

SOUTHERN CO  
Form DEF 14A  
April 14, 2008  
UNITED STATES

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(A) of the  
Securities Exchange Act Of 1934**

Filed by the Registrant   
Check the appropriate box:

Filed by a Party other than the Registrant

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e) (2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Materials Pursuant to Rule 14a-12

**THE SOUTHERN COMPANY**

(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i) (1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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- Fee paid previously with preliminary materials.
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    - (1) Amount Previously Paid:
  
    - (2) Form, Schedule or Registration Statement No.:
  
    - (3) Filing Party:
  
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-



**Table of Contents**

**Notice of  
Annual Meeting**

**2008  
& Proxy Statement**

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**PROXY STATEMENT**

**Contents**

<u>Letter to Stockholders</u>	
<u>Notice of Annual Meeting of Stockholders May 28, 2008</u>	
<u>Proxy Statement</u>	1
<u>General Information</u>	1
<u>Giving Voting Instructions</u>	1
<u>Revocation of Proxies</u>	1
<u>Electronic Delivery of Proxy Materials and Annual Report</u>	1
<u>Householding Information</u>	2
<u>Stockholder Proposals for the 2009 Proxy Materials</u>	2
<u>Cost of Proxy Solicitation</u>	2
<u>Corporate Governance</u>	3
<u>Company Organization</u>	3
<u>Corporate Governance website</u>	3
<u>Director Independence</u>	3
<u>Communicating with the Board</u>	4
<u>Director Compensation</u>	4
<u>Director Compensation Table</u>	6
<u>Director Stock Ownership Guidelines</u>	6
<u>Meetings of Non-Employee Directors</u>	7
<u>Committees of the Board</u>	7
<u>Committee Charters</u>	7
<u>Audit</u>	7
<u>Compensation and Management Succession</u>	7
<u>Finance</u>	8
<u>Governance</u>	8
<u>Nominees for Election to the Board</u>	9
<u>Nuclear/Operations</u>	9
<u>Director Attendance</u>	9
<u>Stock Ownership Table</u>	10
<u>Matters to be Voted Upon</u>	11
<u>Item No. 1 Election of Directors</u>	11
<u>Item No. 2 Ratification of Appointment of Independent Registered Public Accounting Firm</u>	15
<u>Item No. 3 Amendment of By-laws</u>	15
<u>Item No. 4 Amendment of Certificate of Incorporation</u>	16
<u>Item No. 5 Stockholder Proposal on Environmental Report</u>	17
<u>Audit Committee Report</u>	19
<u>Executive Compensation</u>	21
<u>Compensation Discussion and Analysis</u>	21
<u>Compensation and Management Succession Committee Report</u>	34
<u>Summary Compensation Table</u>	34
<u>Grants of Plan-Based Awards Table</u>	39
<u>Outstanding Equity Awards Table</u>	41
<u>Option Exercises and Stock Vested Table</u>	42
<u>Pension Benefits Table</u>	42

<u>Nonqualified Deferred Compensation Table</u>	45
<u>Potential Payments upon Termination or Change in Control</u>	46
<u>Other Information</u>	53
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	53
<u>Certain Relationships and Related Transactions</u>	53
<u>Appendix A Proposed Amendment of By-laws</u>	i
<u>Appendix B Policy on Engagement of the Independent Auditor For Audit and Non-Audit Services</u>	ii

---

**Table of Contents**

**Letter to Stockholders**

**David M. Ratcliffe**

Chairman, President and  
Chief Executive Officer

Dear Fellow Stockholder:

You are invited to attend the 2008 Annual Meeting of Stockholders at 10:00 a.m., ET, on Wednesday, May 28, 2008 at The Lodge Conference Center at Callaway, Gardens, Pine Mountain, Georgia.

At the meeting, I will report on our business and our plans for the future. Also, we will elect our Board of Directors and vote on the other matters set forth in the accompanying Notice.

Your vote is important. Please review the proxy material and vote your proxy as soon as possible.

We look forward to seeing you on May 28th.

David M. Ratcliffe

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**Table of Contents**

**Notice of Annual Meeting of Stockholders May 28, 2008**

**TIME AND DATE**

10:00 a.m., ET, on Wednesday, May 28, 2008

**PLACE**

The Lodge Conference Center at Callaway Gardens  
Highway 18  
Pine Mountain, Georgia 31822

**DIRECTIONS**

From Atlanta, Georgia take I-85 south to I-185 (Exit 21). From I-185 south, take Exit 34, Georgia Highway 18. Take Georgia Highway 18 east to Callaway.

From Birmingham, Alabama take U.S. Highway 280 east to Opelika. Take I-85 north to Georgia Highway 18 (Exit 2). Take Georgia Highway 18 east to Callaway.

**ITEMS OF BUSINESS**

- (1) Elect 12 members of the Board of Directors;
- (2) Ratify appointment of independent registered public accounting firm;
- (3) Consider and vote on an amendment to the By-laws of the Company;
- (4) Consider and vote on an amendment to the Company's Certificate of Incorporation;
- (5) Consider and vote on a stockholder proposal if presented at the meeting as described in Item No. 5 of the Proxy Statement; and
- (6) Transact other business properly coming before the meeting or any adjournments thereof.

**RECORD DATE**

Stockholders of record at the close of business on March 31, 2008 are entitled to attend and vote at the meeting.

**ANNUAL REPORT TO STOCKHOLDERS**

The Southern Company Annual Report to Stockholders for 2007 ( Annual Report ) is enclosed but is not a part of this mailing or has been provided separately.

**VOTING**

Even if you plan to attend the meeting in person, please provide your voting instructions in one of the following ways as soon as possible:

- (1) Internet use the Internet address on the proxy form
- (2) Telephone use the toll-free number on the proxy form
- (3) Mail mark, sign and date the proxy form and return it in the enclosed postage-paid envelope



*By Order of the Board of Directors, G. Edison Holland, Jr., Corporate Secretary, April 14, 2008*

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**Table of Contents**

**Proxy Statement**

**General Information**

**Q: How do I give voting instructions?**

**A:** You may attend the meeting and give instructions in person or give instructions by the Internet, by telephone or by mail. Information for giving instructions is on the proxy form. The Proxies, named on the enclosed proxy form, will vote all properly executed proxies that are delivered pursuant to this solicitation and not subsequently revoked in accordance with the instructions given by you.

**Q: Can I change my vote?**

**A:** Yes, you may revoke your proxy by submitting a subsequent proxy or by written request received by the Company's corporate secretary before the meeting.

**Q: Who can vote?**

**A:** All stockholders of record on the record date of March 31, 2008. On that date, there were 767,624,255 shares of Southern Company common stock ( Common Stock ) outstanding and entitled to vote.

**Q: How much does each share count?**

**A:** Each share counts as one vote, except votes for Directors may be cumulative. Abstentions that are marked on the proxy form are included for the purpose of determining a quorum, but shares that a broker fails to vote are not counted toward a quorum. Neither is counted for or against the matters being considered.

**Q: What does it mean if I get more than one proxy form?**

**A:** You will receive a proxy form for each account that you have. Please vote proxies for all accounts to ensure that all your shares are voted. If you wish to consolidate multiple registered accounts, please contact Stockholder Services at (800) 554-7626.

**Q: Can the Company's Proxy Statement and Annual Report be accessed from the Internet?**

**A:** Yes. You can access the Company's website at [www.southerncompany.com](http://www.southerncompany.com) to view these documents.

**Q: Does the Company offer electronic delivery of proxy materials?**

**A:** Yes. Most stockholders can elect to receive an e-mail that will provide electronic links to the Annual Report and Proxy Statement. Opting to receive your proxy materials on-line will save us the cost of producing and mailing documents and also will give you an electronic link to the proxy voting site.

You may sign up for electronic delivery when you vote your proxy via the Internet or:

n Go to our investor web site at <http://investor.southerncompany.com/>;

n Click on the word "Enroll" for Electronic Delivery of Proxy Materials; and

n Follow the directions provided to complete your enrollment.

Once you enroll for electronic delivery, you will receive proxy materials electronically as long as your account remains active or until you cancel your enrollment. If you consent to electronic access, you will be responsible for your usual Internet-related charges (*e.g.*, on-line fees and telephone charges) in connection with electronic viewing and printing of proxy materials and annual reports. The Company will continue to distribute printed materials to stockholders who do not consent to access these materials electronically.

**Table of Contents**

**Q: What is householding ?**

**A:** Certain beneficial owners of the Company's common stock, sharing a single address, may receive only one copy of the Proxy Statement and Annual Report unless the broker, bank or nominee has received contrary instructions from any beneficial owner at that address. This practice known as householding is designed to reduce printing and mailing costs. If a beneficial owner does not wish to participate in householding, he or she may contact Stockholder Services at (800) 554-7626 or at 30 Ivan Allen Jr. Boulevard NW, Atlanta, Georgia 30308 and ask to receive a Proxy Statement or Annual Report. As noted earlier, beneficial owners may view the Proxy Statement and Annual Report on the Internet.

**Q: When are stockholder proposals due for the 2009 Annual Meeting of Stockholders?** **A:** The deadline for the receipt of stockholder proposals to be considered for inclusion in the Company's proxy materials for the 2009 Annual Meeting of Stockholders is December 15, 2008. Proposals must be submitted in writing to Patricia L. Roberts, Assistant Corporate Secretary, Southern Company, 30 Ivan Allen Jr. Boulevard NW, Atlanta, Georgia 30308. Additionally, the proxy solicited by the Board of Directors for next year's meeting will confer discretionary authority to vote on any stockholder proposal presented at that meeting that is not included in the Company's proxy materials unless the Company is provided written notice of such proposal no later than February 28, 2009. **Q: Who pays the expense of soliciting proxies?** **A:** The Company pays the cost of soliciting proxies. The officers or other employees of the Company or its subsidiaries may solicit proxies to have a larger representation at the meeting. The Company has retained Laurel Hill Advisory Group to assist with the solicitation of proxies for a fee not to exceed \$10,000, plus reimbursement of out-of-pocket expenses.

*The Company's 2007 Annual Report to the Securities and Exchange Commission (the SEC) on Form 10-K will be provided without charge upon written request to Patricia L. Roberts, Assistant Corporate Secretary, Southern Company, 30 Ivan Allen Jr. Boulevard NW, Atlanta, Georgia 30308.*

**Important notice regarding the availability of proxy materials for the Annual Meeting of Stockholders to be held on May 28, 2008:**

This Proxy Statement and the Annual Report are also available at <http://investor.southerncompany.com/proxy.cfm> and <http://investor.southerncompany.com/annuals.cfm>, respectively.

**Table of Contents**

**Corporate Governance**

**COMPANY ORGANIZATION**

Southern Company is a holding company managed by a core group of officers and governed by a Board of Directors that is currently comprised of 12 members.

The nominees for election as Directors consist of eleven non-employees and one executive officer of the Company.

The Board of Directors has adopted and operates under a set of Corporate Governance Guidelines which are available on the Company's website at [www.southerncompany.com](http://www.southerncompany.com) under Investors/Corporate Governance.

**CORPORATE GOVERNANCE WEBSITE**

In addition to the Corporate Governance Guidelines, other information relating to corporate governance of the Company is available on the Company's Corporate Governance webpage at [www.southerncompany.com](http://www.southerncompany.com) under Investors/Corporate Governance or directly at <http://investor.southerncompany.com/governance.cfm>, including:

- n Code of Ethics
- n Political Contributions Policy and Report
- n By-laws of the Company
- n Executive Stock Ownership Guidelines
- n Board Committee Charters
- n Board of Directors Background and Experience
- n Management Council Background and Experience
- n SEC filings
- n Composition of Board Committees
- n Link for online communication with Board of Directors

The Corporate Governance documents also may be obtained by requesting a copy from Patricia L. Roberts, Assistant Corporate Secretary, Southern Company, 30 Ivan Allen Jr. Boulevard NW, Atlanta, Georgia 30308.

**DIRECTOR INDEPENDENCE**

No Director will be deemed to be independent unless the Board of Directors affirmatively determines that the Director has no material relationship with the Company, directly, or as an officer, shareowner or partner of an organization that has a relationship with the Company. The Board of Directors has adopted categorical guidelines which provide that a Director will not be deemed to be independent if within the preceding three years:

- n The Director was employed by the Company or whose immediate family member was an executive officer of the Company.
- n The Director received, or whose immediate family member received, during any 12 month period direct compensation from the Company of more than \$100,000, other than director and committee fees. (Compensation received by an immediate family member for services as a non-executive employee of the Company need not be considered.)
- n The Director was affiliated with or employed by, or whose immediate family member was affiliated or employed in a professional capacity by, a present or former external auditor of the Company.
- n The Director was employed, or whose immediate family member was employed, as an executive officer of a company where any member of the Company's present executives serve on that company's compensation committee.

## **Table of Contents**

n A company for which the Director currently serves as an executive officer or an employee or whose immediate family member currently serves as an executive officer that makes payments to or receives payments from the Company for property or services in an amount which in any single fiscal year exceeds the greater of \$1,000,000 or two percent of that company's consolidated gross revenues.

Additionally, a Director will be deemed not to be independent if the Director or the Director's spouse serves as an executive officer of a charitable organization to which the Company made discretionary contributions exceeding the greater of \$1,000,000 or two percent of the organization's total annual charitable receipts.

In determining independence, the Board reviews and considers all commercial, consulting, legal, accounting, charitable or other business relationships that a Director or the Director's immediate family members have with the Company. This review specifically included all ordinary course transactions with entities with which the Directors are associated. In particular, the Board reviewed transactions between subsidiaries of the Company and The Home Depot, Inc. and Vulcan Materials Company. Messrs. Francis S. Blake and Donald M. James are the chief executive officers of The Home Depot, Inc. and Vulcan Materials Company, respectively. Throughout 2007, the subsidiaries purchased goods and services in the amount of \$524,669 from The Home Depot, Inc. and \$452,920 from Vulcan Materials Company. These amounts represented numerous individual purchases from The Home Depot, Inc. and several individual transactions with Vulcan Materials Company. The Board determined that its subsidiaries followed the Company procurement policies and procedures, that the amounts were well under the thresholds under the Director independence requirements and that neither Mr. Blake nor Mr. James had a direct or indirect material interest in the transactions.

While no Director or immediate family member serves in an executive capacity for a charitable organization, the Board reviewed all contributions made by the Company and its subsidiaries to charitable organizations with which the Directors are associated. The Board determined that the contributions were consistent with similar contributions and none were approved outside the Company's normal procedures.

As a result of its annual review of Director independence, the Board affirmatively determined that none of the following persons who are currently serving as a Director or are nominees for election as Directors has a material relationship with the Company and, as a result, such persons are determined to be independent: Juanita Powell Baranco, Dorrit J. Bern, Francis S. Blake, Jon A. Boscia, Thomas F. Chapman, H. William Habermeyer, Jr., Warren A. Hood, Jr., Donald M. James, J. Neal Purcell, William G. Smith, Jr. and Gerald J. St. Pé. David M. Ratcliffe, a current Director, is Chairman of the Board, President and Chief Executive Officer of the Company. Also, Zack T. Pate who served as a Director during 2007 until his retirement date of May 23, 2007, was determined not to have a material relationship with the Company and to be independent.

## **COMMUNICATING WITH THE BOARD**

Communications may be sent to the Company's Board or to specified Directors by regular mail or electronic mail. Regular mail should be sent to the attention of Patricia L. Roberts, Assistant Corporate Secretary, Southern Company, 30 Ivan Allen Jr. Boulevard NW, Atlanta, Georgia 30308. The electronic mail address is CORPGOV@southerncompany.com. The electronic mail address also can be accessed from the Corporate Governance webpage located under Investors on the Southern Company website at [www.southerncompany.com](http://www.southerncompany.com), under the link entitled Governance Inquiries. With the exception of commercial solicitations, all stockholder communications directed to the Board or to specified Directors will be relayed to them.

## **DIRECTOR COMPENSATION**

Only non-employee Directors are compensated for Board service.

During 2007 the pay components were:

**Annual retainers:**

- n \$70,000 of which \$30,000 was deferred in Common Stock until Board membership ends
- n \$10,000 if serving as chair of a standing Board committee with the exception that the chair of the Audit Committee received \$25,000

**4**

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**Table of Contents**

**Equity grants:**

- n 1,000 additional shares of Common Stock in quarterly grants of 250 shares, deferred until Board membership ends

**Meeting fees:**

- n \$2,500 for participation in a meeting of the Board
- n \$2,000 for participation in a meeting of a committee of the Board other than a meeting of the Audit Committee
- n \$4,000 for attendance in person at a meeting of the Audit Committee
- n \$2,000 for participation by telephone in a meeting of the Audit Committee
- n \$2,000 for each day of a visit to a plant or office of the Company and for any other business meeting at which the Director participated as a representative of the Company

Effective January 1, 2008, the director compensation program was amended with pay components being as follows:

**Annual retainers:**

- n \$85,000 cash retainer
- n \$12,500 if serving as a chair of a committee of the Board
- n \$12,500 if serving as the Presiding Director of the Board

**Equity grant:**

- n \$90,000 in deferred Common Stock units until Board membership ends

**Meeting fees:**

- n Meeting fees are not paid for participation in the initial eight meetings of the Board in a calendar year. If more than eight meetings of the Board are held in a calendar year, \$2,500 will be paid for participation in each meeting of the Board beginning with the ninth meeting.
- n Meeting fees are no longer paid for participation in a meeting of a committee of the Board.

**DIRECTOR DEFERRED COMPENSATION PLAN**

The \$90,000 equity grant is required to be deferred in shares of Common Stock under the Deferred Compensation Plan for Directors of The Southern Company (the Director Deferred Compensation Plan ) and invested in Common Stock units which earn dividends as if invested in Common Stock. Earnings are reinvested in additional stock units. Upon leaving the Board, distributions are made in Common Stock.

In addition, Directors may elect to defer up to 100% of their remaining compensation in the Director Deferred Compensation Plan until membership on the Board ends. Such deferred compensation may be invested as follows, at the Director's election:

in Common Stock units which earn dividends as if invested in Common Stock and are distributed in shares of Common Stock upon leaving the Board

at prime interest which is paid in cash upon leaving the Board

All investments and earnings in the Director Deferred Compensation Plan are fully vested and at the election of the Director, may be distributed in a lump-sum payment or in up to 10 annual distributions after leaving the Board. The Company has established a grantor trust that primarily holds Common Stock that funds the Common Stock units that are distributed in Common Stock. Directors have voting rights in the shares held in the trust attributable to these units.

**Table of Contents****DIRECTOR COMPENSATION TABLE**

The following table reports all compensation to the Company's non-employee Directors during 2007, including amounts deferred in the Director Deferred Compensation Plan. Non-employee Directors do not receive Option Awards or Non-Equity Incentive Plan compensation, and there is no pension plan for non-employee Directors.

Name	Fees Earned or Paid in Cash (\$)(1)	Stock Awards (\$)(2)(3)	Option Award (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and	All Other Compensation (\$)(4)	Total (\$)
					Nonqualified Deferred Compensation Earnings (\$)		
Juanita Powell Baranco	92,500	66,643					159,143
Dorrit J. Bern	106,500	66,643					173,143
Francis S. Blake	81,000	66,643					147,643
Jon A. Boscia(5)							
Thomas F. Chapman	108,500	66,643					175,143
H. William Habermeyer, Jr.(6)	71,666	55,559					127,225
Warren A. Hood, Jr.(7)	19,800					391	20,191
Donald M. James	93,500	66,643					160,143
Zack T. Pate(8)	76,334	14,889				8,061	99,284
J. Neal Purcell	117,500	66,643					184,143
William G. Smith, Jr.	96,500	66,643					163,143
Gerald J. St. Pé	108,500	66,643				114	175,257

(1) Includes amounts voluntarily deferred in the Director Deferred Compensation Plan.

(2) Includes fair market value of equity grants on grant dates and retainer compensation required to be deferred in the Director Deferred Compensation Plan. All such stock awards are vested immediately upon grant.

(3) The aggregate number of Common Stock units held at year-end in the Director Deferred Compensation Plan for each person is provided in the Stock Ownership Table under the column Deferred Stock Units.

(4) Consists of tax gross-ups for an award given to Dr. Pate upon his retirement from the Board and reimbursement for taxes associated with spousal air travel.

(5) Mr. Boscia was elected a Director of the Company effective December 7, 2007. No compensation was paid to Mr. Boscia during 2007.

- (6) Mr. Habermeyer was elected a Director of the Company effective March 1, 2007.
- (7) Mr. Hood was elected a Director of the Company effective December 7, 2007. Mr. Hood's compensation includes compensation earned in 2007 as a Director of Mississippi Power Company, a wholly-owned subsidiary of the Company. Mr. Hood resigned as a Director of Mississippi Power Company effective December 6, 2007.
- (8) Dr. Pate retired as a Director of the Company on May 23, 2007.

**DIRECTOR STOCK OWNERSHIP GUIDELINES**

Under the Company's Corporate Governance Guidelines, non-employee Directors are required to beneficially own, within five years of their initial election to the Board, Common Stock equal to at least four times the annual Director retainer fee.

**Table of Contents**

**MEETINGS OF NON-EMPLOYEE DIRECTORS**

Non-employee Directors meet in executive session with no member of management present on each regularly-scheduled Board meeting date. There is a Presiding Director at each of these executive sessions. Dr. Zack T. Pate served as Presiding Director from May 25, 2005 until his retirement on May 23, 2007. Mr. Thomas F. Chapman became the Presiding Director on May 23, 2007 to serve a two-year term or until a successor is named by the non-employee Directors.

**COMMITTEES OF THE BOARD**

**Committee Charters**

Charters for each of the five standing committees can be found at the Company's website [www.southerncompany.com](http://www.southerncompany.com) under Investors/Corporate Governance.

**Audit Committee:**

n  
Members are Mr. Smith, (*Chair*), Ms. Bern, Mr. Blake and Mr. Hood(1)

n Met 10 times in 2007

n Oversees the Company's financial reporting, audit processes, internal controls and legal, regulatory and ethical compliance; appoints the Company's independent registered public accounting firm, approves its services and fees and establishes and reviews the scope and timing of its audits; reviews and discusses the Company's financial statements with management and the independent registered public accounting firm, including critical accounting policies and practices, material alternative financial treatments within generally accepted accounting principles, proposed adjustments, control recommendations, significant management judgments and accounting estimates, new accounting policies, changes in accounting principles, any disagreements with management and other material written communications between the internal auditors and/or the independent registered public accounting firm and management; and recommends the filing of the Company's annual financial statements with the SEC.

The Board has determined that the members of the Audit Committee are independent as defined by the New York Stock Exchange corporate governance rules within its listing standards and rules of the SEC promulgated pursuant to the Sarbanes-Oxley Act of 2002. The Board has determined that Mr. Smith qualifies as an audit committee financial expert as defined by the SEC.

(1) During 2007 and until January 21, 2008, Mr. Purcell served as Chair of the Committee and Ms. Baranco served as a member of the Committee. Dr. Pate served as a member of the Committee until his retirement from the Board on May 23, 2007. Mr. Smith was appointed Chair and Ms. Bern and Mr. Hood were appointed as members of the committee on January 21, 2008. The Board had determined that Mr. Purcell qualified as an audit committee financial expert.

**Compensation and Management Succession Committee:**

n  
Members are Mr. Purcell, (*Chair*), Mr. Boscia, Mr. Habermeyer and Mr. James(1)

n

Met eight times in 2007

n

Evaluates performance of executive officers and establishes their compensation, administers executive compensation plans and reviews management succession plans. Annually reviews a tally sheet of all components of the Chief Executive Officer's compensation and takes actions required of it under the Pension Plan for Employees of the Company.

The Board has determined that each member of the Compensation and Management Succession Committee is independent.

(1) During 2007 and until January 21, 2008, Mr. St. Pé served as Chair of the Committee and Mr. Chapman served as a member of the Committee. Mr. Purcell was appointed Chair and Messrs. Boscia and Habermeyer were appointed members of the Committee on January 21, 2008. Mr. Smith served as a member of the Committee in 2007 until his appointment to the Audit Committee on May 23, 2007.

## Table of Contents

### Governance

The Committee focuses on good governance practices in its operation. In late 2006 through 2007, this included:

Considering compensation for the named executive officers in the context of all of the components of total compensation.

Considering annual adjustments to pay over the course of two meetings and requiring more than one meeting to make other important decisions.

Receiving meeting materials several days in advance of meetings.

Having regular executive sessions of Committee members only.

Having direct access to outside compensation consultants.

Conducting a performance/payout analysis versus peer companies for the annual incentive program to provide a check on the Company's goal-setting process.

### Role of Executive Officers

The Chief Executive Officer, with input from the Human Resources staff, recommends to the Committee base salary, target bonus levels, actual bonus payouts and long-term incentive grants for Company officers. The Committee considers, discusses, modifies as appropriate and takes action on such proposals.

### Role of Compensation Consultants

In 2007, the Committee directly retained Hewitt Associates (Hewitt) as its outside compensation consultant. The Committee informed Hewitt in writing that it expected Hewitt to advise it if and when there were elements of management proposals to the Committee that Hewitt believed the Committee should not support, set expectations for Hewitt to be honest and direct with the Committee at all times and stated that Hewitt's ongoing engagement would be determined by the Committee.

During 2007, Hewitt assisted the Committee with comprehensive market data and its implications for pay at the Company and various other governance, design and compliance matters. The consultant also advised the Governance Committee on Director pay levels.

The Committee also retained Towers Perrin in 2007 as described in the Compensation Discussion and Analysis on page 24.

### Compensation Committee Interlocks and Insider Participation

None of the persons who served as members of the Committee during 2007 was an officer or employee of the Company during 2007 or at any time in the past nor had reportable transactions with the Company.

#### **Finance Committee:**

n  
Members are Mr. James, (*Chair*), Mr. Boscia and Mr. Purcell(1)

n

Met eight times in 2007

n

Reviews the Company's financial matters, recommends actions such as dividend philosophy to the Board and approves certain capital expenditures

The Board has determined that each member of the Finance Committee is independent.

(1) During 2007 and until January 21, 2008, Ms. Bern served as Chair of the Committee. Mr. James was appointed Chair and Messrs. Boscia and Purcell were appointed members of the Committee on January 21, 2008. Mr. Smith served as a member of the Committee until his appointment to the Audit Committee on May 23, 2007.

**Governance Committee:**

n

Members are Ms. Baranco, (*Chair*), Mr. Chapman and Mr. St. Pé(1)

8

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**Table of Contents**

n Met eight times in 2007

n Oversees the composition of the Board and its committees, determines non-employee Directors' compensation, maintains the Company's Corporate Governance Guidelines and coordinates the performance evaluations of the Board and its committees.

The Board has determined that each member of the Governance Committee is independent.

(1) During 2007 and until January 21, 2008, Mr. Chapman served as Chair of the Committee and Ms. Bern served as a member of the Committee. Ms. Baranco was appointed a member and Chair of the Committee on January 21, 2008.

**Nominees for Election to the Board**

The Governance Committee, comprised entirely of independent Directors, is responsible for identifying, evaluating and recommending nominees for election to the Board. The Committee solicits recommendations for candidates for consideration from its current Directors and is authorized to engage third party advisers to assist in the identification and evaluation of candidates for consideration. Any stockholder may make recommendations to the Governance Committee by sending a written statement setting forth the candidate's qualifications, relevant biographical information and signed consent to serve. These materials should be submitted in writing to the Company's assistant corporate secretary and received by that office by December 12, 2008 for consideration by this Committee as a nominee for election at the Annual Meeting of Stockholders to be held in 2009. Any stockholder recommendation is reviewed in the same manner as candidates identified by the Committee or recommended to the Committee.

The Governance Committee only considers candidates with the highest degree of integrity and ethical standards. The Committee evaluates a candidate's independence from management, ability to provide sound and informed judgment, history of achievement reflecting superior standards, willingness to commit sufficient time, financial literacy and number of other board memberships. The Board as a whole should be diverse and have collective knowledge and experience in accounting, finance, leadership, business operations, risk management, corporate governance and the Company's industry. During 2007, the Committee engaged the services of a third-party search firm to aid in identifying prospective candidates and evaluating their qualifications. The Committee recommends candidates to the Board of Directors for consideration as nominees. Final selection of the nominees is within the sole discretion of the Board of Directors.

Mr. Jon A. Boscia and Mr. Warren A. Hood, Jr. were recommended by the Governance Committee for election to the Board and were elected as Directors effective December 7, 2007. Messrs. Boscia and Hood were identified jointly by the members of the Governance Committee and the third-party search firm.

**Nuclear/Operations Committee:(1)**

n  
Members are Mr. Habermeyer, (*Chair*), Ms. Baranco and Mr. St. Pé(2)

n  
Oversees significant information, activities and events relative to significant operations of the Company including nuclear and other generation facilities, transmission and distribution, fuel and information technology initiatives.

n  
Attended seven meetings in 2007

(1) Effective January 21, 2008 the Committee's name was changed from the Nuclear Committee to the Nuclear/Operations Committee.

(2) Until his retirement on May 23, 2007, Dr. Pate served as Chair of the Committee at which time Mr. Habermeyer was appointed Chair. Ms. Baranco and Mr. St. Pé were appointed members of the Committee on January 21, 2008.

**DIRECTOR ATTENDANCE**

The Board of Directors met seven times in 2007. The average attendance for Directors at all Board and Committee meetings was 97 percent. No nominee attended less than 75 percent of applicable meetings.

Directors are expected to attend the Annual Meeting of Stockholders. Ten of the eleven members of the Board of Directors serving on May 23, 2007, the date of the 2007 Annual Meeting of Stockholders, attended the meeting.

Table of Contents**Stock Ownership Table****STOCK OWNERSHIP OF DIRECTORS, NOMINEES AND EXECUTIVE OFFICERS**

The following table shows the number of shares of Common Stock owned by Directors, nominees and executive officers as of December 31, 2007. The shares owned by all directors, nominees and executive officers as a group constitute less than one percent of the total number of shares of the class.

	Shares Beneficially Owned(1)	Deferred Stock Units(2)	Shares Beneficially Owned Include:	
			Shares Individuals Have Rights to Acquire within 60 days(3)	Shares Held by Family Members(4)
<b>Directors, Nominees and Executive Officers</b>				
<b>Juanita Powell Baranco</b>	9,542	9,062		
<b>Dorrit J. Bern</b>	41,804	40,304		
<b>Francis S. Blake</b>	16,760	16,560		
<b>Jon A. Boscia</b>	4,000			
<b>Thomas F. Chapman</b>	27,013	27,013		
<b>Thomas A. Fanning</b>	287,834		283,095	
<b>Michael D. Garrett</b>	168,476		168,550	
<b>H. William Habermeyer, Jr.</b>	1,551	1,551		
<b>G. Edison Holland, Jr.</b>	262,498		256,348	
<b>Warren A. Hood, Jr.</b>	3,525	3,525		
<b>Donald M. James</b>	40,956	38,956		
<b>Charles D. McCrary</b>	263,133		258,108	
<b>J. Neal Purcell</b>	28,127	21,903		224
<b>David M. Ratcliffe</b>	1,539,731		1,522,922	
<b>William G. Smith, Jr.</b>	12,360	8,723		
<b>Gerald J. St. Pé</b>	94,587	41,049		8,537
<b>Directors, Nominees and Executive Officers as a Group (21 people)</b>	<b>3,732,711</b>	<b>208,646</b>	<b>3,358,830</b>	<b>8,776</b>

(1) Beneficial ownership means the sole or shared power to vote, or to direct the voting of, a security, or investment power with respect to a security, or any combination thereof.

(2) Indicates the number of Deferred Stock Units held under the Director Deferred Compensation Plan.

(3) Indicates shares of Company common stock that certain executive officers have the right to acquire within 60 days. Shares indicated are included in the Shares Beneficially Owned column.

- (4) Each Director disclaims any interest in shares held by family members. Shares indicated are included in the Shares Beneficially Owned column.

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**Table of Contents****Matters to be Voted Upon****ITEM NO. 1 ELECTION OF DIRECTORS****Nominees for Election as Directors**

The Proxies named on the proxy form will vote, unless otherwise instructed, each properly executed proxy form for the election of the following nominees as Directors. If any named nominee becomes unavailable for election, the Board may substitute another nominee. In that event, the proxy would be voted for the substitute nominee unless instructed otherwise on the proxy form. Each nominee, if elected, will serve until the 2009 Annual Meeting of Stockholders.

**Juanita Powell Baranco**

Age:	58
Director since:	2006
Board committees:	Governance ( <i>chair</i> ), Nuclear/Operations
Principal occupation:	Executive vice president and chief operating officer of Baranco Automotive Group, automobile sales
Other directorships:	Cox Radio Incorporated

**Dorrit J. Bern**

Age:	57
Director since:	1999
Board committees:	Audit
Principal occupation:	Chairman of the board, president and chief executive officer of Charming Shoppes, Inc., multi-channel apparel, home, food and retail
Other directorships:	Charming Shoppes, Inc., OfficeMax, Inc.

**Francis S. Blake**

Age: 58

Director since: 2004

Board committees: Audit

Principal occupation: Chairman of the board and chief executive officer of The Home Depot, home improvement

Recent business experience: Served as U.S. Deputy Secretary of Energy from May 2001 to April 2002 and as executive vice president of The Home Depot until January 2007 when he assumed his current position

Other directorships: The Home Depot, Inc.

**Table of Contents**

**Jon A. Boscia**

Age: 55

Director since: 2007

Board committees: Compensation and Management Succession, Finance

Principal occupation: President and chief executive officer of Boardroom Advisors, LLC, governance consulting

Recent business experience: Served as chairman of the board and chief executive officer of Lincoln Financial Group, insurance, institutional investments, comprehensive financial planning and advisory services, until his retirement in 2007.

Other directorships: None

**Thomas F. Chapman**

Age: 64

Director since: 2000, Presiding Director since May 23, 2007

Board committees: Governance

Principal occupation: Retired chairman of the board and chief executive officer of Equifax, Inc., information services, data analytics, transaction processing and consumer financial products

Recent business experience: Served as chairman of the board and chief executive officer of Equifax, Inc. until his retirement in 2005

Other directorships: None

**H. William Habermeyer, Jr.**

Age: 65

Director since: 2007

Board committees:	Nuclear/Operations ( <i>chair</i> ), Compensation and Management Succession
Principal occupation:	Retired president and chief executive officer of Progress Energy Florida, Inc., electric utility
Recent business experience:	Served as president and chief executive officer of Progress Energy Florida, Inc. until his retirement in 2006
Other directorships:	Raymond James Financial Services, Inc., USEC Inc.



**Table of Contents**

**Warren A. Hood, Jr.**

Age:	56
Director since:	2007
Board committees:	Audit
Principal occupation:	Chairman of the board and chief executive officer of Hood Companies, Inc., packaging and construction products
Other directorships:	BancorpSouth Bank, Hood Companies, Inc.

**Donald M. James**

Age:	59
Director since:	1999
Board committees:	Finance ( <i>chair</i> ), Compensation and Management Succession
Principal occupation:	Chairman of the board and chief executive officer of Vulcan Materials Company, construction materials
Other directorships:	Vulcan Materials Company, Wachovia Corporation

**J. Neal Purcell**

Age:	66
Director since:	2003

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Board committees: Compensation and Management Succession (*chair*), Finance

Principal occupation: Retired vice-chairman, audit operations, of KPMG, public accounting

Recent business experience: Served as KPMG's vice-chairman in charge of National Audit Practice Operations from October 1998 until his retirement in 2002

Other directorships: Kaiser Permanente Healthcare and Hospitals, Synovus Financial Corporation

**Table of Contents**

**David M. Ratcliffe**

Age: 59

Director since: 2003

Principal occupation: Chairman of the board, president and chief executive officer of the Company

Recent business experience: Served as president and chief executive officer of Georgia Power Company from May 1999 until January 2004 and as chairman and chief executive officer of Georgia Power Company from January 2004 until April 2004. He served as executive vice president of the Company from May 1999 until April 2004, and as president of the Company from April 2004 until July 2004, when he assumed his current position

Other directorships: CSX Corporation, Southern system companies Alabama Power Company, Georgia Power Company and Southern Power Company

**William G. Smith, Jr.**

Age: 54

Director since: 2006

Board committees: Audit (*chair*)

Principal occupation: Chairman of the board, president and chief executive officer of Capital City Bank Group, Inc.

Other directorships: Capital City Bank Group, Inc.

**Gerald J. St. Pé**

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Age: 68

Director since: 1995

Board committees: Governance, Nuclear/Operations

Principal occupation: Former president of Ingalls Shipbuilding and retired executive vice president of Litton Industries

Recent business experience: Served as chie

Other directorships: