

Gulf Power Company
Fin 48 Analysis
As of 03/31/2009

FIN 48 Activity -12/31/2008

	Tax Impact			
	Permanent	Temporary	Total Tax	Interest
Federal	\$ 271,580	\$ -	\$ 271,580	\$ 15,115
State	22,116	-	22,116	1,619
Total - 12/31/2008	<u>293,696</u>	<u>-</u>	<u>293,696</u>	<u>16,734</u>

FIN 48 Activity -03/31/2009

	Tax Impact			
	Permanent	Temporary	Total Tax	Interest
Federal	\$ 302,494	\$ -	\$ 302,494	\$ 17,797
State	25,554	-	25,554	1,980
Total - 03/31/2009	<u>328,048</u>	<u>-</u>	<u>328,048</u>	<u>19,777</u>
Difference - Federal	30,914	-	30,914	2,682
Difference - State	3,438	-	3,438	361
Total	<u>34,352</u>	<u>-</u>	<u>34,352</u>	<u>3,043</u>

Entries at Statutory Rates

	Account Numbers	Dr	Cr
FIN 48 Current Income Tax Expense – Federal	409-00481	30,914	
FIN 48 Current Income Tax Expense – State	409-00482	3,438	-
FIN 48 Long-term Tax Liability - Federal	236-00483		30,914
FIN 48 Long-term Tax Liability - State	236-00484	-	3,438
Interest Expense- Federa	431-00481	2,682	
Interest Expense- State	431-00482	361	
FIN 48 Interest Payable - Federal	237-000483		2,682
FIN 48 Interest Payable - State	237-000484		361
<i>To Record Current Period Fin 48</i>			
Totals		37,395	37,395

Disclosure Tax Audit Report by Entity - The Southern Company

Current Disclosure: 2009 Fin 48 3-31-2009.F48 - Reserve Date: 03/31/2009

Last Disclosure: 2008_Fin_48_12-31-2008.F48 - Reserve Date: 12/31/2008

Entity: Gulf Power Company

Juris	Tax Period	Issue	Type	Old Adjust	New Adjust	Tax
Opening Balance						293,698
<u>Additions for Current Year Tax Position</u>						
FED	58-0690070	2009/1	INC	199 Indirect	-	-
FED	58-0690070	2009/1	INC	R&D	-	-
FL	58-0690070	2009/1	INC	199 Indirect	-	-
Subtotal						34,352
<u>Additions for Prior Years' Tax Position</u>						
No Activity						
<u>Reductions for Prior Years' Tax Position</u>						
No Activity						
<u>Settlements with Taxing Authority</u>						
No Activity						
<u>Reduction Due to Expired Statute of Limitations</u>						
No Activity						
Closing Balance						328,048

Federal Permanent Adjustment	✓	62,500
Federal Credit Adjustment	✓	9,039
Federal Temporary Adjustment		-
* State Permanent Adjustment	✓	62,500
State Credit Adjustment		-
State Temporary Adjustment		-

* Also used for:
Permanent Adj - Federal Offset

Disclosure Tax Audit Report by Entity - The Southern Company

Current Disclosure: 2009 Fin 48 3-31-2009.F48 - Reserve Date: 03/31/2009

Last Disclosure: 2008_Fin_48_12-31-2008.F48 - Reserve Date: 12/31/2008

GUL : Gulf Power Company

Juris	Tax Period	Issue	Type	Old Adjust	New Adjust	Tax
Opening Balance						293,696
<u>Additions for Current Year Tax Position</u>						
FED	58-0690070 2009/12	INC 199 Indirect	Tax	-	62,500	21,875
FED	58-0690070 2009/12	INC R&D	Tax	-	9,039	9,039
FL	58-0690070 2009/12	INC 199 Indirect	Tax	-	62,500	3,438
Subtotal						34,352
<u>Additions for Prior Years' Tax Position</u>						
No Activity						
<u>Reductions for Prior Years' Tax Position</u>						
No Activity						
<u>Settlements with Taxing Authority</u>						
No Activity						
<u>Reduction Due to Expired Statute of Limitations</u>						
No Activity						
Closing Balance						328,048

Provision Tax & Penalty Audit Report by Entity (Gross) - The Southern Company

Current Provision: 2009 Fin 48 3-31-2009.F48 - Reserve Date: 03/31/2009

Last Provision: 2008_Fin_48_12-31-2008.F48 - Reserve Date: 12/31/2008

GUL : Gulf Power Company

Federal

Tax Period	Issue	Change Information	Old Adjust	New Adjust	Tax Temporary	Tax Permanent	Penalty	Deficiency Interest	Overpayment Interest	Total
Opening Balance										
	Contingent Tax				0	271,580	0	15,116	0	286,695
ST LIB CON YES PER										
	Other Interest Charges	Various						923		923
LI LIB CON YES PER										
	FED 58-0690070 2009/12 INC	199 Indirect		62,500		21,875				21,875
	FED 58-0690070 2009/12 INC	R&D		9,039		9,039				9,039
	Other Interest Charges	Various						1,759		1,759
Sub Total										
					0	30,914	0	2,681	0	33,595
Closing Balance										
					0	302,494	0	17,797	0	320,291

Provision Tax & Penalty Audit Report by Entity (Gross) - The Southern Company

Current Provision: 2009 Fin 48 3-31-2009.F48 - Reserve Date: 03/31/2009

Last Provision: 2008_Fin_48_12-31-2008.F48 - Reserve Date: 12/31/2008

GUL : Gulf Power Company

US States

Tax Period	Issue	Change Information	Old Adjust	New Adjust	Tax Temporary	Tax Permanent	Penalty	Deficiency Interest	Overpayment Interest	Total
Opening Balance										
			0	22,116	0	1,619	0	23,736		
<i>Contingent Tax</i>										
<u>ST LIB CON YES PER</u>										
Other Interest Charges	Various	Rollforward/Allocation			-	-	49	-	-	49
<u>LT LIB CON YES PER</u>										
FL 58-0690070 2009/12 INC	199 Indirect	New Item	-	62,500	-	3,438	-	-	-	3,438
Other Interest Charges	Various	Rollforward/Allocation			-	-	311	-	-	311
Sub Total										
					0	3,438	0	360	0	3,798
Closing Balance										
					0	25,554	0	1,980	0	27,633

Provision Report by Entity (Gross) - The Southern Company

Current Provision: 2009 Fin 48 3-31-2009.F48 - Reserve Date: 03/31/2009

Last Provision: 2008_Fin_48_12-31-2008.F48 - Reserve Date: 12/31/2008

GUL : Gulf Power Company

Federal

Class	Bal	Sht	Oper	In ETR	Def	Tax Temporary	Tax Permanent	Penalty	Deficiency Interest	Overpayment Interest
Opening Balance						0	271,580	0	15,115	0
<i>Contingent Tax</i>										
ST	LIB	CON	YES	PER		-	-	-	923	-
LT	LIB	CON	YES	PER		-	30,914	-	1,759	-
Sub Total						0	30,914	0	2,681	0
Closing Balance						0	302,494	0	17,797	0

US States

Class	Bal	Sht	Oper	In ETR	Def	Tax Temporary	Tax Permanent	Penalty	Deficiency Interest	Overpayment Interest
Opening Balance						0	22,116	0	1,619	0
<i>Contingent Tax</i>										
ST	LIB	CON	YES	PER		-	-	-	49	-
LT	LIB	CON	YES	PER		-	3,438	-	311	-
Sub Total						0	3,438	0	360	0
Closing Balance						0	25,554	0	1,980	0

Disclosure ETR Audit Report by Entity - The Southern Company

Current Disclosure: 2009 Fin 48 3-31-2009.F48 - Reserve Date: 03/31/2009

Last Disclosure: 2008_Fin_48_12-31-2008.F48 - Reserve Date: 12/31/2008

Entity: Gulf Power Company

Juris	Tax Period	Issue	Type	Old Adjust	New Adjust	Tax	
<u>Portion of Contingent Tax Position that Would Impact the Effective Tax Rate</u>							
FED	58-0690070	2005/12	R&D	Tax	10,114	10,114	10,114
FED	58-0690070	2006/12	199 Indirect	Tax	40,286	40,286	14,100
FED	58-0690070	2006/12	R&D	Tax	40,696	40,696	40,696
FED	58-0690070	2007/12	199 Indirect	Tax	231,831	231,831	81,141
FED	58-0690070	2007/12	R&D	Tax	26	26	26
FED	58-0690070	2007/12	R&D	Tax	39,830	39,830	39,830
FED	58-0690070	2008/12	199 Indirect	Tax	130,000	130,000	45,500
FED	58-0690070	2008/12	R&D	Tax	40,173	40,173	40,173
FED	58-0690070	2009/12	199 Indirect	Tax	-	62,500	21,875
FED	58-0690070	2009/12	R&D	Tax	-	9,039	9,039
FL	58-0690070	2006/12	199 Indirect	Tax	40,286	40,286	2,216
FL	58-0690070	2007/12	199 Indirect	Tax	231,831	231,831	12,751
FL	58-0690070	2008/12	199 Indirect	Tax	130,000	130,000	7,150
FL	58-0690070	2009/12	199 Indirect	Tax	-	62,500	3,438
Sub Total							328,048

Portion of Contingent Tax Position that Would NOT Impact the Effective Tax Rate

No Activity

Disclosure Report by Entity - The Southern Company
Current Disclosure: 2009 Fin 48 3-31-2009.F48 - Reserve Date: 03/31/2009
Last Disclosure: 2008_Fin_48_12-31-2008.F48 - Reserve Date: 12/31/2008

GUL : Gulf Power Company

Part-I Reconciliation of Unrecognized Tax Benefits

	<u>Tax</u>
Opening Balance of Contingent Tax Reserves	293,696
Additions for Current Year Tax Position	34,352
Additions for Prior Years' Tax Position	-
Reductions for Prior Years' Tax Position	-
Settlements with Taxing Authority	-
Reduction Due to Expired Statute of Limitations	-
Closing Balance	<u>328,048</u>

Part-II Impact on Effective Tax Rate

	<u>Tax</u>
Portion of Contingent Tax Position That:	
Would Impact the Effective Tax Rate	328,048
Would NOT Impact the Effective Tax Rate	-
Contingent Tax Position in Financial Statements	<u>328,048</u>

Part-III Interest and Penalties

	<u>Interest</u>	<u>Penalty</u>
Opening Balance	16,735	-
Changes During Reporting Period	3,042	-
Closing Balance	<u>19,776</u>	-

Part IV Currently Open for Examination

<u>Jurisdiction</u>	<u>Tax Type</u>	<u>Period</u>
Federal	Income	2006/12
Federal	Income	2007/12
Federal	Income	2008/12
Federal	Income	2009/12
Florida	Income	2006/12
Florida	Income	2007/12
Florida	Income	2008/12
Florida	Income	2009/12