |
| Frances V. Turnage | C |
| Vicki L. Pierce | S |

SAVANNAH

| Name and Principal Address (f) | Position |
|--------------------------------|----------|
|--------------------------------|----------|

| | |
|---------------------------|------------|
| Gus H. Bell, III | D |
| P. O. Box 14247 | |
| Savannah, GA 31416 | |
| Archie H. Davis | D |
| P. O. Box 188 | |
| Savannah, GA 31402 | |
| Anthony R. James | D, P, CEO |
| Walter D. Gnann | D |
| P. O. Box 334 | |
| Springfield, GA 31329 | |
| Robert B. Miller, III | D |
| P. O. Box 8003 | |
| Savannah, GA 31412 | |
| Arnold M. Tenenbaum | D |
| P. O. Box 2567 | |
| Savannah, GA 31498 | |
| W. Miles Greer | VP |
| Leonard J. Haynes (c) | VP |
| Sandra R. Miller | VP |
| Kirby R. Willis | VP, T, CFO |
| Christopher C. Womack (c) | VP |
| Nancy Frankenhauser | S, C |

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SCS

| Name and Principal Address (c) | Position |
|--------------------------------|----------|
| H. Allen Franklin (a) | D,P,CEO |
| Charles D. McCrary (b) | D |
| David M. Ratcliffe | D |
| W. Paul Bowers (b) | EVP |
| Dwight H. Evans | EVP |
| Gale E. Klappa (a) | EVP |
| Leonard J. Haynes (a) | EVP |
| G. Edison Holland, Jr. (a) | EVP,L |
| Susan N. Story (b) | EVP |
| Andrew J. Dearman, III (b) | SVP |
| Charles H. Goodman (b) | SVP |

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ITEM 6. OFFICERS AND DIRECTORS

PART I. (Continued)

SCS (continued)

| Name and Principal Address (c) | Position |
|--------------------------------|-----------|
| Robert H. Haubein (b) | SVP |
| W. Dean Hudson | SVP,C,CFO |
| Douglas E. Jones (a) | SVP |
| William K. Newman (b) | SVP |
| C. Philip Saunders | SVP |
| Michael L. Scott | SVP |
| Jerry L. Stewart (b) | SVP |
| Christopher C. Womack (a) | SVP |
| David R. Altman (a) | VP |
| Curtis Ashley Baker | VP |
| William O. Ball | VP |
| Robert A. Bell (a) | VP |
| Ronald P. Bertasi (1) | VP |
| Robert L. Boyer | VP |
| Ronald R. Campbell | VP |
| Tommy Chisholm (a) | VP,S |
| David L. Coker | VP |
| James M. Corbitt (b) | VP |
| Ed Day (a) | VP |
| James C. Fleming (a) | VP |
| Barbara S. Hingst (a) | VP |
| Allen L. Leverett (a) | VP,T |
| Ellen N. Lindemann | VP |
| Charles D. Long, IV (b) | VP |
| Jacquelyn Lowe | VP |
| William L. Marshall, Jr. (b) | VP |
| Christopher S. Miller | VP |
| James H. Miller, III (b) | VP |
| Joseph A. Miller (j) | VP |
| Sandra R. Miller (f) | VP |
| Karl R. Moor (j) | VP |
| Robert G. Moore (d) | VP |
| Rodney O. Mundy (b) | VP |
| Earl B. Parsons, III (b) | VP |

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| | |
|--------------------------|----|
| James P. Sale (a) | VP |
| Anthony J. Topazi (b) | VP |
| Gene L. Ussery, Jr. (e) | VP |
| Stephen A. Wakefield (a) | VP |

Southern LINC

| Name and Principal Address (g) | Position |
|--------------------------------|----------|
| Robert G. Dawson | D,P,CEO |
| H. Allen Franklin (a) | D |
| Gale E. Klappa (a) | D |
| Charles D. McCrary (b) | D |
| David M. Ratcliffe (c) | D |
| R. Craig Elder | VP,T,CFO |
| Rodney H. Johnson | VP |
| Julie T. Pigott | VP |
| Tommy Chisholm (a) | S |
| Carmine A. Reppucci | C |

SERC

| Name and Principal Address (h) | Position |
|--------------------------------|----------|
| Charles D. McCrary (b) | D,P |
| T. Roy Harrell (b) | VP |
| Larry M. Porter (e) | VP |
| Jerry L. Stewart (b) | VP |
| Tommy Chisholm (a) | S,T |

Southern Nuclear

| Name and Principal Address (i) | Position |
|--------------------------------|------------|
| H. Allen Franklin (a) | D |
| William G. Hairston, III | D,P,CEO |
| Charles D. McCrary (b) | D |
| David M. Ratcliffe (c) | D |
| Jackie D. Woodard | EVP |
| James W. Averett | VP |
| James B. Beasley | VP |
| Kathleen S. King | VP,CFO,C,T |
| Louis B. Long | VP |
| John O. Meier | VP,L |
| D. N. Morey, III | VP |
| H. Lewis Sumner, Jr. | VP |
| Christopher C. Womack (c) | VP |
| Sherry A. Mitchell | S |

Southern Company Holdings, Inc.

| Name and Principal Address (a) | Position |
|--------------------------------|----------|
| H. Allen Franklin | D |
| Gale E. Klappa | D |
| Allen L. Leverett | D,P |
| Christopher J. Kysar | VP,T |
| Tommy Chisholm | S |

Southern Company Energy Solutions LLC

| Name and Principal Address (l) | Position |
|--------------------------------|----------|
| Ronald P. Bertasi | P,CEO |
| Michael E. Ellis | VP |
| Allen L. Leverett (a) | T |

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| | |
|--------------------------------|----------|
| Tommy Chisholm (a) | S |
| SE Finance Capital Corporation | |
| Name and Principal Address (a) | Position |
| ----- | |
| H. Allen Franklin | D |
| Gale E. Klappa | D |
| Allen L. Leverett | D,P,CEO |
| James C. Fleming | VP |
| Christopher J. Kysar | VP,T,CFO |
| Tommy Chisholm | S |

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ITEM 6. OFFICERS AND DIRECTORS

PART I. (Continued)

| | |
|--------------------------------|----------|
| SE Finance Company Inc. | |
| Name and Principal Address (a) | Position |
| ----- | |
| H. Allen Franklin | D |
| Gale E. Klappa | D |
| Allen L. Leverett | D,P,CEO |
| James C. Fleming | VP |
| Christopher J. Kysar | VP,T,CFO |
| Tommy Chisholm | S |

| | |
|--------------------------------|----------|
| Southern Power Company | |
| Name and Principal Address (a) | Position |
| ----- | |
| W. Paul Bowers (b) | D,P,CEO |
| H. Allen Franklin | D |
| Gale E. Klappa | D |
| Charles D. McCrary (b) | D |
| David M. Ratcliffe (c) | D |
| Robert G. Moore | SVP |
| Carson B. Harreld | VP,C,CFO |
| Douglas E. Jones | VP |
| James H. Miller, III (b) | VP,L |
| Anthony J. Topazi (b) | VP |
| Allen L. Leverett | T |
| Tommy Chisholm | S |

| | |
|--------------------------------|----------|
| Southern Company-Florida LLC | |
| Name and Principal Address (a) | Position |
| ----- | |
| Charles D. McCrary (b) | D,P |
| Allen L. Leverett | VP,T |
| Tommy Chisholm | S |

Southern Company Funding Corporation

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| Name and Principal Address (a) | Position |
|--------------------------------|---------------|
| ----- | |
| Gale E. Klappa | D |
| Allen L. Leverett | D, P, CEO |
| Earl C. Long | D, VP, CFO, T |

| EPZ Lease, Inc. | |
|--|---------------|
| Name and Principal Address (k) | Position |
| ----- | |
| William R. Bechstein 1105 N. Market Street Suite 1300 Wilmington, DE 19801 | D, VP |
| Christopher J. Kysar (a) | D, VP, T, CFO |
| Allen Leverett (a) | D, P, CEO |
| Daniel P. McCollum Morris, James, Hitchens & Williams LLP 222 Delaware Avenue Wilmington, DE 19899 | D, S |
| Judith A. Rosenberg (a) | D, C |
| James C. Fleming (a) | VP |

| EPZ Lease, LLC | |
|---|----------|
| Name and Principal Address (k) | Position |
| ----- | |
| Southern Energy Finance Company Inc. | Member |
| EPZ Lease, Inc. | Member |

| EPZ Lease Holding A, LLC | |
|--------------------------------|----------|
| Name and Principal Address (k) | Position |
| ----- | |
| EPZ Lease, Inc. | Member |
| EPZ Lease, LLC | Member |

| EPZ LeaseHolding B, LLC | |
|--------------------------------|----------|
| Name and Principal Address (k) | Position |
| ----- | |
| EPZ Lease, Inc. | Member |
| EPZ Lease, LLC | Member |

| EPZ Lease Holding C, LLC | |
|--------------------------------|----------|
| Name and Principal Address (k) | Position |
| ----- | |
| EPZ Lease, Inc. | Member |
| EPZ Lease, LLC | Member |

| Dutch Gas Lease, Inc. | |
|---|---------------|
| Name and Principal Address (k) | Position |
| ----- | |
| William R. Bechstein 1105 N. Market Street Suite 1300 Wilmington, DE 19801 | D, VP |
| Christopher J. Kysar (a) | D, VP, T, CFO |
| Allen Leverett (a) | D, P, CEO |
| Daniel P. McCollum Morris, James, Hitchens & | D, S |

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Williams LLP
 222 Delaware Avenue
 Wilmington, DE 19899
 Judith A. Rosenberg (a) D,C
 James C. Fleming (a) VP

Dutch Gas Lease, LLC
 Name and Principal Address (k) Position

Dutch Gas Lease, Inc. Member

Dutch Gas Lease Holding A, LLC
 Name and Principal Address (k) Position

Dutch Gas Lease, LLC Member

Dutch Gas Lease Holding B, LLC
 Name and Principal Address (k) Position

Dutch Gas Lease, LLC Member

ITEM 6. OFFICERS AND DIRECTORS

PART I. (Continued)

Dutch Gas Lease Holding C, LLC
 Name and Principal Address (k) Position

Dutch Gas Lease, LLC Member

GAMOG Lease, Inc.
 Name and Principal Address (k) Position

William R. Bechstein D,VP
 1105 N. Market Street
 Suite 1300
 Wilmington, DE 19801
 Christopher J. Kysar (a) D,VP,T,CFO
 Allen Leverett (a) D,P,CEO
 Daniel P. McCollum D,S
 Morris, James, Hitchens &
 Williams LLP
 222 Delaware Avenue
 Wilmington, DE 19899
 Judith A. Rosenberg (a) D,C
 James C. Fleming (a) VP

GAMOG Lease Holding G, LLC
 Name and Principal Address (k) Position

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 GAMOG Lease, Inc. Member

GAMOG Lease Holding H, LLC
 Name and Principal Address (k) Position

GAMOG Lease, Inc. Member

GAMOG Lease Holding I, LLC
 Name and Principal Address (k) Position

GAMOG Lease, Inc. Member

NUON Lease, Inc.
 Name and Principal Address (k) Position

William R. Bechstein D, VP
 1105 N. Market Street
 Suite 1300
 Wilmington, DE 19801
 Christopher J. Kysar (a) D, VP, T, CFO
 Allen Leverett (a) D, P, CEO
 Daniel P. McCollum D, S
 Morris, James, Hitchens &
 Williams LLP
 222 Delaware Avenue
 Wilmington, DE 19899
 Judith A. Rosenberg (a) D, C
 James C. Fleming (a) VP

NUON Lease Holding D, LLC
 Name and Principal Address (k) Position

NUON Lease, Inc. Member

NUON Lease Holding E, LLC
 Name and Principal Address (k) Position

NUON Lease, Inc. Member

NUON Lease Holding F, LLC
 Name and Principal Address (k) Position

NUON Lease, Inc. Member

Southern Company Capital Funding, Inc.
 Name and Principal Address (k) Position

William R. Bechstein D, VP
 1105 N. Market Street
 Suite 1300
 Wilmington, DE 19801
 Christopher J. Kysar (a) D, VP
 Allen L. Leverett (a) D, P, CEO
 Daniel P. McCollom D
 Morris, James, Hitchens &
 Williams LLP
 222 Delaware Avenue
 Wilmington, DE 19899

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| | |
|---|------------|
| Judith A. Rosenberg (a) | D,C |
| Clairton, Inc. | |
| Name and Principal Address (k) | Position |
| ----- | |
| William R. Bechstein | D,VP |
| 1105 N. Market Street | |
| Suite 1300 | |
| Wilmington, DE 19801 | |
| Christopher J. Kysar (a) | D,VP,T,CFO |
| Allen L. Leverett (a) | D,P,CEO |
| Daniel P. McCollum | D,S |
| Morris, James, Hitchens & Williams LLP | |
| 222 Delaware Avenue | |
| Wilmington, DE 19899 | |
| Judith A. Rosenberg (a) | D,C |
| James C. Fleming (a) | VP |

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ITEM 6. OFFICERS AND DIRECTORS

PART I. (Continued)

| | |
|---|------------|
| Clairton 2, Inc. | |
| Name and Principal Address (k) | Position |
| ----- | |
| William R. Bechstein | D,VP |
| 1105 N. Market Street | |
| Suite 1300 | |
| Wilmington, DE 19801 | |
| Christopher J. Kysar (a) | D,VP,T,CFO |
| Allen L. Leverett (a) | D,P,CEO |
| Daniel P. McCollum | D,S |
| Morris, James, Hitchens & Williams LLP | |
| 222 Delaware Avenue | |
| Wilmington, DE 19899 | |
| Judith A. Rosenberg (a) | D,C |
| James C. Fleming (a) | VP |

| | |
|--------------------------------|----------|
| Clairton, LLC | |
| Name and Principal Address (k) | Position |
| ----- | |

| | |
|------------------|--------|
| Clairton, Inc. | Member |
| Clairton 2, Inc. | Member |

| | |
|--------------------------------|----------|
| Carbontronics, Inc. | |
| Name and Principal Address (a) | Position |

| | |
|----------------------|------------|
| Christopher J. Kysar | D,VP,T,CFO |
| Allen L. Leverett | D,CEO,P |
| Judith A. Rosenberg | D |

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| | |
|------------------|----|
| James C. Fleming | VP |
| Tommy Chisholm | S |

Carbontronics, LLC
 Name and Principal Address (k) Position

| | |
|--------------------------|--------|
| Carbontronics, Inc. | Member |
| SE Finance Company, Inc. | Member |

Southern Telecom, Inc.
 Name and Principal Address (g) Position

| | |
|------------------------|---------|
| Robert G. Dawson | D,P,CEO |
| H. Allen Franklin (a) | D |
| Gale E. Klappa (a) | D |
| Charles D. McCrary (b) | D |
| David M. Ratcliffe (c) | D |
| Tommy Chisholm (a) | S |
| R. Craig Elder | T |

Southern Management
 Name and Principal Address (l) Position

| | |
|------------------------|---------|
| Ronald P. Bertasi | D,P,CEO |
| H. Allen Franklin (a) | D |
| Leonard J. Haynes (a) | D |
| Gale E. Klappa (a) | D |
| Charles D. McCrary (b) | D |
| David M. Ratcliffe (c) | D |
| Michael E. Ellis | VP |
| Tommy Chisholm (a) | S |
| Allen L. Leverett (a) | T |

Synfuel Services Inc.
 Name and Principal Address (b) Position

| | |
|-----------------------|------|
| Robert H. Haubein | D |
| Charles D. McCrary | D |
| Jerry L. Stewart | D |
| Anthony J. Topazi | D,VP |
| David Stewart | P |
| Art P. Beattie | VP |
| Tommy Chisholm (a) | S |
| Carson B. Harreld (a) | T |

Energy Related Activities, Inc.
 Name and Principal Address (b) Position

| | |
|-----------------------|------|
| Robert H. Haubein | D |
| Charles D. McCrary | D |
| Jerry L. Stewart | D,VP |
| Anthony J. Topazi | D,P |
| Art P. Beattie | VP |
| Earl B. Parsons, III | VP |
| Tommy Chisholm (a) | S |
| Carson B. Harreld (a) | T |

Alabama Synfuel Energy, Inc.

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| Name and Principal Address (b) | Position |
|--------------------------------|----------|
| Robert H. Haubein | D |
| Charles D. McCrary | D |
| Jerry L. Stewart | D,VP |
| Anthony J. Topazi | D,P |
| Art P. Beattie | VP |
| Tommy Chisholm (a) | S |
| Carson B. Harreld (a) | T |

Klondike Development LLC

| Name and Principal Address (a) | Position |
|--------------------------------|----------|
| W. Paul Bowers (b) | P, CEO |
| Carson B. Harreld | CFO,T |
| Tommy Chisholm | S |
| Southern Power Company | Member |

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ITEM 6. OFFICERS AND DIRECTORS. Part II. Financial Connections.

| Name of Officer or Director | Name and Location of Financial Institution | Position Held in Financial Institution |
|-----------------------------|---|--|
| C. LeDon Anchors | Regions Bank of Okaloosa County, FL | Chairman of the Board |
| Whit Armstrong | The Citizens Bank Enterprise, AL | Chief Executive Officer, Chairman of the Board of Directors and President |
| | Enterprise Capital Corporation Enterprise, AL | Chairman of the Board of Directors, President |
| Gus H. Bell, III | SunTrust Bank, Savannah, GA | Director |
| David J. Cooper | SouthTrust Bank, Birmingham, AL | Director |
| Archie H. Davis | The Savannah Bancorp, Savannah, GA | President, Chief Executive Officer |
| | The Savannah Bank N.A., Savannah, GA | Chief Executive Officer |
| | Bryan Bank & Trust, Richmond Hill, GA | Director |
| H. Allen Franklin | SouthTrust Corporation, Birmingham, AL | Director |
| Michael D. Garrett | Hancock Bank, Gulfport, MS | Director |
| L. G. Hardman III | nBank.Corp., Commerce, GA | Chairman of the Board of Directors and Chief Executive Officer |
| | First National Bank of Commerce, Commerce, GA | Chairman of the Board of Directors |
| Charles D. McCrary | AmSouth Bancorporation, Birmingham, AL | Director |
| | AmSouth Bank, Birmingham, AL | Director |
| Anthony R. James | SunTrust Bank, Savannah, GA | Director |
| Donald M. James | SouthTrust Corporation, Birmingham, AL | Director |

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| | | |
|------------------------|--|--|
| Carl E. Jones, Jr. | Regions Financial Corporation, Birmingham, AL | Chairman of the Board of Directors, President, Chief Executive Officer |
| Bobby J. Kerley | Barbour County Bank, Eufaula, AL | Director |
| James R. Lientz, | Georgia Banking Company, Atlanta, GA | Director |
| | FCB Financials, Savannah, GA | Director |
| Wallace D. Malone, Jr. | SouthTrust Corporation, Birmingham, AL | Chairman of the Board of Directors and Chief Executive Officer |
| Mayer Mitchell | The Banc Corporation, Birmingham, AL | Director |
| William V. Muse | SouthTrust Bank, Birmingham, AL | Director |

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ITEM 6. OFFICERS AND DIRECTORS. Part II. Financial Connections. (Continued)

| Name of Officer or Director ----- | Name and Location of Financial Institution ----- | Position Held in Financial Institution ----- | App Exc R S ----- |
|---|--|--|-------------------------------|
| C. Dowd Ritter, III | AmSouth Bancorporation, Birmingham, AL | Chairman, Chief Executive Officer | |
| | AmSouth Bank, Birmingham, AL | Chairman, Chief Executive Officer | |
| George A. Schloegel | Hancock Bank - Mississippi, Gulfport, MS | Director, Chief Executive Officer and President | |
| | Hancock Holding Company, Gulfport, MS | Vice Chairman of the Board of Directors | |
| | Hancock Bank - Louisiana, Baton Rouge Louisiana | Director | |
| Gerald St. Pe' | Merchants & Marine Bank, Pascagoula, MS | Director | |
| Joseph K. Tannehill | Regions Bank, Panama City, FL | Director | |
| Arnold M. Tenenbaum | First Union National Bank of Georgia, Atlanta, GA | Director | |
| | First Union National Bank of Savannah, Savannah, GA | Director | |
| Gene Warr | Coast Community Bank, Biloxi, MS | Director | |
| E. Jenner Wood, III | SunTrust Bank of Georgia, Atlanta, GA Atlanta, GA | Chairman, President and Chief Executive Officer | |
| James W. Wright | First Tuskegee Bank, Montgomery, AL | Chairman of the Board of Directors and Chief Executive Officer | |

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ITEM 6. EXECUTIVE COMPENSATION. PART III.

(a) Summary Compensation Tables. The following tables set forth information concerning any Chief Executive Officer and the four most highly compensated executive officers for SCS, Southern LINC and Southern Nuclear serving as of December 31, 2001, as defined by the Securities and Exchange Commission. ALABAMA, GEORGIA, GULF and MISSISSIPPI are incorporated by reference to the Information Statements relating to each of their respective 2002 Annual Meeting of Shareholders. SAVANNAH is incorporated by reference to page number III-3 in the SOUTHERN system's combined Form 10-K for the year ended December 31, 2001. SOUTHERN is incorporated by reference to "Summary Compensation Table" in SOUTHERN's definitive Proxy Statement relating to the 2002 annual meeting of stockholders.

Key terms used in this Item will have the following meanings:-

ESP..... Employee Savings Plan
 ESOP..... Employee Stock Ownership Plan
 SBP..... Supplemental Benefit Plan
 ERISA..... Employee Retirement Income Security Act

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SCS
 SUMMARY COMPENSATION TABLE

| Name and Principal Position | ANNUAL COMPENSATION | | | | Other Annual Compensation (\$) | Restricted Stock Awards (\$) ¹ | LONG-TERM CO |
|---|---------------------|-------------|------------|--------|--------------------------------------|--|---|
| | Year | Salary (\$) | Bonus (\$) | | | | Number of Securities Underlying Stock Options (Shares) |
| H. Allen Franklin President, Chief Executive Officer, Director | 2001 | 855,969 | 1,867,320 | 2,770 | 648,863 | 497,790 | |
| | 2000 | 655,806 | 1,014,696 | 8,305 | - | 83,354 | |
| | 1999 | 603,658 | 126,000 | 31,023 | - | 71,153 | |
| Charles D. McCrary Executive Vice President | 2001 | 391,647 | 438,652 | 91,403 | - | 92,338 | |
| | 2000 | 335,995 | 335,247 | 8,515 | - | 29,201 | |
| | 1999 | 317,616 | 57,646 | 10,701 | - | 13,865 | |

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| | | | | | | |
|-------------------|------|---------|---------|--------|---|--------|
| Gale E. Klappa | 2001 | 321,052 | 410,810 | 9,303 | - | 79,319 |
| Executive Vice | 2000 | 284,015 | 273,165 | 8,812 | - | 24,602 |
| President | 1999 | - | - | - | - | - |
| G. Edison Holland | 2001 | 333,539 | 324,022 | 7,021 | - | 68,071 |
| Executive Vice | 2000 | - | - | - | - | - |
| President | 1999 | - | - | - | - | - |
| Dwight H. Evans | 2001 | 326,876 | 296,139 | 51,963 | - | 91,299 |
| Executive Vice | 2000 | - | - | - | - | - |
| President | 1999 | - | - | - | - | - |
| W. Paul Bowers | 2001 | 273,758 | 273,630 | 3,072 | - | 51,740 |
| Executive Vice | 2000 | 168,077 | 175,686 | 116 | - | 18,236 |
| President | 1999 | - | - | - | - | - |

- 1 The amount for Mr. Franklin reflects the value of the grant of restricted stock units on the date granted. The restricted stock units vested on April 2, 2001 and were transferred to SOUTHERN's Deferred Compensation Plan.
- 2 Payouts made in 2000 and 2001 for the four-year performance periods ending December 31, 1999 and 2000, respectively.
- 3 SCS contributions in 2001 to the Employee Savings Plan (ESP), Employee Stock Ownership Plan (ESOP), non-pension related accruals under the Supplemental Benefit Plan (SBP), and tax sharing benefits paid to participants who elected receipt of dividends on SOUTHERN's common stock held in the ESP are as follows:-

| Name | ESP | ESOP | SBP | ESP Tax Sharing |
|--------------------|---------|-------|----------|-----------------|
| ----- | ---- | --- | --- | ----- |
| H. Allen Franklin | \$6,853 | \$764 | \$37,168 | \$2,6 |
| Charles D. McCrary | 5,958 | 764 | 12,253 | |
| Gale E. Klappa | 7,650 | 764 | 9,249 | |
| G. Edison Holland | 6,853 | 764 | 9,861 | |
| Dwight H. Evans | 6,853 | 764 | 10,047 | |
| W. Paul Bowers | 5,958 | 764 | 8,440 | |

In 2001, this amount includes for Messrs. Evans, Holland and Bowers additional incentive compensation of \$50,000, \$31,628 and \$24,380, respectively.

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| Name and Principal Position | Year | Salary (\$) | Bonus (\$) | Other Annual Compensation (\$) ⁴ | Number of Securities Underlying Stock Options (Shares) | Lo T In Pa |
|--|----------------------|-------------------------------|-------------------------------|---|---|---------------------|
| Robert G. Dawson President, Chief Executive Officer, Director | 2001 2000 1999 | 245,269 235,091 222,232 | 197,310 118,760 204,473 | 2,774 9,297 5,840 | 54,900 20,431 8,014 | 78 94 |
| R. Craig Elder Vice President, Treasurer | 2001 2000 1999 | 153,433 139,789 126,247 | 98,373 68,562 93,996 | - - - | 19,007 5,809 3,596 | 16 20 |
| Rodney H. Johnson Vice President | 2001 2000 1999 | 120,786 113,927 100,894 | 58,915 40,799 75,115 | - 2,310 1,934 | 7,703 3,971 - | 9 10 |
| Julie T. Pigott Vice President | 2001 2000 1999 | 120,786 101,081 100,796 | 58,915 40,799 74,831 | - - - | 7,703 3,971 - | 9 10 |

- 1 Tax reimbursement by Southern LINC on certain personal benefits.
- 2 Payouts made in 2000 and 2001 for the four-year performance periods ending December 31, 1999 and 2000, respectively.
- 3 In 2001, Southern LINC's contributions to the ESP, ESOP, non-pension related accruals under the SBP and tax sharing benefits paid to participants who elected receipt of dividends on SOUTHERN's common stock held in the ESP are as follows:-

| | ESP --- | ESOP ---- | SBP --- | ESP Tax Sharing Be ----- |
|-------------------|------------|--------------|------------|-----------------------------|
| Robert G. Dawson | \$6,853 | \$764 | \$6,035 | \$2,604 |
| R. Craig Elder | 6,624 | 764 | 739 | - |
| Rodney H. Johnson | 2,726 | 764 | 142 | - |
| Julie T. Pigott | 5,442 | 764 | 257 | - |

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| Name and Principal Position | Year | ANNUAL COMPENSATION | | | LONG-TERM COMPENSATION | |
|--------------------------------------|------|---------------------|------------|---|---|---------------------------------|
| | | Salary (\$) | Bonus (\$) | Other Annual Compensation (\$) ⁷ | Number of Securities Underlying Stock Options (Shares) | Long Term Inc Pay (|
| W. G. Hairston, III | 2001 | 414,594 | 370,798 | 1,583 | 96,135 | |
| President and Chief | 2000 | 388,195 | 366,074 | 11,581 | 42,172 | |
| Executive Officer | 1999 | 366,897 | 66,601 | 1,615 | 20,895 | 3 |
| Jack D. Woodard | 2001 | 327,079 | 267,169 | 8,172 | 83,534 | |
| Executive Vice | 2000 | 309,806 | 267,952 | 1,783 | 27,076 | |
| President | 1999 | 280,528 | 62,951 | 1,756 | 12,388 | 1 |
| David N. Morey | 2001 | 208,950 | 140,074 | 8,046 | 48,844 | |
| Vice President | 2000 | 200,626 | 140,717 | 1,104 | 17,379 | |
| | 1999 | 193,000 | 32,045 | 1,316 | 6,948 | 1 |
| H. L. Sumner, Jr. | 2001 | 199,067 | 137,354 | 6,184 | 42,248 | |
| Vice President | 2000 | 190,529 | 137,676 | 117 | 14,453 | |
| | 1999 | 182,244 | 29,401 | 90 | 6,572 | |
| James B. Beasley, Jr. | 2001 | 194,302 | 136,055 | 3,911 | 37,727 | |
| Vice President | 2000 | 185,071 | 136,214 | 7,802 | 14,074 | |
| | 1999 | 175,740 | 28,667 | 11,643 | 6,309 | |

- 1 Tax reimbursement by Southern Nuclear on certain personal benefits.
2 Payouts made in 2000 for the four-year performance period ending December 31, 1999.
3 Southern Nuclear contributions to the ESP, ESOP, non-pension related accruals under the SBP, and tax sharing benefits paid to participants who elected receipt of dividends on SOUTHERN's common stock held in the ESP are provided in the following table:

| | ESP --- | ESOP ---- | SBP --- | ESP Tax Shari ----- |
|--------------------------|------------|--------------|------------|------------------------|
| William G. Hairston, III | \$6,853 | \$764 | \$14,905 | \$ - |
| Jack D. Woodard | 5,958 | 764 | 9,490 | - |
| David N. Morey | 6,853 | 764 | 3,482 | - |
| H. L. Sumner, Jr. | 6,853 | 764 | 2,899 | - |
| James B. Beasley, Jr. | 6,841 | 764 | 2,586 | 3,776 |

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STOCK OPTION GRANTS IN 2001

Stock Option Grants. The following table sets forth all stock option grants to the named executive officers of each operating subsidiary during the year ending December 31, 2001. ALABAMA, GEORGIA, GULF and MISSISSIPPI are incorporated by reference to the Information Statements relating to each of their respective 2002 Annual Meeting of Shareholders. SAVANNAH is incorporated by reference to page number III-4 in the SOUTHERN system's combined Form 10-K for the year ended December 31, 2001. SOUTHERN is incorporated by reference to "Option Grants in 2001" under STOCK OPTIONS in SOUTHERN's definitive Proxy Statement relating to the 2002 annual meeting of stockholders.

| Name | Individual Grants | | Exercise or Base Price (\$/Sh) ³ | Ex Da |
|------------------------|--|--|---|-------|
| | Number of Securities Underlying Share Options Granted ¹ | % of Total Options Granted to Employees in Fiscal Year ¹¹ | | |
| SCS | | | | |
| H. Allen Franklin | 298,644 | 2.19 | 19.0762 | 0 |
| | 199,146 | 1.46 | 22.4250 | 0 |
| Charles D. McCrary | 37,725 | 0.28 | 19.0762 | 0 |
| | 54,613 | 0.40 | 22.4250 | 0 |
| Gale E. Klappa | 34,074 | 0.25 | 19.0762 | 0 |
| | 46,245 | 0.34 | 22.4250 | 0 |
| Dwight H. Evans | 33,037 | 0.24 | 19.0762 | 0 |
| | 58,262 | 0.43 | 22.4250 | 0 |
| G. Edison Holland, Jr. | 33,159 | 0.24 | 19.0762 | 0 |
| | 34,912 | 0.26 | 22.4250 | 0 |
| W. Paul Bowers | 25,561 | 0.19 | 19.0762 | 0 |
| | 26,179 | 0.19 | 22.4250 | 0 |

1 Under the terms of the Omnibus Incentive Compensation Plan, stock option grants were made on February 16, 2001 and April 16, 2001 and vest annually at a rate of one-third on the anniversary date of the grant. Grants fully vest upon termination as a result of death, total disability, or retirement and expire five years after retirement, three years after death or total disability or their normal expiration date if earlier. The exercise price is the average of the high and low price of SOUTHERN's common stock on the date granted. Options may be transferred to certain family members, family trusts, and family limited partnerships. The number of options granted on February 16, 2001 and the exercise price thereof were adjusted after the spin-off of Mirant Corporation from SOUTHERN under the antidilution provisions of the plan such that the options had the same aggregate intrinsic value on the day of the spin-off as the day before.

2 A total of 13,623,507 stock options were granted in 2001.

3 Value was calculated using the Black-Scholes option valuation model. The actual value, if any, ultimately realized depends on the market value of SOUTHERN's common stock at a future date. Significant assumptions are shown below:

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| Grant Date | Volatility | Risk-free rate of return | Dividend opportunity | Term | Discount for before vesting |
|------------|------------|--------------------------|----------------------|------|-----------------------------|
| 2/16/01 | 27.34% | 5.10 | 50% | 10 | 7.79% |
| 4/16/01 | 26.11% | 5.14 | 50% | 10 | 7.79% |

These assumptions reflect the effects of cash dividend equivalents paid to participants under the Omnibus Incentive Compensation Plan assuming targets are met.

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STOCK OPTION GRANTS IN 2001 (continued)
Individual Grants Grant Date Value

| Name | Number of Securities Underlying Share Options Granted ¹³ | % of Total Options Granted to Employees in Fiscal Year ¹⁴ | Exercise or Base Price (\$/Sh) ³ | Ex Da |
|--------------------------|---|--|---|-------|
| Southern LINC | | | | |
| Robert G. Dawson | 25,898 | 0.19 | 19.0762 | 0 |
| | 29,002 | 0.21 | 22.4250 | 0 |
| R. Craig Elder | 10,165 | 0.07 | 19.0762 | 0 |
| | 8,842 | 0.06 | 22.425 | 0 |
| Rodney H. Johnson | 6,381 | 0.05 | 19.0762 | 0 |
| | 1,322 | 0.01 | 22.425 | 0 |
| Julie T. Pigott | 6,381 | 0.05 | 19.0762 | 0 |
| | 1,322 | 0.01 | 22.425 | 0 |
| Southern Nuclear | | | | |
| William G. Hairston, III | 54,988 | 0.40 | 19.0762 | 0 |
| | 41,137 | 0.30 | 22.4250 | 0 |
| Jack D. Woodard | 34,584 | 0.25 | 19.0762 | 0 |
| | 48,950 | 0.36 | 22.4250 | 0 |
| David N. Morey | 22,071 | 0.16 | 19.0762 | 0 |
| | 26,773 | 0.20 | 22.4250 | 0 |
| H. L. Sumner, Jr. | 21,038 | 0.15 | 19.0762 | 0 |
| | 21,210 | 0.16 | 22.4250 | 0 |
| James B. Beasley, Jr. | 17,976 | 0.13 | 19.0762 | 0 |
| | 19,751 | 0.15 | 22.4250 | 0 |

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- 1 Under the terms of the Omnibus Incentive Compensation Plan, stock option grants were made on February 16, 2001 and April 16, 2001 and vest annually at a rate of one-third on the anniversary date of the grant. Grants fully vest upon termination as a result of death, total disability, or retirement and expire five years after retirement, three years after death or total disability or their normal expiration date if earlier. The exercise price is the average of the high and low price of SOUTHERN's common stock on the date granted. Options may be transferred to certain family members, family trusts, and family limited partnerships. The number of options granted on February 16, 2001 and the exercise price thereof were adjusted after the spin-off of Mirant Corporation from SOUTHERN under the antidilution provisions of the plan such that the options had the same aggregate intrinsic value on the day of the spin-off as the day before.
- 2 A total of 13,623,507 stock options were granted in 2001.
- 3 Value was calculated using the Black-Scholes option valuation model. The actual value, if any, ultimately realized depends on the market value of SOUTHERN's common stock at a future date. Significant assumptions are shown below:

| Grant Date | Volatility | Risk-free rate of return | Dividend opportunity | Term | Discount for before vesting |
|------------|------------|--------------------------|----------------------|------|-----------------------------|
| 2/16/01 | 27.34% | 5.10 | 50% | 10 | 7.79% |
| 4/16/01 | 26.11% | 5.14 | 50% | 10 | 7.79% |

These assumptions reflect the effects of cash dividend equivalents paid to participants under the Omnibus Incentive Compensation Plan assuming targets are met.

AGGREGATED STOCK OPTION EXERCISES IN 2001 AND YEAR-END OPTION VALUES

Aggregated Stock Option Exercises. The following table sets forth information concerning options exercised during the year ending December 31, 2001 by the named executive officers and value of unexercised options held by them as of December 31, 2001. ALABAMA, GEORGIA, GULF and MISSISSIPPI are incorporated by reference to the Information Statements relating to each of their respective 2002 Annual Meeting of Shareholders. SAVANNAH is incorporated by reference to page number III-5 in the SOUTHERN system's combined Form 10-K for the year ended December 31, 2001. SOUTHERN is incorporated by reference to "Aggregated Stock Option Exercises in 2001 and Year-End Option Values" under OPTION EXERCISES in SOUTHERN's definitive Proxy Statement relating to the 2002 annual meeting of stockholders.

Number of Unexercised Value
Options at Fiscal

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| Name | Shares Acquired on Exercise (#) | Value Realized(\$) ¹⁷ | Year-End (#) | |
|--------------------------|------------------------------------|-------------------------------------|--------------|---------------|
| | | | Exercisable | Unexercisable |
| SCS | | | | |
| H. Allen Franklin | 163,074 | 2,035,273 | 307,206 | 625,548 |
| Charles D. McCrary | 44,007 | 511,851 | 81,824 | 130,511 |
| Gale E. Klappa | 26,216 | 314,347 | 80,722 | 112,355 |
| Dwight H. Evans | 45,736 | 441,615 | 95,028 | 125,497 |
| G. Edison Holland | 38,297 | 419,217 | 35,004 | 99,611 |
| W. Paul Bowers | 10,570 | 104,401 | 45,004 | 74,783 |
| Southern LINC | | | | |
| Robert G. Dawson | 4,780 | 54,312 | 56,497 | 80,717 |
| R. Craig Elder | 18,520 | 160,323 | 0 | 27,042 |
| Rodney H. Johnson | - | - | 1,324 | 10,350 |
| Julie T. Pigott | - | - | 1,324 | 10,350 |
| Southern Nuclear | | | | |
| William G. Hairston, III | - | - | 67,948 | 151,724 |
| Jack D. Woodard | 31,923 | 329,974 | 79,928 | 118,682 |
| David N. Morey | 9,589 | 80,195 | 48,783 | 44,101 |
| H. L. Sumner, Jr. | 4,237 | 51,242 | 40,719 | 60,987 |
| James B. Beasley, Jr. | 6,869 | 56,728 | 34,245 | 55,927 |

1 This represents the excess of the fair market value of SOUTHERN's common stock of \$25.35 per share, as of December 31, 2001, above the exercise price of the options. The Exercisable column reports the "value" of options that are vested and therefore could be exercised. The Unexercisable column reports the "value" of options that are not vested and therefore could not be exercised as of December 31, 2001.

2 The "Value Realized" is ordinary income, before taxes, and represents the amount equal to the excess of the fair market value of the shares at the time of exercise above the exercise price.

ITEM 6. OFFICERS AND DIRECTORS.

PART III.

(b) Stock Ownership. The following tables show the number of shares of SOUTHERN common stock and preferred stock owned by the directors, nominees and executive officers as of December 31, 2001. It is based on information furnished to SOUTHERN by the directors, nominees and executive officers. The shares owned by all directors, nominees and executive officers of each company as a group constitute less than one percent of the total number of shares of the respective classes outstanding on December 31, 2001. SOUTHERN is incorporated by reference to the Stock Ownership Table in SOUTHERN's definitive Proxy Statement relating

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to the 2002 annual meeting of stockholders. ALABAMA, GEORGIA, GULF and MISSISSIPPI are incorporated by reference to the Information Statements relating to each of their respective 2002 Annual Meeting of Shareholders. SAVANNAH is incorporated by reference to page number III-9 in the SOUTHERN system's combined Form 10-K for the year ended December 31, 2001.

| Name of Directors or Nominees and Executive Officers ----- | Title of Class ----- | Number of Shares Beneficially ----- |
|---|-------------------------|---|
| SCS | | |
| H. Allen Franklin | SOUTHERN Common | 489,080 |
| David M. Ratcliffe | SOUTHERN Common | 194,402 |
| Charles D. McCrary | SOUTHERN Common | 112,440 |
| William P. Bowers | SOUTHERN Common | 55,857 |
| Dwight H. Evans | SOUTHERN Common | 120,605 |
| G. Edison Holland, Jr | SOUTHERN Common | 38,366 |
| Gale E. Klappa | SOUTHERN Common | 103,753 |
| The directors, nominees and executive officers of SCS as a Group | SOUTHERN Common | 1,337,777 |
| Southern LINC | | |
| Robert G. Dawson | SOUTHERN Common | 82,087 |
| H. Allen Franklin | SOUTHERN Common | 489,080 |
| Gale E. Klappa | SOUTHERN Common | 103,753 |
| Charles D. McCrary | SOUTHERN Common | 112,440 |
| David M. Ratcliffe | SOUTHERN Common | 194,402 |
| R. Craig Elder | SOUTHERN Common | 2,742 |
| Rodney H. Johnson | SOUTHERN Common | 4,220 |
| Julie T. Pigott | SOUTHERN Common | 2,632 |
| The directors, nominees and executive officers of Southern LINC as a Group | SOUTHERN Common | 991,356 |

ITEM 6. OFFICERS AND DIRECTORS.

PART III.

| Name of Directors or Nominees and | Number of Shares |
|--------------------------------------|------------------|
|--------------------------------------|------------------|

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| Executive Officers | Title of Class | Beneficially Owned |
|---|-----------------|--------------------|
| Southern Nuclear | | |
| H. Allen Franklin | SOUTHERN Common | 489,080 |
| William G. Hairston, III | SOUTHERN Common | 117,334 |
| Charles D. McCrary | SOUTHERN Common | 112,440 |
| David M. Ratcliffe | SOUTHERN Common | 194,402 |
| James B. Beasley, Jr. | SOUTHERN Common | 52,338 |
| David N. Morey | SOUTHERN Common | 60,649 |
| H. L. Sumner, Jr. | SOUTHERN Common | 43,913 |
| Jack D. Woodard | SOUTHERN Common | 111,548 |
| The directors, nominees and executive officers of Southern Nuclear as a Group | | 1,181,705 |

Notes to Item 6, Part III(b):

- (1) As used in these tables, "beneficial ownership" means the sole or shared power to vote, or to direct the voting of, a security and/or investment power with respect to a security (i.e., the power to dispose of, or to direct the disposition of, a security).
- (2) The shares shown include shares of common stock of which certain directors and officers have the right to acquire beneficial ownership within 60 days pursuant to the Executive Stock Option Plan, as follows: Mr. Beasley, 47,671 shares; Mr. Bowers, 63,157 shares; Mr. Dawson, 75,922 shares; Mr. Elder, 6,457 shares; Mr. Evans, 119,808 shares; Mr. Fanning, 43,655 shares; Mr. Franklin, 451,840 shares; Mr. Garrett, 75,498 shares; Mr. Hairston, 108,557 shares; Mr. Haubein, 90,145 shares; Mr. Haynes, 46,512 shares; Mr. Holland, 59,615 shares; Mr. Hutchins 94,165 shares; Mr. Johnson, 4,774 shares; Mr. Klappa, 105,075 shares; Mr. McCrary, 109,823 shares; Mr. Morey, 65,320 shares; Ms. Pigott, 4,774 shares; Mr. Ratcliffe 182,791 shares; Mr. Stewart, 53,407 shares; Mr. Sumner, 55,366 shares; and Mr. Woodard, 105,758 shares.

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ITEM 6. OFFICERS AND DIRECTORS.

PART III.

- (c) Contracts and transactions with system companies.

ALABAMA, GEORGIA, GULF, and MISSISSIPPI are incorporated by reference to the Information Statements relating to each of their respective 2002 Annual Meeting of Shareholders. SAVANNAH is incorporated by reference to page number III-10 in the SOUTHERN system's combined Form 10-K for the year ended December 31, 2001.

- (d) Indebtedness to system companies. None.

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- (e) Participation in bonus and profit sharing arrangements and other benefits.
-

SOUTHERN is incorporated by reference to Executive Compensation in SOUTHERN's definitive Proxy Statement relating to the 2002 annual meeting of stockholders. Also, ALABAMA, GEORGIA, GULF, and MISSISSIPPI are incorporated by reference to the Information Statements relating to each of their respective 2002 Annual Meeting of Shareholders. SAVANNAH is incorporated by reference to page number III-8 in the SOUTHERN system's combined Form 10-K for the year ended December 31, 2001.

SOUTHERN's Change in Control Plan is applicable to certain of its officers, and individual change in control agreements have been entered into with some of the most highly compensated executive officers of SCS, and Southern LINC, Southern Nuclear. If an executive is involuntarily terminated, other than for cause, within two years following a change in control of SOUTHERN the agreements provide for:

- *lump sum payment of two or three times annual compensation, up to five years' coverage under group health and life insurance plans,
- *immediate vesting of all stock options previously granted,
- *payment of any accrued long-term and short-term bonuses and dividend equivalents, and
- *payment of any excise tax liability incurred as a result of payments made under the agreement.

A SOUTHERN change in control is defined under the agreements as:

- * acquisition of at least 20 percent of the SOUTHERN's stock,
- * a change in the majority of the members of the SOUTHERN's board of directors,
- * a merger or other business combination that results in SOUTHERN's shareholders immediately before the merger owning less than 65 percent of the voting power after the merger, or
- * a sale of substantially all the assets of SOUTHERN.

If a change in control affects only a subsidiary of SOUTHERN, these payments would only be made to executives of the affected subsidiary who are involuntarily terminated as a result of that change in control.

SOUTHERN also provides in its incentive plans for pro-rata payments at not less than target-level performance if a change in control occurs and the plans are not continued or replaced with comparable plans.

On February 28, 1998, SOUTHERN and GEORGIA entered into a Deferred Compensation Agreement with Mr. Franklin. On the fifth anniversary of the Agreement, if still employed by SOUTHERN or one of its subsidiaries, Mr. Franklin will receive the cash value of the number of shares of SOUTHERN common stock that could have been purchased for \$500,000 on February 28, 1998, and on which dividends were reinvested throughout the five-year period. If certain performance goals are met, Mr. Franklin also will receive the estimated income tax expense on the compensation. Mr. Franklin may elect to defer receipt of the award until termination of employment. GEORGIA assigned this agreement to SCS effective July 8, 1999.

On February 23, 1998, SOUTHERN and Southern Nuclear entered into a Deferred Compensation Agreement with Mr. Woodard. On the fifth anniversary of the Agreement, if still employed by SOUTHERN or one of its subsidiaries, Mr. Woodard will receive the cash value of the number of shares of SOUTHERN common stock that could have been purchased for \$200,000 on February 23, 1998, and on which dividends were reinvested

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throughout the five-year period. If certain performance goals are met, Mr. Woodard also will receive the estimated income tax expense on the compensation. Mr. Woodard may elect to defer receipt of the award until termination of employment.

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On February 23, 1998, SOUTHERN and Southern Nuclear entered into a Deferred Compensation Agreement with Mr. Hairston. On the fifth anniversary of the Agreement, if still employed by SOUTHERN or one of its subsidiaries, Mr. Hairston will receive the cash value of the number of shares of SOUTHERN common stock that could have been purchased for \$250,000 on February 23, 1998, and on which dividends were reinvested throughout the five-year period. If certain performance goals are met, Mr. Hairston also will receive the estimated income tax expense on the compensation. Mr. Hairston may elect to defer receipt of the award until termination of employment.

- (f) Rights to indemnity. Incorporated by reference are the by-laws, for the companies of the SOUTHERN system, contained herein as Exhibits.

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ITEM 7. CONTRIBUTIONS AND PUBLIC RELATIONS.

(1) Expenditures, disbursements or payments, directly or indirectly, in money, goods or services, to or for the account of any political party, candidate for public office or holder of such office, or any committee or agent thereof.

| Name of Company | Name of Recipient or Beneficiary | Purpose |
|-----------------|----------------------------------|---------|
| ----- | ----- | ----- |

None

SOUTHERN, ALABAMA, GEORGIA, GULF, MISSISSIPPI and SAVANNAH have established political action committees and have incurred certain costs in the administration of these committees in accordance with the provisions of the Federal Election Campaign Act and the Public Utility Holding Company Act.

- (2) Expenditures, disbursements or payments, directly or indirectly, in money, goods or services, to or for the account of any citizens group or public relations counsel.

The information called for by this item was compiled, and memoranda from each company in the system were received and are being preserved by SOUTHERN, in

Accounts
if any, pe
of Disbur
Compa

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accordance with the instructions to this item.

| Name of Company ----- | Name of Recipient or Beneficiary ----- | Purpose ----- | Accounts Cha if any, pe of Disbursing ----- |
|--------------------------|--|------------------|--|
| ALABAMA | Business Council of Alabama | Dues & Support | 930,426 |
| | Edison Electric Institute | Dues | 539,549 |
| | National Association of Manufacturers | Dues | 426,921 |
| | Nature Conservancy of Alabama | Dues & Support | 930 |
| | Nuclear Energy Institute | Dues | 921 |
| | Public Affairs Research Council of Alabama | Dues & Support | 524 |
| | | | 930,426 |
| GEORGIA | Central Atlanta Progress | Dues | 930 |
| | Cobb County Convention and Visitors Bureau | Dues | 930 |
| | Edison Electric Institute | Dues | 426,930 |
| | Georgia Conservancy | Support | 426 |
| | | | n/a |
| | Georgia Council on Economic Education | Dues | n/a |
| | National Association of Manufacturers | Dues | 930 |
| | Nature Conservancy | Support | 426 |
| | | | n/a |
| | Nuclear Energy Institute | Dues | 524,426 |
| | Regional Business Coalition | Dues | 930 |

* This amount was paid by Southern Nuclear and billed to ALABAMA.

** Georgia Power Foundation.

*** This amount, which excludes dues billed to joint owners of Plants Hatch and Vogtle, was paid by Southern Nuclear and billed to GEORGIA.

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ITEM 7. CONTRIBUTIONS AND PUBLIC RELATIONS. (Continued)

| Name of Company ----- | Name of Recipient or Beneficiary ----- | Purpose ----- | Account if any, of Dis Com ----- |
|--------------------------|---|------------------|--|
| GULF | Economic Development Council - Bay County | Dues & Support | 912 |
| | Economic Development Council - Okaloosa County | Dues & Support | 912 |
| | Economic Development Council - Walton County | Support | 912 |
| | Edison Electric Institute | Dues | 426,930 |
| | Enterprise Florida | Support | 912 |

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| | | | |
|-------------|---|----------------|---------|
| | Florida Chamber of Commerce | Dues | 912 |
| | Florida's Great Northwest | Support | 912 |
| | Foundation for the Future | Support | 930 |
| | University of West Florida | Support | 912 |
| | T.E.A.M. Santa Rosa - Council of Economic Activity | Dues & Support | 912 |
| | Washington County Chamber of Commerce | Support | 912 |
| | Other Economic Development Councils/ Activity Groups (7 Beneficiaries) | Dues & Support | 426,912 |
| MISSISSIPPI | Business and Industry Political Education Committee | Dues | 426 |
| | Center for Public Utilities at New Mexico State University | Dues | 930 |
| | East Mississippi Business Development Corporation | Dues | 930 |
| | Edison Electric Institute | Dues | 930 |
| | Foundation for Education/Economic Development Gold Sponsorship | Due | 426 |
| | Mississippi Gulf Coast Chamber of Commerce | Dues | 930 |
| | Mississippi Gulf Coast Economic Development Council | Dues | 426,930 |
| | Mississippi Manufacturers Association | Dues | 426,930 |
| | Mississippi Society of Washington | Dues | 930 |
| | Mississippi Wildlife Federation | Dues | 426 |
| | Retail Association of Mississippi | Dues | 426,930 |
| | Wildlife Rehabilitation and Nature Preservation Society, Inc | Dues | 426 |
| | Wolf River Conservation | Dues | 426 |

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ITEM 7. CONTRIBUTIONS AND PUBLIC RELATIONS. (Continued)

| ----- | | | |
|-----------------|---|-------------------|-------------------------------------|
| Name of Company | Name of Recipient or Beneficiary | Purpose | Account if any, of Dis Com |
| ----- | | | |
| SAVANNAH | Business, Education and Technology Alliance of Southeast Georgia | Dues | 930 |
| | Economic Opportunity Authority | Support | 426 |
| | Edison Electric Institute | Dues | 426,930 |
| | Georgia Conservancy | Support | 426 |
| | Georgia Council on Economic Education | Support | 426 |
| | Georgia Economic Developers Association | Dues | 930 |
| | Georgia Municipal Association | Dues | 930 |
| | Nature Conservancy | Support | 426 |
| | Savannah Tree Foundation | Support | 426 |
| | Tourism Leadership Council | Membership | 930 |
| | Other Economic Development Councils/ Activity Groups (4 Beneficiaries) | Membership & Dues | 930 |

ITEM 8. SERVICE, SALES AND CONSTRUCTION CONTRACTS.

PART I.

| Transactions (1) | Serving Company (2) | Receiving Company (3) | Compensation (4) | Contract (5) |
|----------------------|------------------------|--------------------------|---------------------|-----------------|
| (Note) | (Note) | Southern LINC | (Note) | (Note) |
| (Note) | (Note) | Southern Management | (Note) | (Note) |
| Sublease of railcars | ALABAMA | SAVANNAH | \$42,355 | |
| Sublease of railcars | GEORGIA | SAVANNAH | \$234,471 | |
| Sublease of railcars | MISSISSIPPI | ALABAMA | \$1,004,154 | |
| Sublease of railcars | MISSISSIPPI | GEORGIA | \$1,196,741 | |
| Sublease of railcars | SAVANNAH | GEORGIA | \$189,000 | |
| Sublease of railcars | SAVANNAH | GULF | \$6,266 | |

Note:

Southern LINC and Southern Management have agreements with SCS, ALABAMA, GEORGIA, GULF, MISSISSIPPI and SAVANNAH pursuant to which Southern LINC and Southern Management reimburse each of such companies for the full cost of services, personnel and facilities provided to Southern LINC and Southern Management.

Pursuant to such agreements, during 2001 the total reimbursements to SCS, ALABAMA, GEORGIA, GULF, MISSISSIPPI and SAVANNAH from Southern LINC were \$41,395,821; \$1,694,528; \$1,140,693; \$208,276; \$136,229; and \$18,916, respectively; and from Southern Management were \$2,369,357; \$476,812; \$586,250; \$8,217; \$384; and \$10,758, respectively.

Part II.

None.

Part III.

None.

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ITEM 9. WHOLESALE GENERATORS AND FOREIGN UTILITY COMPANIES

Part I(b)

Key terms: FUCO means Foreign Utility Company
 EWG means Exempt Wholesale Generator
 SPS means Special Purpose Subsidiary
 IS means Intermediate Subsidiary

| COMPANY | EWG, FUCO, SPS IS | OWNERSHIP | % OWNED |
|---|----------------------------|---|-----------|
| SE Finance Capital Corporation (See Note 1) | SPS | Southern Company | 100% |
| SE Finance Company, Inc. (See Note 1) | IS | SE Finance Capital Corporation | 100% |
| EPZ Lease, Inc. | IS | SE Finance Company, Inc. | 100% |
| EPZ Lease, LLC | IS | EPZ Lease, Inc. SE Finance Company, Inc. | 99% 1% |
| EPZ Lease Holding A, LLC | IS | EPZ Lease, LLC EPZ Lease, Inc. | 99% 1% |
| EPZ Lease Holding B, LLC | IS | EPZ Lease, LLC EPZ Lease, Inc. | 99% 1% |
| EPZ Lease Holding C, LLC | IS | EPZ Lease, LLC EPZ Lease, Inc. | 99% 1% |
| EPZ Lease Trust A | FUCO | EPZ Lease Holding A, LLC | 100% |
| EPZ Lease Trust B | FUCO | EPZ Lease Holding B, LLC | 100% |
| EPZ Lease Trust C | FUCO | EPZ Lease Holding C, LLC | 100% |
| Southern Company Capital Funding, Inc. | IS | SOUTHERN | 100% |
| Southern Company Capital Trust I | SPS | Southern Company Capital Funding, Inc. | 100% |
| Southern Company Capital Trust II | SPS | Southern Company Capital Funding, Inc. | 100% |
| Southern Company Capital Trust III | SPS | Southern Company Capital Funding, Inc. | 100% |
| Southern Company Capital Trust IV | SPS | Southern Company Capital Funding, Inc. | 100% |

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| | | | |
|-------------------------------|------|-------------------------------|------|
| GAMOG Lease, Inc. | IS | SE Finance Company, Inc. | 100% |
| GAMOG Lease Holding G, L.L.C. | IS | Gamog Lease, Inc. | 100% |
| GAMOG Lease Trust G | FUCO | Gamog Lease Holding G, L.L.C. | 100% |
| GAMOG Lease Holding H, L.L.C. | IS | Gamog Lease, Inc. | 100% |
| GAMOG Lease Trust H | FUCO | Gamog Lease Holding H, L.L.C. | 100% |
| GAMOG Lease Holding I, L.L.C. | IS | Gamog Lease, Inc. | 100% |
| GAMOG Lease Trust I | FUCO | Gamog Lease Holding I, L.L.C. | 100% |

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| COMPANY | EWG, FUCO, SPS IS | OWNERSHIP | % OWNED |
|---------------------------------|----------------------------|------------------------|---------|
| Southern Company-Florida LLC | EWG | Southern Power Company | 100% |
| Southern Company Holdings, Inc. | SPS | Southern Company | 100% |

SOUTHERN's aggregate investment as defined under Rules 53 and 58 in EWGs and FUCOs, at December 31, 2001 was \$102,546,743.

NOTE 1

SOUTHERN has executed limited keep-well commitments whereby SOUTHERN would be required to make capital contributions to Southern Energy Finance Capital Corp. or to Southern Energy Finance Company, Inc. in the event of a shortfall in the scheduled debt service resulting from certain changes in the payments due from SOUTHERN under the Southern Company Income Tax Allocation Agreement. The maximum potential capital contribution required under these commitments is the unamortized balance of the related loans, which totaled approximately \$388.4 million as of December 31, 2001.

NOTE 2

As discussed in SOUTHERN's Application on Form U-1 (File No. 70-9727) relating to the spin-off of Mirant Corporation (Mirant), SOUTHERN and Mirant reorganized certain energy-related and FUCO activities and Mirant completed a tax-free distribution to SOUTHERN of these activities on March 5, 2001 (the "Mini-Spin"). On April 2, 2001, SOUTHERN completed the spin-off of its remaining ownership

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interest in Mirant to SOUTHERN's shareholders. Therefore, the four indirect subsidiaries (EPZ Lease, Inc., Dutch Gas Lease, Inc., GAMOG Lease, Inc. and NUON Lease, Inc.) obtained through the Mini-Spin are the only remaining FUCO or EWG investments held by SOUTHERN. Although it now owns all of the equity in these companies as a result of the Mini-Spin, SOUTHERN has no direct or indirect investment or any aggregate investment within the meaning of Rule 53 in these FUCOs.

SOUTHERN's only other EWG investment is Southern Company Florida LLC (SCF), which was formed in January 2001. At December 31, 2001, SOUTHERN's aggregate investment in SCF was \$102,546,743, including \$73 million in guarantees by SOUTHERN.

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ITEM 9. WHOLESALE GENERATORS AND FOREIGN UTILITY COMPANIES
PART I(c)

| COMPANIES | DEBT TO EQUITY | EARNINGS |
|---------------------------------|----------------|--------------|
| SE Finance Capital Corporation | 2.46 | \$37,009,360 |
| SE Finance Company, Inc. | 0.58 | \$44,812,950 |
| EPZ Lease, Inc. | | |
| EPZ Lease, LLC | | |
| EPZ Lease Holdings A, LLC | | |
| EPZ Lease Trust A | | |
| EPZ Lease Holdings B LLC | | |
| EPZ Lease Trust B | | |
| EPZ Lease Holdings C LLC | | |
| EPZ Lease Trust C | | |
| Dutch Gas Lease, Inc. | | |
| Dutch Gas Lease, LLC | | |
| Dutch Gas Lease Holdings A, LLC | | |
| Dutch Gas Lease Trust A | | |
| Dutch Gas Lease Holdings B LLC | | |
| Dutch Gas Lease Trust B | | |
| Dutch Gas Lease Holdings C LLC | | |
| Dutch Gas Lease Trust C | | |
| GAMOG Lease, Inc. | | |
| GAMOG Lease Holdings A, LLC | | |
| GAMOG Lease Trust A | | |
| GAMOG Lease Holdings B, LLC | | |
| GAMOG Lease Trust B | | |
| GAMOG Lease Holdings C, LLC | | |
| GAMOG Lease Trust C | | |
| Nuon Lease, Inc. | | |
| Nuon Lease Holdings D, LLC | | |
| Nuon Lease Trust D | | |
| Nuon Lease Holdings E, LLC | | |
| Nuon Lease Trust E | | |
| Nuon Lease Holdings F, LLC | | |
| Nuon Lease Trust F | | |
| Southern Company-Florida LLC | 0 | \$29,423 |

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PART I (d)

None.

PART II

Exhibits G and H submitted with this filing, are being incorporated by reference.

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ITEM 9. WHOLESALE GENERATORS AND FOREIGN UTILITY COMPANIES
PART III

SOUTHERN's aggregate investment in EWGs and FUCOs at December 31, 2001 is as follows:

| | Total 1 | Equity 1 | Debt |
|--|-----------------------|-----------------|------|
| Investment In EWGs & FUCOs (A) | \$102,546,743 | \$29,546,743 | \$- |
| ----- | | | |
| Investment in | SOUTHERN's Investment | | |
| Domestic Public-Utility Subs | Total | Equity | Debt |
| ----- | | | |
| ALABAMA..... | \$2,090,676,530 | \$2,090,676,530 | \$- |
| GEORGIA..... | 2,526,806,941 | 2,526,806,941 | - |
| GULF..... | 344,019,450 | 344,019,450 | - |
| MISSISSIPPI..... | 304,946,256 | 304,946,256 | - |
| SAVANNAH..... | 67,050,145 | 67,050,145 | - |
| (B) Total Domestic Public - Utility Subsidiaries | \$5,333,499,322 | \$5,333,499,322 | \$- |

RATIO A/B.....0.0191

- (1) Following the completion of the spin-off of Mirant on April 2, 2001 and as discussed in SOUTHERN's Application on Form U-1 (File No. 70-9727) relating to the spin-off, SOUTHERN retained only four indirect subsidiaries (EPZ Lease, Inc., Dutch Gas Lease, Inc., GAMOG Lease, Inc. and NUON Lease, Inc.) that qualify as FUCOs and none that qualify as EWGs. SOUTHERN has no equity or debt investment within the meaning of Rule 53 in these four FUCO subsidiaries.
- (2) SOUTHERN granted performance guarantees on behalf of Southern Power and its subsidiary, Southern Company - Florida LLC (SCF) for SCF's payment obligations under construction and power purchase agreements associated with Plant Stanton in Orlando. SOUTHERN's maximum exposure is \$53 million

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under the construction and ownership agreement and \$20 million under the power purchase agreement.

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ITEM 10 - FINANCIAL STATEMENTS AND EXHIBITS

SOUTHERN AND SUBSIDIARY COMPANIES

INDEX TO FINANCIAL STATEMENTS

DECEMBER 31, 2001

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS:

Consolidating Statement of Income for the Year Ended
December 31, 2001
Consolidating Statement of Cash Flows for the Year Ended
December 31, 2001 A-4 Consolidating Balance Sheet at December 31, 2001
A-6 Consolidating Statement of Capitalization at December 31, 2001 A-10
Consolidating Statement of Retained Earnings for the Year Ended
December 31, 2001
Consolidating Statement of Paid-in Capital for the Year
Ended December 31, 2001
Consolidating Statements of Comprehensive Income for the Year
Ended December 31, 2001
Consolidating Statements of Accumulated Other Comprehensive Income for the Year
Ended December 31, 2001
Notes to Financial Statements at December 31, 2001

OTHER FINANCIAL STATEMENTS:

ALABAMA consolidated with ALABAMA TRUST I, ALABAMA TRUST II and
ALABAMA TRUST III
Alabama Property Company (Unaudited; Not consolidated in Parent, ALABAMA)
GEORGIA consolidated with PIEDMONT, GEORGIA TRUST I,
GEORGIA TRUST II, GEORGIA TRUST III and GEORGIA TRUST IV
GULF consolidated with GULF TRUST I, GULF TRUST II and GULF TRUST III
MISSISSIPPI consolidated with MISSISSIPPI TRUST I
SAVANNAH consolidated with SAVANNAH ELECTRIC TRUST I

EXHIBITS

SCHEDULES:

Schedules supporting financial statements of ALABAMA, GEORGIA, GULF, MISSISSIPPI, SAVANNAH and SEGCO are incorporated by reference to those

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companies' annual reports on Federal Energy Regulatory Commission Form 1 for the year ended December 31, 2001, as filed with the Federal Energy Regulatory Commission.

A

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Southern Company:

We have audited the consolidated balance sheet and consolidated statement of capitalization of SOUTHERN COMPANY (a Delaware corporation) and subsidiary companies as of December 31, 2001, and the related consolidated statements of income, comprehensive income, retained earnings, paid-in capital, accumulated other comprehensive income, and cash flows for the year then ended (included in the 2001 annual report on Form 10-K, which is Exhibit A-1 to this Form U5S). These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southern Company and subsidiary companies as of December 31, 2001, and the results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

As explained in Note 1 to the financial statements included in the 2001 annual report on Form 10-K, effective January 1, 2001, Southern Company changed its method of accounting for derivative instruments and hedging activities.

/s/ Arthur Andersen LLP

Atlanta, Georgia
February 13, 2002

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
(Stated in Thousands of Dollars)

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(Continued)

| | Consolidated | Intercompany Eliminations and Transfers Add (Deduct) |
|--|--------------------|---|
| Operating Revenues: | | |
| Retail sales | \$ 8,439,901 | \$ - |
| Sales for resale -- Non-affiliates | 1,174,208 | - |
| Affiliates | - | (643,271) |
| Other revenues | 540,881 | (20,280) |
| <hr/> Total operating revenues | <hr/> 10,154,990 | <hr/> (663,551) |
| Operating Expenses: | | |
| Operation -- Fuel | 2,577,102 | - |
| Purchased power -- Non-affiliates | 717,509 | (878) |
| Affiliates | - | (625,305) |
| Other | 1,899,287 | (35,658) |
| Maintenance | 862,035 | - |
| Depreciation and amortization | 1,172,991 | - |
| Taxes other than income taxes | 535,472 | - |
| <hr/> Total operating expenses | <hr/> 7,764,396 | <hr/> (661,841) |
| Operating Income | 2,390,594 | (1,710) |
| Other Income (Expense): | | |
| Interest income | 26,894 | (105,142) |
| Equity in earnings of unconsolidated subsidiaries | (51,884) | (1,355,629) |
| Other, net | 55,326 | 961 |
| <hr/> Earnings From Continuing Operations Before Interest and Income Taxes | <hr/> 2,420,930 | <hr/> (1,461,520) |
| Interest Charges and Other: | | |
| Interest expense, net | 557,626 | (99,417) |
| Distributions on preferred securities of subsidiary | 168,593 | - |
| Preferred dividends of subsidiaries | 18,452 | - |
| <hr/> Total interest charges and other, net | <hr/> 744,671 | <hr/> (99,417) |
| Earnings From Continuing Operations Before Income Taxes | 1,676,259 | (1,362,103) |
| Income taxes | 557,515 | (558) |
| <hr/> Earnings From Continuing Operations Before Cumulative Effect of Accounting Change | <hr/> 1,118,744 | <hr/> (1,361,545) |
| Cumulative effect of accounting change | 770 | - |
| <hr/> Earnings from Continuing Operations | <hr/> 1,119,514 | <hr/> (1,361,545) |
| Earnings from Discontinued Operations(1) | 142,217 | (34,874) |
| <hr/> Consolidated Net Income | <hr/> \$ 1,261,731 | <hr/> \$ (1,396,419) |
| Common Stock Data: | | |
| Earnings Per Share from continuing operations - Basic | \$1.62 | Average number of shares Basic |

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| | | |
|--|--------|-------------------------|
| Diluted | \$1.61 | Diluted |
| Earnings Per Share including discontinued operations - | | Cash dividends paid per |
| Basic | \$1.83 | |
| Diluted | \$1.82 | |

(Continued on following page)

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
(Stated in Thousands of Dollars)

| | Georgia | Gulf | Mississippi |
|---|--------------|------------|-------------|
| Operating Revenues: | | | |
| Retail sales | \$ 4,349,312 | \$ 584,591 | \$ 489,153 |
| Sales for resale -- | | | |
| Non-affiliates | 366,085 | 82,252 | 204,623 |
| Affiliates | 99,411 | 27,256 | 85,652 |
| Other revenues | 150,986 | 31,104 | 16,637 |
| ----- | | | |
| Total operating revenues | 4,965,794 | 725,203 | 796,065 |
| ----- | | | |
| Operating Expenses: | | | |
| Operation -- | | | |
| Fuel | 939,092 | 200,633 | 277,946 |
| Purchased power -- | | | |
| Non-affiliates | 442,196 | 65,585 | 41,254 |
| Affiliates | 329,232 | 40,660 | 53,990 |
| Other | 810,043 | 117,394 | 134,845 |
| Maintenance | 430,413 | 60,193 | 56,153 |
| Depreciation and amortization | 600,631 | 68,218 | 54,077 |
| Taxes other than income taxes | 202,483 | 55,261 | 44,966 |
| ----- | | | |
| Total operating expenses | 3,754,090 | 607,944 | 663,231 |
| ----- | | | |
| Operating Income | 1,211,704 | 117,259 | 132,834 |
| Other Income (Expense): | | | |
| Interest income | 4,264 | 1,258 | 369 |
| Equity in earnings of unconsolidated subsidiaries | 4,178 | 59 | (526) |
| Other, net | (2,816) | 2,651 | (6) |
| ----- | | | |
| Earnings From Continuing Operations | 1,217,330 | 121,227 | 132,671 |
| Before Interest and Income Taxes | | | |
| ----- | | | |
| Interest Charges and Other: | | | |
| Interest expense, net | 183,879 | 25,034 | 23,568 |
| Distributions on preferred securities of subsidiary | 59,104 | 6,477 | 2,712 |
| Preferred dividends of subsidiaries | 670 | 217 | 2,041 |
| ----- | | | |
| Total interest charges and other, net | 243,653 | 31,728 | 28,321 |
| ----- | | | |
| Earnings From Continuing Operations | 973,677 | 89,499 | 104,350 |
| Before Income Taxes | | | |

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| | | | |
|--|------------|--------------------------|-----------|
| Income taxes | 363,599 | 31,260 | 40,533 |
| Earnings From Continuing Operations | 610,078 | 58,239 | 63,817 |
| Before Cumulative Effect of Accounting Change | | | |
| Cumulative effect of accounting change | 257 | 68 | 70 |
| Earnings from Continuing Operations | 610,335 | 58,307 | 63,887 |
| Earnings from Discontinued Operations(1) | - | - | |
| Consolidated Net Income | \$ 610,335 | \$ 58,307 | \$ 63,887 |
| Common Stock Data: | | | |
| Earnings Per Share from continuing operations - | | Average number of shares | |
| Basic | \$1.62 | Basic | |
| Diluted | \$1.61 | Diluted | |
| Earnings Per Share including discontinued operations - | | Cash dividends paid per | |
| Basic | \$1.83 | | |
| Diluted | \$1.82 | | |

(Continued on following page)

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
(Stated in Thousands of Dollars)
(Continued)

| | Mirant (2) | Southern Funding |
|-------------------------------|------------|---------------------|
| Operating Revenues: | | |
| Retail sales | \$ - | \$ - |
| Sales for resale -- | | |
| Non-affiliates | - | - |
| Affiliates | - | - |
| Other revenues | - | 0 |
| Total operating revenues | - | - |
| Operating Expenses: | | |
| Operation -- | | |
| Fuel | - | - |
| Purchased power -- | | |
| Non-affiliates | - | - |
| Affiliates | - | - |
| Other | 139 | - |
| Maintenance | - | - |
| Depreciation and amortization | 228 | - |
| Taxes other than income taxes | - | - |
| Total operating expenses | 367 | - |
| Operating Income | (367) | - |
| Other Income (Expense): | | |
| Interest income | 12,889 | 16,947 |

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| | | |
|--|------------|--------|
| Equity in earnings of unconsolidated subsidiaries | (2,756) | - |
| Other, net | 9,909 | - |
| ----- | | |
| Earnings From Continuing Operations Before Interest and Income Taxes | 19,675 | 16,947 |
| ----- | | |
| Interest Charges and Other: | | |
| Interest expense, net | 5,373 | 16,947 |
| Distributions on preferred securities of subsidiary | 11,876 | - |
| Preferred dividends of subsidiaries | - | - |
| ----- | | |
| Total interest charges and other, net | 17,249 | 16,947 |
| ----- | | |
| Earnings From Continuing Operations Before Income Taxes | 2,426 | - |
| Income taxes | (3,297) | - |
| ----- | | |
| Earnings From Continuing Operations Before Cumulative Effect of Accounting Change | 5,723 | - |
| Cumulative effect of accounting change | - | - |
| ----- | | |
| Earnings from Continuing Operations | 5,723 | - |
| Earnings from Discontinued Operations(1) | 177,091 | - |
| ----- | | |
| Consolidated Net Income | \$ 182,814 | \$ - |
| ===== | | |

(1) Effective April 2, 2001, SOUTHERN completed a spin off of Mirant (formerly Southern Energy). As a result of the spin off, the financial statements for the year 2001 have been prepared with Mirant reflected as discontinued operations. For further details, see note 11 in the Annual Report of SOUTHERN on Form 10-K.

(2) Includes only consolidated financial information for Southern Energy Finance Capital Corporation and Southern Company Capital Funding, which were retained by SOUTHERN through a tax-free distribution from Mirant as discussed in SOUTHERN's Application on Form U-1 (File No. 70-9727). All other Mirant information is reflected as discontinued operations.

The notes to the financial statements (herein incorporated by reference as part of exhibit numbers A-1 through A-6 inclusive) are an integral part of this statement.

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
(Stated in Thousands of Dollars)
(Continued)

| | Southern Mgt Dev | Southern LINC | Powercall |
|---------------------------------------|---------------------|------------------|-----------|
| Operating Revenues: | | | |
| Retail sales | \$ - | \$ - | \$ - |
| Sales for resale -- Non-affiliates | - | - | - |
| Affiliates | 2,879 | 13,734 | - |
| Other revenues | 11,910 | 144,614 | - |

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| | | | |
|--|----------|----------|--------|
| Total operating revenues | 14,789 | 158,348 | - |
| Operating Expenses: | | | |
| Operation -- | | | |
| Fuel | - | - | - |
| Purchased power -- | | | |
| Non-affiliates | - | - | - |
| Affiliates | - | - | - |
| Other | 20,817 | 118,517 | - |
| Maintenance | - | 2,438 | - |
| Depreciation and amortization | 228 | 24,649 | - |
| Taxes other than income taxes | 587 | 1,887 | - |
| Total operating expenses | 21,632 | 147,491 | - |
| Operating Income | (6,843) | 10,857 | - |
| Other Income (Expense): | | | |
| Interest income | 136 | 302 | 180 |
| Equity in earnings of unconsolidated subsidiaries | 4,509 | 3 | - |
| Other, net | 1,174 | - | - |
| Earnings From Continuing Operations Before Interest and Income Taxes | (1,024) | 11,162 | 180 |
| Interest Charges and Other: | | | |
| Interest expense, net | (21) | 5,895 | - |
| Distributions on preferred securities of subsidiary | - | - | - |
| Preferred dividends of subsidiaries | - | - | - |
| Total interest charges and other, net | (21) | 5,895 | - |
| Earnings From Continuing Operations Before Income Taxes | (1,003) | 5,267 | 180 |
| Income taxes | (2,073) | 2,251 | 63 |
| Earnings From Continuing Operations Before Cumulative Effect of Accounting Change | 1,070 | 3,016 | 117 |
| Cumulative effect of accounting change | - | - | - |
| Earnings from Continuing Operations | 1,070 | 3,016 | 117 |
| Earnings from Discontinued Operations(1) | - | - | - |
| Consolidated Net Income | \$ 1,070 | \$ 3,016 | \$ 117 |

(1) Effective April 2, 2001, SOUTHERN completed a spin off of Mirant (formerly Southern Energy). As a result of the spin off, the financial statements for the year 2001 have been prepared with Mirant reflected as discontinued operations. For further details, see note 11 in the Annual Report of SOUTHERN on Form 10-K.

(2) Includes only consolidated financial information for Southern Energy Finance Capital Corporation and Southern Company Capital Funding, which were retained by SOUTHERN through a tax-free distribution from Mirant as discussed in SOUTHERN's Application on Form U-1 (File No. 70-9727). All other Mirant information is reflected as discontinued operations.

The notes to the financial statements (herein incorporated by reference as part of exhibit numbers A-1 through A-6 inclusive) are an integral part of this statement.

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001
(Stated in Thousands of Dollars)

| | Consolidated | Intercompany Eliminations and Transfers Add (Deduct) |
|---|--------------|---|
| Operating Activities: | | |
| Consolidated Net income | \$ 1,261,731 | \$ (1,414,871) |
| Adjustments to reconcile consolidated net income to net cash provided from operating activities -- | | |
| Less income from discontinued operations(1) | 142,217 | (34,874) |
| Depreciation and amortization | 1,358,062 | - |
| Deferred income taxes and investment tax credits, net | (21,663) | - |
| Other, net | (192,363) | 269,939 |
| Changes in certain current assets and liabilities -- | | |
| Receivables, net | 344,385 | 129,742 |
| Fossil fuel stock | (199,251) | - |
| Materials and supplies | (42,792) | - |
| Accounts payable | (50,712) | 4,620 |
| Energy cost recovery, retail | - | (124,481) |
| Other | 68,697 | 2,166 |
| ----- | | |
| Net cash provided from (used for) operating activities of continuing operations | 2,383,877 | (1,098,011) |
| ----- | | |
| Investing Activities: | | |
| Gross property additions | (2,617,447) | 641,331 |
| Other | (118,196) | 153,623 |
| ----- | | |
| Net cash provided from (used for) investing activities of continuing operations | (2,735,643) | 794,954 |
| ----- | | |
| Financing Activities: | | |
| Increase (decrease) in notes payable, net | 222,669 | (995,058) |
| Proceeds -- | | |
| Long-term senior notes | 1,242,000 | - |
| Other long-term debt | 757,240 | - |
| Preferred securities | 30,000 | - |
| Capital contributions from parent company | - | (950,471) |
| Common Stock | 394,895 | (15,642) |
| Redemptions -- | | |
| First mortgage bonds | (615,773) | - |
| Other long-term debt | (569,679) | 117,984 |
| Capital distributions to parent company | - | 181,000 |
| Payment of preferred stock dividends | - | 17,778 |
| Payment of common stock dividends | (922,058) | 1,082,863 |
| Other | (32,704) | 864,603 |
| ----- | | |
| Net cash provided from (used for) financing activities of continuing operations | 506,590 | 303,057 |
| ----- | | |
| Cash provided from (used for) discontinued operations(1) | - | - |
| Net Increase (Decrease) in Cash and Cash Equivalents | 154,824 | - |
| Cash and Cash Equivalents at Beginning of Period | 199,191 | - |
| ----- | | |

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| | | |
|--|------------|--------------|
| Cash and Cash Equivalents at End of Year | \$ 354,015 | \$ - |
| ===== | | |
| Supplemental Cash Flow Information | | |
| From Continuing Operations: | | |
| Cash paid during the period for -- | | |
| Interest (net of amount capitalized) | \$ 624,258 | \$ (116,054) |
| Income taxes (net of refunds) | 720,931 | - |
| ----- | | |

(continued on following page)
A-4a

THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001
(Stated in Thousands of Dollars)

| | Georgia | Gulf |
|---|-------------|-----------|
| Operating Activities: | | |
| Consolidated Net income | \$ 611,005 | \$ 58,524 |
| Adjustments to reconcile consolidated net income to net cash provided from operating activities -- | | |
| Less income from discontinued operations(1) | - | - |
| Depreciation and amortization | 697,143 | 72,320 |
| Deferred income taxes and investment tax credits, net | (48,329) | 3,394 |
| Other, net | (92,403) | (1,804) |
| Changes in certain current assets and liabilities -- | | |
| Receivables, net | 78,532 | 16,028 |
| Fossil fuel stock | (103,296) | (30,887) |
| Materials and supplies | (15,628) | 176 |
| Accounts payable | (15,406) | (12,962) |
| Energy cost recovery, retail | (29,839) | - |
| Other | (20,617) | (31,286) |
| ----- | | |
| Net cash provided from (used for) operating activities of continuing operations | 1,061,162 | 73,503 |
| ----- | | |
| Investing Activities: | | |
| Gross property additions | (1,389,751) | (274,668) |
| Other | 529,986 | 5,290 |
| ----- | | |
| Net cash provided from (used for) investing activities of continuing operations | (859,765) | (269,378) |
| ----- | | |
| Financing Activities: | | |
| Increase (decrease) in notes payable, net | 43,698 | 44,311 |
| Proceeds -- | | |
| Long-term senior notes | 600,000 | 135,000 |
| Other long-term debt | 404,535 | - |
| Preferred securities | - | 30,000 |
| Capital contributions from parent company | 225,060 | 72,484 |
| Common Stock | - | - |
| Redemptions -- | | |
| First mortgage bonds | (390,140) | (30,000) |
| Other long-term debt | (385,035) | (862) |
| Capital distributions to parent company | (160,000) | - |
| Payment of preferred stock dividends | (578) | (217) |

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| | | |
|---|------------|-----------|
| Payment of common stock dividends | (527,300) | (53,275) |
| Other | (17,747) | (3,703) |
| ----- | | |
| Net cash provided from (used for) financing activities of continuing operations | (207,507) | 193,738 |
| ----- | | |
| Cash provided from (used for) discontinued operations(1) | - | - |
| Net Increase (Decrease) in Cash and Cash Equivalents | (6,110) | (2,137) |
| Cash and Cash Equivalents at Beginning of Period | 29,370 | 4,381 |
| ----- | | |
| Cash and Cash Equivalents at End of Year | \$ 23,260 | \$ 2,244 |
| ===== | | |
| Supplemental Cash Flow Information | | |
| From Continuing Operations: | | |
| Cash paid during the period for -- | | |
| Interest (net of amount capitalized) | \$ 234,456 | \$ 30,813 |
| Income taxes (net of refunds) | 381,995 | 33,349 |
| ----- | | |

(Continued on following page)
A-4b

THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001
(Stated in Thousands of Dollars)

| | SEGCO | SCS |
|--|----------|----------|
| Operating Activities: | | |
| Consolidated Net income | \$ 7,505 | \$ - |
| Adjustments to reconcile consolidated net income to net cash provided from operating activities -- | | |
| Less income from discontinued operations(1) | - | - |
| Depreciation and amortization | 9,491 | 22,071 |
| Deferred income taxes and investment tax credits, net | 2,288 | - |
| Other, net | (460) | 36,693 |
| Changes in certain current assets and liabilities -- | | |
| Receivables, net | (3,760) | 26,931 |
| Fossil fuel stock | - | - |
| Materials and supplies | - | 50 |
| Accounts payable | 4,240 | (721) |
| Energy cost recovery, retail | - | - |
| Other | (2,637) | 23,965 |
| ----- | | |
| Net cash provided from (used for) operating activities of continuing operations | 16,667 | 108,989 |
| ----- | | |
| Investing Activities: | | |
| Gross property additions | (16,252) | (34,764) |
| Other | (7,074) | (2,111) |
| ----- | | |
| Net cash provided from (used for) investing activities of continuing operations | (23,326) | (36,875) |
| ----- | | |
| Financing Activities: | | |
| Increase (decrease) in notes payable, net | 59,734 | - |

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| | | |
|---|----------|-----------|
| Proceeds -- | | |
| Long-term senior notes | - | - |
| Other long-term debt | 24,500 | - |
| Preferred securities | - | - |
| Capital contributions from parent company | (33) | - |
| Common Stock | - | - |
| Redemptions -- | | |
| First mortgage bonds | - | - |
| Other long-term debt | (76,507) | (8,685) |
| Capital distributions to parent company | - | - |
| Payment of preferred stock dividends | - | - |
| Payment of common stock dividends | - | - |
| Other | (871) | - |
| ----- | | |
| Net cash provided from (used for) financing activities of continuing operations | 6,823 | (8,685) |
| ----- | | |
| Cash provided from (used for) discontinued operations(1) | - | - |
| Net Increase (Decrease) in Cash and Cash Equivalents | 164 | 63,429 |
| Cash and Cash Equivalents at Beginning of Period | 533 | 32,072 |
| ----- | | |
| Cash and Cash Equivalents at End of Year | \$ 697 | \$ 95,501 |
| ===== | | |
| Supplemental Cash Flow Information | | |
| From Continuing Operations: | | |
| Cash paid during the period for -- | | |
| Interest (net of amount capitalized) | \$ 4,191 | \$ 4,622 |
| Income taxes (net of refunds) | 3,285 | - |
| ----- | | |

(Continued on following page)
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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001
(Stated in Thousands of Dollars)
(Continued)

| | Mirant (2) | Southern Mgt Dev |
|--|------------|---------------------|
| Operating Activities: | | |
| Consolidated Net income | \$ 177,091 | \$ 1,070 |
| Adjustments to reconcile consolidated net income to net cash provided from operating activities -- | | |
| Less income from discontinued operations(1) | 177,091 | - |
| Depreciation and amortization | - | 228 |
| Deferred income taxes and investment tax credits, net | - | - |
| Other, net | - | (14,315) |
| Changes in certain current assets and liabilities -- | | |
| Receivables, net | - | 50,902 |
| Fossil fuel stock | - | - |
| Materials and supplies | - | (474) |
| Accounts payable | - | (9,656) |
| Energy cost recovery, retail | - | - |
| Other | - | (3,864) |

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| | | |
|---|------|----------|
| Net cash provided from (used for) operating activities of continuing operations | - | 23,891 |
| Investing Activities: | | |
| Gross property additions | - | - |
| Other | - | (17,699) |
| Net cash provided from (used for) investing activities of continuing operations | - | (17,699) |
| Financing Activities: | | |
| Increase (decrease) in notes payable, net | - | - |
| Proceeds -- | | |
| Long-term senior notes | - | - |
| Other long-term debt | - | - |
| Preferred securities | - | - |
| Capital contributions from parent company | - | (2,963) |
| Common Stock | - | - |
| Redemptions -- | | |
| First mortgage bonds | - | - |
| Other long-term debt | - | (2,097) |
| Capital distributions to parent company | - | (15,000) |
| Payment of preferred stock dividends | - | - |
| Payment of common stock dividends | - | - |
| Other | - | - |
| Net cash provided from (used for) financing activities of continuing operations | - | (20,060) |
| Cash provided from (used for) discontinued operations(1) | - | - |
| Net Increase (Decrease) in Cash and Cash Equivalents | - | (13,868) |
| Cash and Cash Equivalents at Beginning of Period | - | 18,520 |
| Cash and Cash Equivalents at End of Year | \$ - | \$ 4,652 |
| Supplemental Cash Flow Information | | |
| From Continuing Operations: | | |
| Cash paid during the period for -- | | |
| Interest (net of amount capitalized) | \$ - | \$ 16 |
| Income taxes (net of refunds) | - | - |

(1) Effective April 2, 2001, SOUTHERN completed a spin off of Mirant (formerly Southern Energy). As a result of the spin off, the financial statements for the year 2001 have been prepared with Mirant reflected as discontinued operations. For further details, see note 11 in the Annual Report of SOUTHERN on Form 10-K.

(2) For purposes of this consolidating cash flow statement only, Southern Holdings includes financial information for Southern Energy Finance Capital Corporation and Southern Company Capital Funding, which were retained by SOUTHERN through a tax-free distribution from Mirant as discussed in SOUTHERN's Application on Form U-1 (File No. 70-9727). All other Mirant information is reflected as discontinued operations and is included at Mirant.

The notes to the financial statements (herein incorporated by reference as part of exhibit numbers A-1 through A-6 inclusive) are an integral part of this statement.

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001
(Stated in Thousands of Dollars)
(Continued)

| | Cash Trust | Change In Control Trust | Southe Telec |
|---|---------------|-------------------------------|-----------------|
| Operating Activities: | | | |
| Consolidated Net income | \$ 50 | \$ 1,029 | \$ |
| Adjustments to reconcile consolidated net income to net cash provided from operating activities -- | | | |
| Less income from discontinued operations(1) | - | - | |
| Depreciation and amortization | - | - | |
| Deferred income taxes and investment tax credits, net | - | - | |
| Other, net | 10 | 264 | (5) |
| Changes in certain current assets and liabilities -- | | | |
| Receivables, net | - | (66) | 2 |
| Fossil fuel stock | - | - | |
| Materials and supplies | - | - | (2) |
| Accounts payable | - | - | |
| Energy cost recovery, retail | - | - | |
| Other | - | (1) | 13 |
| ----- | | | |
| Net cash provided from (used for) operating activities of continuing operations | 60 | 1,226 | 9 |
| ----- | | | |
| Investing Activities: | | | |
| Gross property additions | - | - | (19) |
| Other | (843) | (5,877) | 1 |
| ----- | | | |
| Net cash provided from (used for) investing activities of continuing operations | (843) | (5,877) | (18) |
| ----- | | | |
| Financing Activities: | | | |
| Increase (decrease) in notes payable, net | - | - | 3 |
| Proceeds -- | | | |
| Long-term senior notes | - | - | |
| Other long-term debt | - | - | |
| Preferred securities | - | - | |
| Capital contributions from parent company | 783 | 4,650 | |
| Common Stock | - | - | |
| Redemptions -- | | | |
| First mortgage bonds | - | - | |
| Other long-term debt | - | - | |
| Capital distributions to parent company | - | - | |
| Payment of preferred stock dividends | - | - | |
| Payment of common stock dividends | - | - | |
| Other | - | - | |
| ----- | | | |
| Net cash provided from (used for) financing activities of continuing operations | 783 | 4,650 | 3 |
| ----- | | | |
| Cash provided from (used for) discontinued operations(1) | - | - | (5) |
| Net Increase (Decrease) in Cash and Cash Equivalents | - | (1) | (5) |
| Cash and Cash Equivalents at Beginning of Period | - | 2 | 5 |
| ----- | | | |
| Cash and Cash Equivalents at End of Year | \$ - | \$ 1 | \$ |

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Supplemental Cash Flow Information

From Continuing Operations:

Cash paid during the period for --
Interest (net of amount capitalized)
Income taxes (net of refunds)

\$ - \$ - \$ -

4

(1) Effective April 2, 2001, SOUTHERN completed a spin off of Mirant (formerly Southern Energy). As a result of the spin off, the financial statements for the year 2001 have been prepared with Mirant reflected as discontinued operations. For further details, see note 11 in the Annual Report of SOUTHERN on Form 10-K.

(2) For purposes of this consolidating cash flow statement only, Southern Holdings includes financial information for Southern Energy Finance Capital Corporation and Southern Company Capital Funding, which were retained by SOUTHERN through a tax-free distribution from Mirant as discussed in SOUTHERN's Application on Form U-1 (File No. 70-9727). All other Mirant information is reflected as discontinued operations and is included at Mirant.

The notes to the financial statements (herein incorporated by reference as part of exhibit numbers A-1 through A-6 inclusive) are an integral part of this statement.

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001
(Stated in Thousands of Dollars)
(Continued)

| | Southern Funding | Southern Power |
|---|---------------------|-------------------|
| Operating Activities: | | |
| Consolidated Net income | \$ - | \$ 8,207 |
| Adjustments to reconcile consolidated net income to net cash provided from operating activities -- | | |
| Less income from discontinued operations(1) | - | - |
| Depreciation and amortization | - | 3,291 |
| Deferred income taxes and investment tax credits, net | - | 3,534 |
| Other, net | - | (580) |
| Changes in certain current assets and liabilities -- | | |
| Receivables, net | - | (14,588) |
| Fossil fuel stock | - | (3,425) |
| Materials and supplies | - | (5,731) |
| Accounts payable | - | 28,694 |
| Energy cost recovery, retail | - | - |
| Other | 1,164 | 494 |
| Net cash provided from (used for) operating activities of continuing operations | 1,164 | 19,896 |
| Investing Activities: | | |
| Gross property additions | - | (762,437) |
| Other | - | - |

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| | | |
|---|-----------|-----------|
| Net cash provided from (used for) investing activities of continuing operations | - | (762,437) |
| Financing Activities: | | |
| Increase (decrease) in notes payable, net | 862,760 | 950 |
| Proceeds -- | | |
| Long-term senior notes | - | - |
| Other long-term debt | - | 293,205 |
| Preferred securities | - | - |
| Capital contributions from parent company | 10 | 452,097 |
| Common Stock | - | - |
| Redemptions -- | | |
| First mortgage bonds | - | - |
| Other long-term debt | - | - |
| Capital distributions to parent company | - | - |
| Payment of preferred stock dividends | - | - |
| Payment of common stock dividends | - | - |
| Other | (863,924) | - |
| Net cash provided from (used for) financing activities of continuing operations | (1,154) | 746,252 |
| Cash provided from (used for) discontinued operations (1) | - | - |
| Net Increase (Decrease) in Cash and Cash Equivalents | 10 | 3,711 |
| Cash and Cash Equivalents at Beginning of Period | - | - |
| Cash and Cash Equivalents at End of Year | \$ 10 | \$ 3,711 |
| Supplemental Cash Flow Information | | |
| From Continuing Operations: | | |
| Cash paid during the period for -- | | |
| Interest (net of amount capitalized) | \$ - | \$ 6,333 |
| Income taxes (net of refunds) | - | - |

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(2) For purposes of this consolidating cash flow statement only, Southern Holdings includes financial information for Southern Energy Finance Capital Corporation and Southern Company Capital Funding, which were retained by SOUTHERN through a tax-free distribution from Mirant as discussed in SOUTHERN's Application on Form U-1 (File No. 70-9727). All other Mirant information is reflected as discontinued operations and is included at Mirant.

The notes to the financial statements (herein incorporated by reference as part of exhibit numbers A-1 through A-6 inclusive) are an integral part of this statement.

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| | Consolidated | Intercompany Eliminations and Transfers Add (Deduct) |
|---|----------------------|---|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 354,015 | \$ - |
| Special Deposits | 23,032 | - |
| Receivables -- | | |
| Customer accounts receivable | 846,795 | - |
| Other accounts and notes receivable | 309,452 | - |
| Affiliated companies | 222 | (1,519,499) |
| Accumulated provision for uncollectible accounts | (24,383) | - |
| Unrecovered retail fuel clause revenue | 280,003 | - |
| Refundable income taxes | - | (8,405) |
| Fossil fuel stock, at average cost | 394,457 | - |
| Materials and supplies, at average cost | 550,217 | - |
| Other | 222,257 | (59,536) |
| Total current assets | 2,956,067 | (1,587,440) |
| Property, Plant, and Equipment: | | |
| In service | 35,813,369 | - |
| Less accumulated provision for depreciation | 15,020,415 | - |
| | 20,792,954 | - |
| Nuclear fuel, at amortized cost | 201,548 | - |
| Construction work in progress | 2,089,259 | - |
| Total property, plant, and equipment | 23,083,761 | - |
| Other Property and Investments: | | |
| Equity investments in unconsolidated subsidiaries | 90,320 | (9,820,351) |
| Nuclear decommissioning trusts, at fair value | 681,688 | - |
| Leveraged Leases | 655,308 | - |
| Other | 102,476 | (979,691) |
| Total other property and investments | 1,529,792 | (10,800,042) |
| Deferred Charges and Other Assets: | | |
| Deferred charges related to income taxes | 924,139 | - |
| Prepaid pension costs | 547,075 | (42,737) |
| Debt expense, being amortized | 102,768 | - |
| Premium on reacquired debt, being amortized | 279,800 | - |
| Department of Energy assessments | 39,690 | - |
| Other | 360,954 | (81,632) |
| Total deferred charges and other assets | 2,254,426 | (124,369) |
| Total Assets | \$ 29,824,046 | \$ (12,511,851) |

(Continued on following page)

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING BALANCE SHEET -- DECEMBER 31, 2001
(Stated in Thousands of Dollars)

| | Georgia | Gulf | Mississippi |
|---|--------------|-------------|--------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 23,260 | \$ 2,244 | \$ 18,950 |
| Special Deposits | 18,508 | 76 | 137 |
| Receivables -- | | | |
| Customer accounts receivable | 376,322 | 65,955 | 63,286 |
| Other accounts and notes receivable | 110,565 | 4,240 | 25,931 |
| Affiliated companies | 87,786 | 2,689 | 22,569 |
| Accumulated provision for uncollectible accounts | (8,895) | (1,342) | (856) |
| Unrecovered retail fuel clause revenue | 161,462 | 23,070 | - |
| Refundable income taxes | - | - | - |
| Fossil fuel stock, at average cost | 202,759 | 47,655 | 31,489 |
| Materials and supplies, at average cost | 279,237 | 28,857 | 23,223 |
| Other | 125,246 | 12,662 | 16,002 |
| <hr/> | | | |
| Total current assets | 1,376,250 | 186,106 | 200,731 |
| <hr/> | | | |
| Property, Plant, and Equipment: | | | |
| In service | 16,886,399 | 1,951,512 | 1,741,499 |
| Less accumulated provision for depreciation | 7,243,209 | 912,581 | 698,681 |
| <hr/> | | | |
| | 9,643,190 | 1,038,931 | 1,042,818 |
| Nuclear fuel, at amortized cost | 112,771 | - | - |
| Construction work in progress | 883,285 | 264,525 | 38,253 |
| <hr/> | | | |
| Total property, plant, and equipment | 10,639,246 | 1,303,456 | 1,081,071 |
| <hr/> | | | |
| Other Property and Investments: | | | |
| Equity investments in unconsolidated subsidiaries | 35,209 | 1,111 | 925 |
| Nuclear decommissioning trusts, at fair value | 364,180 | - | - |
| Leveraged Leases | - | - | - |
| Other | 29,618 | 5,938 | 975 |
| <hr/> | | | |
| Total other property and investments | 429,007 | 7,049 | 1,900 |
| <hr/> | | | |
| Deferred Charges and Other Assets: | | | |
| Deferred charges related to income taxes | 543,584 | 16,766 | 13,394 |
| Prepaid pension costs | 228,259 | 26,364 | 4,501 |
| Debt expense, being amortized | 58,165 | 3,036 | 4,396 |
| Premium on reacquired debt, being amortized | 173,724 | 14,518 | 6,719 |
| Department of Energy assessments | 18,675 | - | - |
| Other | 99,031 | 12,222 | 20,821 |
| <hr/> | | | |
| Total deferred charges and other assets | 1,121,438 | 72,906 | 49,831 |
| <hr/> | | | |
| Total Assets | \$13,565,941 | \$1,569,517 | \$ 1,333,533 |

(Continued on following page)

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING BALANCE SHEET -- DECEMBER 31, 2001
(Stated in Thousands of Dollars)
(Continued)

| ASSETS | Southern Nuclear | Southern Mgt Dev | Southern LINC |
|---|---------------------|---------------------|------------------|
| Current Assets: | | | |
| Cash and cash equivalents | \$ 733 | \$ 4,652 | \$ 6, |
| Special Deposits | - | - | |
| Receivables -- | | | |
| Customer accounts receivable | - | 2,657 | 23, |
| Other accounts and notes receivable | 1,518 | 11 | |
| Affiliated companies | 142,345 | 6,929 | |
| Accumulated provision for uncollectible accounts | - | (3,274) | (3, |
| Unrecovered retail fuel clause revenue | - | - | |
| Refundable income taxes | - | 3 | 7, |
| Fossil fuel stock, at average cost | - | - | |
| Materials and supplies, at average cost | - | 852 | 2, |
| Other | 6,617 | 2 | |
| Total current assets | 151,213 | 11,832 | 38, |
| Property, Plant, and Equipment: | | | |
| In service | 4,403 | 839 | 320, |
| Less accumulated provision for depreciation | 3,720 | 294 | 92, |
| | 683 | 545 | 227, |
| Nuclear fuel, at amortized cost | - | - | |
| Construction work in progress | - | - | 10, |
| Total property, plant, and equipment | 683 | 545 | 237, |
| Other Property and Investments: | | | |
| Equity investments in unconsolidated subsidiaries | 952 | 17,539 | |
| Nuclear decommissioning trusts, at fair value | - | - | |
| Leveraged Leases | - | - | |
| Other | - | 2,511 | |
| Total other property and investments | 952 | 20,050 | |
| Deferred Charges and Other Assets: | | | |
| Deferred charges related to income taxes | - | - | |
| Prepaid pension costs | - | - | |
| Debt expense, being amortized | - | - | |
| Premium on reacquired debt, being amortized | - | - | |
| Department of Energy assessments | - | - | |
| Other | 48,407 | 3,869 | |
| Total deferred charges and other assets | 48,407 | 3,869 | |
| Total Assets | \$ 201,255 | \$ 36,296 | \$ 276, |

(Continued on following page)

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING BALANCE SHEET -- DECEMBER 31, 2001
(Stated in Thousands of Dollars)
(Continued)

| ASSETS | Cash Trust | Change In Control Trust | Southern Holdings |
|---|---------------|-------------------------------|----------------------|
| Current Assets: | | | |
| Cash and cash equivalents | \$ - | \$ 1 | \$ 85,395 |
| Special Deposits | - | - | - |
| Receivables -- | | | |
| Customer accounts receivable | - | - | - |
| Other accounts and notes receivable | - | 204 | 16,720 |
| Affiliated companies | - | - | 16,824 |
| Accumulated provision for uncollectible accounts | - | - | (274) |
| Unrecovered retail fuel clause revenue | - | - | - |
| Refundable income taxes | - | - | - |
| Fossil fuel stock, at average cost | - | - | - |
| Materials and supplies, at average cost | - | - | 1,556 |
| Other | - | - | 1,559 |
| <hr/> | | | |
| Total current assets | - | 205 | 121,780 |
| <hr/> | | | |
| Property, Plant, and Equipment: | | | |
| In service | - | - | 10,467 |
| Less accumulated provision for depreciation | - | - | 1,364 |
| <hr/> | | | |
| | - | - | 9,103 |
| Nuclear fuel, at amortized cost | - | - | - |
| Construction work in progress | - | - | 3,897 |
| <hr/> | | | |
| Total property, plant, and equipment | - | - | 13,000 |
| <hr/> | | | |
| Other Property and Investments: | | | |
| Equity investments in unconsolidated subsidiaries | - | - | 78,935 |
| Nuclear decommissioning trusts, at fair value | - | - | - |
| Leveraged Leases | - | - | 655,308 |
| Other | 843 | 19,725 | 979,383 |
| <hr/> | | | |
| Total other property and investments | 843 | 19,725 | 1,713,626 |
| <hr/> | | | |
| Deferred Charges and Other Assets: | | | |
| Deferred charges related to income taxes | - | - | - |
| Prepaid pension costs | - | - | - |
| Debt expense, being amortized | - | - | 25,324 |
| Premium on reacquired debt, being amortized | - | - | - |
| Department of Energy assessments | - | - | - |
| Other | - | - | 40,146 |
| <hr/> | | | |

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| | | | |
|---|--------|-----------|-------------|
| Total deferred charges and other assets | - | - | 65,470 |
| Total Assets | \$ 843 | \$ 19,930 | \$1,913,876 |

(Continued on following page)

A-7b

THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING BALANCE SHEET -- DECEMBER 31, 2001
(Stated in Thousands of Dollars)
(Continued)

| | Consolidated | Intercompany Elimination and Transfer Add (Deduction) |
|--|---------------|---|
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Securities due within one year | \$ 428,671 | \$ - |
| Notes payable | 1,902,312 | (995,058) |
| Accounts payable -- | | |
| Affiliated | 44 | (378,656) |
| Other | 847,112 | - |
| Customer deposits | 152,579 | - |
| Taxes accrued -- | | |
| Income taxes | 159,764 | (67,941) |
| Other | 193,735 | - |
| Interest accrued | 117,959 | (19,048) |
| Vacation pay accrued | 124,608 | - |
| Other | 445,310 | (1,463) |
| Total current liabilities | 4,372,094 | (1,462,166) |
| Long-term debt (See accompanying statements) | 8,296,878 | (979,383) |
| Deferred Credits and Other Liabilities: | | |
| Accumulated deferred income taxes | 4,087,902 | (93,121) |
| Deferred credits related to income taxes | 500,151 | - |
| Accumulated deferred investment tax credits | 634,020 | - |
| Employee benefits provisions(1) | 449,631 | (151,434) |
| Prepaid capacity revenues | 40,730 | - |
| Other | 814,289 | (5,302) |
| Total deferred credits and other liabilities | 6,526,723 | (249,857) |
| Company obligated mandatorily redeemable preferred securities of subsidiary trusts holding company junior subordinated notes (See accompanying statements) | 2,276,250 | - |
| Cumulative preferred stock of subsidiaries (See accompanying statements) | 368,126 | - |
| Common stockholders' equity (See accompanying statements) | 7,983,975 | (9,820,445) |
| Total Liabilities and Stockholders' Equity | \$ 29,824,046 | \$ (12,511,851) |

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(Continued on following page)

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING BALANCE SHEET -- DECEMBER 31, 2001
(Stated in Thousands of Dollars)
(Continued)

| | Georgia | Gulf |
|--|---------------|-------------|
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Securities due within one year | \$ 311,620 | \$ - |
| Notes payable | 747,537 | 87,311 |
| Accounts payable -- | | |
| Affiliated | 109,591 | 18,202 |
| Other | 409,253 | 39,838 |
| Customer deposits | 83,172 | 14,506 |
| Taxes accrued -- | | |
| Income taxes | 35,247 | 8,162 |
| Other | 125,807 | 8,053 |
| Interest accrued | 46,942 | 8,305 |
| Vacation pay accrued | 41,830 | 4,725 |
| Other | 112,686 | 10,247 |
| <hr/> | | |
| Total current liabilities | 2,023,685 | 199,349 |
| <hr/> | | |
| Long-term debt (See accompanying statements) | 2,961,726 | 467,784 |
| <hr/> | | |
| Deferred Credits and Other Liabilities: | | |
| Accumulated deferred income taxes | 2,163,959 | 161,968 |
| Deferred credits related to income taxes | 229,216 | 28,293 |
| Accumulated deferred investment tax credits | 337,482 | 24,056 |
| Employee benefits provisions(1) | 207,795 | 37,892 |
| Prepaid capacity revenues | - | - |
| Other | 440,774 | 26,045 |
| <hr/> | | |
| Total deferred credits and other liabilities | 3,379,226 | 278,254 |
| <hr/> | | |
| Company obligated mandatorily redeemable preferred securities of subsidiary trusts holding company junior subordinated notes (See accompanying statements) | 789,250 | 115,000 |
| <hr/> | | |
| Cumulative preferred stock of subsidiaries (See accompanying statements) | 14,569 | 4,236 |
| <hr/> | | |
| Common stockholders' equity (See accompanying statements) | 4,397,485 | 504,894 |
| <hr/> | | |
| Total Liabilities and Stockholders' Equity | \$ 13,565,941 | \$1,569,517 |

(Continued on following page)

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A-8b

THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
 CONSOLIDATING BALANCE SHEET -- DECEMBER 31, 2001
 (Stated in Thousands of Dollars)
 (Continued)

| | SEGCO | SCS |
|--|------------|------------|
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Securities due within one year | \$ - | \$ 8,154 |
| Notes payable | 59,734 | - |
| Accounts payable -- | | |
| Affiliated | 12,158 | 67,446 |
| Other | - | 70,234 |
| Customer deposits | - | - |
| Taxes accrued -- | | |
| Income taxes | 2,607 | - |
| Other | 568 | 780 |
| Interest accrued | 150 | 127 |
| Vacation pay accrued | - | 20,587 |
| Other | 104 | 111,412 |
| ----- | | |
| Total current liabilities | 75,321 | 278,740 |
| ----- | | |
| Long-term debt (See accompanying statements) | 26,381 | 44,543 |
| ----- | | |
| Deferred Credits and Other Liabilities: | | |
| Accumulated deferred income taxes | 15,830 | - |
| Deferred credits related to income taxes | 2,359 | - |
| Accumulated deferred investment tax credits | 2,037 | - |
| Employee benefits provisions(1) | - | 85,147 |
| Prepaid capacity revenues | - | - |
| Other | - | 79,222 |
| ----- | | |
| Total deferred credits and other liabilities | 20,226 | 164,369 |
| ----- | | |
| Company obligated mandatorily redeemable preferred securities of subsidiary trusts holding company junior subordinated notes (See accompanying statements) | - | - |
| ----- | | |
| Cumulative preferred stock of subsidiaries (See accompanying statements) | - | - |
| ----- | | |
| Common stockholders' equity (See accompanying statements) | 57,888 | 875 |
| ----- | | |
| Total Liabilities and Stockholders' Equity | \$ 179,816 | \$ 488,527 |
| ===== | | |

(Continued on following page)

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING BALANCE SHEET -- DECEMBER 31, 2001
(Stated in Thousands of Dollars)
(Continued)

| LIABILITIES AND STOCKHOLDERS' EQUITY | Southern Nuclear | Southern Mgt Dev | Southern LINC |
|--|---------------------|---------------------|------------------|
| Current Liabilities: | | | |
| Securities due within one year | \$ - | \$ - | \$ 2 |
| Notes payable | - | - | 122,52 |
| Accounts payable -- | | | |
| Affiliated | 20,138 | 2,183 | 1,83 |
| Other | 10,701 | 1,507 | 8,26 |
| Customer deposits | - | - | |
| Taxes accrued -- | | | |
| Income taxes | 173 | 468 | 1,87 |
| Other | 1,359 | 3 | 1,18 |
| Interest accrued | - | - | 3,66 |
| Vacation pay accrued | 15,773 | - | 1,13 |
| Other | 36,209 | 177 | 7,41 |
| Total current liabilities | 84,353 | 4,338 | 147,92 |
| Long-term debt (See accompanying statements) | - | - | 34 |
| Deferred Credits and Other Liabilities: | | | |
| Accumulated deferred income taxes | - | 183 | 23,63 |
| Deferred credits related to income taxes | - | - | |
| Accumulated deferred investment tax credits | - | - | |
| Employee benefits provisions(1) | 106,009 | 9 | 2,61 |
| Prepaid capacity revenues | - | - | |
| Other | 3,776 | 6,697 | 21,72 |
| Total deferred credits and other liabilities | 109,785 | 6,889 | 47,98 |
| Company obligated mandatorily redeemable preferred securities of subsidiary trusts holding company junior subordinated notes (See accompanying statements) | - | - | |
| Cumulative preferred stock of subsidiaries (See accompanying statements) | - | - | |
| Common stockholders' equity (See accompanying statements) | 7,117 | 25,069 | 80,13 |
| Total Liabilities and Stockholders' Equity | \$ 201,255 | \$ 36,296 | \$ 276,39 |

(1) Includes Post Retirement Life & Medical Provisions, Supplemental and Other Pension Accruals, Early Retirement Incentive Program Costs and Other Work Force Reduction Costs, and Miscellaneous Post Employment Benefits.

The notes to the financial statements (herein incorporated by reference as part of exhibit numbers A-1 through A-6 inclusive) are an integral part of this statement.

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING BALANCE SHEET -- DECEMBER 31, 2001
(Stated in Thousands of Dollars)
(Continued)

| LIABILITIES AND STOCKHOLDERS' EQUITY | Cash Trust | Change In Control Trust | Southern Holdings |
|--|---------------|-------------------------------|----------------------|
| Current Liabilities: | | | |
| Securities due within one year | \$ - | \$ - | \$ 22,294 |
| Notes payable | - | - | 5,367 |
| Accounts payable -- | | | |
| Affiliated | - | - | 7,129 |
| Other | - | - | 23,069 |
| Customer deposits | - | - | - |
| Taxes accrued -- | | | |
| Income taxes | - | - | 11,621 |
| Other | - | - | 8 |
| Interest accrued | - | - | 15,004 |
| Vacation pay accrued | - | - | - |
| Other | - | - | 4,132 |
| ----- | | | |
| Total current liabilities | - | - | 88,624 |
| ----- | | | |
| Long-term debt (See accompanying statements) | - | - | 366,088 |
| ----- | | | |
| Deferred Credits and Other Liabilities: | | | |
| Accumulated deferred income taxes | - | - | 203,557 |
| Deferred credits related to income taxes | - | - | - |
| Accumulated deferred investment tax credits | - | - | - |
| Employee benefits provisions(1) | - | - | 1,327 |
| Prepaid capacity revenues | - | - | - |
| Other | - | - | 24,195 |
| ----- | | | |
| Total deferred credits and other liabilities | - | - | 229,079 |
| ----- | | | |
| Company obligated mandatorily redeemable preferred securities of subsidiary trusts holding company junior subordinated notes (See accompanying statements) | - | - | 950,000 |
| ----- | | | |
| Cumulative preferred stock of subsidiaries (See accompanying statements) | - | - | - |
| ----- | | | |
| Common stockholders' equity (See accompanying statements) | 843 | 19,930 | 280,085 |
| ----- | | | |
| Total Liabilities and Stockholders' Equity | \$ 843 | \$ 19,930 | \$1,913,876 |
| ===== | | | |

(1) Includes Post Retirement Life & Medical Provisions, Supplemental and Other Pension Accruals, Early Retirement Incentive Program Costs and Other Work Force Reduction Costs, and Miscellaneous Post Employment Benefits.

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The notes to the financial statements (herein incorporated by reference as part of exhibit numbers A-1 through A-6 inclusive) are an integral part of this statement.

A-9b

THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF CAPITALIZATION -- DECEMBER 31, 2001
(Stated in Thousands of Dollars)

| | Consolidated | Intercompany Eliminations and Transfers Add (Deduct) |
|--|----------------|---|
| Long-Term Debt of Subsidiaries: | | |
| First mortgage bonds -- | | |
| Maturity | Interest Rates | |
| 2005 | 6.07% | \$ 1,860 |
| 2006 | 6.50% to 6.90% | 45,000 |
| 2021 through 2025 | 6.88% to 7.75% | 437,558 |
| 2026 through 2030 | 6.88% | 30,000 |
| <hr/> | | |
| Total first mortgage bonds | 514,418 | - |
| <hr/> | | |
| Long-term notes payable -- | | |
| 4.69% to 9.75% due 2002-2005 | 1,833,897 | - |
| 5.38% to 7.63% due 2006-2009 | 595,366 | - |
| 6.10% to 6.70% due 2010-2016 | 304,622 | - |
| 6.38% to 8.12% due 2018-2038 | 788,369 | - |
| 6.63% to 7.13% due 2039-2048 | 1,028,800 | - |
| Adjustable rates (1.98% to 3.44% at 1/1/02) due 2002-2005 | 1,077,587 | - |
| Long-term notes payable to affiliates | - | (979,383) |
| <hr/> | | |
| Total long-term notes payable | 5,628,641 | (979,383) |
| <hr/> | | |
| Other long-term debt -- Pollution control revenue bonds -- Collateralized: | | |
| 5.25% to 6.30% due 2006-2026 | 167,645 | - |
| Variable rates (1.61% to 1.95% at 1/1/02) due 2015-2017 | 89,800 | - |
| Non-collateralized: | | |
| 4.20% to 5.45% due 2012-2034 | 726,260 | - |
| Variable rates (1.75% to 2.05% at 1/1/02) due 2011-2037 | 1,565,775 | - |
| <hr/> | | |
| Total other long-term debt | 2,549,480 | - |
| <hr/> | | |
| Capitalized lease obligations | 92,068 | - |
| <hr/> | | |
| Unamortized debt premium (discount), net | (59,058) | - |
| <hr/> | | |
| Total long-term debt (annual interest requirement -- \$443 million) | 8,725,549 | (979,383) |
| Less amount due within one year | 428,671 | - |
| <hr/> | | |
| Long-term debt excluding amount due within one year | \$ 8,296,878 | \$ (979,383) |

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A-10a

THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF CAPITALIZATION -- DECEMBER 31, 2001
(Stated in Thousands of Dollars)

| | Georgia | Gulf | Missis |
|--|----------------|-------------|------------|
| Long-Term Debt of Subsidiaries: | | | |
| First mortgage bonds -- | | | |
| Maturity | Interest Rates | | |
| 2005 | 6.07% | \$ 1,860 | \$ - |
| 2006 | 6.50% to 6.90% | - | 25,000 |
| 2021 through 2025 | 6.88% to 7.75% | - | - |
| 2026 through 2030 | 6.88% | - | 30,000 |
| Total first mortgage bonds | | 1,860 | 55,000 |
| Long-term notes payable -- | | | |
| 4.69% to 9.75% due 2002-2005 | | 500,000 | 110,000 |
| 5.38% to 7.63% due 2006-2009 | | 150,000 | - |
| 6.10% to 6.70% due 2010-2016 | | 100,000 | 75,000 |
| 6.38% to 8.12% due 2018-2038 | | 200,000 | 67,211 |
| 6.63% to 7.13% due 2039-2048 | | 245,000 | - |
| Adjustable rates (1.98% to 3.44% at 1/1/02) due 2002-2005 | | 300,000 | - |
| Long-term notes payable to affiliates | | - | - |
| Total long-term notes payable | | 1,495,000 | 252,211 |
| Other long-term debt -- Pollution control revenue bonds -- Collateralized: | | | |
| 5.25% to 6.30% due 2006-2026 | | 7,800 | 108,700 |
| Variable rates (1.61% to 1.95% at 1/1/02) due 2015-2017 | | - | - |
| Non-collateralized: | | | |
| 4.20% to 5.45% due 2012-2034 | | 701,760 | - |
| Variable rates (1.75% to 2.05% at 1/1/02) due 2011-2037 | | 984,130 | 60,930 |
| Total other long-term debt | | 1,693,690 | 169,630 |
| Capitalized lease obligations | | 83,371 | - |
| Unamortized debt premium (discount), net | | (575) | (9,057) |
| Total long-term debt (annual interest requirement -- \$443 million) | | 3,273,346 | 467,784 |
| Less amount due within one year | | 311,620 | - |
| Long-term debt excluding amount due within one year | | \$2,961,726 | \$ 467,784 |

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(Continued on following page)

A-10b

THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF CAPITALIZATION -- DECEMBER 31, 2001
(Stated in Thousands of Dollars)

| | SCS | Southern Nuclear |
|--|----------------|---------------------|
| Long-Term Debt of Subsidiaries: | | |
| First mortgage bonds -- | | |
| Maturity | Interest Rates | |
| 2005 | 6.07% | \$ - |
| 2006 | 6.50% to 6.90% | - |
| 2021 through 2025 | 6.88% to 7.75% | - |
| 2026 through 2030 | 6.88% | - |
| ----- | | |
| Total first mortgage bonds | | - |
| ----- | | |
| Long-term notes payable -- | | |
| 4.69% to 9.75% due 2002-2005 | 12,697 | - |
| 5.38% to 7.63% due 2006-2009 | 40,000 | - |
| 6.10% to 6.70% due 2010-2016 | - | - |
| 6.38% to 8.12% due 2018-2038 | - | - |
| 6.63% to 7.13% due 2039-2048 | - | - |
| Adjustable rates (1.98% to 3.44% at 1/1/02) due 2002-2005 | - | - |
| Long-term notes payable to affiliates | - | - |
| ----- | | |
| Total long-term notes payable | 52,697 | - |
| ----- | | |
| Other long-term debt -- Pollution control revenue bonds -- Collateralized: | | |
| 5.25% to 6.30% due 2006-2026 | - | - |
| Variable rates (1.61% to 1.95% at 1/1/02) due 2015-2017 | - | - |
| Non-collateralized: | | |
| 4.20% to 5.45% due 2012-2034 | - | - |
| Variable rates (1.75% to 2.05% at 1/1/02) due 2011-2037 | - | - |
| ----- | | |
| Total other long-term debt | - | - |
| ----- | | |
| Capitalized lease obligations | - | - |
| ----- | | |
| Unamortized debt premium (discount), net | - | - |
| ----- | | |
| Total long-term debt (annual interest requirement -- \$443 million) | 52,697 | - |
| Less amount due within one year | 8,154 | - |
| ----- | | |
| Long-term debt excluding amount due within one year | \$ 44,543 | \$ - |
| ----- | | |

(Continued on following page)

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
 CONSOLIDATING STATEMENT OF CAPITALIZATION -- DECEMBER 31, 2001
 (Stated in Thousands of Dollars)
 (Continued)

| | Southern Mgt Dev | Southern LINC | Powe |
|--|---------------------|------------------|------|
| Long-Term Debt of Subsidiaries: | | | |
| First mortgage bonds -- | | | |
| Maturity | Interest Rates | | |
| 2005 | 6.07% | \$ - | \$ - |
| 2006 | 6.50% to 6.90% | - | - |
| 2021 through 2025 | 6.88% to 7.75% | - | - |
| 2026 through 2030 | 6.88% | - | - |
| ----- | | | |
| Total first mortgage bonds | - | - | |
| ----- | | | |
| Long-term notes payable -- | | | |
| 4.69% to 9.75% due 2002-2005 | | - | - |
| 5.38% to 7.63% due 2006-2009 | | - | 366 |
| 6.10% to 6.70% due 2010-2016 | | - | - |
| 6.38% to 8.12% due 2018-2038 | | - | - |
| 6.63% to 7.13% due 2039-2048 | | - | - |
| Adjustable rates (1.98% to 3.44% at 1/1/02) due 2002-2005 | | - | - |
| Long-term notes payable to affiliates | | - | - |
| ----- | | | |
| Total long-term notes payable | - | 366 | |
| ----- | | | |
| Other long-term debt -- Pollution control revenue bonds -- Collateralized: | | | |
| 5.25% to 6.30% due 2006-2026 | | - | - |
| Variable rates (1.61% to 1.95% at 1/1/02) due 2015-2017 | | - | - |
| Non-collateralized: | | | |
| 4.20% to 5.45% due 2012-2034 | | - | - |
| Variable rates (1.75% to 2.05% at 1/1/02) due 2011-2037 | | - | - |
| ----- | | | |
| Total other long-term debt | - | - | |
| ----- | | | |
| Capitalized lease obligations | - | - | |
| ----- | | | |
| Unamortized debt premium (discount), net | - | - | |
| ----- | | | |
| Total long-term debt (annual interest requirement -- \$443 million) | - | 366 | |
| Less amount due within one year | - | 23 | |
| ----- | | | |
| Long-term debt excluding amount due within one year | \$ - | \$ 343 | \$ - |
| ----- | | | |

(Continued on following page)

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A-11a

THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF CAPITALIZATION -- DECEMBER 31, 2001
(Stated in Thousands of Dollars)
(Continued)

| | | Change In Control Trust | Southern Holdings |
|--|----------------|-------------------------------|----------------------|
| Long-Term Debt of Subsidiaries: | | | |
| First mortgage bonds -- | | | |
| Maturity | Interest Rates | | |
| 2005 | 6.07% | \$ - | \$ - |
| 2006 | 6.50% to 6.90% | - | - |
| 2021 through 2025 | 6.88% to 7.75% | - | - |
| 2026 through 2030 | 6.88% | - | - |
| ----- | | | |
| Total first mortgage bonds | | - | - |
| ----- | | | |
| Long-term notes payable -- | | | |
| 4.69% to 9.75% due 2002-2005 | | - | - |
| 5.38% to 7.63% due 2006-2009 | | - | - |
| 6.10% to 6.70% due 2010-2016 | | - | - |
| 6.38% to 8.12% due 2018-2038 | | - | 153,000 |
| 6.63% to 7.13% due 2039-2048 | | - | - |
| Adjustable rates (1.98% to 3.44% at 1/1/02) due 2002-2005 | | - | 235,382 |
| Long-term notes payable to affiliates | | - | - |
| ----- | | | |
| Total long-term notes payable | | - | 388,382 |
| ----- | | | |
| Other long-term debt -- Pollution control revenue bonds -- Collateralized: | | | |
| 5.25% to 6.30% due 2006-2026 | | - | - |
| Variable rates (1.61% to 1.95% at 1/1/02) due 2015-2017 | | - | - |
| Non-collateralized: | | | |
| 4.20% to 5.45% due 2012-2034 | | - | - |
| Variable rates (1.75% to 2.05% at 1/1/02) due 2011-2037 | | - | - |
| ----- | | | |
| Total other long-term debt | | - | - |
| ----- | | | |
| Capitalized lease obligations | | - | - |
| ----- | | | |
| Unamortized debt premium (discount), net | | - | - |
| ----- | | | |
| Total long-term debt (annual interest requirement -- \$443 million) | | - | 388,382 |
| Less amount due within one year | | - | 22,294 |
| ----- | | | |
| Long-term debt excluding amount due within one year | | \$ - | \$ 366,088 |
| ----- | | | |

(Continued on following page)

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A-11b

THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF CAPITALIZATION -- DECEMBER 31, 2001
(Stated in Thousands of Dollars)
(Continued)

| | Consolidated | Intercompany Eliminations and Transfers Add (Deduct) | Sout |
|---|---------------|---|-----------|
| Company or Subsidiary Obligated Mandatorily Redeemable Capital and Preferred Securities: | | | |
| \$25 liquidation value -- | | | |
| 6.85% to 7.00% | \$ 435,000 | \$ - | \$ |
| 7.13% to 7.38% | 327,000 | - | |
| 7.60% to 7.63% | 415,000 | - | |
| 7.75% | 649,250 | - | |
| 8.14% to 8.19% | 400,000 | - | |
| Auction rate (6.52% at 1/1/02) | 50,000 | - | |
| ----- | | | |
| Total (annual distribution requirement -- \$170 million) | 2,276,250 | - | |
| ----- | | | |
| Cumulative Preferred Stock of Subsidiaries: | | | |
| \$100 par or stated value -- | | | |
| 4.20% to 7.00% | 98,126 | - | |
| \$25 par or stated value -- | | | |
| 5.20% to 5.83% | 200,000 | - | |
| Adjustable and auction rates -- at 1/1/02 | | | |
| 3.10% to 3.56% | 70,000 | - | |
| ----- | | | |
| Total (annual dividend requirement -- \$18 million) | 368,126 | - | |
| Less amount due within one year | - | - | |
| ----- | | | |
| Total excluding amount due within one year | 368,126 | - | |
| ----- | | | |
| Common Stockholders' Equity: | | | |
| Common stock, par value \$5 per share -- | | | |
| Authorized - 1 billion shares | | | |
| Issued: 701 million shares | | | |
| Treasury: 2 million shares | | | |
| Par value | 3,503,112 | (715,306) | 3,503,1 |
| Paid-in capital | 14,381 | (5,637,936) | 13,9 |
| Treasury, at cost | (57,309) | (308) | (57,0 |
| Retained earnings | 4,516,642 | (3,466,895) | 4,516,6 |
| Accumulated other comprehensive income | 7,149 | - | |
| ----- | | | |
| Total common stockholders' equity | 7,983,975 | (9,820,445) | 7,976,6 |
| ----- | | | |
| Total Capitalization | \$ 18,925,229 | \$ (10,799,828) | \$8,956,0 |

(Continued on following page)

A-12a

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF CAPITALIZATION -- DECEMBER 31, 2001
(Stated in Thousands of Dollars)
(Continued)

| | Gulf | Mississippi | Savannah |
|---|--------------------|------------------|-------------------|
| Company or Subsidiary Obligated Mandatorily Redeemable Capital and Preferred Securities: \$25 liquidation value -- | | | |
| 6.85% to 7.00% | \$ 45,000 | \$ - | \$ 40,000 |
| 7.13% to 7.38% | 30,000 | - | - |
| 7.60% to 7.63% | 40,000 | - | - |
| 7.75% | - | 35,000 | - |
| 8.14% to 8.19% | - | - | - |
| Auction rate (6.52% at 1/1/02) | - | - | - |
| Total (annual distribution requirement -- \$170 million) | 115,000 | 35,000 | 40,000 |
| Cumulative Preferred Stock of Subsidiaries: \$100 par or stated value -- | | | |
| 4.20% to 7.00% | 4,236 | 31,809 | - |
| \$25 par or stated value -- | | | |
| 5.20% to 5.83% | - | - | - |
| Adjustable and auction rates -- at 1/1/02 | | | |
| 3.10% to 3.56% | - | - | - |
| Total (annual dividend requirement -- \$18 million) | 4,236 | 31,809 | - |
| Less amount due within one year | - | - | - |
| Total excluding amount due within one year | 4,236 | 31,809 | - |
| Common Stockholders' Equity: Common stock, par value \$5 per share -- Authorized - 1 billion shares Issued: 701 million shares Treasury: 2 million shares | | | |
| Par value | 38,060 | 37,691 | 54,223 |
| Paid-in capital | 305,972 | 267,582 | 12,826 |
| Treasury, at cost | - | - | - |
| Retained earnings | 160,862 | 186,407 | 109,869 |
| Accumulated other comprehensive income | - | - | - |
| Total common stockholders' equity | 504,894 | 491,680 | 176,918 |
| Total Capitalization | \$1,091,914 | \$792,242 | \$ 377,627 |

(Continued on following page)

A-12b

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(Stated in Thousands of Dollars)
(Continued)

| | Southern Mgt Dev | Southern LINC | Powe |
|--|---------------------|------------------|---------|
| Company or Subsidiary Obligated Mandatorily Redeemable Capital and Preferred Securities: | | | |
| \$25 liquidation value -- | | | |
| 6.85% to 7.00% | \$ - | \$ - | \$ - |
| 7.13% to 7.38% | - | - | |
| 7.60% to 7.63% | - | - | |
| 7.75% | - | - | |
| 8.14% to 8.19% | - | - | |
| Auction rate (6.52% at 1/1/02) | - | - | |
| ----- | | | |
| Total (annual distribution requirement -- \$170 million) | - | - | |
| ----- | | | |
| Cumulative Preferred Stock of Subsidiaries: | | | |
| \$100 par or stated value -- | | | |
| 4.20% to 7.00% | - | - | |
| \$25 par or stated value -- | | | |
| 5.20% to 5.83% | - | - | |
| Adjustable and auction rates -- at 1/1/02 | | | |
| 3.10% to 3.56% | - | - | |
| ----- | | | |
| Total (annual dividend requirement -- \$18 million) | - | - | |
| Less amount due within one year | - | - | |
| ----- | | | |
| Total excluding amount due within one year | - | - | |
| ----- | | | |
| Common Stockholders' Equity: | | | |
| Common stock, par value \$5 per share -- | | | |
| Authorized - 1 billion shares | | | |
| Issued: 701 million shares | | | |
| Treasury: 2 million shares | | | |
| Par value | 1 | 1 | |
| Paid-in capital | 66,588 | 157,735 | 15,99 |
| Treasury, at cost | - | - | |
| Retained earnings | (41,520) | (77,597) | (14,54 |
| Accumulated other comprehensive income | - | - | |
| ----- | | | |
| Total common stockholders' equity | 25,069 | 80,139 | 1,44 |
| ----- | | | |
| Total Capitalization | \$ 25,069 | \$ 80,482 | \$ 1,44 |
| ===== | | | |

The notes to the financial statements (herein incorporated by reference as part of exhibit number inclusive) are an integral part of this statement.

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(Stated in Thousands of Dollars)

(Continued)

| | Change In Control Trust | Southern Holding |
|--|-------------------------------|---------------------|
| Company or Subsidiary Obligated Mandatorily Redeemable Capital and Preferred Securities: | | |
| \$25 liquidation value -- | | |
| 6.85% to 7.00% | \$ - | \$ 150,000 |
| 7.13% to 7.38% | - | 200,000 |
| 7.60% to 7.63% | - | - |
| 7.75% | - | 200,000 |
| 8.14% to 8.19% | - | 400,000 |
| Auction rate (6.52% at 1/1/02) | - | - |
| ----- | | |
| Total (annual distribution requirement -- \$170 million) | - | 950,000 |
| ----- | | |
| Cumulative Preferred Stock of Subsidiaries: | | |
| \$100 par or stated value -- | | |
| 4.20% to 7.00% | - | - |
| \$25 par or stated value -- | | |
| 5.20% to 5.83% | - | - |
| Adjustable and auction rates -- at 1/1/02 | | |
| 3.10% to 3.56% | - | - |
| ----- | | |
| Total (annual dividend requirement -- \$18 million) | - | - |
| Less amount due within one year | - | - |
| ----- | | |
| Total excluding amount due within one year | - | - |
| ----- | | |
| Common Stockholders' Equity: | | |
| Common stock, par value \$5 per share -- | | |
| Authorized - 1 billion shares | | |
| Issued: 701 million shares | | |
| Treasury: 2 million shares | | |
| Par value | - | 10 |
| Paid-in capital | 17,815 | 265,842 |
| Treasury, at cost | - | - |
| Retained earnings | 1,512 | 14,233 |
| Accumulated other comprehensive income | 603 | - |
| ----- | | |
| Total common stockholders' equity | 19,930 | 280,085 |
| ----- | | |
| Total Capitalization | \$ 19,930 | \$1,596,173 |
| ===== | | |

The notes to the financial statements (herein incorporated by reference as part of exhibit number inclusive) are an integral part of this statement.

A-13b

THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF RETAINED EARNINGS

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FOR THE YEAR ENDED DECEMBER 31, 2001

(Stated in Thousands of Dollars)

| | Consolidated | Intercompany Eliminations and Transfers Add (Deduct) | South |
|---|--------------|---|------------|
| Balance, December 31, 2000 | \$4,671,881 | \$ (3,503,902) | \$ 4,671,8 |
| ADD: | | | |
| Net Income After Preferred Dividends | 1,261,731 | (1,396,419) | 1,261,7 |
| ADD (DEDUCT): | | | |
| Dividends on Common Stock of Southern Company | (922,058) | - | (922,0 |
| Dividends on Common Stock of Subsidiary Companies | - | 1,083,563 | |
| Mirant spin off distribution(1) | (391,010) | 340,665 | (391,0 |
| Loss on Issuance of Treasury Stock | (92,458) | - | (92,4 |
| Other Adjustments to Retained Earnings | (11,444) | 9,198 | (11,4 |
| <hr style="border-top: 1px dashed black;"/> | | | |
| Balance, December 31, 2001 | \$4,516,642 | \$ (3,466,895) | \$ 4,516,6 |
| <hr style="border-top: 3px double black;"/> | | | |
| | Gulf | Mississippi | Savannah |
| Balance, December 31, 2000 | \$ 155,830 | \$172,720 | \$109,506 |
| ADD: | | | |
| Net Income After Preferred Dividends | 58,307 | 63,887 | 22,063 |
| ADD (DEDUCT): | | | |
| Dividends on Common Stock of Southern Company | - | - | - |
| Dividends on Common Stock of Subsidiary Companies | (53,275) | (50,200) | (21,700) |
| Mirant spin off distribution(1) | - | - | - |
| Loss on Issuance of Treasury Stock | - | - | - |
| Other Adjustments to Retained Earnings | - | - | - |
| <hr style="border-top: 1px dashed black;"/> | | | |
| Balance, December 31, 2001 | \$ 160,862 | \$186,407 | \$109,869 |
| <hr style="border-top: 3px double black;"/> | | | |
| | Mirant (2) | Southern Mgt Dev | Sou L |
| Balance, December 31, 2000 | \$ 166,281 | \$ (42,590) | \$ (80,61 |
| ADD: | | | |
| Net Income After Preferred Dividends | 182,814 | 1,070 | 3,01 |
| ADD (DEDUCT): | | | |
| Dividends on Common Stock of Southern Company | - | - | |

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| | | |
|---|-----------|---|
| Dividends on Common Stock of Subsidiary Companies | - | - |
| Mirant spin off distribution(1) | (340,665) | - |
| Loss on Issuance of Treasury Stock | - | - |
| Other Adjustments to Retained Earnings | (8,430) | - |

Balance, December 31, 2001 \$ - \$ (41,520) \$ (77,59)
=====

| | Change In Control Trust | Deferred Cash Trust | Southern Power |
|---|-------------------------------|---------------------------|-------------------|
| Balance, December 31, 2000 | \$ 573 | \$ - | \$ - |
| ADD: | | | |
| Net Income After Preferred Dividends | 1,029 | 50 | 8,207 |
| ADD (DEDUCT): | | | |
| Dividends on Common Stock of Southern Company | - | - | - |
| Dividends on Common Stock of Subsidiary Companies | - | - | - |
| Mirant spin off distribution(1) | - | - | - |
| Loss on Issuance of Treasury Stock | - | - | - |
| Other Adjustments to Retained Earnings | (90) | - | - |

Balance, December 31, 2001 \$ 1,512 \$ 50 \$ 8,207
=====

(1) Effective April 2, 2001, SOUTHERN completed a spin off of Mirant (formerly Southern Energy). As a result of the spin off, the financial statements for the year 2001 have been prepared with Mirant reflected as discontinued operations. For further details, see note 11 in the Annual Report of SOUTHERN on Form 10-K.

(2) Includes only consolidated financial information for Southern Energy Finance Capital Corporation and Southern Company Capital Funding, which were retained by SOUTHERN through a tax-free distribution from Mirant as discussed in SOUTHERN's Application on Form U-1 (File No. 70-9727). All other Mirant information is reflected as discontinued operations.

The notes to the financial statements (herein incorporated by reference as part of exhibit numbers A-1 through A-6 inclusive) are an integral part of this statement.

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENT OF PAID IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2001
(Stated in Thousands of Dollars)

| | Intercompany Eliminations and Transfers | |
|--------------|---|----------|
| Consolidated | Add (Deduct) | Southern |

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| | | | | |
|---|--------------|----------------|-------------|------|
| Balance, December 31, 2000 | \$ 3,152,984 | \$ (8,700,933) | \$3,153,461 | \$1, |
| ADD (DEDUCT): | | | | |
| Contributions & adjustments to capital for the twelve month period | - | (1,058,139) | - | |
| Capital distribution to SOUTHERN for the twelve month period | - | 23,963 | - | |
| Mirant spin off distribution(1) | (3,167,858) | 4,096,724 | (3,167,858) | |
| Other | 28,778 | 449 | 28,329 | |
| ----- | | | | |
| Balance, December 31, 2001 | \$ 13,904 | \$ (5,637,936) | \$ 13,932 | \$1, |
| ===== | | | | |

| | Mississippi | Savannah | SEGCO | SCS |
|---|-------------|----------|----------|--------|
| Balance, December 31, 2000 | \$194,161 | \$11,265 | \$32,973 | \$ 150 |
| ADD (DEDUCT): | | | | |
| Contributions & adjustments to capital for the twelve month period | 73,095 | 1,561 | (33) | - |
| Capital distribution to SOUTHERN for the twelve month period | - | - | - | - |
| Mirant spin off distribution(1) | - | - | - | - |
| Other | - | - | - | - |
| ----- | | | | |
| Balance, December 31, 2001 | \$267,256 | \$12,826 | \$32,940 | \$ 150 |
| ===== | | | | |

| | Mirant (2) | Southern Mgt Dev | Southern LINC | Pow |
|--|--------------|---------------------|------------------|------|
| Balance, December 31, 2000 | \$ 4,084,406 | \$ 84,551 | \$ 157,539 | \$ 2 |
| ADD (DEDUCT): | | | | |
| Contributions & adjustments to capital | | | | |

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| | | | | |
|----------------------------------|-------------|-----------|------------|------|
| for the twelve month period | 12,318 | - | 196 | |
| Capital distribution to SOUTHERN | | | | |
| for the twelve month period | - | (17,963) | - | |
| Mirant spin off distribution(1) | (4,096,724) | - | - | |
| Other | - | - | - | |
| ----- | | | | |
| Balance, December 31, 2001 | \$ - | \$ 66,588 | \$ 157,735 | \$ 1 |
| ===== | | | | |

| | Change In Cash Trust | Deferred Southern Holdings | Southern Funding | Southern Power |
|--|----------------------------|----------------------------------|---------------------|-------------------|
| Balance, December 31, 2000 | \$ - | \$ - | \$ - | \$ - |
| ADD (DEDUCT): | | | | |
| Contributions & adjustments to capital | | | | |
| for the twelve month period | 783 | 265,842 | 10 | 452,097 |
| Capital distribution to SOUTHERN | | | | |
| for the twelve month period | - | - | - | - |
| Mirant spin off distribution(1) | - | - | - | - |
| Other | - | - | - | - |
| ----- | | | | |
| Balance, December 31, 2001 | \$ 783 | \$265,842 | \$ 10 | \$452,097 |
| ===== | | | | |

(1) Effective April 2, 2001, SOUTHERN completed a spin off of Mirant (formerly Southern Energy). As a result of the spin off, the financial statements for the year 2001 have been prepared with Mirant reflected as discontinued operations. For further details, see note 11 in the Annual Report of SOUTHERN on Form 10-K.

(2) Includes only consolidated financial information for Southern Energy Finance Capital Corporation and Southern Company Capital Funding, which were retained by SOUTHERN through a tax-free distribution from Mirant as discussed in SOUTHERN's Application on Form U-1 (File No. 70-9727). All other Mirant information is reflected as discontinued operations.

The notes to the financial statements (herein incorporated by reference as part of exhibit numbers A-1 through A-6 inclusive) are an integral part of this statement.

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
(Stated in Thousands of Dollars)

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| | Consolidated | Inter Elimi and Tr Add (|
|---|--------------|-----------------------------------|
| Consolidated Net Income | \$ 1,261,731 | \$ (1, |
| ----- | | |
| Other comprehensive income - continuing operations: | | |
| Changes in fair value of qualifying cash flow hedges, net of tax | 6,900 | |
| ----- | | |
| Total Other Comprehensive Income - continuing operations | 6,900 | |
| ----- | | |
| Other comprehensive income - discontinued operations: | | |
| Cumulative effect of accounting change for qualifying hedges, net of tax of \$(121) million | (249,246) | |
| Changes in fair value of qualifying hedges, net of tax of \$(51) million | (103,962) | |
| Less: Reclassification adjustment for amounts included in net income, net of tax of \$29 million | 59,858 | |
| Foreign currency translation adjustments, net of tax \$(22) million | (21,200) | |
| ----- | | |
| Total Other Comprehensive Income - discontinued operations | (314,550) | |
| ----- | | |
| Consolidated Comprehensive Income | \$ 954,081 | \$ (1, |
| ===== | | |

THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
(Stated in Thousands of Dollars)

| | Georgia | South Powe |
|---|------------|---------------|
| Consolidated Net Income | \$ 610,335 | \$ |
| ----- | | |
| Other comprehensive income - continuing operations: | | |
| Changes in fair value of qualifying cash flow hedges, net of tax | (153) | |
| ----- | | |
| Total Other Comprehensive Income - continuing operations | (153) | |
| ----- | | |
| Other comprehensive income - discontinued operations: | | |
| Cumulative effect of accounting change for qualifying hedges, net of tax of \$(121) million | - | |
| Changes in fair value of qualifying hedges, net of tax of \$(51) million | - | |
| Less: Reclassification adjustment for amounts included in net income, net of tax of \$29 million | - | |
| Foreign currency translation adjustments, net of tax \$(22) million | - | |
| ----- | | |
| Total Other Comprehensive Income - discontinued operations | - | |
| ----- | | |
| Consolidated Comprehensive Income | \$ 610,182 | \$ 1 |
| ===== | | |

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
(Stated in Thousands of Dollars)

| | Deferred Cash Trust | Change In Control Trust |
|---|---------------------------|-------------------------------|
| Consolidated Net Income | \$ 50 | \$ 1,029 |
| ----- | | |
| Other comprehensive income - continuing operations: | | |
| Changes in fair value of qualifying cash flow hedges, net of tax | 10 | 354 |
| ----- | | |
| Total Other Comprehensive Income - continuing operations | 10 | 354 |
| ----- | | |
| Other comprehensive income - discontinued operations: | | |
| Cumulative effect of accounting change for qualifying hedges, net of tax of \$(121) million | - | - |
| Changes in fair value of qualifying hedges, net of tax of \$(51) million | - | - |
| Less: Reclassification adjustment for amounts included in net income, net of tax of \$29 million | - | - |
| Foreign currency translation adjustments, net of tax \$(22) million | - | - |
| ----- | | |
| Total Other Comprehensive Income - discontinued operations | - | - |
| ----- | | |
| Consolidated Comprehensive Income | \$ 60 | \$ 1,383 |
| ===== | | |

THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
CONSOLIDATING STATEMENTS OF ACCUMULATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
(Stated in Thousands of Dollars)

| | Consolidated | Intercompany Eliminations and Transfers Add (Deduct) |
|--|--------------|---|
| Balance at beginning of period - continuing operations | \$ 249 | \$ - |
| Change in current period - continuing operations | 6,900 | - |
| ----- | | |
| BALANCE AT END OF PERIOD - Continuing Operations | 7,149 | - |
| ----- | | |
| Balance at beginning of period - discontinued operations | (93,847) | 23,013 |
| Change in current period - discontinued operations | (314,550) | 77,134 |
| Impact of Mirant spin off(1) | 408,397 | (100,147) |
| ----- | | |
| BALANCE AT END OF PERIOD - Discontinued Operations | - | - |
| ----- | | |
| Total Accumulated Other Comprehensive Income | \$ 7,149 | \$ - |

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THE SOUTHERN COMPANY AND SUBSIDIARY COMPANIES
 CONSOLIDATING STATEMENTS OF ACCUMULATED OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED DECEMBER 31, 2001
 (Stated in Thousands of Dollars)

| | Mirant (2) | Deferred Cash Trust |
|---|-------------|---------------------------|
| Balance at beginning of period - continuing operations | \$ - | \$ - |
| Change in current period - continuing operations | - | 10 |
| BALANCE AT END OF PERIOD - Continuing Operations | - | 10 |
| Balance at beginning of period - discontinued operations | (116,860) | - |
| Change in current period - discontinued operations | (391,684) | - |
| Impact of Mirant spin off(1) | 508,544 | - |
| BALANCE AT END OF PERIOD - Discontinued Operations | - | - |
| Total Accumulated Other Comprehensive Income | \$ - | \$ 10 |

(1) Effective April 2, 2001, SOUTHERN completed a spin off of Mirant (formerly Southern Energy). the financial statements for the year 2001 have been prepared with Mirant reflected as discontinued details, see note 11 in the Annual Report of SOUTHERN on Form 10-K.

(2) Includes only consolidated financial information for Southern Energy Finance Capital Corporation Funding, which were retained by SOUTHERN through a tax-free distribution from Mirant as discussed Form U-1 (File No. 70-9727). All other Mirant information is reflected as discontinued operations

(3) Consolidating Statement of Comprehensive Income breaks out only consolidated subsidiaries which comprehensive income. See Consolidating Statement of Income for details of other subsidiaries net

The notes to the financial statements (herein incorporated by reference as part of exhibit numbers inclusive) are an integral part of this statement.

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Notes to Financial Statements
 at December 31, 2001

The notes to the financial statements are herein incorporated by reference as part of exhibit numbers A-1 through A-6 inclusive and are an integral part of the financial statements.

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ALABAMA POWER COMPANY AND
CONSOLIDATED STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2011
(in thousands)

| | ALABAMA Consolidated | Eliminations | ALABAMA CORPORATE |
|--|-------------------------|--------------|----------------------|
| Total Operating Revenues | \$ 3,586,390 | \$ - | \$3,586,390 |
| OPERATING EXPENSES: | | | |
| Operation -- | | | |
| Fuel | 1,000,828 | - | 1,000,828 |
| Purchased power from non-affiliates | 144,991 | - | 144,991 |
| Purchase power from affiliates | 147,967 | - | 147,967 |
| Other | 508,264 | - | 508,264 |
| Maintenance | 275,510 | - | 275,510 |
| Depreciation and amortization | 383,473 | - | 383,473 |
| Taxes other than income taxes | 214,665 | - | 214,665 |
| Total operating expenses | 2,675,698 | - | 2,675,698 |
| Operating Income | 910,692 | | 910,692 |
| Other Income (Expense): | | | |
| Interest income | 15,101 | (26,307) | 15,867 |
| Equity in earnings of unconsolidated subsidiaries | 4,494 | - | 4,494 |
| Other, net | (8,579) | - | (8,579) |
| INCOME BEFORE INTEREST CHARGES | 921,708 | (26,307) | 922,747 |
| Interest and Other: | | | |
| Interest expense, net | 246,436 | (25,541) | 220,895 |
| Distributions on preferred securities of subsidiaries | 24,775 | (766) | - |
| Total interest charges and other, net | 271,211 | (26,307) | 271,977 |
| Earnings Before Income Taxes | 650,497 | - | - |
| Income taxes | 248,597 | - | - |
| Earnings Before Cumulative Effect of Accounting Change | 401,900 | | |
| Cumulative effect of accounting change, net of tax | 353 | | |
| Net Income | 402,253 | - | - |
| Dividends on Preferred Stock | 15,524 | - | - |
| NET INCOME AFTER DIVIDENDS ON PREFERRED STOCK | \$ 386,729 | \$ - | \$ - |

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ALABAMA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001
(in thousands)

| | ALABAMA Consolidated | Eliminations | ALABAMA CORPORATE |
|---|-------------------------|--------------|----------------------|
| Operating Activities: | | | |
| Net Income | \$ 402,253 | \$ - | \$402,253 |
| Adjustments to reconcile consolidated net income to net cash provided by operating activities - | | | |
| Depreciation and amortization | 437,490 | - | 437,490 |
| Deferred income taxes and investment tax credits, net | (21,569) | - | (21,569) |
| Other, net | (122,651) | - | (122,651) |
| Change in current assets and liabilities - | | | |
| Receivables, net | 88,325 | - | 88,325 |
| Fossil fuel stock | (38,663) | - | (38,663) |
| Materials and supplies | (13,025) | - | (13,025) |
| Accounts payable | (83,077) | - | (83,077) |
| Energy cost recovery, retail | 154,320 | - | 154,320 |
| Other | 34,503 | - | 34,503 |
| Net cash provided from operating activities | 837,906 | - | 837,906 |
| Investing Activities: | | | |
| Gross property additions | (635,540) | - | (635,540) |
| Sales of property | 102,068 | - | 102,068 |
| Other | (34,771) | - | (34,771) |
| Net cash used for investing activities | (568,243) | - | (568,243) |
| Financing Activities: | | | |
| Increase (decrease) in notes payable, net | (271,347) | - | (271,347) |
| Proceeds-- | | | |
| Common stock | 15,642.00 | - | 15,642 |
| Other long-term debt | 477,000 | - | 477,000 |
| Capital contributions from parent company | 107,313 | - | 107,313 |
| Retirements-- | | | |
| First mortgage bonds | (138,991) | - | (138,991) |
| Other long term debt | (19,021) | - | (19,021) |
| Payment of preferred stock dividends | (14,942) | - | (14,942) |
| Payment of common stock dividends | (393,900) | - | (393,900) |
| Other-- | (9,908) | - | (9,908) |
| Net cash provided from (used for) financing activities | (248,154) | - | (248,154) |
| Net Change in Cash and Cash Equivalents | 21,509 | - | 21,509 |
| Cash and Cash Equivalents at Beginning of Period | 14,247 | - | 14,247 |
| Cash and Cash Equivalents at End of Period | \$ 35,756 | \$ - | \$ 35,756 |

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ALABAMA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2001
(in thousands)

| | ALABAMA Consolidated | Eliminations | ALABAMA CORPORATE |
|--|-------------------------|--------------|----------------------|
| <hr/> | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 35,756 | \$ - | \$ 35,756 |
| Receivables - | | | |
| Customer accounts receivable | 281,985 | - | 281,985 |
| Unrecovered retail fuel clause revenue | 83,497 | - | 83,497 |
| Other accounts and notes receivable | 49,940 | - | 49,940 |
| Affiliated companies | 72,639 | - | 72,639 |
| Accumulated provision for uncollectible accounts | (5,237) | - | (5,237) |
| Fossil fuel stock, at average cost | 99,278 | - | 99,278 |
| Materials and supplies, at average cost | 191,324 | - | 191,324 |
| Other | 74,640 | - | 74,640 |
| <hr/> | | | |
| Total current assets | 883,822 | - | 883,822 |
| <hr/> | | | |
| Property, Plant and Equipment | 8,296,686 | - | 8,296,686 |
| <hr/> | | | |
| Other Property and Investments | 374,494 | (368,472) | 385,230 |
| <hr/> | | | |
| Deferred Charges and Other Assets: | | | |
| Deferred charges related to income taxes | 334,830 | - | 334,830 |
| Debt expense, being amortized | 8,150 | - | 8,150 |
| Premium on reacquired debt, being amortized | 77,173 | - | 77,173 |
| Prepaid pension Costs | 314,100 | - | 314,100 |
| Department of Energy assessments | 21,015 | - | 21,015 |
| Other | 108,031 | - | 108,031 |
| <hr/> | | | |
| Total deferred charges and other assets | 863,299 | - | 863,299 |
| <hr/> | | | |
| Total Assets | \$ 10,418,301 | \$ (368,472) | \$10,429,037 |
| <hr/> | | | |

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AT DECEMBER 31,
(in thousand)

| | ALABAMA Consolidated | Eliminations | ALABAMA CORPORATE | A T |
|--|-------------------------|--------------|----------------------|--------|
| ----- | | | | |
| Current Liabilities: | | | | |
| Securities due within one year | \$ 5,382 | \$ - | \$ 5,382 | \$ |
| Notes payable | 9,996 | - | 9,996 | |
| Accounts payable - | | | | |
| Affiliated | 98,268 | - | 98,268 | |
| Other | 151,705 | - | 151,705 | |
| Customer deposits | 42,124 | - | 42,124 | |
| Taxes accrued | 132,026 | - | 132,026 | |
| Interest accrued | 35,522 | - | 35,522 | |
| Vacation pay accrued | 32,324 | - | 32,324 | |
| Other | 93,589 | - | 93,589 | |
| ----- | | | | |
| Total current liabilities | 600,936 | - | 600,936 | |
| ----- | | | | |
| Long-term debt | 3,742,346 | (357,736) | 3,384,610 | |
| ----- | | | | |
| Deferred Credits and Other Liabilities: | | | | |
| Accumulated deferred income taxes | 1,387,661 | - | 1,387,661 | |
| Deferred credits related to income taxes | 202,881 | - | 202,881 | |
| Accumulated deferred investment tax credits | 238,225 | - | 238,225 | |
| Employee benefits provisions | 99,919 | - | 99,919 | |
| Prepaid capacity revenues | 40,730 | - | 40,730 | |
| Other | 130,214 | - | 130,214 | |
| ----- | | | | |
| Total deferred credits and other liabilities | 2,099,630 | - | 2,099,630 | |
| ----- | | | | |
| Company obligated mandatorily | | | | |
| redeemable preferred securities | 347,000 | (10,736) | - | |
| Cumulative preferred stock | 317,512 | - | - | |
| Common stock equity | 3,310,877 | - | 3,310,877 | |
| ----- | | | | |
| Total Liabilities and Stockholder's Equity | \$ 10,418,301 | \$ (368,472) | \$ 10,429,037 | \$ |
| ----- | | | | |

A-21

Notes to ALABAMA's Consolidated
Financial Statements

- (A) Represents equity in earnings of SEGCO, a non-consolidated subsidiary in which ALABAMA has 50% ownership, which is accounted for on the equity basis. See pages A-2 through A-15 for SEGCO's financial statements consolidated for SOUTHERN.
- (B) Includes \$463,959 in earnings of Alabama Property Company, a non-consolidated subsidiary, which is accounted for on the equity basis. See pages A-23 through A-24 for Alabama Property Company's financial statements.

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(C) Represents ALABAMA's investment in SEGCO.

(D) Includes \$10,417,599 of investments in Alabama Property Company.

A-22

ALABAMA PROPERTY COMPANY
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
(Unaudited; Not Consolidated in Parent, ALABAMA)

| | |
|-------------------------------|------------|
| REVENUES: | |
| Sales of recreational lots | \$ 6,154 |
| Rentals | 141,410 |
| Interest on securities owned | 250,225 |
| Profit on sale of land | 667,011 |
| Non-operating income | 50,388 |
| | ----- |
| Total Revenues | 1,115,188 |
| | |
| COSTS AND EXPENSES: | |
| Operating expenses | 245,309 |
| Taxes other than income taxes | 123,842 |
| Income taxes | 282,078 |
| | ----- |
| Total costs and expenses | 651,229 |
| | ----- |
| NET INCOME | \$ 463,959 |
| | ===== |

ALABAMA PROPERTY COMPANY
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER
31, 2001 (Unaudited; Not
Consolidated in Parent, ALABAMA)

| | |
|--|-------------|
| RETAINED EARNINGS AT DECEMBER 31, 2000 | \$9,493,074 |
| Net Income | 463,959 |
| | ----- |
| RETAINED EARNINGS AT DECEMBER 31, 2001 | \$9,957,033 |
| | ===== |

A-23

ALABAMA PROPERTY COMPANY
BALANCE SHEET AT DECEMBER 31, 2001
(Unaudited; Not Consolidated in Parent, ALABAMA)

ASSETS

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| | |
|--|--------------|
| CURRENT ASSETS: | |
| Cash | \$ 50,288 |
| Temporary cash investments | 6,611,065 |
| Accounts receivable | |
| Other | 2,500 |
| Associated Companies | 36,496 |
| | ----- |
| Total current assets | 6,700,349 |
| PROPERTY AND MINERAL RIGHTS HELD FOR FUTURE DEVELOPMENT | |
| | 3,900,198 |
| | ----- |
| Total Assets | \$10,600,547 |
| | ===== |

LIABILITIES AND CAPITALIZATION

| | |
|---|--------------|
| CURRENT LIABILITIES: | |
| Accounts payable to associated companies | \$ 18,751 |
| Accrued income taxes | 164,177 |
| | ----- |
| Total current liabilities | 182,928 |
| | ----- |
| SHAREHOLDER'S INVESTMENT: | |
| Common stock, \$150 par value; 1,000 shares authorized, issued and outstanding | 150,000 |
| Additional paid-in capital | 310,566 |
| Retained earnings | 9,957,033 |
| | ----- |
| Total shareholder's investment | 10,417,599 |
| | ----- |
| Total liabilities and capitalization | \$10,600,527 |
| | ===== |

A-24

GEORGIA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
(in thousands)

| | GEORGIA Consolidated | Eliminati |
|---------------------------------|-------------------------|-----------|
| TOTAL OPERATING REVENUES | \$ 4,965,794 | \$ (839) |
| OPERATING EXPENSES: | | |
| Operation -- | | |
| Fuel | 939,092 | - |
| Purchased and interchanged, net | 442,196 | - |
| Purchase power from affiliates | 329,232 | - |
| Other | 810,043 | (839) |

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| | | |
|---|------------|----------|
| Maintenance | 430,413 | - |
| Depreciation and amortization | 600,631 | - |
| Taxes other than income taxes | 202,483 | - |
| <hr/> | | |
| Total operating expenses | 3,754,090 | (839) |
| <hr/> | | |
| Operating Income | 1,211,704 | - |
| Other Income (Expense): | | |
| Interest income | 4,264 | (61,828) |
| Equity in earnings of unconsolidated subsidiaries | 4,178 | - |
| Other, net | (2,816) | - |
| <hr/> | | |
| Earnings Before Interest and Income Taxes | 1,217,330 | (61,828) |
| <hr/> | | |
| Interest Charges and Other: | | |
| Interest on long-term debt | 161,562 | (61,828) |
| Interest on notes payable | 24,456 | - |
| Amortization of debt discount, premium and expense, net | 15,078 | - |
| Other interest charges, net | (17,217) | - |
| Distributions on preferred securities of subsidiary companies | 59,104 | - |
| <hr/> | | |
| Total interest charges and other, net | 242,983 | (61,828) |
| <hr/> | | |
| Earnings Before Income Taxes | 974,347 | - |
| <hr/> | | |
| Income taxes | 363,599 | - |
| <hr/> | | |
| Net Income Before Cumulative Effect of Accounting Change | 610,748 | - |
| Cumulative effect of accounting change, net of taxes | 257 | - |
| <hr/> | | |
| Net Income | 611,005 | - |
| Dividends on Preferred Stock | 670 | - |
| <hr/> | | |
| NET INCOME AFTER DIVIDENDS ON PREFERRED STOCK | \$ 610,335 | \$ - |

A-25a

GEORGIA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
(in thousands)

| | GEORGIA TRUST I | GEORGIA TRUST II |
|---------------------------------|--------------------|---------------------|
| <hr/> | | |
| TOTAL OPERATING REVENUES | \$ - | \$ - |
| <hr/> | | |
| OPERATING EXPENSES: | | |
| Operation -- | | |
| Fuel | - | - |
| Purchased and interchanged, net | - | - |
| Purchase power from affiliates | - | - |
| Other | - | - |
| Maintenance | - | - |
| Depreciation and amortization | - | - |
| Taxes other than income taxes | - | - |

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| | | |
|---|--------|--------|
| Total operating expenses | - | - |
| Operating Income | - | - |
| Other Income (Expense): | | |
| Interest income | 17,977 | 13,711 |
| Equity in earnings of unconsolidated subsidiaries | - | - |
| Other, net | - | - |
| Earnings Before Interest and Income Taxes | 17,977 | 13,711 |
| Interest Charges and Other: | | |
| Interest on long-term debt | - | - |
| Interest on notes payable | - | - |
| Amortization of debt discount, premium and expense, net | - | - |
| Other interest charges, net | - | - |
| Distributions on preferred securities of subsidiary companies | 17,437 | 13,300 |
| Total interest charges and other, net | 17,437 | 13,300 |
| Earnings Before Income Taxes | 540 | 411 |
| Income taxes | - | - |
| Net Income Before Cumulative Effect of Accounting Change | 540 | 411 |
| Cumulative effect of accounting change, net of taxes | - | - |
| Net Income | 540 | 411 |
| Dividends on Preferred Stock | - | - |
| NET INCOME AFTER DIVIDENDS ON PREFERRED STOCK | \$ 540 | \$ 411 |

A-25b

GEORGIA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001
(in thousands)

| | GEORGIA Consolidated | Eliminations |
|---|-------------------------|--------------|
| Operating Activities: | | |
| Net Income | \$ 611,005 | \$ - |
| Adjustments to reconcile consolidated net income to net cash provided by operating activities - | | |
| Depreciation and amortization | 697,143 | - |
| Deferred income taxes and investment tax credits, net | (48,329) | - |
| Allowance for equity funds used during construction | (9,081) | - |
| Other, net | (83,322) | - |
| Change in current assets and liabilities - | | |
| Receivables, net | 78,532 | 2,442 |
| Inventories | (118,924) | - |
| Payables | (15,406) | (2,442) |
| Taxes accrued | 18,392 | - |
| Energy cost recovery, retail | (29,839) | - |

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| | | |
|--|-------------|------|
| Other | (39,009) | - |
| Net cash provided from operating activities | 1,061,162 | - |
| Investing Activities: | | |
| Gross property additions | (1,389,751) | - |
| Sales of property | 534,760 | - |
| Other | (4,774) | - |
| Net cash used for investing activities | (859,765) | - |
| Financing Activities: | | |
| Increase (decrease) in notes payable, net | 43,698 | - |
| Proceeds-- | | |
| Senior notes and other long-term debt | 600,000 | - |
| Pollution control bonds | 404,535 | - |
| Capital contributions from parent company | 225,060 | - |
| Retirements-- | | |
| First mortgage bonds | (390,140) | - |
| Pollution control bonds | (385,035) | - |
| Capital distributions to parent company | (160,000) | - |
| Payment of preferred stock dividends | (578) | - |
| Payment of common stock dividends | (527,300) | - |
| Other-- | (17,747) | - |
| Net cash used for financing activities | (207,507) | - |
| Net Change in Cash and Cash Equivalents | (6,110) | - |
| Cash and Cash Equivalents at Beginning of Year | 29,370 | - |
| Cash and Cash Equivalents at End of Year | \$ 23,260 | \$ - |

A-26a

GEORGIA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001
(in thousands)

| | GEORGIA TRUST I | GEORGIA TRUST II |
|---|--------------------|---------------------|
| Operating Activities: | | |
| Net Income | \$ 540 | \$ 411 |
| Adjustments to reconcile consolidated net income to net cash provided by operating activities - | | |
| Depreciation and amortization | - | - |
| Deferred income taxes and investment tax credits, net | - | - |
| Allowance for equity funds used during construction | - | - |
| Other, net | - | - |
| Change in current assets and liabilities - | | |
| Receivables, net | (540) | (411) |
| Inventories | - | - |
| Payables | - | - |
| Taxes accrued | - | - |
| Energy cost recovery, retail | - | - |
| Other | - | - |

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| | | |
|--|------|------|
| Net cash provided from operating activities | - | - |
| Investing Activities: | | |
| Gross property additions | - | - |
| Sales of property | - | - |
| Other | - | - |
| Net cash used for investing activities | - | - |
| Financing Activities: | | |
| Increase (decrease) in notes payable, net | - | - |
| Proceeds-- | | |
| Senior notes and other long-term debt | - | - |
| Pollution control bonds | - | - |
| Capital contributions from parent company | - | - |
| Retirements-- | | |
| First mortgage bonds | - | - |
| Pollution control bonds | - | - |
| Capital distributions to parent company | - | - |
| Payment of preferred stock dividends | - | - |
| Payment of common stock dividends | - | - |
| Other-- | - | - |
| Net cash used for financing activities | - | - |
| Net Change in Cash and Cash Equivalents | - | - |
| Cash and Cash Equivalents at Beginning of Year | - | - |
| Cash and Cash Equivalents at End of Year | \$ - | \$ - |

A-26b

GEORGIA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2001
(in thousands)

| | GEORGIA Consolidated | Eliminations | |
|---|-------------------------|--------------|----|
| Current Assets: | | | |
| Cash and cash equivalents | \$ 23,260 | \$ - | \$ |
| Receivables - | | | |
| Customer accounts receivable | 537,784 | - | |
| Other accounts and notes receivable | 129,073 | (8,142) | |
| Affiliated companies | 87,786 | - | |
| Accumulated provision for uncollectible accts | (8,895) | - | |
| Fossil fuel stock, at average cost | 202,759 | - | |
| Materials and supplies, at average cost | 279,237 | - | |
| Other | 125,246 | - | |
| Total current assets | 1,376,250 | (8,142) | |
| Utility Plant | 10,639,246 | - | 1 |

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| | | | |
|---|---------------|--------------|------|
| Other Property and Investments | 429,007 | (865,502) | |
| ----- | | | |
| Deferred Charges and Other Assets: | | | |
| Deferred charges related to income taxes | 543,584 | - | |
| Prepaid pension costs | 228,259 | - | |
| Debt expense, being amortized | 58,165 | - | |
| Premium on reacquired debt, being amortized | 173,724 | - | |
| Other | 117,706 | - | |
| ----- | | | |
| Total deferred charges and other assets | 1,121,438 | - | |
| ----- | | | |
| Total Assets | \$ 13,565,941 | \$ (873,644) | \$ 1 |
| ===== | | | |

A-27a

GEORGIA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2001
(in thousands)

| | GEORGIA TRUST I | GEORGIA TRUST II | T |
|--|--------------------|---------------------|------|
| ----- | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ |
| Receivables - | | | |
| Customer accounts receivable | - | - | |
| Other accounts and notes receivable | 2,830 | 2,040 | |
| Affiliated companies | - | - | |
| Accumulated provision for uncollectible accounts | - | - | |
| Fossil fuel stock, at average cost | - | - | |
| Materials and supplies, at average cost | - | - | |
| Other | - | - | |
| ----- | | | |
| Total current assets | 2,830 | 2,040 | |
| ----- | | | |
| Utility Plant | - | - | |
| ----- | | | |
| Other Property and Investments | 231,959 | 180,412 | 19 |
| ----- | | | |
| Deferred Charges and Other Assets: | | | |
| Deferred charges related to income taxes | - | - | |
| Prepaid pension costs | - | - | |
| Debt expense, being amortized | - | - | |
| Premium on reacquired debt, being amortized | - | - | |
| Other | - | - | |
| ----- | | | |
| Total deferred charges and other assets | - | - | |
| ----- | | | |
| Total Assets | \$234,789 | \$182,452 | \$19 |
| ===== | | | |

A-27b

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GEORGIA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2001
(in thousands)

| | GEORGIA Consolidated | Eliminations | |
|--|-------------------------|--------------|----|
| ----- | | | |
| Current Liabilities: | | | |
| Securities due within one year | \$ 311,620 | \$ - | |
| Notes payable to banks | 747,537 | - | |
| Accounts payable - | | | |
| Affiliated | 109,591 | - | |
| Other | 409,253 | - | |
| Customer deposits | 83,172 | - | |
| Taxes accrued | 161,054 | - | |
| Interest accrued | 46,942 | (8,142) | |
| Vacation pay accrued | 41,830 | - | |
| Other | 112,686 | - | |
| ----- | | | |
| Total current liabilities | 2,023,685 | (8,142) | |
| ----- | | | |
| Long-Term Debt | 2,961,726 | (827,236) | |
| ----- | | | |
| Deferred Credits and Other Liabilities: | | | |
| Accumulated deferred income taxes | 2,163,959 | - | |
| Accumulated deferred investment tax credits | 337,482 | - | |
| Deferred credits related to income taxes | 229,216 | - | |
| Employee benefits provisions | 207,795 | - | |
| Other | 440,774 | - | |
| ----- | | | |
| Total deferred credits and other liabilities | 3,379,226 | - | |
| ----- | | | |
| Company obligated mandatorily redeemable preferred securities | 789,250 | - | |
| ----- | | | |
| Cumulative Preferred Stock | 14,569 | - | |
| ----- | | | |
| Common Stockholder's Equity | 4,397,485 | (38,266) | |
| ----- | | | |
| Total Liabilities and Stockholder's Equity | \$ 13,565,941 | \$ (873,644) | \$ |
| ===== | | | |

A-28a

GEORGIA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2001
(in thousands)

| | GEORGIA TRUST I | GEORGIA TRUST II | |
|----------------------|--------------------|---------------------|--|
| ----- | | | |
| Current Liabilities: | | | |

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| | | |
|--|-----------|-----------|
| Securities due within one year | \$ - | \$ - |
| Notes payable to banks | - | - |
| Accounts payable - | | |
| Affiliated | - | - |
| Other | - | - |
| Customer deposits | - | - |
| Taxes accrued | - | - |
| Interest accrued | - | - |
| Vacation pay accrued | - | - |
| Other | - | - |
| ----- | | |
| Total current liabilities | - | - |
| ----- | | |
| Long-Term Debt | - | - |
| ----- | | |
| Deferred Credits and Other Liabilities: | | |
| Accumulated deferred income taxes | - | - |
| Accumulated deferred investment tax credits | - | - |
| Deferred credits related to income taxes | - | - |
| Employee benefits provisions | - | - |
| Other | - | - |
| ----- | | |
| Total deferred credits and other liabilities | - | - |
| ----- | | |
| Company obligated mandatorily redeemable preferred securities | 225,000 | 175,000 |
| ----- | | |
| Cumulative Preferred Stock | - | - |
| ----- | | |
| Common Stockholder's Equity | 9,789 | 7,452 |
| ----- | | |
| Total Liabilities and Stockholder's Equity | \$234,789 | \$182,452 |
| ===== | | |

A-28b

Notes to GEORGIA's Consolidated
Financial Statements

- (A) Includes \$3,752,500 equity in earnings for SEGCO, a non-consolidated subsidiary in which GEORGIA has 50% ownership. SEGCO is accounted for on the equity basis. See pages A-2 through A-15 for SEGCO's financial statements consolidated for SOUTHERN.
- (B) Includes \$28,944,000 of investments in SEGCO.

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GULF POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
(in thousands)

| | GULF Consolidated | Eliminations | GULF CORPORATE |
|---|----------------------|--------------|-------------------|
| Total operating revenues | \$ 725,203 | \$ - | \$ 725,203 |
| Operating Expenses: | | | |
| Operation -- | | | |
| Fuel | 200,633 | - | 200,633 |
| Purchased power from non-affiliates | 65,585 | - | 65,585 |
| Purchased power from affiliates | 40,660 | - | 40,660 |
| Other | 117,394 | - | 117,394 |
| Maintenance | 60,193 | - | 60,193 |
| Depreciation and amortization | 68,218 | - | 68,218 |
| Taxes other than income taxes | 55,261 | - | 55,261 |
| Total operating expenses | 607,944 | - | 607,944 |
| Operating income | 117,259 | - | 117,259 |
| Other Income (Expense): | | | |
| Interest income | 1,258 | (6,676) | 1,258 |
| Other, net | 2,778 | - | 2,778 |
| Earnings Before Interest and Income Taxes | 121,295 | (6,676) | 121,295 |
| Interest and Other: | | | |
| Interest expense, net | 25,034 | (6,676) | 31,710 |
| Distributions on preferred securities of subsidiary | 6,477 | - | 6,477 |
| Total interest charges and other, net | 31,511 | (6,676) | 31,511 |
| Earnings Before Income Taxes | 89,784 | - | 89,784 |
| Income taxes | 31,260 | - | 31,260 |
| Net Income | 58,524 | - | 58,524 |
| Dividends on Preferred Stock | 217 | - | 217 |
| Net Income After Dividends on Preferred Stock | \$ 58,307 | \$ - | \$ 58,307 |

A-30a

GULF POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
(in thousands)

GULF
TRUST I

GULF
TRUST II

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| | | |
|---|-------|-------|
| Total operating revenues | \$ - | \$ - |
| Operating Expenses: | | |
| Operation -- | | |
| Fuel | - | - |
| Purchased power from non-affiliates | - | - |
| Purchased power from affiliates | - | - |
| Other | - | - |
| Maintenance | - | - |
| Depreciation and amortization | - | - |
| Taxes other than income taxes | - | - |
| Total operating expenses | - | - |
| Operating income | - | - |
| Other Income (Expense): | | |
| Interest income | 3,144 | 3,247 |
| Other, net | - | - |
| Earnings Before Interest and Income Taxes | 3,144 | 3,247 |
| Interest and Other: | | |
| Interest expense, net | - | - |
| Distributions on preferred securities of subsidiary | 3,050 | 3,150 |
| Total interest charges and other, net | 3,050 | 3,150 |
| Earnings Before Income Taxes | 94 | 97 |
| Income taxes | - | - |
| Net Income | 94 | 97 |
| Dividends on Preferred Stock | - | - |
| Net Income After Dividends on Preferred Stock | \$ 94 | \$ 97 |

A-30b

GULF POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001
(in thousands)

| | GULF Consolidated | Elimina |
|--|----------------------|---------|
| OPERATING ACTIVITIES | | |
| Net Income | \$ 58,524 | \$ - |
| Adjustments to reconcile consolidated net income to net cash | | |

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| | | |
|---|-----------|------|
| provided by operating activities - | | |
| Depreciation and amortization | 72,320 | - |
| Deferred income taxes and investment tax credits, net | 3,394 | - |
| Other, net | (1,804) | - |
| Change in current assets and liabilities - | | |
| Receivables, net | 15,991 | 19 |
| Fossil fuel stock | (30,887) | - |
| Materials and supplies | 176 | - |
| Accounts payable | (14,492) | (19 |
| Provision for rate refund | 1,530 | - |
| Other | (31,249) | - |
| ----- | | |
| NET CASH PROVIDED FROM OPERATING ACTIVITIES | 73,503 | - |
| ----- | | |
| INVESTING ACTIVITIES | | |
| Gross property additions | (274,668) | - |
| Other | 5,290 | - |
| ----- | | |
| NET CASH USED FOR INVESTING ACTIVITIES | (269,378) | - |
| ----- | | |
| FINANCING ACTIVITIES AND CAPITAL CONTRIBUTIONS | | |
| Increase (decrease) in notes payable, net | 44,311 | - |
| Proceeds-- | | |
| Other long-term debt | 135,000 | - |
| Preferred securities | 30,000 | - |
| Capital contributions from parent company | 72,484 | - |
| Retirements-- | | |
| First mortgage bondst | (30,000) | - |
| Other long-term debt | (862) | - |
| Payment of preferred stock dividends | (217) | - |
| Payment of common stock dividends | (53,275) | - |
| Other | (3,703) | - |
| ----- | | |
| NET CASH USED FOR FINANCINGS | 193,738 | - |
| ----- | | |
| Net Change in Cash and Cash Equivalents | (2,137) | - |
| Cash and Cash Equivalents at Beginning of Period | 4,381 | - |
| ----- | | |
| Cash and Cash Equivalents at End of Period | \$ 2,244 | \$ - |
| ===== | | |

A-31a

GULF POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001
(in thousands)

GULF
TRUST I

OPERATING ACTIVITIES

| | |
|---|-------|
| Net Income | \$ 94 |
| Adjustments to reconcile consolidated net income to net cash provided by operating activities - | |

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| | |
|---|------|
| Depreciation and amortization | - |
| Deferred income taxes and investment tax credits, net | - |
| Other, net | - |
| Change in current assets and liabilities - | |
| Receivables, net | (94) |
| Fossil fuel stock | - |
| Materials and supplies | - |
| Accounts payable | - |
| Provision for rate refund | - |
| Other | - |
| ----- | |
| NET CASH PROVIDED FROM OPERATING ACTIVITIES | - |
| ----- | |
| INVESTING ACTIVITIES | |
| Gross property additions | - |
| Other | - |
| ----- | |
| NET CASH USED FOR INVESTING ACTIVITIES | - |
| ----- | |
| FINANCING ACTIVITIES AND CAPITAL CONTRIBUTIONS | |
| Increase (decrease) in notes payable, net | - |
| Proceeds-- | |
| Other long-term debt | |
| Preferred securities | |
| Capital contributions from parent company | - |
| Retirements-- | |
| First mortgage bondst | |
| Other long-term debt | - |
| Payment of preferred stock dividends | - |
| Payment of common stock dividends | - |
| Other | - |
| ----- | |
| NET CASH USED FOR FINANCINGS | - |
| ----- | |
| Net Change in Cash and Cash Equivalents | - |
| Cash and Cash Equivalents at Beginning of Period | - |
| ----- | |
| Cash and Cash Equivalents at End of Period | \$ - |
| ===== | |

A-31b

GULF POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2001
(in thousands)

| | GULF Consolidated | Eliminations |
|---|----------------------|--------------|
| ----- | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 2,244 | \$ - |
| Receivables - | | |
| Customer accounts receivable | 64,113 | - |
| Other accounts and notes receivable | 4,316 | (1,142) |
| Affiliated companies | 2,689 | - |
| Accumulated provision for uncollectible accts | (1,342) | - |

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| | | |
|---|--------------|--------------|
| Fossil fuel stock, at average cost | 47,655 | - |
| Materials and supplies, at average cost | 28,857 | - |
| Regulatory clauses under recovery | 24,912 | - |
| Other | 12,662 | - |
| ----- | | |
| Total current assets | 186,106 | (1,142) |
| ----- | | |
| Property, Plant and Equipment | 1,303,456 | - |
| ----- | | |
| Other Property and Investments | 7,049 | (122,114) |
| ----- | | |
| Deferred Charges and Other Assets: | | |
| Deferred charges related to income taxes | 16,766 | - |
| Prepaid pension costs | 26,364 | - |
| Debt expense, being amortized | 3,036 | - |
| Premium on reacquired debt, being amortized | 14,518 | - |
| Other | 12,222 | - |
| ----- | | |
| Total deferred charges and other assets | 72,906 | - |
| ----- | | |
| Total Assets | \$ 1,569,517 | \$ (123,256) |
| ===== | | |

A-32a

GULF POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2001
(in thousands)

| | GULF TRUST I | GULF TRUST II |
|---|-----------------|------------------|
| ----- | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ - | \$ - |
| Receivables - | | |
| Customer accounts receivable | - | - |
| Other accounts and notes receivable | 464 | 393 |
| Affiliated companies | - | - |
| Accumulated provision for uncollectible accts | - | - |
| Fossil fuel stock, at average cost | - | - |
| Materials and supplies, at average cost | - | - |
| Regulatory clauses under recovery | - | - |
| Other | - | - |
| ----- | | |
| Total current assets | 464 | 393 |
| ----- | | |
| Property, Plant and Equipment | - | - |
| ----- | | |
| Other Property and Investments | 41,237 | 46,392 |
| ----- | | |
| Deferred Charges and Other Assets: | | |
| Deferred charges related to income taxes | - | - |
| Prepaid pension costs | - | - |
| Debt expense, being amortized | - | - |
| Premium on reacquired debt, being amortized | - | - |
| Other | - | - |
| ----- | | |
| Total deferred charges and other assets | - | - |

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 Total Assets \$ 41,701 \$ 46,785
 =====

A-32b

GULF POWER COMPANY AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEET
 AT DECEMBER 31, 2001
 (in thousands)

| | GULF Consolidated | Eliminations |
|--|----------------------|--------------|
| ----- | | |
| Current Liabilities: | | |
| Notes payable | \$ 87,311 | \$ - |
| Accounts payable | | |
| Affiliated companies | 18,202 | - |
| Other | 38,308 | - |
| Customer deposits | 14,506 | - |
| Taxes accrued | 16,215 | - |
| Interest accrued | 8,305 | (1,142) |
| Provision for rate refund | 1,530 | - |
| Vacation pay accrued | 4,725 | - |
| Regulatory clauses over recovery | 3,719 | - |
| Other | 6,528 | - |
| ----- | | |
| Total current liabilities | 199,349 | (1,142) |
| ----- | | |
| Long-term debt | 467,784 | (118,557) |
| ----- | | |
| Deferred Credits and Other Liabilities: | | |
| Accumulated deferred income taxes | 161,968 | - |
| Accumulated deferred investment tax credits | 24,056 | - |
| Deferred credits related to income taxes | 28,293 | - |
| Employee benefits provisions | 37,892 | - |
| Other | 26,045 | - |
| ----- | | |
| Total deferred credits and other liabilities | 278,254 | - |
| ----- | | |
| Company obligated mandatorily redeemable preferred securities | 115,000 | - |
| ----- | | |
| Preferred stock | 4,236 | - |
| ----- | | |
| Common stockholder's equity | 504,894 | (3,557) |
| ----- | | |
| Total Liabilities and Stockholder's Equity | \$ 1,569,517 | \$ (123,256) |
| ===== | | |

A-33a

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GULF POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2001
(in thousands)

| | GULF TRUST I | GULF TRUST II |
|--|-----------------|------------------|
| ----- | | |
| Current Liabilities: | | |
| Notes payable | \$ - | \$ - |
| Accounts payable | | |
| Affiliated companies | - | - |
| Other | - | - |
| Customer deposits | - | - |
| Taxes accrued | - | - |
| Interest accrued | - | - |
| Provision for rate refund | - | - |
| Vacation pay accrued | - | - |
| Regulatory clauses over recovery | - | - |
| Other | - | - |
| ----- | | |
| Total current liabilities | - | - |
| ----- | | |
| Long-term debt | - | - |
| ----- | | |
| Deferred Credits and Other Liabilities: | | |
| Accumulated deferred income taxes | - | - |
| Accumulated deferred investment tax credits | - | - |
| Deferred credits related to income taxes | - | - |
| Employee benefits provisions | - | - |
| Other | - | - |
| ----- | | |
| Total deferred credits and other liabilities | - | - |
| ----- | | |
| Company obligated mandatorily redeemable preferred securities | 40,000 | 45,000 |
| ----- | | |
| Preferred stock | - | - |
| ----- | | |
| Common stockholder's equity | 1,701 | 1,785 |
| ----- | | |
| Total Liabilities and Stockholder's Equity | \$ 41,701 | \$ 46,785 |
| ===== | | |

A-33b

MISSISSIPPI POWER COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
(in thousands)

| | MISSISSIPPI Consolidated | Eliminations |
|--------------------------|-----------------------------|--------------|
| ----- | | |
| TOTAL OPERATING REVENUES | \$ 796,065 | \$ - |
| ----- | | |
| OPERATING EXPENSES: | | |
| Operation -- | | |

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| | | |
|---|-----------|---------|
| Fuel | 277,946 | - |
| Purchased power from non-affiliates | 41,254 | - |
| Purchased power from affiliates | 53,990 | - |
| Other | 134,845 | - |
| Maintenance | 56,153 | - |
| Depreciation and amortization | 54,077 | - |
| Taxes other than income taxes | 44,966 | - |
| ----- | | |
| Total operating expenses | 663,231 | - |
| ----- | | |
| Operating Income | 132,834 | |
| Other Income: | | |
| Interest income | 369 | (2,712) |
| Other, net | (532) | - |
| ----- | | |
| Earnings Before Interest and Income Taxes | 132,671 | (2,712) |
| ----- | | |
| Interest Charges and Other: | | |
| Interest on long-term debt | 18,186 | (2,712) |
| Interest on notes payable | 2,520 | - |
| Amortization of debt discount, premium and expense, net | 954 | - |
| Other interest charges | 1,908 | - |
| Distributions on preferred securities of subsidiary trust | 2,712 | - |
| ----- | | |
| Net interest charges | 26,280 | (2,712) |
| ----- | | |
| Earnings Before Income Taxes | 106,391 | - |
| Income taxes | 40,533 | - |
| ----- | | |
| Earnings Before Cumulative Effect of Accounting Change | 65,858 | - |
| Cumulative effect of accounting change, net of taxes | 70 | - |
| ----- | | |
| Net Income | 65,928 | - |
| Dividends on Preferred Stock | 2,041 | - |
| ----- | | |
| NET INCOME AFTER DIVIDENDS ON PREFERRED STOCK | \$ 63,887 | \$ - |
| ===== | | |

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MISSISSIPPI POWER COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001
(in thousands)

| | MISSISSIPPI Consolidated | Eliminations |
|---|-----------------------------|--------------|
| ----- | | |
| Operating Activities: | | |
| Net Income | \$ 65,928 | \$ - |
| Adjustments to reconcile consolidated net income to net cash provided by operating activities - | | |
| Depreciation and amortization | 58,105 | - |
| Deferred income taxes and investment tax credits, net | (9,718) | - |
| Other, net | 2,441 | - |
| Change in current assets and liabilities - | | |
| Receivables, net | (7,796) | - |

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| | | |
|--|-----------|------|
| Fossil fuel stock | (20,269) | - |
| Materials and supplies | (1,529) | - |
| Accounts payable | 53,462 | - |
| Other | 11,251 | - |
| <hr/> | | |
| Net cash provided from operating activities | 151,875 | - |
| <hr/> | | |
| Investing Activities: | | |
| Gross property additions | (61,193) | - |
| Other | (2,988) | - |
| <hr/> | | |
| Net cash used for investing activities | (64,181) | - |
| <hr/> | | |
| Financing Activities and Capital Contributions | | |
| Increase (decrease) in notes payable, net | (40,027) | - |
| Proceeds-- | | |
| Capital contributions from parent company | 73,095 | - |
| Retirements-- | | |
| First mortgage bonds | (36,000) | - |
| Other long-term debt | (21,021) | - |
| Payment of preferred stock dividends | (2,041) | - |
| Payment of common stock dividends | (50,200) | - |
| Other | (81) | - |
| <hr/> | | |
| Net cash used for financing activities | (76,275) | - |
| <hr/> | | |
| Net Change in Cash and Cash Equivalents | 11,419 | - |
| Cash and Cash Equivalents at the Beginning of Period | 7,531 | - |
| <hr/> | | |
| Cash and Cash Equivalents at End of Period | \$ 18,950 | \$ - |
| <hr/> | | |

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MISSISSIPPI POWER COMPANY AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2001
(in thousands)

| | MISSISSIPPI Consolidated | Eliminations | MIS COR |
|--|-----------------------------|--------------|------------|
| <hr/> | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 18,950 | \$ - | \$ - |
| Receivables - | | | |
| Customer accounts receivable | 63,286 | - | |
| Other accounts and notes receivable | 26,068 | - | |
| Affiliated companies | 22,569 | - | |
| Accumulated provision for uncollectible accounts | (856) | - | |
| Fossil fuel stock, at average cost | 31,489 | - | |
| Materials and supplies, at average cost | 23,223 | - | |
| Other | 16,002 | - | |
| <hr/> | | | |
| Total current assets | 200,731 | - | 200,731 |
| <hr/> | | | |
| Property, Plant and Equipment | 1,081,071 | - | 1,081,071 |
| <hr/> | | | |

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| | | | |
|---|--------------|-------------|--------|
| Other Property and Investments | 1,900 | (37,164) | |
| ----- | | | |
| Deferred Charges and Other Assets: | | | |
| Deferred charges related to income taxes | 13,394 | - | |
| Prepaid pension costs | 4,501 | - | |
| Debt expense, being amortized | 4,396 | - | |
| Premium on reacquired debt, being amortized | 6,719 | - | |
| Other | 20,821 | - | |
| ----- | | | |
| Total deferred charges and other assets | 49,831 | - | |
| ----- | | | |
| Total Assets | \$ 1,333,533 | \$ (37,164) | \$ 1,3 |
| ===== | | | |

A-36

MISSISSIPPI POWER COMPANY AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2001
(in thousands)

| | MISSISSIPPI Consolidated | Eliminations |
|---|-----------------------------|--------------|
| ----- | | |
| Current Liabilities | | |
| Securities due within one year | \$ 80,020 | \$ - |
| Notes payable | 15,973 | - |
| Accounts payable | 112,009 | - |
| Customer deposits | 6,540 | - |
| Taxes accrued | 50,263 | - |
| Interest accrued | 5,079 | - |
| Vacation pay accrued | 5,810 | - |
| Other | 11,483 | - |
| ----- | | |
| Total current liabilities | 287,177 | - |
| ----- | | |
| Long-term debt | 233,753 | - |
| ----- | | |
| Deferred Credits and Other Liabilities: | | |
| Accumulated deferred income taxes | 138,913 | - |
| Deferred credits related to income taxes | 23,626 | - |
| Accumulated deferred investment tax credits | 22,268 | - |
| Employee benefits provisions | 31,041 | - |
| Workforce reduction plan | 8,263 | - |
| Other | 30,003 | - |
| ----- | | |
| Total deferred credits and other liabilities | 254,114 | - |
| ----- | | |
| Company obligated mandatorily redeemable preferred securities of subsidiary trust holding company junior subordinated notes | 35,000 | - |
| ----- | | |
| Preferred stock | 31,809 | - |
| ----- | | |
| Common stockholder's equity | 491,680 | (1,082) |
| ----- | | |

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Total Liabilities and Stockholder's Equity \$ 1,333,533 \$ (1,082)

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SAVANNAH ELECTRIC AND POWER COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2001
(in thousands)

| | SAVANNAH Consolidated | Eliminations |
|---|--------------------------|--------------|
| Total Operating Revenues | \$ 283,852 | \$ - |
| Operating Expenses: | | |
| Operation -- | | |
| Fuel | 50,796 | - |
| Purchased power from non-affiliates | 23,147 | - |
| Purchase power from affiliates | 49,939 | - |
| Other | 50,607 | - |
| Maintenance | 19,886 | - |
| Depreciation and amortization | 25,951 | - |
| Taxes other than income taxes | 13,984 | - |
| Total operating expenses | 234,310 | - |
| Operating Income | 49,542 | - |
| Other Income (Expense): | | |
| Interest income | 173 | (2,825) |
| Other, net | (686) | - |
| Earnings Before Interest and Income Taxes | 49,029 | (2,825) |
| Interest and Other: | | |
| Interest expense, net | 12,517 | (2,825) |
| Distributions on preferred securities of subsidiary trust | 2,740 | - |
| Total interest charges and other, net | 15,257 | (2,825) |
| Earnings Before Income Taxes | 33,772 | - |
| Income taxes | 11,731 | - |
| Net Income | 22,041 | - |
| Cumulative effect of accounting change, net of tax | 22 | - |
| Net Income After Dividends on Preferred Stock | \$ 22,063 | \$ - |

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SAVANNAH ELECTRIC AND POWER COMPANY AND
CONSOLIDATED STATEMENT OF CASH F
FOR THE YEAR ENDED DECEMBER 31,
(in thousands)

| | SAVANNAH Consolidated | Eliminations |
|--|--------------------------|--------------|
| Operating Activities: | | |
| Net Income | \$ 22,063 | \$ - |
| Adjustments to reconcile consolidated net income to net cash provided by operating activities - | | |
| Depreciation and amortization | 27,895 | - |
| Deferred income taxes and investment tax credits, net | (20,528) | - |
| Other, net | 4,084 | - |
| Change in certain current assets and liabilities - | | |
| Receivables, net | 24,079 | 85 |
| Fossil fuel stock | (2,711) | - |
| Material and supplies | (4,025) | - |
| Accounts payable | (8,439) | (85) |
| Other | 12,631 | - |
| Net cash provided from operating activities | 55,049 | - |
| Investing Activities: | | |
| Gross property additions | (31,296) | - |
| Other | (1,875) | - |
| Net cash used for investing activities | (33,171) | - |
| Financing Activities: | | |
| Increase in notes payable, net | (13,241) | - |
| Proceeds-- | | |
| Other long-term debt | 65,000 | - |
| Capital contribution from parent company | 1,561 | - |
| Retirements-- | | |
| First mortgage bonds | (20,642) | - |
| Other long-term debt | (30,465) | - |
| Payment of common stock dividends | (21,700) | - |
| Net cash used for financing activities | (19,487) | - |
| Net Change in Cash and Cash Equivalents | 2,391 | - |
| Cash and Cash Equivalents at Beginning of Period | - | - |
| Cash and Cash Equivalents at End of Period | \$ 2,391 | \$ - |

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SAVANNAH ELECTRIC AND POWER COMPANY AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2001
(in thousands)

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| | SAVANNAH Consolidated | Eliminations | SAVA CORP |
|---|--------------------------|--------------|--------------|
| Current Assets: | | | |
| Cash and cash equivalents | \$ 2,391 | \$ - | \$ |
| Receivables - | | | |
| Customer accounts receivable | 29,959 | - | |
| Unrecovered retail fuel clause revenue | 11,974 | - | |
| Other accounts and notes receivable | 2,882 | (260) | |
| Affiliated companies | 1,170 | - | |
| Accumulated provision for uncollectible accts | (500) | - | |
| Fossil fuel stock, at average cost | 9,851 | - | |
| Materials and supplies, at average cost | 12,969 | - | |
| Prepaid taxes | 12,511 | - | |
| Other | 586 | - | |
| Total current assets | 83,793 | (260) | |
| Property, Plant, and Equipment | 461,338 | - | 4 |
| Other Property and Investments | 2,742 | (42,474) | |
| Deferred Charges and Other Assets: | | | |
| Deferred charges related to income taxes | 12,283 | - | |
| Cash surrender value of life insurance for deferred compensation plans | 20,002 | - | |
| Debt expense, being amortized | 3,197 | - | |
| Premium on reacquired debt, being amortized | 6,890 | - | |
| Other | 4,498 | - | |
| Total deferred charges and other assets | 46,870 | - | |
| Total Assets | \$ 594,743 | \$ (42,734) | \$5 |

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SAVANNAH ELECTRIC AND POWER COMPANY AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2001
(in thousands)

| | SAVANNAH Consolidated | Eliminatio |
|--------------------------------|--------------------------|------------|
| Current Liabilities: | | |
| Securities due within one year | \$ 1,178 | \$ - |
| Notes payable | 32,159 | - |
| Accounts payable | 15,247 | - |

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| | | |
|--|------------|-------------|
| Customer deposits | 6,237 | - |
| Taxes accrued | 4,255 | - |
| Interest accrued | 4,014 | (260) |
| Vacation pay accrued | 2,361 | - |
| Other | 9,097 | - |
| ----- | | |
| Total current liabilities | 74,548 | (260) |
| ----- | | |
| Long-term debt | 160,709 | (41,237) |
| ----- | | |
| Deferred Credits and Other Liabilities: | | |
| Accumulated deferred income taxes | 77,331 | - |
| Deferred credits related to income taxes | 13,776 | - |
| Accumulated deferred investment tax credits | 9,952 | - |
| Deferred compensation plans | 8,550 | - |
| Employee benefits provisions | 18,936 | - |
| Other | 14,023 | - |
| ----- | | |
| Total deferred credits and other liabilities | 142,568 | - |
| ----- | | |
| Company obligated mandatorily redeemable preferred securities | 40,000 | - |
| ----- | | |
| Common stockholder's equity | 176,918 | (1,237) |
| ----- | | |
| TOTAL CAPITALIZATION AND LIABILITIES | \$ 554,743 | \$ (42,734) |
| ===== | | |

A-41

EXHIBITS.

Exhibits (including reference to previous filings):

| Exhibit Number | Description of Exhibit |
|-------------------|---|
| A-1 | Annual Report of SOUTHERN on Form 10-K for the year ended December |
| A-2 | Annual Report of ALABAMA on Form 10-K for the year ended December |
| A-3 | Annual Report of GEORGIA on Form 10-K for the year ended December |
| A-4 | Annual Report of GULF on Form 10-K for the year ended December 31, |
| A-5 | Annual Report of MISSISSIPPI on Form 10-K for the year ended Decem 0-6849.) |
| A-6 | Annual Report of SAVANNAH on Form 10-K for the year ended December |
| B-1 | Composite Certificate of Incorporation of SOUTHERN, reflecting all January 5, 1994. (Designated in Registration No. 33-3546, as Exhi Notification, File No. 70-7341, as Exhibit A and in Certificate of |

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Form 10-K for the year ended December 31, 2001, File No. 0-2429, a

- B-9 Articles of incorporation of MISSISSIPPI, articles of merger of Mi
Maine corporation) into MISSISSIPPI and articles of amendment to t
of MISSISSIPPI through March 8, 2001. (Designated in Registration
4(a)-1, in Form U5S for 1987, File No. 30-222-2, as Exhibit B-10,
as Exhibit 4(b)-1, in Form 8-K dated August 5, 1992, File No. 0-68
4(b)-3 in Form 8-K dated August 4, 1993, File No. 0-6849, as Exhib
August 18, 1993, File No. 0-6849, as Exhibit 4(b)-3, in Form 10-K
31, 1997, File No. 0-6849, as Exhibit 3(e)2 and in Form 10-K for t
2000, File No. 0-6849, as Exhibit 3(e)2.)
- B-10 By-laws of MISSISSIPPI as amended effective February 28, 2001, and
(Designated if Form 10-K for the year ended December 31, 2001, Fil
3(e)2.)

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EXHIBITS.

Exhibits (including reference to previous filings): (Continued)

| Exhibit Number | Description of Exhibit |
|-------------------|--|
| B-11 | Charter of SAVANNAH and amendments thereto through December 2, 199 Registration No. 33-25183 as Exhibit 4(b)-(1), in Registration No. in Form 8-K dated November 9, 1993, File No. 1-5072 as Exhibit 4(b) year ended December 31, 1998, File No. 1-5072, as Exhibit 3(f)2.) |
| B-12 | By-laws of SAVANNAH as amended effective May 17, 2000, and as pres SAVANNAH's Form 10-K for the year ended December 31, 2000, File No |
| B-13 | SCS Certificate of Incorporation as amended. (Designated in Form Exhibit A-1; in Form U-1, File No. 70-3833, as Exhibit A-2; Form U 30-222-2, as Exhibit A-17; and Form U5S for 1985, File No. 30-222- |
| B-14 | SCS By-laws as amended to date, last amended October 19, 1998. (D 1998, File No. 30-222-2, as Exhibit B-16.) |
| B-15 | Amended and Restated Articles of Incorporation of MESH dated Febru |
| B-16 | By-laws of MESH. (Designated in Form U5S for 1995, File No. 30-222 |
| B-17 | Articles of Incorporation of Southern Management Development, Inc. through March 25, 1993. (Designated in Form U5S for 1985, File No in Form U5S for 1987, File No. 30-222-2, as Exhibit B-27 and in Fo 30-222-2, as Exhibit B-25.) |
| B-18 | Amendment to the Articles of Incorporation of Southern Management 6, 2001. |
| B-19 | Amended and Restated By-laws of Southern Management Development, I |
| B-20 | Articles of Incorporation of SOUTHERN NUCLEAR and amendment theret (Designated in Form U5S for 1991, File No. 30-222-2, as Exhibit B- |

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B-21 By-laws of SOUTHERN NUCLEAR as amended to date, last amended May 2 U5S for 1991, File No. 30-222-2, as Exhibit B-27 and in Form U5S f Exhibit B-28.)

B-22 Certificate of Incorporation of SERC. (Designated in Form U5S for Exhibit B-30.)

B-23 By-laws of SERC. (Designated in Form U5S for 1993, File No. 30-222-2)

B-24 Certificate of Incorporation of SOUTHERN COMMUNICATIONS. (Designated in Form U5S for 1993, File No. 30-222-2, as Exhibit B-31.)

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EXHIBITS.

Exhibits (including reference to previous filings): (Continued)

| Exhibit Number | Description of Exhibit |
|----------------|---|
| B-25 | By-laws of SOUTHERN COMMUNICATIONS. (Designated in Form U5S for 1993, File No. 30-222-2, as Exhibit B-32.) |
| B-26 | Certificate of Incorporation of Southern Telecom, Inc. as amended |
| B-27 | By-Laws of Southern Telecom, Inc. (Designated in Form U5S for 2001, File No. 30-222-2, as Exhibit B-50.) |
| B-28 | Certificate of Incorporation of Southern Company Funding Corporation |
| B-29 | By-Laws of Southern Company Funding Corporation effective January 1, 2001 |
| B-30 | Certificate of Incorporation of Southern Company Holdings, Inc. as amended |
| B-31 | By-Laws of Southern Company Holdings, Inc. effective March 5, 2001 |
| B-32 | Certificate of Incorporation of Southern Information Holding Company, Inc. effective February 17, 1998. |
| B-33 | By-Laws of Southern Information Holding Company, Inc. effective September 1, 2001 |
| B-34 | Certificate of Incorporation of Southern Power Company dated January 1, 2001 |
| B-35 | By-Laws of Southern Power Company effective January 8, 2001. |
| C-1 | Subordinated Note Indenture dated as of February 1, 1997, among Southern Company Capital Funding, Inc. and Deutsche Bank Trust Company Americas (formerly as Trustee, and indentures supplemental thereto dated as of February 1, 1997, File No. 333-28349 as Exhibits 4.1 and 4.2 and 333-28355 as Exhibits 4.3 and 4.4.) |
| C-2 | Subordinated Note Indenture dated as of June 1, 1997, among Southern Company Capital Funding, Inc. and Deutsche Bank Trust Company Americas (formerly as Trustee, and indentures supplemental thereto through of December 31, 1997, File No. 1-3526, as Exhibit 4.1 and in Form 8-K dated June 18, 1998, File No. 1-3526, as Exhibit 4.2 and in Form 8-K dated June 18, 1998, File No. 1-3526, as Exhibit 4.4.) |

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C-3 Senior Note Indenture dated as of February 1, 2002, among SOUTHERN Funding, Inc. and The Bank of New York, as Trustee, and indentures through those dated February 1, 2002. (Designated in Form 8-K date 1-3526, as Exhibits 4.1 and 4.2 and in Form 8-K dated January 30, Exhibit 4.2.)

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EXHIBITS.

Exhibits (including reference to previous filings): (Continued)

| Exhibit Number | Description of Exhibit |
|----------------|---|
| | Indenture dated as of January 1, 1942, between ALABAMA and JPMorgan Chase Manhattan Bank), as Trustee, and indentures supplemental the 1994. (Designated in Registration Nos. 2-59843 as Exhibit 2(a)-2, and 2(a)-4, 2-60716 as Exhibit 2(c), 2-67574 as Exhibit 2(c), 2-68 as Exhibit 4(a)-2, 2-71364 as Exhibit 4(a)-2, 2-73727 as Exhibit 4 4(a)-2, 33-17083 as Exhibit 4(a)-2, 33-22090 as Exhibit 4(a)-2, in year ended December 31, 1990, File No. 1-3164, as Exhibit 4(c), in Exhibit 4(a)-2, 33-45492 as Exhibit 4(a)-2, 33-48885 as Exhibit 4(4(a)-2, in Form 8-K dated January 20, 1993, File No. 1-3436, as Ex dated February 17, 1993, File No. 1-3436, as Exhibit 4(a)-3, in Fo File No. 1-3436, as Exhibit 4(a)-3, in Certificate of Notification Exhibits A and B, in Form 8-K dated June 24, 1993, File No. 1-3436 of Notification, File No. 70-8069, as Exhibit A, in Form 8-K dated 1-3436, as Exhibit 4(b), in Certificate of Notification, File No. in Certificate of Notification, File No. 70-8069, as Exhibit A, in File No. 70-8069, as Exhibit A and in Form 8-K dated November 30, Exhibit 4.) |
| C-5 | Subordinated Note Indenture dated as of January 1, 1996, between A (formerly The Chase Manhattan Bank), as Trustee, and indenture sup January 1, 1996. (Designated in Certificate of Notification, File F.) |
| C-6 | Subordinated Note Indenture dated as of January 1, 1997, between A (formerly The Chase Manhattan Bank), as Trustee, and indentures su February 25, 1999. (Designated in Form 8-K dated January 9, 1997, and 4.2 and in Form 8-K dated February 18, 1999, File No. 1-3164, |
| C-7 | Senior Note Indenture dated as of December 1, 1997, between ALABAMA (formerly The Chase Manhattan Bank), as Trustee, and indentures su August 29, 2001. (Designated in Form 8-K dated December 4, 1997, 4.1 and 4.2, in Form 8-K dated February 20, 1998, File No. 1-3164, dated April 17, 1998, File No. 1-3164, as Exhibit 4.2, in Form 8-K No. 1-3164, as Exhibit 4.2, in Form 8-K dated September 8, 1998, F 4.2, in Form 8-K dated September 16, 1998, File No. 1-3164, as Exh October 7, 1998, File No. 1-3164, as Exhibit 4.2, in Form 8-K date 1-3164, as Exhibit 4.2, in Form 8-K dated November 12, 1998, File Form 8-K dated May 19, 1999, File No. 1-3164, as Exhibit 4.2, in F File No. 1-3164, as Exhibit 4.2, in Form 8-K dated September 21, 1 Exhibit 4.2, in Form 8-K dated May 11, 2000, File No. 1-3164, as E |

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EXHIBITS.

Exhibits (including reference to previous filings): (Continued)

| Exhibit Number | Description of Exhibit |
|----------------|--|
| C-11 | Subordinated Note Indenture dated as of June 1, 1997, between GEOR (formerly The Chase Manhattan Bank), as Trustee, and indentures su February 25, 1999. (Designated in Certificate of Notification, Fil E and in Form 8-K dated February 17, 1999, File No. 1-6468, as Exh |
| C-12 | Senior Note Indenture dated as of January 1, 1998, between GEORGIA (formerly The Chase Manhattan Bank), as Trustee, and indentures su 8, 2001. (Designated in Form 8-K dated January 21, 1998, File No. 4.2, in Forms 8-K each dated November 19, 1998, File No. 1-6468, a dated March 3, 1999, File No. 1-6468, as Exhibit 4.5, in Form 8-K No. 1-6468 as Exhibit 4.2, in Form 8-K dated January 26, 2001, Fil 4.2(a) and 4.2(b), in Form 8-K dated February 16, 2001, File No. 1 Form 8-K dated May 1, 2001, File No. 1-6468, as Exhibit 4.2.) |
| C-13 | Indenture dated as of September 1, 1941, between GULF and JPMorgan Chase Manhattan Bank), as Trustee, and indentures supplemental the 1996. (Designated in Registration Nos. 2-4833 as Exhibit B-3, 2-6 2-63765 as Exhibit 2(a)-3, 2-66260 as Exhibit 2(a)-3, 33-2809 as E Exhibit 4(a)-2, in GULF's Form 10-K for the year ended December 31 Exhibit 4(b), in Form 8-K dated August 18, 1992, File No. 0-2429, Registration No. 33-50165 as Exhibit 4(a)-2, in Form 8-K dated Jul as Exhibit 4, in Certificate of Notification, File No. 70-8229, as Notification, File No. 70-8229, as Exhibits E and F, in Form 8-K d No. 0-2429, as Exhibit 4, in Certificate of Notification, File No. Certificate of Notification, File No. 70-8229, as Exhibit A and in 1996, File No. 0-2429, as Exhibit 4.) |
| C-14 | Subordinated Note Indenture dated as of January 1, 1997, between G (formerly The Chase Manhattan Bank), as Trustee, and indentures su November 16, 2001. (Designated in Form 8-K dated January 27, 1997, 4.1 and 4.2, in Form 8-K dated July 28, 1997, File No. 0-2429, as dated January 13, 1998, File No. 0-2429, as Exhibit 4.2 and in For 2001, File No. 0-2429, as Exhibit 4.2.) |
| C-15 | Senior Note Indenture dated as of January 1, 1998, between GULF an (formerly The Chase Manhattan Bank), as Trustee, and indenture sup January 30, 2002. (Designated in Form 8-K dated June 17, 1998, Fil and 4.2, in Form 8-K dated August 17, 1999, File No. 0-2429 as Exh 31, 2001, File No. 0-2429, as Exhibit 4.2, in Form 8-K dated Octob as Exhibit 4.2 and in Form 8-K dated January 18, 2002, File No. 0- |

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EXHIBITS.

Exhibits (including reference to previous filings): (Continued)

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| Exhibit Number | Description of Exhibit |
|----------------|---|
| C-16 | Indenture dated as of September 1, 1941, between MISSISSIPPI and D Americas (formerly Bankers Trust Company), as Successor Trustee, a thereto through December 1, 1995. (Designated in Registration Nos 2-62965 as Exhibit 2(b)-2, 2-66845 as Exhibit 2(b)-2, 2-71537 as E Exhibit 4(a)-(2), 33-39833 as Exhibit 4(a)-2, in MISSISSIPPI's For December 31, 1991, File No. 0-6849, as Exhibit 4(b), in Form 8-K d 0-6849, as Exhibit 4(a)-2, in Second Certificate of Notification, I, in MISSISSIPPI's Form 8-K dated February 26, 1993, File No. 0-6 Certificate of Notification, File No. 70-8127, as Exhibit A, in Fo File No. 0-6849, as Exhibit 1, in Certificate of Notification, Fil in Form 8-K dated March 8, 1994, File No. 0-6849, as Exhibit 4, in File No. 70-8127, as Exhibit C and in Form 8-K dated December 5, 1 Exhibit 4.) |
| C-17 | Subordinated Note Indenture dated as of February 1, 1997, between Trust Company Americas (formerly Bankers Trust Company), as Trustee thereto through March 22, 2002. (Designated in Form 8-K dated Febr 0-6849, as Exhibits 4.1 and 4.2 and in Form 8-K dated March 15, 20 4.2.) |
| C-18 | Senior Note Indenture dated as of May 1, 1998 between MISSISSIPPI Company Americas (formerly Bankers Trust Company), as Trustee and thereto through March 22, 2002. (Designated in Form 8-K dated May Exhibits 4.1, 4.2(a) and 4.2(b), in Form 8-K dated March 22, 2000, 4.2 and in Form 8-K dated March 12, 2002, File No. 0-6849, as Exhi |
| C-19 | Indenture dated as of March 1, 1945, between SAVANNAH and The Bank indentures supplemental thereto through May 1, 1996. (Designated as Exhibit 4(a)-(1), 33-41496 as Exhibit 4(a)-(2), 33-45757 as Exh Form 10-K for the year ended December 31, 1991, File No. 1-5072, a dated July 8, 1992, File No. 1-5072, as Exhibit 4(a)-3, in Registr 4(a)-(2), in Form 8-K dated July 22, 1993, File No. 1-5072, as Exh 18, 1995, File No. 1-5072, as Exhibit 4 and in Form 8-K dated May Exhibit 4.) |
| C-20 | Subordinated Note Indenture dated as of December 1, 1998, between York, as Trustee, and indenture supplemental thereto dated as of D in Form 8-K dated December 3, 1998, File No. 1-5072, as Exhibit 4. |

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EXHIBITS.

Exhibits (including reference to previous filings): (Continued)

| Exhibit Number | Description of Exhibit |
|----------------|--|
| C-21 | Senior Note Indenture dated as of March 1, 1998 between SAVANNAH a Trustee and indentures supplemental thereto through May 17, 2001. |

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dated March 9, 1998, File No. 1-5072, as Exhibits 4.1 and 4.2 and File No. 1-5072, as Exhibits 4.2(a) and 4.2(b).)

- D-1 Income Tax Allocation Agreement and Amendments 1 through 99 theret for 1981, File No. 30-222-2, as Exhibit A-21, in Form U5S for 1982 Exhibit A-22(b), in Form U5S for 1982, File No. 30-222-2, as Exhibi 1983, File No. 30-222-2, as Exhibit D-1(d), in Form U5S for 1985, D-1(e), in Amendment No. 1 to Form U5S for 1985, File No. 30-222-2 U5S for 1987, File No. 30-222-2, as Exhibit D-2, in Form U5S for 1 Exhibit D-2 and in Form U5S for 1992, File No. 30-222-2, as Exhibi File No. 30-222-2, as Exhibit D-2, in Form U5S for 1994, File No. in Form U5S for 1995, File No. 30-222-2, as Exhibit D-2, as Exhibi File No. 30-222-2, as Exhibit D-2, in Form U5S for 1996, File No. Form U5S for 1997, File No. 30-222-2, as Exhibit D-2, in Form U5S as Exhibit D-2, in Form U5S for 1999, File No. 30-222-2, as Exhibi 2000, File No. 30-222-2, as Exhibit D-2.)
- D-2 Amendments 100 through 108 to Income Tax Allocation Agreement.
- D-3 Statement of the Effects to the Companies Party to the Southern CO Agreement after the Spin-Off of Mirant Corporation.
- E-1 ALABAMA's, GEORGIA's, GULF's, MISSISSIPPI's, SCS's and SOUTHERN NU pertaining to employee loans. (Designated in Form U5S for 1985, Fi E-1, E-2, E-3, E-4 and E-5, in Form U5S, File No. 30-222-2, for 19 for 1990, File No. 30-222-2, as Exhibit E-2, in Form U5S for 1991, Exhibits E-2 and E-3 , in Form U5S for 1992, File No. 30-222-2, as 1993, File No. 30-222-2, as Exhibit E-2, in Form U5S for 1991, Fil D-2, in Form U5S for 1994, File No. 30-222-2, as Exhibit E-2, in F 30-222-2, as Exhibit E-2 and in Form U5S for 1997, File No. 30-222
- E-2 Supplement to GEORGIA's and Supplement to GULF's personnel licies
- H Organizational chart.
- I Financial statements relating to certain exempt wholesale generato companies.

Exhibits listed above which have heretofore been filed with the SEC pursuant to various which were designated as noted above, are hereby incorporated herein by reference and made a part filed herewith.

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SIGNATURE

The undersigned registered holding company has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized pursuant to the requirements of the Public Utility Holding Company Act of 1935.

THE SOUTHERN COMPANY

Date: May 1, 2002

By /s/Gale E. Klappa

Gale E. Klappa

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Executive Vice President,
Chief Financial Officer, and
Treasurer