

**Gulf Power Company**  
**Fin 48 Analysis**  
**As of 09/30/2009**

**FIN 48 Activity -06/30/2009**

	Tax Impact			
	Permanent	Temporary	Total Tax	Interest
Federal				
State	\$ 608,899	\$ -	\$ 608,899	\$ 29,174
Total - 06/30/2009	<u>184,876</u>	<u>-</u>	<u>184,876</u>	<u>14,568</u>
	793,775	-	793,775	43,742

**FIN 48 Activity -09/30/2009**

	Tax Impact			
	Permanent	Temporary	Total Tax	Interest
Federal				
State	\$ 688,920	\$ -	\$ 688,920	\$ 35,008
Total -09/30/2009	<u>228,378</u>	<u>-</u>	<u>228,378</u>	<u>21,431</u>
	917,298	-	917,298	56,439
Difference - Federal				
Difference - State	80,021	-	80,021	5,834
Total	<u>43,502</u>	<u>-</u>	<u>43,502</u>	<u>6,863</u>
	<u>123,523</u>	<u>-</u>	<u>123,523</u>	<u>12,697</u>

**Entries at Statutory Rates**

	Account Numbers	Dr	Cr
FIN 48 Current Income Tax Expense – Federal	409-00481	80,021	
FIN 48 Current Income Tax Expense – State	409-00482	43,502	
FIN 48 Long-term Tax Liability - Federal	236-00483		80,021
FIN 48 Long-term Tax Liability - State	236-00484		43,502
Interest Expense- Federa	431-00481		
Interest Expense- State	431-00482	5,834	
FIN 48 Interest Payable - Federal	237-000483	6,863	
FIN 48 Interest Payable - State	237-000484		5,834
To Record Current Period Fin 48			6,863
Totals		136,220	136,220

# Disclosure Tax Audit Report by Entity - The Southern Company

Current Disclosure: 2009 Fin 48 9-30-2009.F48 - Reserve Date: 09/30/2009

Last Disclosure: 2009 Fin 48 6-30-2009.F48 - Reserve Date: 06/30/2009

## Gulf Power Company

Juris	Tax Period	Issue	Type	Old Adjust	New Adjust	Tax		
<b>Opening Balance</b>						793,775		
<u>Additions for Current Year Tax Position</u>								
FED	58-0690070	2009/1	INC	199 Indirect	Tax	510,000	540,000	10,500
FED	58-0690070	2009/1	INC	R&D	Tax	18,078	27,117	9,039
FL	58-0690070	2009/1	INC	199 Indirect	Tax	510,000	540,000	1,650
<b>Subtotal</b>						<b>21,189</b>		
<u>Additions for Prior Years' Tax Position</u>								
FED	58-0690070	2008/1	INC	199 Indirect	Tax	260,000	425,830	58,041
FED	58-0690070	2008/1	INC	R&D	Tax	40,173	42,615	2,442
FL	58-0690070	2008/1	INC	199 Indirect	Tax	260,000	425,830	9,121
GA	58-0690070	2008/1	INC	Mfg ITC - GULF	Tax	65,464	98,195	32,731
<b>Subtotal</b>						<b>102,334</b>		
<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								
<b>Closing Balance</b>						<b>917,298</b>		

Federal Permanent Adjustment	195,830
Federal Credit Adjustment	11,481
Federal Temporary Adjustment	-

State Permanent Adjustment	195,830
State Credit Adjustment	32,731
State Temporary Adjustment	-

# Disclosure Tax Audit Report by Entity - The Southern Company

Current Disclosure: 2009 Fin 48 9-30-2009.F48 - Reserve Date: 09/30/2009

Last Disclosure: 2009 Fin 48 6-30-2009.F48 - Reserve Date: 06/30/2009

## GUL : Gulf Power Company

Juris	Tax Period	Issue	Type	Old Adjust	New Adjust	Tax
<b>Opening Balance</b>						<b>793,775</b>
<u>Additions for Current Year Tax Position</u>						
FED	58-0690070 2009/12	INC 199 Indirect	Tax	510,000	540,000	10,500
FED	58-0690070 2009/12	INC R&D	Tax	18,078	27,117	9,039
FL	58-0690070 2009/12	INC 199 Indirect	Tax	510,000	540,000	1,650
<b>Subtotal</b>						<b>21,189</b>
<u>Additions for Prior Years' Tax Position</u>						
FED	58-0690070 2008/12	INC 199 Indirect	Tax	260,000	425,830	58,041
FED	58-0690070 2008/12	INC R&D	Tax	40,173	42,615	2,442
FL	58-0690070 2008/12	INC 199 Indirect	Tax	260,000	425,830	9,121
GA	58-0690070 2008/12	INC Mfg ITC - GULF	Tax	65,464	98,195	32,731
<b>Subtotal</b>						<b>102,334</b>
<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						
<b>Closing Balance</b>						<b>917,298</b> ✓

# Disclosure ETR Audit Report by Entity - The Southern Company

Current Disclosure: 2009 Fin 48 9-30-2009.F48 - Reserve Date: 09/30/2009

Last Disclosure: 2009 Fin 48 6-30-2009.F48 - Reserve Date: 06/30/2009

**YL : 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	80,572	80,572	28,200
FED	58-0690070	2006/12	R&D	Tax	40,696	40,696	40,696
FED	58-0690070	2007/12	199 Indirect	Tax	463,662	463,662	162,282
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	260,000	425,830	149,041
FED	58-0690070	2008/12	R&D	Tax	40,173	42,615	42,615
FED	58-0690070	2009/12	199 Indirect	Tax	510,000	540,000	189,000
FED	58-0690070	2009/12	R&D	Tax	18,078	27,117	27,117
FL	58-0690070	2006/12	199 Indirect	Tax	80,572	80,572	4,431
FL	58-0690070	2007/12	199 Indirect	Tax	463,662	463,662	25,501
FL	58-0690070	2008/12	199 Indirect	Tax	260,000	425,830	23,421
FL	58-0690070	2009/12	199 Indirect	Tax	510,000	540,000	29,700
GA	58-0690070	2007/12	Mfg ITC - GULF	Tax	47,129	47,129	47,129
GA	58-0690070	2008/12	Mfg ITC - GULF	Tax	65,464	98,195	98,195
<b>Sub Total</b>							<b>917,298</b>

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

No Activity

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

Current Provision: 2009 Fin 48 9-30-2009.F48 - Reserve Date: 09/30/2009  
 Last Provision: 2009 Fin 48 6-30-2009.F48 - Reserve Date: 06/30/2009

## GUL : Gulf Power Company

### Federal

Tax Period	Issue	Change Information	Old Adjust	New Adjust	Tax Temporary	Tax Permanent	Penalty	Deficiency Interest	Overpayment Interest	Total
<b>Opening Balance</b>										
					0	608,899 ✓	0	29,174	0	638,073
<i>Contingent Tax</i>										
<u>SI LIB CON YES PER</u>										
	Various	Rollforward/Allocation						936		936
<u>LI LIB CON YES PER</u>										
FED 58-0690070 2008/12 INC	199 Indirect	Change Value	260,000	425,830		58,041		2,239		60,279
FED 58-0690070 2008/12 INC	R&D	Change Value	40,173	42,615		2,442		467		2,909
FED 58-0690070 2009/12 INC	199 Indirect	Change Value	510,000	540,000		10,500				10,500
FED 58-0690070 2009/12 INC	R&D	Change Value	18,078	27,117		9,039				9,039
Other Interest Charges	Various	Rollforward/Allocation						2,192		2,192
<b>Sub Total</b>										
					0	80,022	0	5,834	0	85,856
<b>Closing Balance</b>										
					0	688,920 ✓	0	35,008	0	723,928

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

Current Provision: 2009 Fin 48 9-30-2009.F48 - Reserve Date: 09/30/2009

Last Provision: 2009 Fin 48 6-30-2009.F48 - Reserve Date: 06/30/2009

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	184,876 ✓	0	14,568 ✓	0	199,444
<i>Contingent Tax</i>										
SI LIB CON YES PER										
Other Interest Charges	Various	Rollforward/Allocation						89		89
LI LIB CON YES PER										
FL 58-0690070 2008/12 INC	199 Indirect	Change Value	260,000	425,830		9,121		713		9,834
FL 58-0690070 2009/12 INC	199 Indirect	Change Value	510,000	540,000		1,650				1,650
GA 58-0690070 2008/12 INC Mfg ITC - GULF		Change Value	65,464	98,195		32,731		4,121		36,852
Other Interest Charges	Various	Rollforward/Allocation						1,940		1,940
<b>Sub Total</b>										
					0	43,602	0	6,863	0	50,365
Closing Balance					0	228,378 ✓	0	21,431 ✓	0	249,809

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**Disclosure Report by Entity - The Southern Company**  
 Current Disclosure: 2009 Fin 48 9-30-2009.F48 - Reserve Date: 09/30/2009  
 Last Disclosure: 2009 Fin 48 6-30-2009.F48 - Reserve Date: 06/30/2009

**GUL : Gulf Power Company**

**Part-I Reconciliation of Unrecognized Tax Benefits**

	<u>Tax</u>
Opening Balance of Contingent Tax Reserves	793,775
Additions for Current Year Tax Position	21,189
Additions for Prior Years' Tax Position	102,334
Reductions for Prior Years' Tax Position	-
Settlements with Taxing Authority	-
Reduction Due to Expired Statute of Limitations	-
Closing Balance	<u><u>917,298</u></u>

**Part-II Impact on Effective Tax Rate**

Portion of Contingent Tax Position That:	<u>Tax</u>
Would Impact the Effective Tax Rate	917,298
Would NOT Impact the Effective Tax Rate	-
Contingent Tax Position in Financial Statements	<u><u>917,298</u></u> ✓

**Part-III Interest and Penalties**

	<u>Interest</u>	<u>Penalty</u>
Opening Balance	43,742	-
Changes During Reporting Period	12,697	-
Closing Balance	<u><u>56,439</u></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
Georgia	Income	2007/12
Georgia	Income	2008/12

# Provision Report by Entity (Gross) - The Southern Company

Current Provision: 2009 Fin 48 9-30-2009.F48 - Reserve Date: 09/30/2009

Last Provision: [none selected]

## GUL : Gulf Power Company

### Federal

Class	Bal	Sht	Oper	In ETR	Def	Tax Temporary	Tax Permanent	Penalty	Deficiency Interest	Overpayment Interest
<b>Opening Balance</b>						0	0	0	0	0
<i>Contingent Tax</i>										
ST	LIB	CON	YES	PER		-	79,010	-	14,297	-
LT	LIB	CON	YES	PER		-	609,910	-	20,711	-
<b>Sub Total</b>						<b>0</b>	<b>688,920</b>	<b>0</b>	<b>35,008</b>	<b>0</b>
<b>Closing Balance</b>						<b>0</b>	<b>688,920</b>	<b>0</b>	<b>35,008</b>	<b>0</b>

### US States

Class	Bal	Sht	Oper	In ETR	Def	Tax Temporary	Tax Permanent	Penalty	Deficiency Interest	Overpayment Interest
<b>Opening Balance</b>						0	0	0	0	0
<i>Contingent Tax</i>										
ST	LIB	CON	YES	PER		-	4,431	-	1,221	-
LT	LIB	CON	YES	PER		-	223,946	-	20,211	-
<b>Sub Total</b>						<b>0</b>	<b>228,378</b>	<b>0</b>	<b>21,431</b>	<b>0</b>
<b>Closing Balance</b>						<b>0</b>	<b>228,378</b>	<b>0</b>	<b>21,431</b>	<b>0</b>



GULF POWER COMPANY  
 FIN 48  
 SAU 1007/AS  
 Income Tax Reserve

Current Activity input from  
 PowerPlan Rpt 51040

	Sept-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
PERCSUB Descr	49,187.65	8,577.01	3,818.72	36,791.92	35,588.80	6,100.51	1,203.12	1,203.12	1,203.12	1,203.12	1,203.12	1,203.12	1,203.12	1,203.12	1,203.12	1,203.12
FIN 48 TAXES ACCRUED - STATE/CURRENT OFFSET	8,225.34	1,470.24	654.59	6,100.51	6,100.51	132.17	132.17	132.17	132.17	132.17	132.17	132.17	132.17	132.17	132.17	132.17
FIN 48 DEF TAX STATE OFFSET LT	64,858.10	64,858.10	64,858.10	64,858.10	64,858.10	64,858.10	64,858.10	64,858.10	64,858.10	64,858.10	64,858.10	64,858.10	64,858.10	64,858.10	64,858.10	64,858.10
FIN 48 TAXES ACCRUED - FEDERAL/CURRENT - OFFSET	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)
FIN 48 TAXES ACCRUED - STATE/CURRENT	(80,021.50)	(36,746.65)	(306,404.95)	(1,131,120.92)	(1,077,827.79)	(66,093.48)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)
FIN 48 TAXES ACCRUED - FEDERAL/CURRENT ***	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)	(2,216.00)
FIN 48 TAXES ACCRUED - STATE/Long Term ****	(859,701.11)	(106,720.90)	(380,325.79)	(392,754.42)	(66,093.48)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)
Subtotal Income Tax Liability	(859,701.11)	(106,720.90)	(380,325.79)	(392,754.42)	(66,093.48)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)
*** One entry to remove state tax liability to current did not work. It is repeated and will be made in January 09.																
23700481	(9,467.00)	(9,467.00)	(9,467.00)	(9,467.00)	(9,467.00)	(9,467.00)	(9,467.00)	(9,467.00)	(9,467.00)	(9,467.00)	(9,467.00)	(9,467.00)	(9,467.00)	(9,467.00)	(9,467.00)	(9,467.00)
23700482	(467.00)	(467.00)	(467.00)	(467.00)	(467.00)	(467.00)	(467.00)	(467.00)	(467.00)	(467.00)	(467.00)	(467.00)	(467.00)	(467.00)	(467.00)	(467.00)
23700483	(25,541.00)	(5,834.00)	(11,377.00)	(8,330.00)	(11,377.00)	(8,330.00)	(11,377.00)	(8,330.00)	(11,377.00)	(8,330.00)	(11,377.00)	(8,330.00)	(11,377.00)	(8,330.00)	(11,377.00)	(8,330.00)
23700484	(20,964.00)	(6,863.00)	(12,588.00)	(14,101.00)	(12,588.00)	(14,101.00)	(12,588.00)	(14,101.00)	(12,588.00)	(14,101.00)	(12,588.00)	(14,101.00)	(12,588.00)	(14,101.00)	(12,588.00)	(14,101.00)
Subtotal Interest	(56,437.00)	(12,697.00)	(33,965.00)	(43,742.00)	(33,965.00)	(43,742.00)	(33,965.00)	(43,742.00)	(33,965.00)	(43,742.00)	(33,965.00)	(43,742.00)	(33,965.00)	(43,742.00)	(33,965.00)	(43,742.00)
<b>Total Balance Sheet</b>	(916,140.11)	(119,417.90)	(384,190.79)	(796,722.21)	(412,531.42)	(66,093.48)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)	(33,148.38)
40900481	417,340.45	80,021.50	306,404.95	337,318.95	306,404.95	30,914.00	30,914.00	30,914.00	30,914.00	30,914.00	30,914.00	30,914.00	30,914.00	30,914.00	30,914.00	30,914.00
41100483	(49,187.65)	(8,577.01)	(3,818.72)	(36,791.92)	(35,588.80)	(6,100.51)	(1,203.12)	(1,203.12)	(1,203.12)	(1,203.12)	(1,203.12)	(1,203.12)	(1,203.12)	(1,203.12)	(1,203.12)	(1,203.12)
41110484	(8,225.34)	(1,470.24)	(654.59)	(6,100.51)	(6,100.51)	132.17	132.17	132.17	132.17	132.17	132.17	132.17	132.17	132.17	132.17	132.17
40800482	206,361.09	36,746.65	58,294.15	111,230.29	107,782.79	3,437.50	3,437.50	3,437.50	3,437.50	3,437.50	3,437.50	3,437.50	3,437.50	3,437.50	3,437.50	3,437.50
40900484	19,893.00	5,834.00	11,377.00	14,059.00	11,377.00	2,682.00	2,682.00	2,682.00	2,682.00	2,682.00	2,682.00	2,682.00	2,682.00	2,682.00	2,682.00	2,682.00
43100481	19,812.00	6,863.00	12,588.00	12,949.00	12,588.00	361.00	361.00	361.00	361.00	361.00	361.00	361.00	361.00	361.00	361.00	361.00
43100482	605,893.55	119,417.90	384,190.79	486,475.65	102,284.86	66,093.48	36,191.38	36,191.38	36,191.38	36,191.38	36,191.38	36,191.38	36,191.38	36,191.38	36,191.38	36,191.38
<b>Total Income Statement</b>	605,893.55	119,417.90	384,190.79	486,475.65	102,284.86	66,093.48	36,191.38	36,191.38	36,191.38	36,191.38	36,191.38	36,191.38	36,191.38	36,191.38	36,191.38	36,191.38

201 10/21/09