

SOUTHERN CO  
Form S-3ASR  
February 27, 2009

As filed with the Securities and Exchange Commission on February 27, 2009

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

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**The Southern Company**

**Delaware**

**58-0690070**

*(Exact name of registrant as  
specified in its charter)*

*(State or other jurisdiction of incorporation (I.R.S. Employer  
or organization)*

*Identification No.)*

**30 Ivan Allen Jr. Boulevard, N.W.**

**Atlanta, Georgia 30308**

**404-506-5000**

*(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)*

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**MELISSA K. CAEN, Assistant Secretary**

The Southern Company

30 Ivan Allen Jr. Boulevard, N.W.

Atlanta, Georgia 30308

404-506-5000

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(Name, address, including zip code, and telephone number, including area code, of agent for service)

The Commission is requested to mail signed copies of all orders, notices and communications to:

W. PAUL BOWERS  
Executive Vice President and  
Chief Financial Officer

THE SOUTHERN COMPANY  
30 Ivan Allen Jr. Boulevard, N.W.  
Atlanta, Georgia 30308

ERIC A. KOONTZ  
TROUTMAN SANDERS LLP  
600 Peachtree Street, N.E.  
Suite 5200  
Atlanta, Georgia 30308

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [ ]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [ X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a registration statement pursuant to General Instructions I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. [ X]

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ X] Accelerated filer [ ]  
Non-accelerated filer [ ] (Do not check if a smaller reporting company) Smaller reporting company [ ]

CALCULATION OF REGISTRATION FEE

Proposed Proposed

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Title of Each Class of Securities to be Registered Common Stock, par value per share	Amount to be Registered (1) \$520,000,000 shares	Maximum Aggregate Price Per Unit (2) \$30.08	Maximum Aggregate Offering Price (2) \$601,600,000	Amount of Registration Fee \$23,643
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- (1) Also includes such indeterminate number of shares of common stock as may be issued as a result of adjustment by reason of a share dividend, share split, recapitalization or other similar event.
- (2) Pursuant to Rule 457(c), these figures are based upon the average of the high and low prices paid for a share of The Southern Company's common stock on February 23, 2009, as reported in the New York Stock Exchange consolidated reporting system, and are used solely for the purpose of calculating the registration fee.

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The within Prospectus contains information required by Rule 429 of the Commission under the Securities Act of 1933 with respect to 13,833,598 shares remaining unsold under Registration Statement No. 333-138504.

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## PROSPECTUS

### THE SOUTHERN COMPANY

#### *Southern Investment Plan*

The Southern Company ( Southern Company or Company ) is pleased to offer the Southern Investment Plan ( Plan ), a direct stock purchase plan designed to provide investors with a convenient method to purchase shares of Southern Company common stock and reinvest cash dividends in the purchase of additional shares.

This prospectus is prepared and distributed by Southern Company, the issuer of the securities offered. This prospectus relates to 33,833,598 shares of Southern Company s common stock, \$5 par value, registered for purchase under the Plan.

Shares of common stock purchased under the Plan will be, at the option of the Company, original issue/treasury shares or shares purchased on the open market. If purchased from the Company, the price per share will be equal to the average of high and low market prices for the shares of the Company s common stock traded on the New York Stock Exchange ( NYSE ) the relevant investment date. For shares purchased on the open market, the price per share will be the weighted average price (excluding broker commissions and related fees) of all shares acquired during an investment period by a registered broker-dealer acting as an independent agent. Shares of common stock purchased directly from the Company pursuant to an approved Request for Waiver will be at a volume-weighted average price and may be priced at a discount, ranging from 0% to 3%, as described in this prospectus. The Company may change or eliminate any discount at any time in its sole discretion.

The Company will receive proceeds from the purchase of common stock pursuant to the Plan only to the extent that such common stock is issued directly by the Company and not from open market purchases. Proceeds received by the Company, if any, will be used for general corporate purposes.

Southern Company common stock is listed on the NYSE under the symbol SO.

**See Risk Factors on page 2 for certain risks to consider before participating in the Plan or before purchasing shares of Southern Company common stock.**

To the extent required by applicable law in any jurisdiction, shares of common stock offered under the Plan to persons not presently shareholders of record of common stock are offered only through a registered broker-dealer in such jurisdiction.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

The principal executive offices of the Company are located at 30 Ivan Allen Jr. Blvd., N.W., Atlanta, Georgia 30308, telephone 404/506-5000.

You should read this prospectus carefully and retain it for future reference.

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**The date of this prospectus is February 27, 2009.**

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**TABLE OF CONTENTS**

**Southern Investment Plan**

Page

Prospectus Summary	1
Risk Factors	2
Southern Company Overview	2
Administration	3
Eligibility	4
Enrollment	4
Dividends	5
Optional Cash Payments	6
Optional Cash Payments over Annual Maximum Amount	7
Purchase of Common Stock	8
Plan Shares	11
Sale of Plan Shares	13
Reports to Participants	14
Termination of Plan Participation	14
Costs and Expenses	15
Other Information	15
Interpretation of the Plan	16
Federal Income Tax Consequences	16
Use of Proceeds	17
Legal Matters	18
Experts	18
Where to Find More Information	18
 Appendix A Fee Schedule	 A-1

**This prospectus is not an offer to sell securities, nor is it a solicitation of an offer to buy securities, in any state or country where the offer or sale is not permitted.**

**Southern Company has not authorized any person to give you any information that is different from, or in addition to, that contained in this prospectus or in any information that Southern Company incorporates by reference into this prospectus. If given any such information, one should not rely on it.**

**Southern Company does not imply by the delivery of this prospectus or the sale of any shares of Southern Company common stock hereunder that there has been no change in the affairs of Southern Company since the date of this prospectus or that the information in this prospectus is correct as of any time subsequent to the date of this prospectus.**





**SOUTHERN INVESTMENT PLAN**

**PROSPECTUS SUMMARY**

**Enrollment:** The Plan has a direct purchase feature that enables persons not presently owning Southern Company common stock to apply for enrollment by submitting an enrollment form and a cash investment of at least \$250 (\$25 for employees) for the purchase of common stock. There is a \$10 new account fee for non-shareholders and non-employees. Registered shareholders may apply for enrollment in the Plan by submitting the appropriate enrollment form. If shares of common stock are held in a brokerage account, investors may participate directly by registering some or all of these shares in the investor's name or by making arrangements with the broker, bank or other intermediary to participate on the investor's behalf.

**Dividends:** Participants in the Plan ( Participants ) have the option of receiving or reinvesting the dividends on all shares. Dividends received can be electronically deposited to a bank account. Accounts will be credited with dividends on all whole and fractional shares.

**Optional Investments:** Participants can invest additional funds through optional cash payments ( Optional Cash Payments ) of at least \$25 per single investment up to a maximum total amount of \$300,000 per calendar year. Optional Cash Payments can be made occasionally or at regular intervals. In addition to sending in checks, Participants can also make monthly Optional Cash Payments via electronic withdrawals (direct debit) from their bank accounts. Shares will be purchased with Optional Cash Payments twice a month. In its discretion, the Company may permit investments of greater than \$300,000 per year. See Questions 24 and 28 for a discussion of Requests for Waiver.

**Direct Registration Shares:** Direct registration enables an investor to be registered directly on the books of the Company without the need for physical certificates. Direct registration shares can be enrolled in the Plan. The Direct Registration System ( DRS ) is managed by The Depository Trust Clearing Corporation ( DTCC ) and enables its participants to move securities electronically between street-name ownership and the books of the Company.

**Certificates:** Stock certificates can be deposited into an account as Plan shares if the account is enrolled in the Plan.

**Sale of Plan Shares:** Only Plan shares may be sold through the Plan, subject to certain restrictions and limitations. A brokerage and service fee (currently \$0.06 per share) and any required tax withholdings and regulatory fees will be deducted from the proceeds of the sale. Sales requests are aggregated and generally processed within five business days of receipt of the sales request. A check for the proceeds will be made payable to the registered account owner(s) and mailed via First Class mail three business days after the sale when the trade settles.

**Transfer of Shares:** Participants may direct the transfer of all or a portion of their Plan shares, subject to standard transfer rules and requirements.

**Plan Participation:** Participants may change the terms of their participation in the Plan, except as described in this prospectus, by providing written instructions to SCS Stockholder Services.

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**Account Statement:** Following the end of each calendar year, each Participant will be sent an annual statement of account that will reflect the shares in the account and provide a record of dividends reinvested and/or paid, shares purchased with Optional Cash Payments, Plan shares sold or transferred and year-end account value.

**Fees:** Participants are not charged fees for the purchase of shares through the Plan. A one-time new account fee of \$10 is deducted from the initial Optional Cash Payment ( Initial Cash Payment ) provided with each Participant's enrollment form. Currently, a fee/commission of \$0.06 per share is

1

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deducted from the proceeds of any sale of Plan shares.

**Use of Proceeds:** To the extent that shares for the Plan are purchased from the Company, the proceeds will be used for general corporate purposes.

## RISK FACTORS

Investing in Southern Company's common stock involves risk. Please see the risk factors described in Item 1A of Southern Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which is incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as other information contained or incorporated by reference in this prospectus. The risks and uncertainties described are not the only ones facing Southern Company. Additional risks and uncertainties not presently known to Southern Company or that Southern Company deems immaterial also may impair its business operations, its financial results and the value of its securities.

## SOUTHERN COMPANY OVERVIEW

Southern Company (NYSE: SO) was incorporated under the laws of Delaware on November 9, 1945. Southern Company is domesticated under the laws of Georgia and is qualified to do business as a foreign corporation under the laws of Alabama. The principal executive offices of Southern Company are located at 30 Ivan Allen Jr. Blvd., N.W., Atlanta, Georgia 30308, and the telephone number is 404/506-5000.

Southern Company owns all of the outstanding common stock of Alabama Power Company (Alabama Power), Georgia Power Company (Georgia Power), Gulf Power Company and Mississippi Power Company, each of which is an operating public utility company. The traditional operating companies supply electric service in the states of Alabama, Georgia, Florida and Mississippi. In addition, Southern Company owns all of the common stock of Southern Power Company (Southern Power), which is also an operating public utility company. Southern Power constructs, acquires, owns and manages generation assets and sells electricity at market-based rates in the wholesale market.

Southern Company also owns all of the outstanding common stock or membership interests of Southern Communications Services, Inc. (SouthernLINC Wireless), Southern Nuclear Operating Company, Inc. (Southern Nuclear), Southern Company Services, Inc. (SCS), Southern Company Holdings, Inc. (Southern Holdings) and other direct and indirect subsidiaries. SouthernLINC Wireless provides digital wireless communications for use by Southern Company and its subsidiary companies and markets these services to the public and also provides wholesale fiber optic solutions to telecommunications providers in the Southeast. Southern Nuclear operates and provides services to Alabama Power's and Georgia Power's nuclear plants. SCS is the system service company providing, at cost, specialized services to the Company and its subsidiaries. Southern Holdings is an intermediate holding subsidiary for Southern Company's investments in leveraged leases and various other energy-related businesses.

Southern Company has paid a dividend to its shareholders for 244 consecutive quarters dating back to 1948. The dividend rate for March 6, 2009 is \$0.42 per share. See Dividends on page 5 for additional information.

Southern Company's common stock has been listed on the NYSE since September 30, 1949.



## ADMINISTRATION

### 1. Who administers the Plan?

The Plan is administered by SCS, through the Company's stock transfer agent, registrar and dividend disbursing agent, SCS Stockholder Services. SCS Stockholder Services acts as agent for Participants and keeps records, sends statements and performs other duties relating to the Plan. If SCS resigns as Plan Administrator, Southern Company would designate a new administrator.

### 2. What is the contact information for SCS Stockholder Services?

#### Mail

SCS Stockholder Services  
P. O. Box 54250  
Atlanta, Georgia 30303-0250

#### Courier

SCS Stockholder Services  
30 Ivan Allen Jr. Blvd., N.W.  
11<sup>th</sup> Floor Bin SC1100  
Atlanta, Georgia 30308

#### Phone

Toll-free 800/554-7626  
FAX 404/506-0945

#### E-Mail

stockholders@southernco.com

When communicating with SCS Stockholder Services, Participants should provide their account number and a daytime telephone number. Participants also may be required to provide the account taxpayer identification number in order to receive account information. Plan documents, transaction request forms and certain other information described in this prospectus can be obtained from the Southern Company website at [www.southernco.com](http://www.southernco.com) within the Investor Relations/SCS Stockholder Services section.

### 3. In what form are instructions given to SCS Stockholder Services?

Generally, instructions from a Participant to SCS Stockholder Services must be in writing. In the future, SCS Stockholder Services may allow certain instructions to be given in other forms.

### 4. Should Participants stay in contact with the SCS Stockholder Services?

Yes. Each state has unclaimed property laws that typically specify that if an account owner does not initiate active contact with a plan agent during any three-year period, the property in the account may be deemed abandoned. For accounts that meet a state's definition of abandoned, the plan agent is legally required to transfer the property in the account, including shares and dividends, to the state of the account's last known residence. Therefore, Participants should immediately notify SCS Stockholder Services of any change of address and respond as directed to mailings requesting they contact SCS Stockholder Services.

### 5. What happens upon a Participant's death or legal incapacitation?

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The Participant's legal representative should notify SCS Stockholder Services as soon as possible for specific information regarding the disposition of the assets.

### **6. May the Plan be amended, suspended or terminated?**

Yes. Southern Company reserves the right to suspend, modify or terminate the Plan at any time. All Participants will receive notice of any such suspension, substantive modification or termination.

3

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**7. Who purchases and sells stock for the Plan?**

SCS appoints a registered broker-dealer or bank as independent agent to purchase and sell Southern Company common stock on the open market on behalf of the Plan. SCS reserves the right to change the independent agent without notice.

**ELIGIBILITY**

**8. Who is eligible to participate in the Plan?**

Any person or legal entity residing in the United States, whether or not a common stock shareholder of record, is eligible to participate in the Plan. Citizens or residents of a country other than the United States, its territories and possessions are eligible to participate if such participation would not violate laws applicable to the Company or the Participant.

**ENROLLMENT**

**9. How does an investor apply for enrollment in the Plan?**

**New Investors**

New investors may apply by completing all required sections of the New Investor Enrollment Form and sending it to SCS Stockholder Services. The form can be obtained from the Company's website. The form must be accompanied by an Initial Cash Payment in the form of a check drawn on the payer's own account made payable in U.S. dollars to Southern Company. The minimum amount for an Initial Cash Payment is \$250 and the amount can not exceed \$300,000. In its discretion, the Company may permit investments of greater than \$300,000 per year. See Questions 24 and 28 for a discussion of Requests for Waiver. A \$10 enrollment fee will be deducted from the Initial Cash Payment. Participants may not send cash, money orders, travelers' checks or third-party checks.

If the account will be registered in more than one name, all potential Participants must sign the New Investor Enrollment Form. SCS Stockholder Services reserves the right to limit or combine accounts with identical taxpayer identification numbers and/or legal registrations.

**Shareholders of Record Registered**

A Shareholder who has a current account but is not enrolled in the Plan may apply by sending a completed Current Shareholder Enrollment Form to SCS Stockholder Services. To request a form, call SCS Stockholder Services or obtain the form from the Company's website. There is no enrollment fee for shareholders of record.

**Employees**

Full or part-time employees of the Company's subsidiaries may apply by returning a completed Employee Enrollment Form and a check drawn on the payer's own account made payable in U.S. dollars to Southern Company for at least \$25. The form is available from SCS Stockholder Services. There is no new account fee. Accounts established through the employee enrollment process must contain the employee's name in the registration.

**Beneficial Owners**

Beneficial owners of common stock whose shares are held in street-name brokerage accounts can make arrangements with their brokers to participate on their behalf if such service is offered by the brokers.



**10. When will enrollment take effect?**

Investors applying for enrollment will become Participants after a properly completed enrollment form has been received and accepted by SCS Stockholder Services.

**11. Will interest be paid on Initial Cash Payments held for investment pending the purchase of shares?**

No.

**DIVIDENDS**

**12. When are dividends paid?**

The dividend record date is the date on which a Participant must be registered as a shareholder in order to receive a declared dividend. Historically, record dates generally have been the first Monday of February, May, August and November. The payment date is the day when the dividend is payable to shareholders of record. Payment dates generally have been the sixth day of March, June, September and December.

Dividends and associated record and payment dates are subject to declaration by the Southern Company Board of Directors. The timing and amount of future dividends will depend on earnings, cash requirements, the financial condition of Southern Company and its subsidiaries, applicable government regulations and other factors deemed relevant by the Southern Company Board of Directors.

**13. Will interest be paid on dividends held for investment pending the purchase of shares?**

No.

**14. What are the options for reinvesting or receiving dividends?**

Participants have three options regarding how their dividends can be treated under the Plan. Optional Cash Payments can be made under any option.

**A. Full Dividend Reinvestment:** Reinvest all dividends payable on Southern Company shares including certificated, Plan and DRS shares. Unless otherwise specified, all Plan shares will be treated as Full Dividend Reinvestment.

**B. Partial Dividend Reinvestment:**

1. Reinvest dividends on a specified number of whole shares and receive dividends on the remaining shares. Shares specified to reinvest dividends may be made up of a combination of certificated, Plan and DRS shares.

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2. Receive dividends on a specified number of whole shares and reinvest dividends on the remaining shares. Shares specified to receive dividends may be made up of a combination of certificated, Plan and DRS shares.

**C. Cash Dividends:** Receive all dividends payable on Southern Company shares, including certificated, Plan and DRS shares.

**15. What is the deadline for designating a dividend option?**

When a Participant chooses or changes a dividend option, written instructions must be received by SCS Stockholder Services before a dividend record date to be effective for the related dividend payment date. A Participant may change a dividend option at any time by sending written instructions or a

5

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signed transaction form to SCS Stockholder Services.

**16. Can Participants have cash dividends electronically deposited?**

Yes. Participants may request that cash dividends be transmitted to a Participant's pre-designated bank account. No third party accounts can be used. The account must be at a financial institution that is a member of the National Automated Clearing House Association. To initiate this service, a Participant should send a completed Electronic Dividend Deposit Form along with a voided check or savings deposit slip to SCS Stockholder Services. The form can be found on a dividend check stub or can be obtained from the Company's website. Initial set-up or changes to electronic deposit instructions will be made as soon as practicable.

**OPTIONAL CASH PAYMENTS**

**17. What are the minimum and maximum amounts for Optional Cash Payments?**

The minimum Optional Cash Payment is \$25 per payment and the maximum is \$300,000. The total amount of Optional Cash Payments that can be credited to any individual account during a calendar year is \$300,000, which includes the Initial Cash Payment. In its discretion, the Company may permit investments of greater than \$300,000 per year. See Questions 24 and 28 for a discussion of Requests for Waiver. There is no obligation to make an Optional Cash Payment in any period, and the same amount need not be sent each time.

**18. How does a Participant make an Optional Cash Payment?**

A Participant should send a check drawn on the payer's own account made payable, in U.S. dollars, to Southern Company. The check should be accompanied by the Optional Cash Payment portion of an account statement and mailed to SCS Stockholder Services. If the check representing an Optional Cash Payment does not have the Participant's account number written on it, the check may be returned.

Southern Company will not accept cash, money orders, travelers' checks or third-party checks.

**19. Are there deadlines for receipt of Optional Cash Payments?**

Yes. Optional Cash Payments must be received at SCS Stockholder Services no later than three business days prior to the 10th and 25th of each month. Payments received after the deadline will be credited to the Participant's account and may not be used to purchase shares until the next investment period.

**20. Can Participants have Optional Cash Payments automatically withdrawn from their bank accounts?**

Yes. Participants can authorize monthly electronic withdrawals (direct debit) from their accounts at a financial institution that is a member of the National Automated Clearing House Association. No third party accounts can be utilized. The minimum amount for monthly direct debit is \$25. To initiate this service, Participants must send a completed Direct Debit Form to SCS Stockholder Services. The form can be obtained from the Company's website.

Funds will be withdrawn from the Participant's account on the last banking day of each month and will be used to purchase common stock during the Investment Period (as described below) following the date of such debit. To change any aspect of the instruction, Participants must send a revised Direct Debit/Change Form or written instructions to SCS Stockholder Services. Initial set-up or changes to direct debit instructions will be made as soon as practicable.

6

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**21. Will interest be paid on Optional Cash Payments held for investment pending the purchase of shares?**

No.

**22. Can an Optional Cash Payment be refunded?**

Yes, if shares have not yet been purchased and credited to the account. A written request to refund an Optional Cash Payment must be received by SCS Stockholder Services no later than three business days prior to the start of an Investment Period (10th and 25th of each month). Refund checks will be issued only after confirmation that the monies representing the payment to be refunded have been received by SCS Stockholder Services. This process will take up to 10 days. Optional Cash Payments made pursuant to Requests for Waiver as described in Questions 24 and 28 will not be refunded except as described therein.

**23. How are payments with insufficient funds handled?**

If SCS Stockholder Services does not receive credit for a cash payment because of insufficient funds or incorrect draft information, SCS Stockholder Services will consider the request for such purchase null and void and will immediately remove from the Participant's account any shares already purchased upon the prior credit of such funds. SCS Stockholder Services is entitled to place a hold on the account until an insufficient funds fee is received from the Participant or to sell any shares to satisfy any uncollected amounts. See Appendix A Fee Schedule.

In the event the net proceeds of the sale of such shares are insufficient to satisfy the balance of such uncollected amounts, SCS Stockholder Services may sell such additional shares from the Participant's account as are necessary to satisfy the uncollected balance. At SCS Stockholder Services' discretion, the Participant may be prohibited from submitting future Optional Cash Payments.

**OPTIONAL CASH PAYMENTS OVER ANNUAL MAXIMUM AMOUNT**

**24. How does a Participant make an Optional Cash Payment over the maximum amount?**

If a Participant wishes to make an Optional Cash Payment, including an Initial Cash Payment, in excess of \$300,000 per year and be eligible for a potential discount from the market price, a Participant must obtain the Company's prior written approval. If a Participant is interested in obtaining such approval, a Participant must submit a Request for Waiver. To make a Request for Waiver, a Participant should obtain a Request for Waiver form by contacting the Company at 404/506-0800 or [waivers@southernco.com](mailto:waivers@southernco.com). Completed Request for Waiver forms should be sent by facsimile to the Company at the number indicated on the form. The Company will notify a Participant as to whether a Request for Waiver has been granted or denied, either in whole or in part, within three business days of the receipt of the request. If the Request for Waiver is granted in part, the Company will advise the Participant of the maximum amount that will be accepted from the Participant in connection with the purchase. If a request is approved, the Company must receive the funds for the purchase prior to or on the applicable date specified by the Company for the relevant pricing period (which typically will be one business day prior to the applicable pricing period). If the Participant does not receive a response from the Company in connection with a Request for Waiver, the Company will be deemed to have denied the request.

The Company may alter, amend, supplement or waive, in its sole discretion, the time periods and/or other parameters relating to Optional Cash Payments in excess of \$300,000 made by one or more Participants in the Plan, at any time and from time to time, prior to the granting of any Request for Waiver. For more information regarding a particular pricing period (including applicable pricing period



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start dates), please contact the Company at 404/506-0800. Please see Question 28 for a discussion of the pricing applicable to any approved Request for Waiver.

The Company has the sole discretion whether to approve any request to make an Optional Cash Payment in excess of the \$300,000 annual maximum. The Company may approve Requests for Waiver in order of receipt or by any other method that it determines appropriate. The Company also may determine the amount that may be invested pursuant to a waiver. In deciding whether to approve a Request for Waiver, the Company may consider, among other things, the following factors:

whether, at the time of such request, the Plan is acquiring shares of common stock directly from the Company or in the open market;

the Company's need for additional funds;

the Company's desire to obtain additional funds through the sale of common stock as compared to other sources of funds;

the purchase price likely to apply to any sale of common stock;

the extent and nature of the Participant's prior participation in the Plan;

the number of shares of common stock the Participant holds; and

the total amount of Optional Cash Payments in excess of \$300,000 per year for which Requests for Waiver have been submitted.

### **PURCHASE OF COMMON STOCK**

#### **25. What is the source of stock purchased through the Plan?**

At the Company's discretion, stock for the Plan will be purchased on the open market or directly from the Company.

#### **26. How is stock purchased on the open market?**

SCS Stockholder Services will separately aggregate Participants' dividends for reinvestment and Optional Cash Payments and notify the independent agent of the amount available for purchase for the relevant Investment Period. The independent agent has sole control over the time and price at which it purchases common stock for the Plan.

**27. How is the purchase price determined?**

The price per share for shares purchased on the open market will be the weighted average price paid by the independent agent to acquire the shares, excluding broker commissions and related fees.

The price per share for shares purchased from the Company with dividends will be equal to the average of the high and low market prices on the dividend payment date. For shares purchased from the Company with Optional Cash Payments, the price per share will be equal to the average of the high and low market prices on the 10th or 25th of the month, as applicable. The price for shares purchased from the Company will be calculated based on market prices as reported by the NYSE for composite transactions or another authoritative source reporting NYSE composite transactions.



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When shares are purchased from the Company and the common stock is not traded on the NYSE on the days specified above, the price for shares purchased with dividends will be equal to the average of the high and low market prices on the trading days immediately preceding and following the dividend payment date. For shares purchased with Optional Cash Payments, the price will be the average of the high and low market prices on the trading day immediately following the 10th or 25th.

The purchase price for shares purchased from the Company pursuant to a Request for Waiver is described in Question 28.

**28. If a Request for Waiver for Optional Cash Payments over \$300,000 has been approved (see Question 24), how are shares priced and purchased?**

Shares purchased pursuant to an approved Request for Waiver will be purchased directly from the Company. Optional Cash Payments made pursuant to a Request for Waiver will be priced as follows:

Investments for which a Request for Waiver has been approved will be made subject to a pricing period, which generally will consist of one to 30 separate days during which trading of the Company's common stock is reported on the NYSE. Each of these separate days will be an investment date, and an equal proportion of the Optional Cash Payment will be invested on each trading day during such pricing period, subject to the qualifications listed below. The purchase price for shares acquired on a particular investment date will be equal to 100% (subject to change as provided below) of the volume-weighted average price (less any applicable discount), rounded to four decimal places, of the Company's common stock as reported by the NYSE only, obtained from Bloomberg, LP for the trading hours from 9:30 a.m. to 4:00 p.m., Eastern Time (through and including the last trade on the NYSE even if reported after 4:00 p.m.), for that investment date. For example, if an Optional Cash Payment of \$10 million is made pursuant to an approved Request for Waiver and the pricing period is 10 days, the number of shares will be calculated for each day of the pricing period by taking a pro rata portion of the total Optional Cash Payment for each day of the pricing period, which would be \$1 million, and dividing it by the volume-weighted average price obtained from Bloomberg, LP for the trading hours from 9:30 a.m. to 4:00 p.m., Eastern time (through and including the last trade on the NYSE even if reported after 4:00 p.m.), less the discount, if any. Funds for such Optional Cash Payments must be received by the Company not later than the business day before the first day of the pricing period.

The Company may establish a minimum, or threshold, price for any pricing period that the volume-weighted average price, rounded to four decimal places, of the Company's common stock must equal or exceed during each trading day of the pricing period for investments made pursuant to a Request for Waiver. If the threshold price is not satisfied for a trading day in the pricing period, then the Company will exclude from the pricing period such trading day and refund that day's proportional investment amount. For example, if the threshold price is not met for two of the trading days in a 10-day pricing period, then the Company will return 20% of the funds submitted in connection with a Request for Waiver, without interest, unless the Company has activated the pricing period extension feature for the pricing period, as described below. The Company is not required to notify a Participant that a threshold price has been established for any pricing period. The establishment of the threshold price and the possible return of a portion of the payment applies only to Optional Cash Payments exceeding \$300,000 per year made pursuant to approved Requests for Waiver. Setting a threshold price for a pricing period will not affect the setting of a threshold price for any other pricing period. The Company may waive its right to set a threshold price for any particular pricing period.

For each pricing period, the Company may establish a discount from the market price for shares purchased pursuant to a Request for Waiver. This waiver discount, if any, will range from 0% to 3% of the purchase price and may vary for each pricing period. The waiver discount, if any, will



be established in the Company's sole discretion after a review of current market conditions, the level of participation in the Plan, the attractiveness of obtaining additional funds through the sale of common stock as compared to other sources of funds and the Company's need for additional funds. To obtain information regarding the waiver discount, if any, please contact the Company at 404/506-0800 or [waivers@southernco.com](mailto:waivers@southernco.com). Setting a waiver discount for a particular pricing period will not affect the setting of a waiver discount for any subsequent pricing period. The waiver discount, if any, will apply only to Optional Cash Payments in excess of \$300,000 made pursuant to an approved Request for Waiver. The waiver discount, if any, however, will apply to the entire Optional Cash Payment made pursuant to the Request for Waiver and not just the portion in excess of \$300,000.

The Company may elect to activate for any particular pricing period a pricing period extension feature that will provide that the initial pricing period be extended by the number of days that the threshold price is not satisfied, subject to a maximum of five trading days. If the Company elects to activate the pricing period extension feature and the threshold price is satisfied for any additional day that has been added to the initial pricing period, that day will be included as one of the trading days for the pricing period instead of the day on which the threshold price was not met. For example, if the determined pricing period is 10 days, and the threshold price is not satisfied for three out of those 10 days in the initial pricing period, and the Company had previously announced that the pricing period extension feature was activated, then the pricing period will be automatically extended, and if the threshold price is satisfied on the next three trading days (or a subset thereof), then those three days (or subset thereof) would become investment dates instead of the three days on which the threshold price was not met. As a result, because there were 10 trading days during the initial and extended pricing periods on which the threshold price was satisfied, all of the funds that were included with a Request for Waiver would be invested.

Newly issued shares purchased pursuant to a Request for Waiver will be posted to Participants' accounts within three business days following the end of the applicable pricing period, or, if the Company elects to activate the continuous settlement feature, within three business days of each separate investment date beginning on the first investment date in the relevant pricing period and ending on the final investment date in the relevant pricing period, with an equal amount being invested on each day, subject to the qualifications set forth above. During any period when the Company is proposing to approve Requests for Waiver for one or more investments, the Company may elect to activate the continuous settlement feature for such investments by announcing in the Request for Waiver form that it will be doing so. For each pricing period (assuming the threshold price is met on each trading day of that pricing period), the Company would have a separate settlement of each investment date's purchases, each based on the volume-weighted average price for the trading day relating to each of the investment dates during the pricing period.

Request for Waiver forms and information regarding the establishment of a threshold price, if any, and discount, if any, may be obtained by contacting the Company at 404/ 506-0800 or [waivers@southernco.com](mailto:waivers@southernco.com).

## **29. Who pays brokerage commissions on share purchases?**

The Company will pay the brokerage commission on shares purchased on the open market. These commissions will be considered additional income to Participants for tax purposes and will be reported on Internal Revenue Service ( IRS ) Form 1099-DIV year-end tax statements. There are no commissions on shares purchased from the Company.

**30. When are the Investment Periods for the purchase of shares?**