

SOUTHERN COMPANY

Audit Committee Charter

This Charter identifies the composition, purpose, authority, meeting requirements and responsibilities of the Southern Company (the Company) Audit Committee (the Committee) as approved by the Southern Company Board of Directors (the Board).

I. Composition

The Committee will be comprised of at least three independent members of the Board, each of whom will be financially literate. A deliberate effort will be made to include at least one Director who is a financial expert. The selection of Committee members will be in accordance with requirements for independence and financial literacy and expertise, as interpreted by the Board in its best business judgment, giving full consideration to the rules of the Securities and Exchange Commission (SEC) and the New York Stock Exchange.

The members of the Committee and its Chairman shall be appointed annually by the Board. Any vacancy on the Committee shall be filled by a majority vote of the Board. No member of the Committee shall be removed except by majority vote of the Board.

II. Purpose

To assist the Board of Directors in fulfilling its oversight responsibilities for the following:

- A. Quality and integrity of the financial reporting process;
- B. The system of internal control;
- C. The qualifications, independence and performance of the independent auditors;
- D. The quality and performance of the Company's Internal Auditing function.
- E. The Company's process for monitoring adherence with the spirit and intent of its Code of Ethics and compliance with laws and regulations; and
- F. Assistance to Executive Management and the Chief Executive Officer in setting an appropriate "Tone at the Top" that encourages the highest levels of ethical behavior and integrity in all matters.
- G. The Company's processes for monitoring enterprise risks.

III. Authority

The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- A. Appoint, compensate and oversee the work of the independent auditors.
- B. Resolve any disagreements between management and the independent auditors regarding financial reporting.
- C. Pre-approve all auditing and non-audit services provided by the independent auditors.

- D. Retain independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation.
- E. Seek any information it requires from employees—all of whom are directed to cooperate with the Committee’s requests—or external parties.
- F. Meet with Company officers, independent auditors, internal auditors, inside counsel or outside counsel, as necessary.

In the execution of its duties, the Committee will report to the Board of Directors.

IV. Meeting Requirements

The Committee shall meet a minimum of four times each year, or more often if warranted, to receive reports and to discuss the quarterly and annual financial statements, including disclosures and other related information. The Committee shall meet separately, at least annually, with Company management, the Director of Internal Auditing, the Compliance Officer, and the independent auditors to discuss matters that the Committee or any of these persons believe should be discussed privately. A quorum for the transaction of any business by the Committee shall be a majority of the members of the Committee. The act of a majority of the directors serving at any meeting of the Committee at which a quorum is present shall be the act of the Committee. Meetings of the Committee may utilize conference call, Internet or other similar electronic communication technology.

The Committee shall maintain minutes of its meetings and records relating to those meetings.

The Committee shall report activities and findings to the Board on a regular basis. The Committee shall also report its activities in the Company’s annual proxy statement to shareholders.

V. Responsibilities

A. Financial Reporting and Independent Audit Process—

The oversight responsibility of the Committee in the area of financial reporting (including disclosure controls and procedures and internal control over financial reporting) is to provide reasonable assurance that the Company’s financial disclosures and accounting practices accurately portray the financial condition, results of operations, cash flows, plans and long-term commitments of the Company on a consolidated basis, as well as on a separate company basis for each consolidated subsidiary that has publicly traded securities. To accomplish this, the Committee will:

1. Provide oversight of the independent audit process, including direct responsibility for:
 - a. Annual appointment of the independent auditors.
 - b. Compensation of the independent auditors.

- c. Review and confirmation of the independence of the independent auditors by obtaining statements from the independent auditors on relationships between the independent auditors and the Company, including non-audit services, and discussing the relationships with the independent auditors. Ensure that non-audit services provided by the independent auditors comply with and are disclosed to investors in periodic reports required by the Securities Exchange Act of 1934 and the Sarbanes Oxley Act of 2002.
 - d. Review of the independent auditors' quarterly and annual work plans, and results of audit engagements.
 - e. Review of the experience and qualifications of the senior members of the independent audit team annually and ensure that all partner rotation requirements are executed.
 - f. Review the quality assurance practices of the independent auditors and the results of any related internal or external quality reviews.
 - g. Evaluation of the independent auditors' performance and related retention considerations.
 - h. Oversight of the coordination of the independent auditors' activities with the Internal Auditing and Accounting functions.
2. Review and discuss with management the quarterly and annual consolidated earnings announcements and earnings guidance provided to analysts and rating agencies.
 3. Review and discuss with management and the independent auditors the quarterly and annual financial reports and recommend those reports for filing with the SEC. The financial reports include the Company's consolidated financial reports as well as the separate financial reports for all consolidated subsidiaries with publicly traded securities.
 - a. The review and discussion will be based on timely reports from the independent auditors, including:
 - i. All critical accounting policies and practices to be used.
 - ii. All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors.
 - iii. Other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
 - b. In addition, the following items will also be reviewed and discussed:
 - i. Significant judgments and estimates made by management.
 - ii. Significant reporting or operational issues identified during the reporting period, including how they were resolved.

- iii. Issues on which management sought second accounting opinions.
 - iv. Significant regulatory changes and accounting and reporting developments proposed by Financial Accounting Standards Board, the SEC, the Public Company Accounting Oversight Board (PCAOB) or other regulatory agencies.
 - v. Any audit problems or difficulties and management's response.
4. Review the letters of management representations given to the independent auditors in connection with the audits of the annual financial statements.

B. Internal Control—

The responsibility of the Committee in the area of internal control, in addition to the actions described in *Section(V).(A).*, is to:

1. Provide oversight of the Internal Auditing function including:
 - a. Review of audit plans, budgets and staffing levels.
 - b. Review of audit results.
 - c. Review of management's appointment of, appraisal of, and/or removal of the Company's Director of Internal Auditing. At least every two years, regardless of the performance of the incumbent, the President and Chief Executive Officer will review with the Committee the merits of reassigning the Director of Internal Auditing.
 - d. Review of management's internal auditing co-sourcing arrangements with external service providers and related performance evaluations.
 - e. Review the quality assurance practices and results of the Internal Auditing function.
2. Review and discuss with management any significant deficiencies or material weaknesses in internal controls (whether identified by management or the independent auditors). Assess management's response to such deficiencies.
3. Provide oversight of the Company's Legal and Regulatory Compliance and Ethics Programs, including:
 - a. Creation and maintenance of procedures for:
 - i. Receipt, retention and treatment of complaints received by management regarding accounting, internal accounting controls or audit matters.
 - ii. Confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
 - b. Review of plans and activities of the Company's Chief Compliance Officer.
 - c. Review of results of auditing or other monitoring programs

- designed to prevent or detect violations of laws or regulations.
- d. Review of corporate policies relating to compliance with laws and regulations, ethics, conflict of interest and the investigation of misconduct or fraud.
 - e. Review of reported cases of employee fraud, conflict of interest, unethical or illegal conduct.
 - f. Review of any other significant deficiencies related to ethics or compliance.
- C. Review and discuss guidelines, policies and practices governing the processes by which risk assessment and risk management are undertaken.
- D. Conduct an annual self-assessment of the Committee's performance. Review and discuss leading practices related to general audit committee performance.
- E. Other
1. Set clear employment policies for the Company's hiring of employees or former employees of the independent auditors.
 2. Review this charter at least annually and recommend appropriate changes.

ADOPTED on October 17, 2005; Revised April 21, 2008 and October 19, 2009 and February 15, 2010
BY THE SOUTHERN COMPANY BOARD OF DIRECTORS