



Southern Company—Total Pension Benefits
2011 ASC 715 Period Costs

Components of ASC 715 Cost	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	Total
Qualified Pension Plan									
Service Cost	\$ 41,837,419	\$ 55,395,794	\$ 8,103,233	\$ 8,539,890	\$ 35,271,461	\$ 24,889,777	\$ 2,508,237	\$ 0	\$ 176,545,811
Interest Cost	90,692,504	136,827,101	16,298,331	16,580,393	62,059,274	40,749,982	2,330,035	333,942	365,871,562
Expected Return on Plan Assets	(172,937,827)	(234,124,925)	(27,232,321)	(25,166,178)	(93,647,994)	(50,898,464)	(2,398,538)	(979,206)	(607,385,453)
Amortization of Unrecognized Amounts	0	0	0	0	0	0	0	0	0
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service Cost	6,726,181	9,291,677	1,041,649	1,083,901	3,526,170	1,672,114	91,376	1,741	23,434,809
• (Gain)/Loss	1,814,135	3,396,795	178,095	365,312	1,610,626	1,955,241	0	(67,841)	9,252,363
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ (31,867,588)	\$ (29,213,558)	\$ (1,611,013)	\$ 1,403,318	\$ 8,819,537	\$ 18,368,650	\$ 2,531,110	\$ (711,364)	\$ (32,280,908)
Total Nonqualified Pension Benefits ¹									
Service Cost	\$ 1,428,710	\$ 1,889,335	\$ 327,509	\$ 297,618	\$ 2,792,887	\$ 520,813	\$ 86,301	\$ 0	\$ 7,343,173
Interest Cost	5,022,527	7,042,130	775,687	1,246,953	7,797,464	1,225,419	159,405	116,694	23,386,279
Expected Return on Plan Assets	0	0	0	0	0	0	0	0	0
Amortization of Unrecognized Amounts	0	0	0	0	0	0	0	0	0
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service Cost	2,096,987	2,973,819	220,841	224,889	2,904,182	372,935	51,314	0	8,844,967
• (Gain)/Loss	2,490,751	2,606,045	333,894	749,137	4,543,349	850,193	37,745	29,637	11,640,751
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 11,038,975	\$ 14,511,329	\$ 1,657,931	\$ 2,518,597	\$ 18,037,882	\$ 2,969,360	\$ 334,765	\$ 146,331	\$ 51,215,170
Total Pension Benefits									
Service Cost	\$ 43,266,129	\$ 57,285,129	\$ 8,430,742	\$ 8,837,508	\$ 38,064,348	\$ 25,410,590	\$ 2,594,538	\$ 0	\$ 183,888,984
Interest Cost	95,715,031	143,869,231	17,074,018	17,827,346	69,856,738	41,975,401	2,489,440	450,636	389,257,841
Expected Return on Plan Assets	(172,937,827)	(234,124,925)	(27,232,321)	(25,166,178)	(93,647,994)	(50,898,464)	(2,398,538)	(979,206)	(607,385,453)
Amortization of Unrecognized Amounts	0	0	0	0	0	0	0	0	0
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service Cost	8,823,168	12,265,496	1,262,490	1,308,790	6,430,352	2,045,049	142,690	1,741	32,279,776
• (Gain)/Loss	4,304,886	6,002,840	511,989	1,114,449	6,153,975	2,805,434	37,745	(38,204)	20,893,114
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ (20,828,613)	\$ (14,702,229)	\$ 46,918	\$ 3,921,915	\$ 26,857,419	\$ 21,338,010	\$ 2,865,875	\$ (565,033)	\$ 18,934,262

¹ Refer to the following pages for more detail on these plans.

Note: Figures based on 2011 costs delivered in letter to B. Marsh at Southern on 2/16/2011.



Southern Company—Nonqualified Pension Benefits (other than COSB)

2011 ASC 715 Period Costs

Components of ASC 715 Cost	Alabama Power Company		Georgia Power Company		Total	Gulf Power Company		Mississippi Power Company		Southern Nuclear Operating Company		Southern Communications Services		Southern Company		Total
Service Cost	\$ 1,428,710	\$ 1,889,335	\$ 0	\$ 1,889,335	\$ 327,509	\$ 297,618	\$ 2,792,887	\$ 520,813	\$ 86,301	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,343,173		
Interest Cost	4,468,603	6,116,236	369,433	6,485,669	775,687	1,086,687	7,485,393	1,225,419	159,405	116,694	0	0	0	21,803,557		
Expected Return on Plan Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Amortization of Unrecognized Amounts	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
• Transition Obligation	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
• Prior Service Cost	1,952,934	2,689,829	85,768	2,775,597	220,841	204,347	2,867,441	372,935	51,314	0	0	0	0	8,445,409		
• (Gain)/Loss	2,060,526	1,822,577	62,186	1,884,763	333,894	658,150	4,150,814	850,193	37,745	29,637	0	0	0	10,005,722		
Curtailment	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Net Cost	\$ 9,910,773	\$ 12,517,977	\$ 517,387	\$ 13,035,364	\$ 1,657,931	\$ 2,246,802	\$ 17,296,535	\$ 2,969,360	\$ 334,765	\$ 146,331	\$ 0	\$ 0	\$ 0	\$ 47,597,861		

Note: Figures based on 2011 costs delivered in letter to B. Marsh at Southern on 2/16/2011.

Proprietary & Confidential



Southern Company—Certain Other Supplemental Pension Benefits
 2011 ASC 715 Period Costs

Components of ASC 715 Cost	Alabama Power Company		Georgia Power Company		Mississippi Power Company		Southern Company Services		Total
	ERIP I	ERIP II	ERIP I	ERIP II	ERIP III	ERIP III	ERIP III	Total	
Service Cost	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest Cost	553,924	556,461	37,093	25,720	97,453	160,266	312,071	1,582,722	0
Expected Return on Plan Assets	0	0	0	0	0	0	0	0	0
Amortization of Unrecognized Amounts	0	0	0	0	0	0	0	0	0
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service Cost	144,053	198,222	6,644	2,791	11,107	20,542	36,741	399,558	0
• (Gain)/Loss	430,225	721,282	18,103	19,315	53,569	90,987	392,535	1,635,029	0
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 1,128,202	\$ 1,475,965	\$ 61,840	\$ 47,826	\$ 162,129	\$ 271,795	\$ 741,347	\$ 3,617,309	0

Note: Figures based on 2011 costs delivered in letter to B. Marsh at Southern on 2/16/2011.

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Southern Company—Postretirement Medical and Life Plans

2011 ASC 715 Period Costs

Components of ASC 715 Cost	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	Total
Postretirement Medical Plans									
Service Cost	\$ 3,961,086	\$ 5,623,879	\$ 891,121	\$ 857,744	\$ 2,669,467	\$ 2,384,739	\$ 257,766	\$ 0	\$ 16,645,802
Interest Cost	18,966,680	34,321,252	2,854,217	3,618,263	8,260,367	6,919,431	213,711	51,292	75,205,213
Expected Return on Plan Assets	(20,290,891)	(24,232,218)	(1,435,867)	(1,667,877)	(4,538,143)	0	0	0	(52,164,996)
Amortization of Unrecognized Amounts									
• Transition Obligation	3,003,631	6,373,119	257,000	228,411	202,219	357,235	0	0	10,421,615
• Prior Service Cost	4,354,312	1,821,736	322,217	87,641	1,386,678	325,055	6,352	0	8,303,991
• (Gain)/Loss	0	3,157,382	0	275,261	645,865	0	(46,873)	(52,416)	3,979,219
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 9,994,818	\$ 27,065,150	\$ 2,888,688	\$ 3,399,443	\$ 8,626,453	\$ 9,986,460	\$ 430,956	\$ (1,124)	\$ 62,390,844
Postretirement Life Plans									
Service Cost	\$ 1,316,403	\$ 1,647,888	\$ 241,346	\$ 154,665	\$ 509,236	\$ 473,523	\$ 30,317	\$ 2,006	\$ 4,375,384
Interest Cost	4,856,307	6,875,737	803,602	673,979	2,016,115	1,461,499	36,573	26,527	16,750,339
Expected Return on Plan Assets	(4,871,780)	(6,602,761)	(9,272)	(96,000)	(10,067)	0	0	0	(11,589,880)
Amortization of Unrecognized Amounts									
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service Cost	(755,466)	(428,155)	(136,422)	(275,405)	(771,474)	(586,584)	(28,209)	0	(2,981,715)
• (Gain)/Loss	0	0	(47,278)	(41,601)	0	0	(12,933)	(17,997)	(119,809)
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 545,464	\$ 1,492,709	\$ 851,976	\$ 415,638	\$ 1,743,810	\$ 1,348,438	\$ 25,748	\$ 10,536	\$ 6,434,319
Postretirement Medical and Life Plans									
Service Cost	\$ 5,277,489	\$ 7,271,767	\$ 1,132,467	\$ 1,012,409	\$ 3,178,703	\$ 2,858,262	\$ 288,083	\$ 2,006	\$ 21,021,186
Interest Cost	23,822,987	41,196,989	3,657,819	4,292,242	10,276,482	8,380,930	250,284	77,819	91,955,552
Expected Return on Plan Assets	(25,162,671)	(30,834,979)	(1,445,139)	(1,763,877)	(4,548,210)	0	0	0	(63,754,876)
Amortization of Unrecognized Amounts									
• Transition Obligation	3,003,631	6,373,119	257,000	228,411	202,219	357,235	0	0	10,421,615
• Prior Service Cost	3,598,846	1,393,581	185,795	(187,764)	615,204	(261,529)	(21,857)	0	5,322,276
• (Gain)/Loss	0	3,157,382	(47,278)	233,660	645,865	0	(59,806)	(70,413)	3,859,410
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 10,540,282	\$ 28,557,859	\$ 3,740,664	\$ 3,815,081	\$ 10,370,263	\$ 11,334,898	\$ 456,704	\$ 9,412	\$ 68,825,163

Note: Figures based on 2011 costs delivered in letter to B. Marsh at Southern on 2/16/2011.

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Southern Company—Postretirement Medical Plans (ignoring tax-advantaged retiree drug subsidy)
 2011 ASC 715 Period Costs (for tax-accounting purposes)

Components of ASC 715 Cost	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	Total
Service Cost	\$ 3,961,086	\$ 5,623,879	\$ 891,121	\$ 857,744	\$ 2,669,467	\$ 2,384,739	\$ 257,766	\$ 0	\$ 16,645,802
Interest Cost	19,179,231	34,590,824	2,884,607	3,658,179	8,323,472	6,953,185	214,458	52,148	75,856,104
Expected Return on Plan Assets	(20,290,891)	(24,232,218)	(1,435,867)	(1,667,877)	(4,538,143)	0	0	0	(52,164,996)
Amortization of Unrecognized Amounts									
• Transition Obligation	3,003,631	6,373,119	257,000	228,411	202,219	357,235	0	0	10,421,615
• Prior Service Cost	4,354,312	1,821,736	322,217	87,641	1,386,678	325,055	6,352	0	8,303,991
• (Gain)/Loss	2,971,891	4,056,180	194,020	677,811	1,060,758	(89,977)	(43,492)	(53,620)	8,773,571
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 13,179,260	\$ 28,233,520	\$ 3,113,098	\$ 3,841,909	\$ 9,104,451	\$ 9,930,237	\$ 435,084	\$ (1,472)	\$ 67,836,087

Note: Figures based on 2011 costs delivered in letter to B. Marsh at Southern on 2/16/2011.

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Southern Company—Total Pension Benefits
2011 Interim Period Cost Information per ASC 715

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	Total
Quarterly Net Periodic Benefit Cost for 2010									
Service Cost	\$ 10,255,968	\$ 13,424,874	\$ 1,963,293	\$ 2,074,969	\$ 8,794,326	\$ 5,887,305	\$ 510,119	\$ 0	\$ 42,910,854
Interest Cost	24,186,350	36,316,012	4,326,362	4,479,055	17,298,059	10,404,069	609,806	123,561	97,743,274
Expected Return on Plan Assets	(41,889,909)	(54,854,904)	(6,173,887)	(5,363,031)	(19,651,489)	(9,173,236)	(320,308)	(231,146)	(137,657,910)
Amortization of Unrecognized Amounts	0	0	0	0	0	0	0	0	0
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service Cost	2,185,777	3,136,465	325,394	347,813	1,619,936	531,889	35,786	435	8,183,495
• (Gain)/Loss	470,543	506,850	99,535	158,594	940,980	248,881	8,311	(10,221)	2,423,473
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ (4,791,271)	\$ (1,470,703)	\$ 540,697	\$ 1,697,400	\$ 9,001,812	\$ 7,898,908	\$ 843,714	\$ (117,371)	\$ 13,603,186
Quarterly Net Periodic Benefit Cost for 2011									
Service Cost	\$ 10,816,533	\$ 14,321,283	\$ 2,107,685	\$ 2,209,378	\$ 9,516,087	\$ 6,352,647	\$ 648,634	\$ 0	\$ 45,972,247
Interest Cost	23,928,758	35,967,307	4,268,505	4,456,836	17,464,185	10,493,851	622,360	112,660	97,314,462
Expected Return on Plan Assets	(43,234,457)	(58,531,231)	(6,808,080)	(6,291,545)	(23,411,999)	(12,724,616)	(599,635)	(244,802)	(151,846,365)
Amortization of Unrecognized Amounts	0	0	0	0	0	0	0	0	0
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service Cost	2,205,792	3,066,374	315,622	327,198	1,607,588	511,263	35,673	435	8,069,945
• (Gain)/Loss	1,076,222	1,500,711	127,998	278,613	1,538,495	701,358	9,436	(9,551)	5,223,282
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ (5,207,152)	\$ (3,675,556)	\$ 11,730	\$ 980,480	\$ 6,714,356	\$ 5,334,503	\$ 716,468	\$ (141,258)	\$ 4,733,571

Note: Figures based on 2011 costs delivered in letter to B. Marsh at Southern on 2/16/2011.



Southern Company—Qualified Pension Plan
2011 Interim Period Cost Information per ASC 715

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	Total
Quarterly Net Periodic Benefit Cost for 2010									
Service Cost	\$ 9,929,698	\$ 12,986,303	\$ 1,895,055	\$ 2,012,965	\$ 8,188,372	\$ 5,790,433	\$ 492,549	\$ 0	\$ 41,295,375
Interest Cost	22,893,326	34,474,039	4,122,107	4,163,089	15,352,050	10,077,223	569,713	91,945	91,743,492
Expected Return on Plan Assets	(41,889,909)	(54,854,904)	(6,173,887)	(5,363,031)	(19,651,489)	(9,173,236)	(320,308)	(231,146)	(137,657,910)
Amortization of Unrecognized Amounts									
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service Cost	1,681,545	2,393,725	260,839	272,421	895,920	432,820	22,957	435	5,960,662
• (Gain)/Loss	0	0	0	0	0	14,881	0	(16,411)	(1,530)
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ (7,385,340)	\$ (5,000,837)	\$ 104,114	\$ 1,085,444	\$ 4,784,853	\$ 7,142,121	\$ 764,911	\$ (155,177)	\$ 1,340,089
Quarterly Net Periodic Benefit Cost for 2011									
Service Cost	\$ 10,459,355	\$ 13,848,949	\$ 2,025,808	\$ 2,134,973	\$ 8,817,865	\$ 6,222,444	\$ 627,059	\$ 0	\$ 44,136,453
Interest Cost	22,673,126	34,206,775	4,074,583	4,145,098	15,514,819	10,187,496	582,509	83,486	91,467,892
Expected Return on Plan Assets	(43,234,457)	(58,531,231)	(6,808,080)	(6,291,545)	(23,411,999)	(12,724,616)	(599,635)	(244,802)	(151,846,365)
Amortization of Unrecognized Amounts									
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service Cost	1,681,545	2,322,919	260,412	270,975	881,543	418,029	22,844	435	5,858,702
• (Gain)/Loss	453,534	849,199	44,524	91,328	402,657	488,810	0	(16,960)	2,313,092
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ (7,966,897)	\$ (7,303,389)	\$ (402,753)	\$ 350,829	\$ 2,204,885	\$ 4,592,163	\$ 632,777	\$ (177,841)	\$ (8,070,226)

Note: Figures based on 2011 costs delivered in letter to B. Marsh at Southern on 2/16/2011.



Southern Company—Nonqualified Pension Benefits (other than COSB)

2011 Interim Period Cost Information per ASC 715

	Alabama Power Company	Southern Company	Georgia Power Company Savannah	Total	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	Total
Quarterly Net Periodic Benefit Cost for 2010											
Service Cost	\$ 326,270	\$ 438,571	\$ 0	\$ 438,571	\$ 68,238	\$ 62,004	\$ 605,954	\$ 96,872	\$ 17,570	\$ 0	\$ 1,615,479
Interest Cost	1,138,552	1,578,382	104,338	1,682,720	204,255	270,649	1,857,911	326,846	40,093	31,616	5,552,642
Expected Return on Plan Assets	0	0	0	0	0	0	0	0	0	0	0
Amortization of Unrecognized Amounts	0	0	0	0	0	0	0	0	0	0	0
• Transition Obligation	0	0	0	0	0	0	0	0	0	0	0
• Prior Service Cost	468,219	671,741	21,443	693,184	64,555	70,256	714,831	99,069	12,829	0	2,122,943
• (Gain)/Loss	374,920	326,091	13,664	339,755	99,535	141,067	855,657	234,000	8,311	6,190	2,059,435
Curtailment	0	0	0	0	0	0	0	0	0	0	0
Net Cost	\$ 2,307,961	\$ 3,014,785	\$ 139,445	\$ 3,154,230	\$ 436,583	\$ 543,976	\$ 4,034,353	\$ 756,787	\$ 78,803	\$ 37,806	\$ 11,350,499

	Alabama Power Company	Southern Company	Georgia Power Company Savannah	Total	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	Total
Quarterly Net Periodic Benefit Cost for 2011											
Service Cost	\$ 357,178	\$ 472,334	\$ 0	\$ 472,334	\$ 81,877	\$ 74,405	\$ 698,222	\$ 130,203	\$ 21,575	\$ 0	\$ 1,835,794
Interest Cost	1,117,151	1,529,059	92,358	1,621,417	193,922	271,672	1,871,348	306,355	39,851	29,174	5,450,890
Expected Return on Plan Assets	0	0	0	0	0	0	0	0	0	0	0
Amortization of Unrecognized Amounts	0	0	0	0	0	0	0	0	0	0	0
• Transition Obligation	0	0	0	0	0	0	0	0	0	0	0
• Prior Service Cost	488,234	672,457	21,442	693,899	55,210	51,087	716,860	93,234	12,829	0	2,111,353
• (Gain)/Loss	515,132	455,644	15,547	471,191	83,474	164,538	1,037,704	212,548	9,436	7,409	2,501,432
Curtailment	0	0	0	0	0	0	0	0	0	0	0
Net Cost	\$ 2,477,695	\$ 3,129,494	\$ 129,347	\$ 3,258,841	\$ 414,483	\$ 561,702	\$ 4,324,134	\$ 742,340	\$ 83,691	\$ 36,583	\$ 11,899,469

Note: Figures based on 2011 costs delivered in letter to B. Marsh at Southern on 2/16/2011.

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Southern Company—Certain Other Supplemental Pension Benefits
 2011 Interim Period Cost Information per ASC 715

	Alabama Power Company		Georgia Power Company		Mississippi Power Company		Southern Company Services		Total
	ERIP I	ERIP II	ERIP I	ERIP II	ERIP III	ERIP III	Total		
Quarterly Net Periodic Benefit Cost for 2010									
Service Cost	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest Cost	154,472	159,253	10,633	7,159	27,525	45,317	88,098	447,140	0
Expected Return on Plan Assets	0	0	0	0	0	0	0	0	0
Amortization of Unrecognized Amounts	0	0	0	0	0	0	0	0	0
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service Cost	36,013	49,556	1,661	698	2,777	5,136	9,185	99,890	0
• (Gain)/Loss	95,623	167,095	2,678	3,901	10,948	17,527	85,323	365,568	0
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 286,108	\$ 375,904	\$ 14,972	\$ 11,758	\$ 41,250	\$ 67,980	\$ 182,606	\$ 912,598	\$ 0

Quarterly Net Periodic Benefit Cost for 2011									
Service Cost	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest Cost	138,481	139,115	9,273	6,430	24,363	40,066	78,018	395,660	0
Expected Return on Plan Assets	0	0	0	0	0	0	0	0	0
Amortization of Unrecognized Amounts	0	0	0	0	0	0	0	0	0
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service Cost	36,013	49,556	1,661	698	2,777	5,136	9,185	99,890	0
• (Gain)/Loss	107,556	180,321	4,526	4,829	13,392	22,747	98,134	408,758	0
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 282,050	\$ 368,992	\$ 15,460	\$ 11,957	\$ 40,532	\$ 67,949	\$ 185,337	\$ 904,328	\$ 0

Note: Figures based on 2011 costs delivered in letter to B. Marsh at Southern on 2/16/2011.

Proprietary & Confidential



Southern Company—Postretirement Medical and Life Plans

2011 ASC 715 Period Costs

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	Total
Quarterly Net Periodic Benefit Cost for 2010									
Service Cost	\$ 1,557,455	\$ 2,183,953	\$ 325,900	\$ 326,298	\$ 938,095	\$ 838,946	\$ 91,190	\$ 688	\$ 6,262,525
Interest Cost	6,537,768	11,053,516	1,030,159	1,190,864	2,718,729	2,307,312	75,371	22,310	24,936,029
Expected Return on Plan Assets	(6,165,895)	(7,691,941)	(369,978)	(456,705)	(1,085,742)	0	0	0	(15,770,261)
Amortization of Unrecognized Amounts									
• Transition Obligation	750,908	1,593,280	64,250	57,103	50,555	89,309	0	0	2,605,405
• Prior Service Cost	899,711	348,395	46,448	(14,372)	153,801	(65,382)	(5,464)	0	1,363,137
• (Gain)/Loss	0	814,670	(9,249)	100,846	147,483	116,094	(1,611)	(15,187)	1,153,046
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 3,579,947	\$ 8,301,873	\$ 1,087,530	\$ 1,204,034	\$ 2,922,921	\$ 3,286,279	\$ 159,486	\$ 7,811	\$ 20,549,881

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	Total
Quarterly Net Periodic Benefit Cost for 2011									
Service Cost	\$ 1,319,373	\$ 1,817,942	\$ 283,117	\$ 253,102	\$ 794,676	\$ 714,566	\$ 72,021	\$ 502	\$ 5,255,299
Interest Cost	5,955,747	10,299,247	914,455	1,073,061	2,569,121	2,095,233	62,571	19,455	22,988,890
Expected Return on Plan Assets	(6,290,668)	(7,708,745)	(361,285)	(440,969)	(1,137,053)	0	0	0	(15,938,720)
Amortization of Unrecognized Amounts									
• Transition Obligation	750,908	1,593,280	64,250	57,103	50,555	89,309	0	0	2,605,405
• Prior Service Cost	899,711	348,395	46,448	(46,941)	153,801	(65,382)	(5,464)	0	1,330,568
• (Gain)/Loss	0	789,346	(11,820)	58,415	161,466	0	(14,951)	(17,603)	964,853
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 2,635,071	\$ 7,139,465	\$ 935,165	\$ 953,771	\$ 2,592,566	\$ 2,833,726	\$ 114,177	\$ 2,354	\$ 17,206,295

Note: Figures based on 2011 costs delivered in letter to B. Marsh at Southern on 2/16/2011.

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Southern Company—Postretirement Medical Plans
2011 ASC 715 Period Costs

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	Total
Quarterly Net Periodic Benefit Cost for 2010									
Service Cost	\$ 1,232,209	\$ 1,780,172	\$ 268,227	\$ 270,339	\$ 809,802	\$ 719,955	\$ 83,516	\$ 0	\$ 5,164,220
Interest Cost	5,275,172	9,275,902	822,061	990,570	2,188,913	1,936,983	65,160	14,589	20,569,350
Expected Return on Plan Assets	(5,013,099)	(6,133,405)	(367,563)	(432,212)	(1,083,482)	0	0	0	(13,029,751)
Amortization of Unrecognized Amounts									
• Transition Obligation	750,908	1,593,280	64,250	57,103	50,555	89,309	0	0	2,605,405
• Prior Service Cost	1,088,578	455,434	80,554	21,910	346,670	81,264	1,588	0	2,075,998
• (Gain)/Loss	0	814,670	0	106,436	147,483	116,094	0	(11,459)	1,173,224
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 3,333,768	\$ 7,786,053	\$ 867,539	\$ 1,014,146	\$ 2,459,941	\$ 2,943,605	\$ 150,264	\$ 3,130	\$ 18,558,446
Quarterly Net Periodic Benefit Cost for 2011									
Service Cost	\$ 990,272	\$ 1,405,970	\$ 222,780	\$ 214,436	\$ 667,367	\$ 596,185	\$ 64,442	\$ 0	\$ 4,161,452
Interest Cost	4,741,670	8,580,313	713,554	904,566	2,065,092	1,729,858	53,428	12,823	18,801,304
Expected Return on Plan Assets	(5,072,723)	(6,058,055)	(358,967)	(416,969)	(1,134,536)	0	0	0	(13,041,250)
Amortization of Unrecognized Amounts									
• Transition Obligation	750,908	1,593,280	64,250	57,103	50,555	89,309	0	0	2,605,405
• Prior Service Cost	1,088,578	455,434	80,554	21,910	346,670	81,264	1,588	0	2,075,998
• (Gain)/Loss	0	789,346	0	68,815	161,466	81,264	(11,718)	(13,104)	994,805
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 2,498,705	\$ 6,766,288	\$ 722,171	\$ 849,861	\$ 2,156,614	\$ 2,496,616	\$ 107,740	\$ (281)	\$ 15,597,714

Note: Figures based on 2011 costs delivered in letter to B. Marsh at Southern on 2/16/2011.

Proprietary & Confidential



Southern Company—Postretirement Life Plans
2011 ASC 715 Period Costs

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	Total
Quarterly Net Periodic Benefit Cost for 2010									
Service Cost	\$ 325,246	\$ 403,781	\$ 57,673	\$ 55,959	\$ 128,293	\$ 118,991	\$ 7,674	\$ 688	\$ 1,098,305
Interest Cost	1,262,596	1,777,614	208,098	200,294	529,816	370,329	10,211	7,721	4,366,679
Expected Return on Plan Assets	(1,152,796)	(1,558,536)	(2,425)	(24,493)	(2,260)	0	0	0	(2,740,510)
Amortization of Unrecognized Amounts	0	0	0	0	0	0	0	0	0
• Transition Obligation	(188,867)	(107,039)	(34,106)	(36,282)	(192,869)	(146,646)	(7,052)	0	(712,861)
• Prior Service Cost	0	0	(9,249)	(5,590)	0	0	(1,611)	(3,728)	(20,178)
• (Gain)/Loss	0	0	0	0	0	0	0	0	0
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 246,179	\$ 515,820	\$ 219,991	\$ 189,888	\$ 462,980	\$ 342,674	\$ 9,222	\$ 4,681	\$ 1,991,435
Quarterly Net Periodic Benefit Cost for 2011									
Service Cost	\$ 329,101	\$ 411,972	\$ 60,337	\$ 38,666	\$ 127,309	\$ 118,381	\$ 7,579	\$ 502	\$ 1,093,847
Interest Cost	1,214,077	1,718,934	200,901	168,495	504,029	365,375	9,143	6,632	4,187,586
Expected Return on Plan Assets	(1,217,945)	(1,650,690)	(2,318)	(24,000)	(2,517)	0	0	0	(2,897,470)
Amortization of Unrecognized Amounts	0	0	0	0	0	0	0	0	0
• Transition Obligation	(188,867)	(107,039)	(34,106)	(68,851)	(192,869)	(146,646)	(7,052)	0	(745,430)
• Prior Service Cost	0	0	(11,820)	(10,400)	0	0	(3,233)	(4,499)	(29,952)
• (Gain)/Loss	0	0	0	0	0	0	0	0	0
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 136,366	\$ 373,177	\$ 212,994	\$ 103,910	\$ 435,952	\$ 337,110	\$ 6,437	\$ 2,635	\$ 1,608,581

Note: Figures based on 2011 costs delivered in letter to B. Marsh at Southern on 2/16/2011.

Proprietary & Confidential



Southern Company—Postretirement Medical Plans (ignoring tax-advantaged retiree drug subsidy)
2011 ASC 715 Period Costs (for tax-accounting purposes)

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	Total
Quarterly Net Periodic Benefit Cost for 2010¹									
Service Cost	\$ 1,232,209	\$ 1,780,172	\$ 268,227	\$ 270,339	\$ 809,802	\$ 719,955	\$ 83,515	\$ 0	\$ 5,164,219
Interest Cost	5,375,633	9,404,200	835,915	1,009,646	2,217,793	1,952,251	65,560	15,031	20,876,029
Expected Return on Plan Assets	(5,013,099)	(6,133,404)	(367,553)	(432,212)	(1,083,482)	0	0	0	(13,029,750)
Amortization of Unrecognized Amounts									
• Transition Obligation	750,908	1,593,280	64,250	57,103	50,555	89,309	0	0	2,605,405
• Prior Service Cost	1,088,578	455,434	80,554	21,910	346,669	81,264	1,588	0	2,075,997
• (Gain)/Loss	561,869	1,380,658	64,262	200,446	291,729	190,879	1,676	(9,534)	2,681,985
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 3,996,098	\$ 8,480,340	\$ 945,655	\$ 1,127,232	\$ 2,633,066	\$ 3,033,658	\$ 152,339	\$ 5,497	\$ 20,373,885

Quarterly Net Periodic Benefit Cost for 2011									
Service Cost	\$ 990,272	\$ 1,405,970	\$ 222,780	\$ 214,436	\$ 667,367	\$ 596,185	\$ 64,442	\$ 0	\$ 4,161,452
Interest Cost	4,794,808	8,647,706	721,152	914,545	2,080,868	1,738,296	53,615	13,037	18,964,027
Expected Return on Plan Assets	(5,072,723)	(6,058,055)	(358,967)	(416,969)	(1,134,536)	0	0	0	(13,041,250)
Amortization of Unrecognized Amounts									
• Transition Obligation	750,908	1,593,280	64,250	57,103	50,555	89,309	0	0	2,605,405
• Prior Service Cost	1,088,578	455,434	80,554	21,910	346,670	81,264	1,588	0	2,075,998
• (Gain)/Loss	742,973	1,014,045	48,505	169,453	265,190	(22,494)	(10,873)	(13,405)	2,193,394
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 3,294,816	\$ 7,058,380	\$ 778,274	\$ 960,478	\$ 2,276,114	\$ 2,482,560	\$ 108,772	\$ (368)	\$ 16,959,026

¹ Reflects quarterly cost for 4th quarter 2010 (after Southern reflected the impact of health care reform)

Note: Figures based on 2011 costs delivered in letter to B. Marsh at Southern on 2/16/2011.

Objective

**Specify assumptions and other parameters to use
when measuring retirement plans' obligations and costs
as of December 31, 2010 and during 2011**

Decisions primarily impact company's accounting

- December 31, 2010 measurement of retirement obligations and costs
 - 2010 funded status to reflect in year-end balance sheet
 - Financial statement footnote disclosures
- 2011 ongoing costs for accounting purposes
- 2012 – 2021 cost projections

Other calculations impacted

- 2011 pension and VEBA funding requirements
- Pension values reported as executive pay in proxy filed 2011
- VEBA tax deduction calculations
- 2011 calculation of PBGC variable rate premiums
- 2011 participant funding notices due April 30, 2012
- Benefit obligations for various government filings

***Document reflects final information provided and decisions made for
December 31, 2010 accounting measurement through January 19, 2011.***

This report documents Southern Company's decisions about how it will measure its retirement benefit obligations and costs for various purposes. It should not be used for other purposes. To protect the confidential and proprietary of this information, it may not be disclosed or provided to any third parties without the approval of Aon Hewitt.

Assumption Setting Background

- Retirement benefits
 - Tax-qualified pension
 - Nonqualified pensions (SUPP, SERP, COSB, individual contracts)
 - Retiree medical and life
- Obligations remeasured at least annually for many purposes:
 - Company's GAAP accounting
 - Plan funding and related deductions
 - Plans' financial statements
 - Miscellaneous (e.g., proxy and PBGC premium purposes)
- Accounting and funding measurements use discount based on high quality corporate bond yields
 - Accounting requires selection using market spot rates at **each** measurement date
 - Funding requires consistent use of IRS published yield curves reflecting either:
 - Average spot rates for the month prior to valuation; or
 - 24-month average of spot rate curves for period ending in January of valuation year
- Each other assumption must be “best estimate”¹ and reasonable in the aggregate
 - Most economic assumptions should be consistent with discount rates
 - Otherwise selections based on:
 - Recent and recurring past experience
 - Expectations about the future
 - Actuarial and accounting guidance
 - Aon Hewitt guidelines defining “relatively safe” areas of practice

¹ However, some assumptions (e.g., mortality rates) now legally prescribed for minimum pension funding and some other compliance purposes.

Discussion Topics

Assumptions Directly Related to Discount Rate

- Discount Rate*
- Asset Returns*
- Base Pay Increases
- Healthcare Trend Rates
- Rate of Increase in Statutory Items
- Installment Payment Parameters

Assumptions *Not* Directly Related to Discount Rate

- Other Elements of Pay
- Retiree Healthcare Participation
- Per Capita Healthcare Costs
- Retirement Rates—Actives
- Retirement Rates—Vesteds
- Withdrawal Rates
- Disability Incidence Rates
- Mortality Rates—Non-disabled
- Mortality Rates—Disabled
- Forms of Payment—Monthly Pensions
- Percent Married
- Spouse Age Differences
- Expense Allowance (pension plan)
- Expense Allowance (life insurance)

Miscellaneous Items Related to 12/31/2010 Measurements

- Census data adjustments
- Asset values
- Plan changes

Items to Reflect in Projections of Costs Beyond 2011

- Contributions
- Future plan changes
- Future census adjustments
- Future assumption changes

Compliance Related Items

- PBGC premiums
- Asset values
- Pension funding calculation verification

* Only impacts accounting results

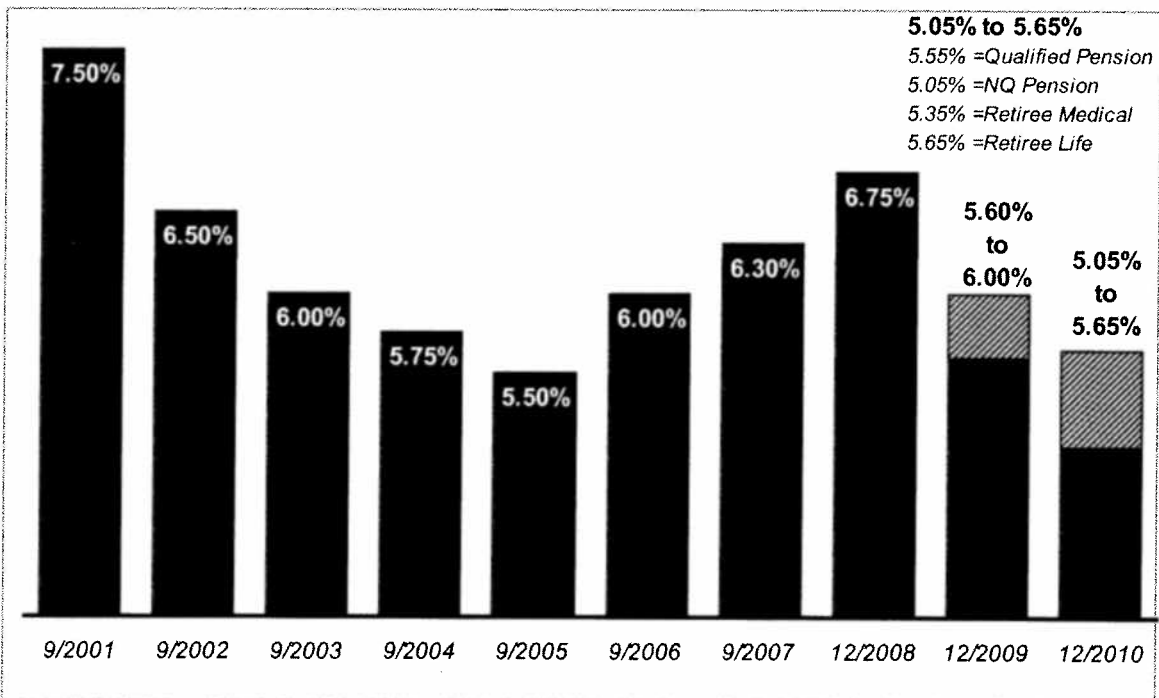
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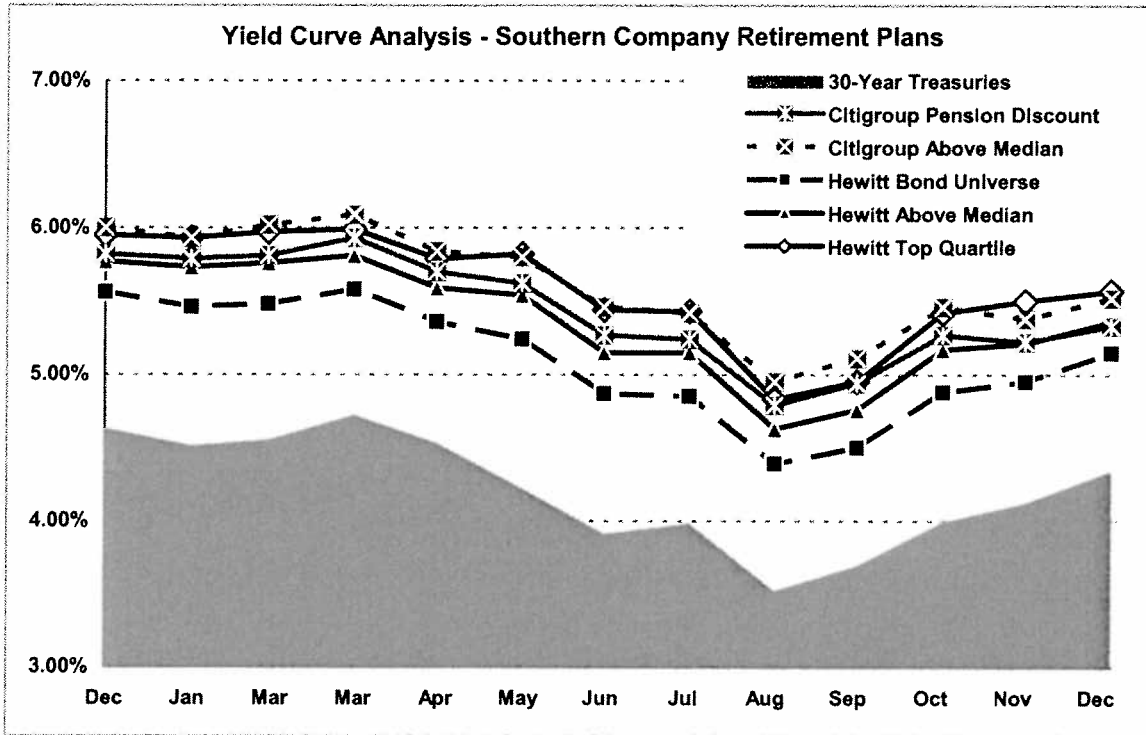
Discount Rate

Data and Discussion

- Assumed time value of money used to compute the present value of anticipated future benefits
- ASC 715 says to set rate by reference to high-quality, fixed-income investments available on the measurement date whose cash outflows match the timing and amount of expected benefit payments
 - Process similar to a third party insurer pricing contract to provide for future benefits
 - High-quality determined to mean “Aa” rating or better in this context
- “Yield curve analysis” now universal basis for selection
 - Present value of benefits derived by discounting anticipated future benefit payments by yields on actual bonds that could be bought as of the measurement date
 - Suggested discount rate is a single rate that produces the same present value of benefits
- Discount rates often selected by plan
 - Impetus is FAS 158 requirement to reflect funded status of each plan in balance sheet
 - Materiality of selecting rates by plan should be considered
- Southern’s past discount rate selections



- Southern selected discount rates as of 12/31/2009 through reference to discount rates suggested by several different yield curve analyses done as of the measurement date
- Rates dropped substantially during 2010 but are beginning to return to 12/31/2009 levels
- Discount rates inferred by a variety of yield curves during 2010



- Yield curve analysis as of 12/31/2010 (based on cash flows from 12/31/2010 measurement)

	Aon Hewitt Developed			Citigroup Developed	
	Bond Universe	Above Median	Top Quartile	Pension Discount	Above Median
Description	All high quality bonds	High quality bonds with top two quartile yields	High quality bonds with top quartile yields	Reflects full universe of bonds	High quality bonds with top two quartile yields
Plan					
■ Qualified pension	5.19%	5.40%	5.61%	5.37%	5.55%
■ Nonqualified pension	4.68%	4.90%	5.09%	4.93%	5.15%
■ Retiree medical	4.98%	5.19%	5.39%	5.18%	5.38%
■ Retiree life	5.26%	5.47%	5.68%	5.42%	5.59%
■ Total	5.15%	5.36%	5.56%	5.33%	5.51%

Discount rate "building blocks"

— Components

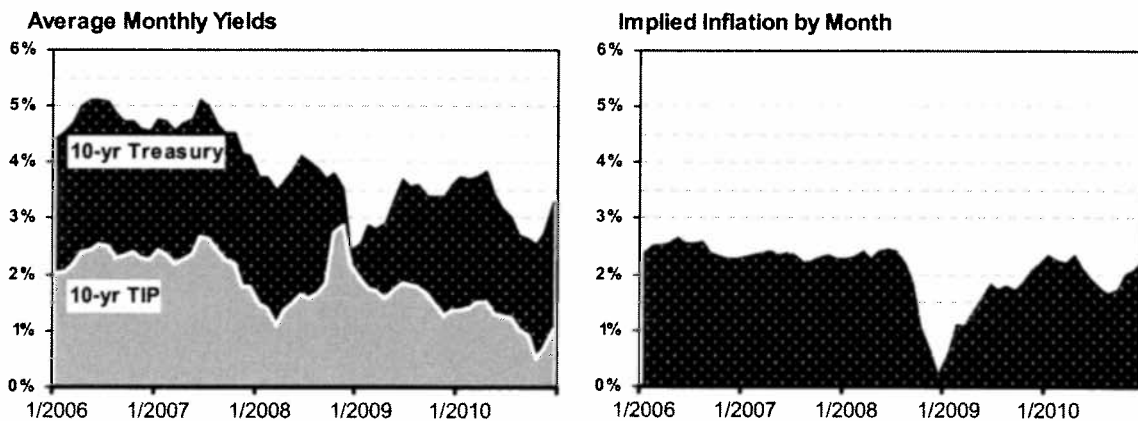
- Inflation;
- Real return;
- Risk premium;
- Duration adjustment; and
- Market factors

— Important to assess components

- Other assumptions reflect inflation
- Need to keep assumptions consistent

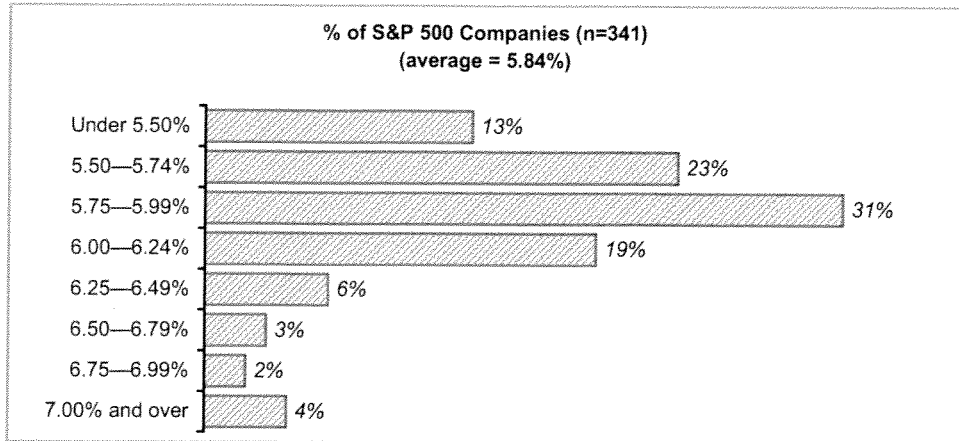
— Key question: "How much of discount rate change attributable to long-term inflation expectations?"

- Monthly inflation expectations since 2005 inferred from the yields on 10-year Treasury and TIP bond¹



¹ Source: <http://www.ustreas.gov/offices/domestic-finance/debt-management/interest-rate/>

■ 2009 ASC 715-30 discount rates disclosed by S&P 500 (from Aon Hewitt Survey)¹



Decision

Discount Rate	12/31/2009	12/31/2010
■ Qualified	5.95%	5.55%
■ Nonqualified	5.60%	5.05%
■ Retiree medical	5.80%	5.35%
■ Retiree life	6.00%	5.65%

■ Discount rates above are based on yield curves

- Developed from bonds available on 12/31/2010
- Developed using methodologies deemed reasonable for these purposes

■ Discount rates selected based on a review of several relevant yield curves

- Allows for adaptation for short-term irregularities
- Consistent with prior practice

■ Overall, long-term average inflation component of rates believed to be towards the lower end of the same range of reasonable expectations (2.00% – 2.50%) developed last year

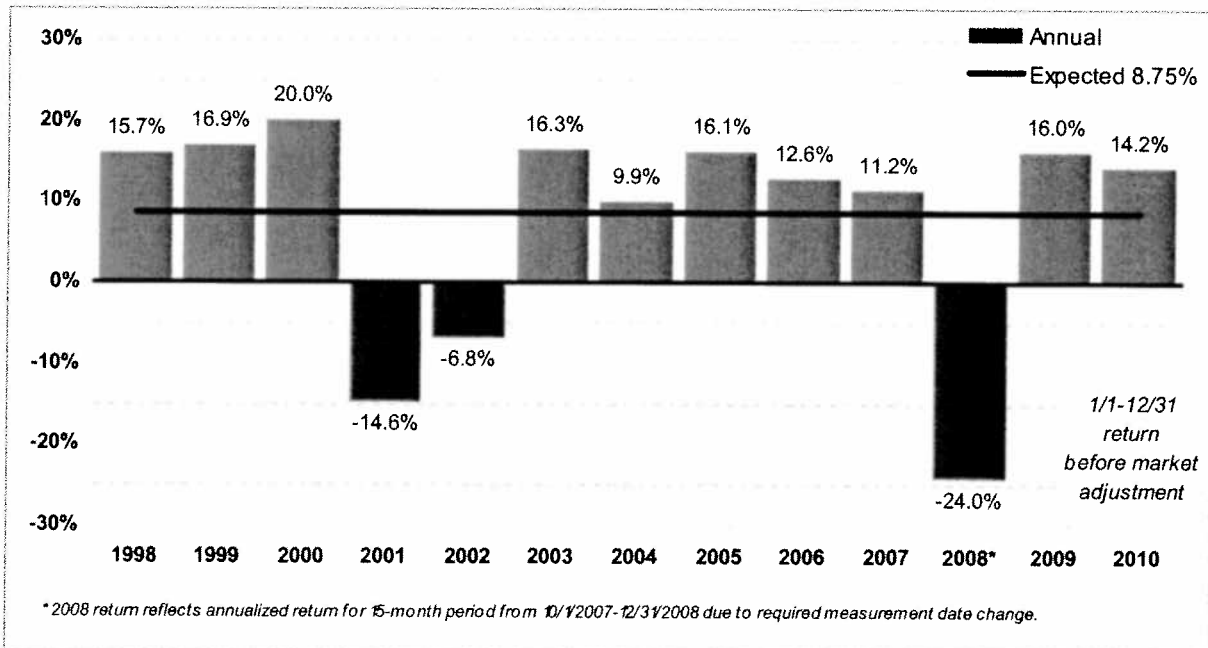
- Near-term expectations likely lower
- Longer-term expectations likely higher

¹ For general interest purposes only, discount rate should be based on plan specific yield curve analyses. Note that due to benefit plan closures/freezes, average discount rates may become relatively lower over time.

Long Term Asset Return

Data and Discussion

- Anticipates return on plan assets reflected in accounting cost determinations
- Base selection on expected, future, after-tax returns of investments
- Taxation of trusts
 - Qualified pension trust earnings not subject to taxation (includes section 401(h) account assets)
 - VEBA returns generally subject to UBIT (unrelated business income tax) except for:
 - Nontaxable earnings (e.g., insurance contracts' inside build up)
 - Assets less than qualified asset account limit ("QAAL"; ignoring limits for retiree medical)
- UBIT on VEBAs
 - Generally at highest individual tax rates
 - Lower capital gain rates apply to
- Historical returns for Southern's pension/401(h) trust by measurement year (based on asset values as reported in year-end footnote disclosures)



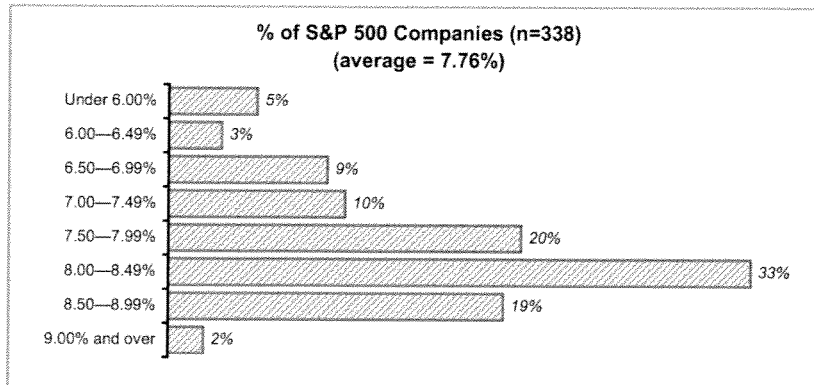
- Southern engaged in detailed asset-liability project during 2009 to refine pension trust asset allocation
 - Modest changes in target allocations
 - Simulations produced expected returns well above 8.75%
- UBIT expected to be limited on
 - APC and GPC—Medical VEBAs partially invested in TOLI (trust owned life insurance)
 - Shelters return from UBIT
 - Some inefficiencies related to these accounts (i.e., insurance costs)
 - Other VEBAs not currently anticipated to be exposed to UBIT
- MetLife reserves for retiree life benefits invested in very short-term, low interest bearing accounts
- Expected returns on Southern’s trusts target asset allocations¹ before trust paid expenses

Trust/Account	Expected Return*		
	Before-Tax	Assumed Tax Rate	After-Tax
Pension & 401(h)	9.31%	0%	9.31%
VEBAs			
■ APC			
— TOLI (83%)	7.53%	0%	7.53%
— Other (17%)	8.33%	30%	5.83%
— Total	7.67%		7.24%
■ GPC—Medical			
— TOLI (60%)	7.06%	0%	7.06%
— Other (40%)	8.33%	30%	5.83%
— Total	7.57%		6.57% ²
■ GPC—Life	7.89%	0%	7.89%
■ Gulf	4.45%	0%	4.45% ³
■ MPC	4.83%	0%	4.83% ⁴

* Based on Aon Hewitt Investment Group’s standard modeling assumptions for 4th quarter 2010 reflecting 2.10% inflation assuming regular rebalancing. See Appendix B for asset allocations and return model output for each trust.

¹ Allocations for VEBAs originally provided for year-end 2008 measurement
² Less than the 7% expected return; model indicates 47% chance of achieving 7%
³ Less than the 5% expected return; model indicates 34% chance of achieving 5%
⁴ Less than the 5% expected return; model indicates 47% chance of achieving 5%

■ 2009 asset return assumption disclosed by S&P 500¹



Decisions

	12/31/2009	12/31/2010
Pension/401(h)	8.75%	8.75% ²
VEBAs*		
• Medical		
– APC	7.00%	7.00%
– GPC	7.00%	7.00%
– Gulf	5.00%	4.50%
– MPC	5.00%	4.50%
• Life		
– APC	7.00%	7.00%
– GPC	7.00%	7.00%
– Gulf	5.00%	4.50%
– MPC	5.00%	4.50%
– MetLife	0.00%	0.00%

* After reflecting anticipated UBIT

■ Existing assumptions still deemed reasonable based on:

- Southern's general expectations based on qualitative and quantitative factors
- Expected return assessments done using Aon Hewitt's fourth quarter capital market assumptions based on range of anticipated inflation rates

¹ Primarily for reference purposes; not a primary basis for assumption.

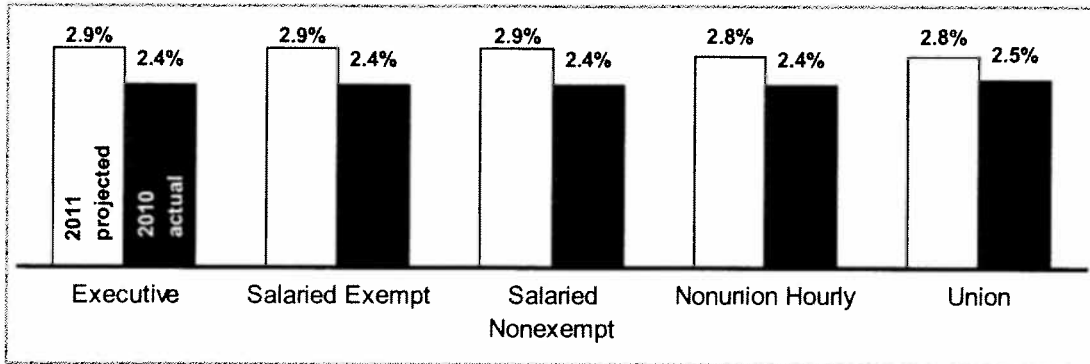
² While no decision has been made to change the pension trust's asset allocation, an analysis was performed (similar to that shown in Appendix B) to test whether the 8.75% assumption would remain appropriate even if the entire December contribution were invested in long duration bonds. The analysis produced an expected return that was above 8.75%.

Base Pay Increases *(including promotion/merit)*

Data and Discussion

- Anticipates increases in individuals' base pay from measurement date to retirement dates
- Basic "building blocks"
 - Inflation
 - Generally deemed a minimum increase absent other factors
 - Credit market's inflation expectations imbedded in discount rate
 - Longer-term expectations have been 2.00% to 2.50% in recent years
 - Merit
 - Normally declines with age/service
 - Promotions early in career and reduced responsibilities leading up to retirement
- Many companies change assumed rate of pay increases when discount rate changes
 - Reflect consistent inflation components in both
 - However, inflation expectations just one driver of discount rate changes
- Company-specifics to reflect when data available:
 - Historical increases and practices
 - Future expectations
 - Pay policies and practices
 - Compensation distributions by age and/or service

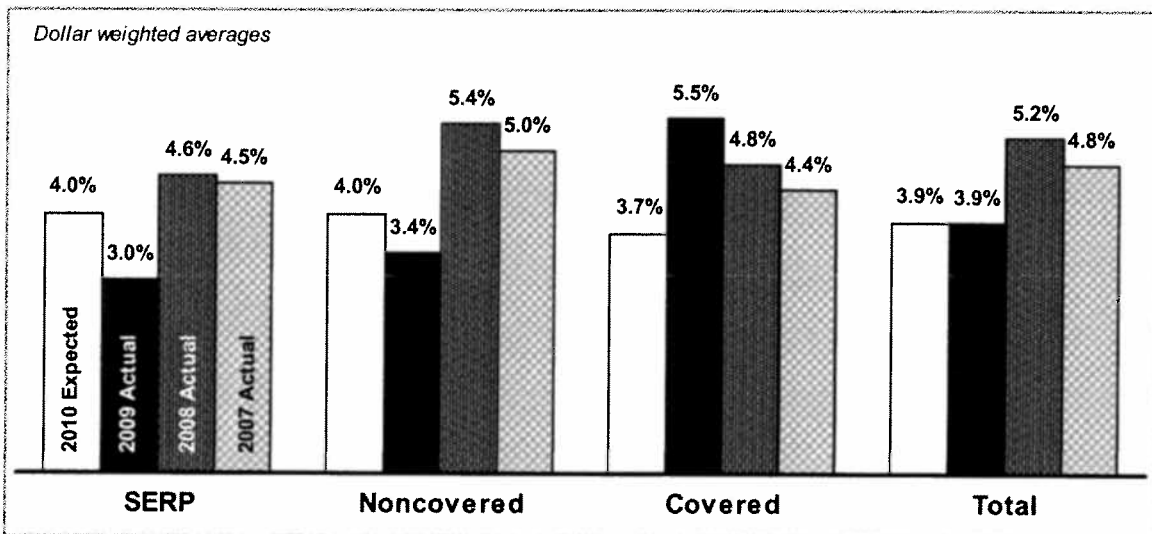
- Aon Hewitt's Salary Increase Survey of 1,465 large employers' 2010 actual and 2011 projected increases in overall salaries (reflects expectations as of August 2010)



— Data on overall salary increases for reference purposes only because:

- Assumption applied by individual vs. total pool is only a reference
- Projected 2011 salary structure increase just 1.5% for union and 2.0% for executives
- Variable pay increasing much faster than other components of pay (11.8% projected for 2011)

- Southern's average base pay increases for the period 2007 through 2010



— Experience generally supports varying increases by age and service

- Southern specifics may influence future base pay increases

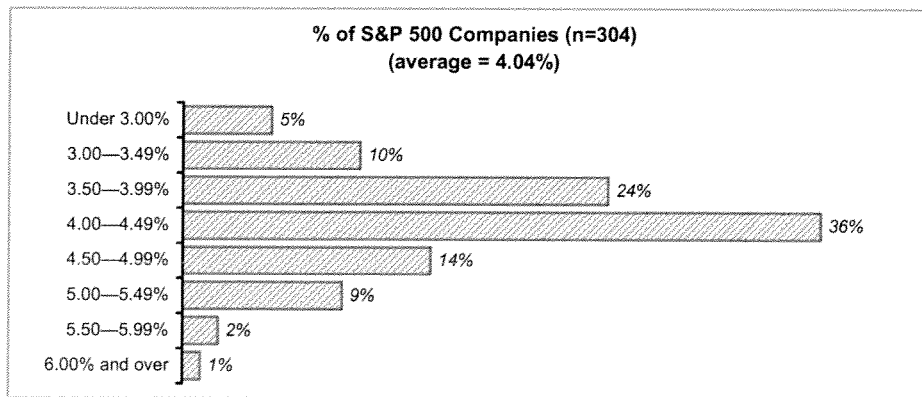
- Modest projected revenue growth
- Population maturing (fewer promotions and more at top of salary ranges)
- Negotiated increases for covered employees

■ Southern's assumption of expected 2010 increases used for 12/31/2009 accounting measurement¹

Age	Years of Service							
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 or more
Noncovered Employees								
Under 20	10.00%							
20 to 24	8.00%	7.50%						
25 to 29	7.50%	7.00%	6.50%					
30 to 34	7.00%	6.50%	6.00%	5.50%				
35 to 39	6.50%	6.00%	5.50%	5.00%	5.00%			
40 to 44	6.00%	5.50%	5.00%	4.50%	4.00%	3.00%		
45 to 49	5.50%	5.00%	4.50%	4.00%	3.00%	2.50%	2.25%	
50 to 54	5.00%	4.50%	4.00%	3.50%	2.25%	2.25%	2.25%	2.25%
Over 55	5.00%	4.00%	3.50%	3.00%	2.25%	2.25%	2.25%	2.25%
Covered Employees								
All Ages	6.00%	5.00%	4.00%	3.00%	2.50%	2.25%	2.25%	2.25%

— SERP Participants: 4.00%

■ Salary increase rates reported by S&P 500 in 2009 (from Aon Hewitt Survey)²



¹ Assumption for 1/1/2010 funding is the same

² Primarily for reference purposes; not a primary basis for assumption.

Decisions

	12/31/2009	12/31/2010 ¹
■ SERP Participants	4.00%	4.00%
■ Noncovered employees	See above	25 bps lower
■ Covered employees	See above	25 bps lower

- Decrease in rates of base pay increases seen as consistent with lower long-term inflation expectations derived from:

- Long-term viewpoint; and

- Expectations that appear, based on discount rate analysis, embedded in current market interest rates

- Revised rates for noncovered (other than SERP participants) and covered employees

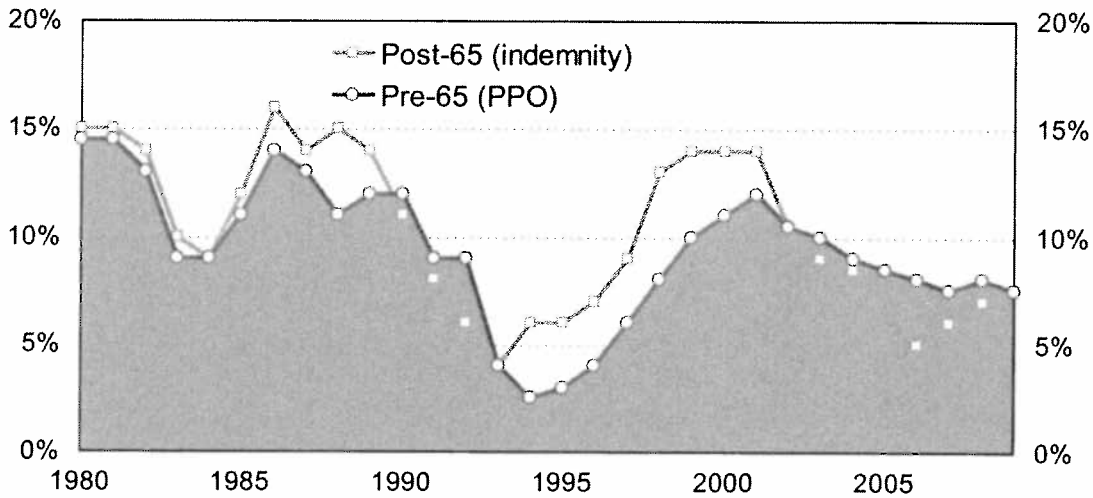
Age	Years of Service							
	Under 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 or more
Noncovered Employees								
Under 20	9.75%							
20 to 24	7.75%	7.25%						
25 to 29	7.25%	6.75%	6.25%					
30 to 34	6.75%	6.25%	5.75%	5.25%				
35 to 39	6.25%	5.75%	5.25%	4.75%	4.75%			
40 to 44	5.75%	5.25%	4.75%	4.25%	3.75%	2.75%		
45 to 49	5.25%	4.75%	4.25%	3.75%	2.75%	2.25%	2.00%	
50 to 54	4.75%	4.25%	3.75%	3.25%	2.00%	2.00%	2.00%	2.00%
Over 55	4.75%	3.75%	3.25%	2.75%	2.00%	2.00%	2.00%	2.00%
Covered Employees								
All Ages	5.75%	4.75%	3.75%	2.75%	2.25%	2.00%	2.00%	2.00%

¹ Assumption for 1/1/2011 funding is the same

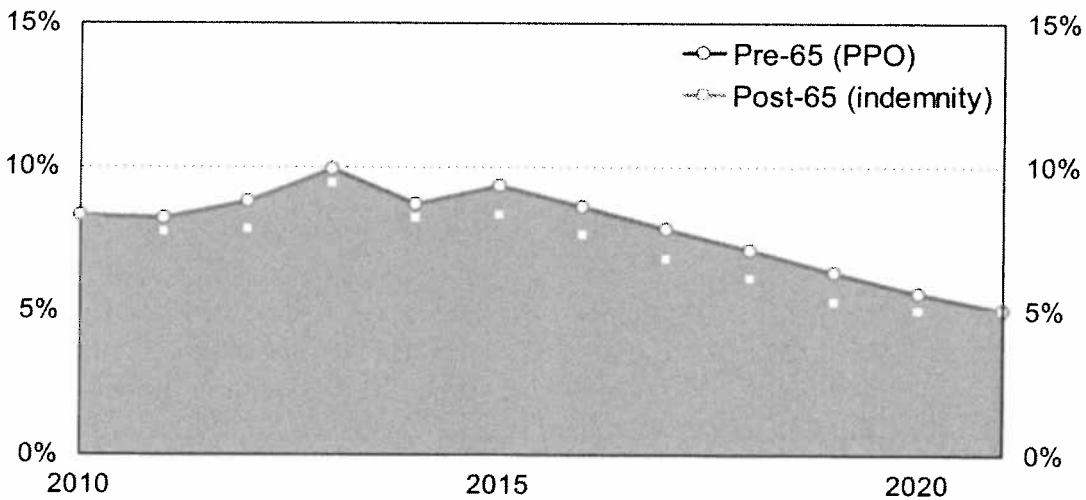
Healthcare Trend Rates

Data and Discussion

- Anticipates rate of increase in per capita healthcare costs and Medicare Rx subsidy
- Base on general trends/expectations tailored to plan specifics
- Historical trend rates for indemnity plans from Aon Hewitt's healthcare actuaries¹

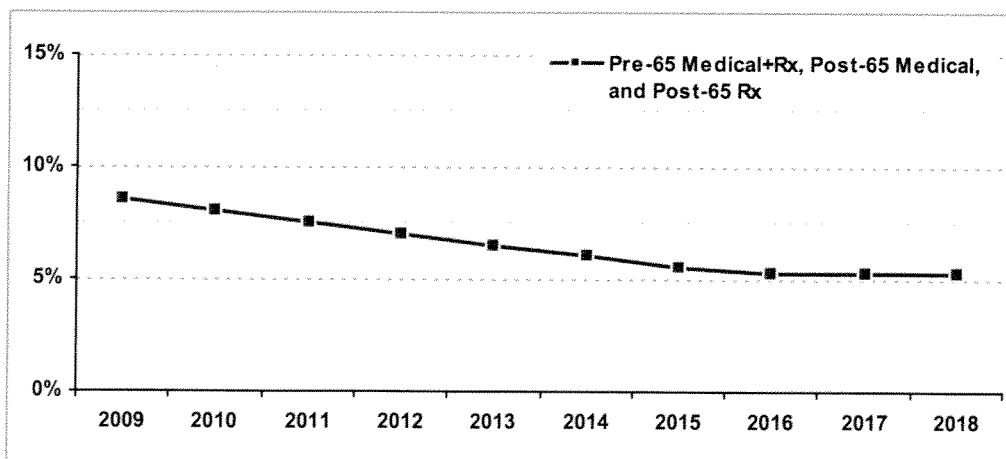


- Short-term projected trend rates from Aon Hewitt's healthcare actuaries
 - Based on national trends, adjusted for Southern specific plan designs
 - Projections under continual revision



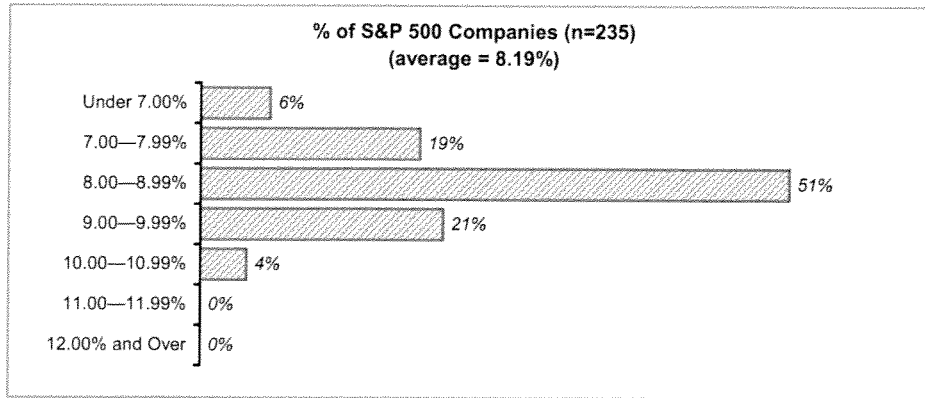
¹ Estimate for indemnity plans with prescription drugs based on several different surveys and government statistics. Trend for "Year" represents increase from "Year" to "Year+1" (e.g, 2005 trend is increase from 2005 to 2006).

- Costs anticipated to continue trending faster than general inflation
- Near-term expect trend to remain fairly constant to slightly increasing
 - Health Care Reform likely to add up to 100 basis points to trend prior to 2014
 - Health Care Reform impact primarily on pre-Medicare costs
- Long-term expect trend to moderate
 - Anticipate national health expenditures (“NHE”) to stabilize as a percentage of GDP
 - Suggests declining trend rates over time
- Trends can be impacted by leverage caused by plan design (e.g., fixed deductible)
 - 0.5% – 2.0% pre-Medicare
 - 2.0% – 4.0% post-Medicare
- Potential trend assumption issues
 - Under 7% average trend rate for next five years
 - Initial medical trend rates below 7.0%
 - Ultimate trend rates below 5.0%
 - However, assumption should be consistent with inflation reflected in discount rate
 - Rates dropping faster than 1.0% per year
- Southern currently uses 8% to project annual claim costs for budget purposes (before adjustments for estimated impact of health care reform)
- Southern’s 12/31/2009 assumption anticipated rates grading down over time

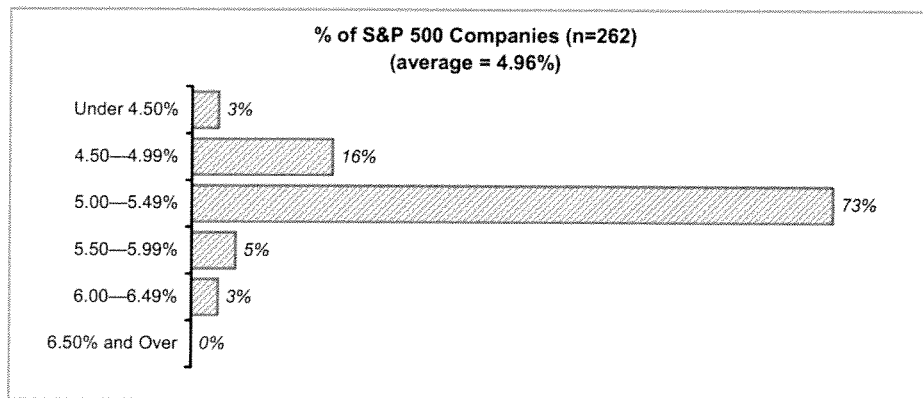


* Before reflecting impact of plan caps; applied to RDS also.

■ Initial medical trend rates reported by S&P 500 in 2009 (from Aon Hewitt survey)



■ Ultimate medical trend rates reported by S&P 500 in 2009 (from Aon Hewitt survey)



Decisions

	12/31/2009	12/31/2010
Medicare Ineligible (Medical+Rx)		
■ Initial Trend (2009)		
— 2009→2010	8.50% ¹	n/a
— 2010→2011	8.00%	8.25% ²
■ Ultimate Trend	5.25%	5.00%
■ Year Ultimate Reached	2016	2019
Medicare Eligible (Medical/Rx)		
■ Initial Trend (2009)		
— 2009→2010	8.50% ¹ / 8.50% ¹	n/a
— 2010→2011	8.00% ¹ / 8.00% ¹	8.25% ³ / 8.25% ²
■ Ultimate Trend	5.25% / 5.25%	5.00% / 5.00%
■ Year Ultimate Reached	2016 / 2016	2016 / 2019

- Near-term rates adjusted up from what would have been anticipated from prior year's assumptions and grading-period has been extended
 - Changes intended to reflect general consequences of Healthcare Reform on cost levels
- Ultimate trend rates slightly lower to reflect expectations of lower long-term average general inflation
 - Qualitative expectations moved to lower end of reasonable range of expectations
 - Market interest rate movement and pricing suggest current expectations of slightly lower level of long-term average general inflation
 - Extended grading period to recognize that it may take longer to achieve lower ultimate levels

¹ Drops 0.50% each year but not below ultimate rate.

² Drops 0.40% each year but not below ultimate rate.

³ Drops 0.60% each year but not below ultimate rate.

Rate of Increase in Statutory Items

Data and Discussion

- Anticipates future increases in:
 - Statutory pay and benefit limits cap amounts payable from tax-qualified pensions
 - National average wage base factors into Covered Compensation used in Social Security calculations
- Pay and benefit limits increase with general inflation
- National average wages
 - Increases reflect inflation and productivity
 - Spread versus CPI inconsistent
- Assumptions often changed when discount rates change due to inflation
- Southern's assumptions have varied over the years, primarily with inflation expectations

Decision

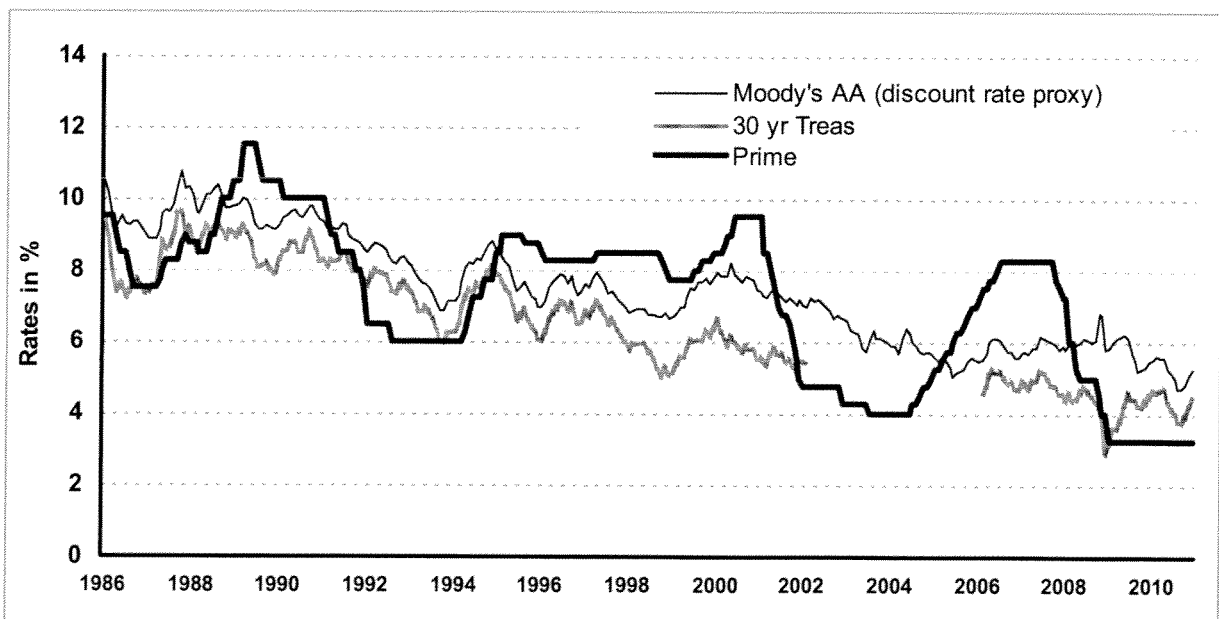
	12/31/2009	12/31/2010
■ National Average Wages	2.75%	2.50%
■ Pay/Benefit Limits	2.25%	2.00%

- Decrease in rates consistent with revised expectation that longer term average inflation rates at the lower end of anticipated range of average inflation
 - Reflects assessment made when developing discount rate
 - Consistent with other assumption changes

Installment Payment Parameters

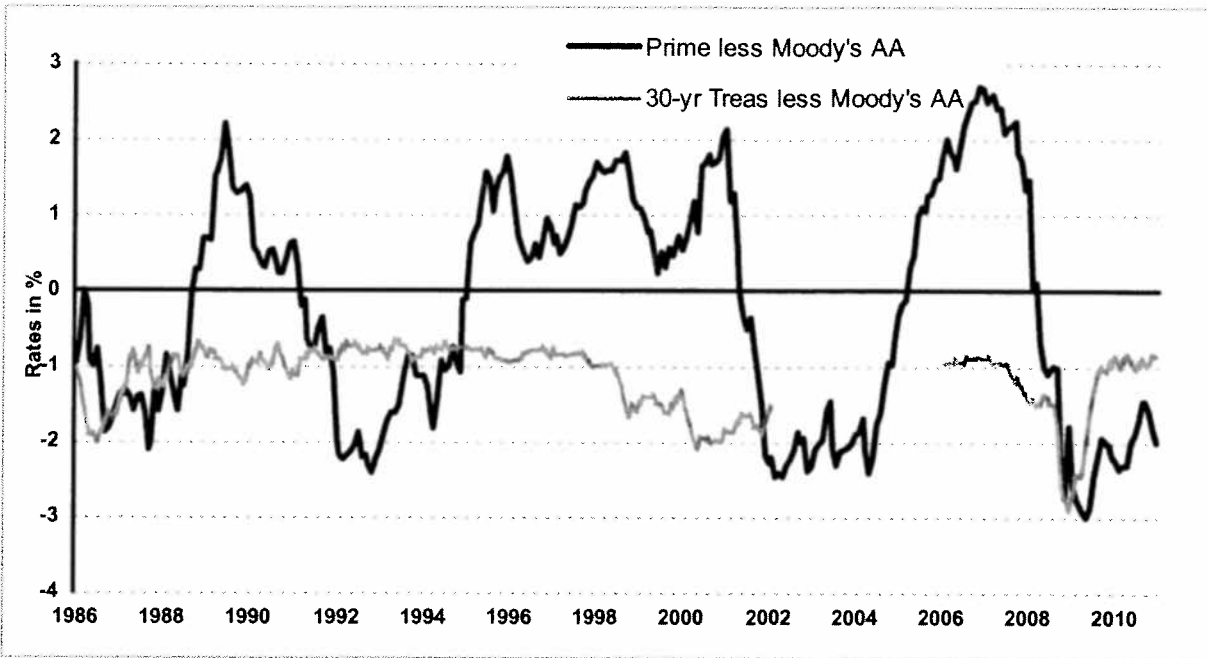
Data and Discussion

- Anticipates future level of parameters impacting size of non-qualified pension installments
 - 30-year Treasury yields
 - Prime rates
- Non-qualified pensions converted into single sum value of life annuity paid out in ten annual installments
 - Single sum based on:
 - Life expectancy of retiree; and
 - Discount rate linked to 30-year Treasury bond yield¹ (but no higher than 6.00%)
 - Unpaid single sum credited with interest at prime rate during installment payment period
- Prime rate varies greatly based on a number of non-economic factors
- Assumptions play significant role in pension values disclosed in proxy
- Historical monthly rates



¹ Technically, average yields during the September of the calendar year preceding the year in which separation from service occurs

Historical monthly spread in rates



■ Recent rates

- Prime = 3.25% (December 2010)
- 30-year Treasury yields
 - September 2010: 3.77% (average to be used for 2011 single sums)
 - December 31, 2010: 4.34% (spot rate)

■ Aon Hewitt's 4th quarter capital market assumptions anticipate long government Treasury bond yields to exceed inflation by about 220 basis points over the long term

■ Southern's assumptions have given significant weight to long-term trends

Decision

	12/31/2009	12/31/2010
■ 30-year Treasury yield	4.25%	4.25%
■ Prime rate	5.25%	5.00%

■ Revised assumptions set based on current long-term expectations

- Revised expectations of anticipated spreads between prime rate and yields on high-quality corporate bonds and 30-year Treasuries
- Specific consideration was given to 30-year Treasuries' yields remaining above prime rates

Incentive Payments

Data and Discussion

- Anticipates what future incentive levels will be as a percent of target which dictates projected pensions
- Assumption should reflect current expectations
- Emphasis should generally be on longer-term expectations
 - Significantly different near-term expectations should be considered
 - Benefit levels somewhat more sensitive to high payouts
- Assumption about incentives earned for year containing measurement date could impact pension amounts disclosed in proxy
- Southern's experience
 - Recent years' incentives have averaged well over target
 - Future incentives anticipated to be lower than in past
- Incentive assumptions for budget purposes provide by L. Sitton
 - 2010: High 130's% × target (100% - 170%, range across operating companies)
 - 2011 and beyond: 128% x target (125% - 133%, range across operating companies)

Decisions

	12/31/2009	12/31/2010
■ Noncovered	130% × target levels for each salary grade	130% × target levels for each salary grade
■ Covered	<ul style="list-style-type: none"> ■ Target = 5% × base pay ■ Multiple of target = 130% 	<ul style="list-style-type: none"> ■ Target = 5% × base pay ■ Multiple of target = 130%

- Existing assumption still seen as in line with expectations of long term average of future pay outs

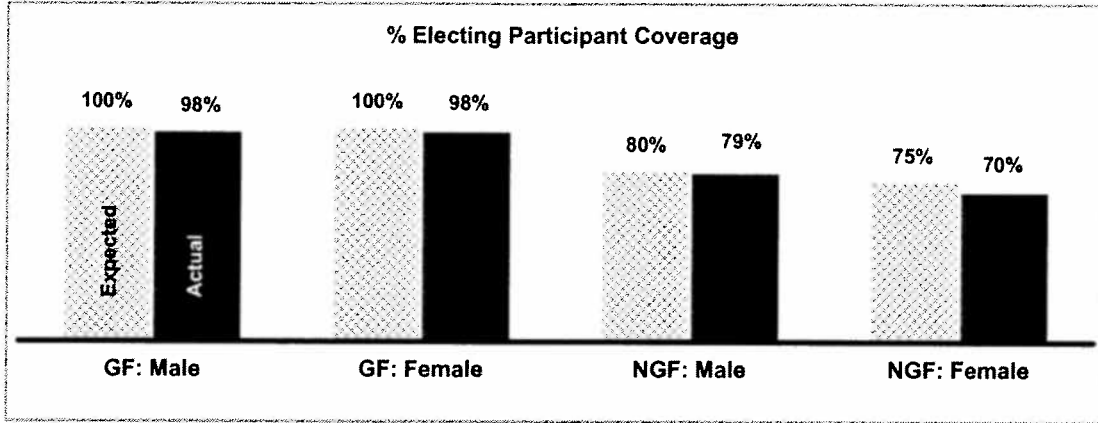
Retiree Healthcare Participation Rates

Data and Discussion

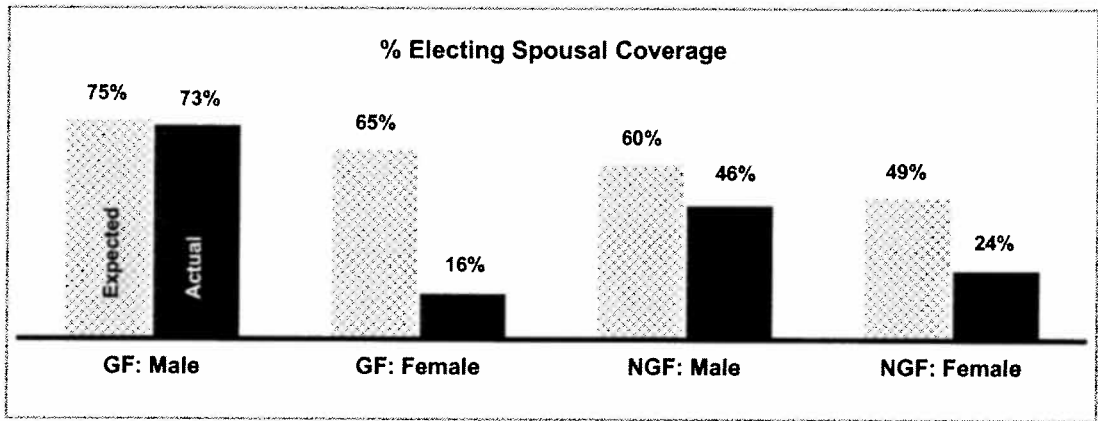
- Anticipates how many retiring employees will elect medical coverage for themselves and their spouses
- Base assumptions on plan designs, expectations, and actual experience
- Typically assume participation rates drop as cost of coverage increases
 - Willingness to go without coverage
 - Other coverage sought or available (e.g., spousal plans, new employer coverage, etc.)
 - Dropping participation easiest after Medicare available at age 65
 - Pre-65 individual coverage difficult to obtain and expensive
 - Post-65 retirees have many options – Medicare and reasonably priced Medicare supplements
 - Compelling reasons required to assume participation below 70% pre-65 and 50% post-65
- Southern's assumption tailored to reflect
 - Grandfathered retirees contribute only modest fraction of actual cost of coverage
 - Subsidy caps force other retirees' annual contributions to increase faster than medical trend rates
 - Southern generally pursues options to make its coverage appealing for capped retirees
 - Offer low cost healthcare options
 - Reduce post-65 costs for Medicare Rx subsidy
 - Allow retirees to opt in and out of coverage
- Southern first dropped assumed participation for capped retirees below 100% starting with 9/30/2005 measurement

- Participation assumptions modified starting with 12/31/2009 measurement to reflect analysis of actual retirements during 2006, 2007, and 2008

— Grandfathered election rates near 100% as expected, but participation for capped retirees below rates assumed



— Generally, fewer participants had elected spousal coverage than anticipated, especially female retirees. Percentages reflect marriage (75% male / 65% female) and coverage election rates.



Note: Expected percentages reflect married percentage and coverage election assumptions.

— Anticipate comparing revised assumptions to actual elections again by 2012 measurement date with special attention to spousal participation

Decision

	12/31/2009	12/31/2010
Retirees	100% of those reported as participating	100% of those reported as participating
Grandfathered employees		
■ Participant	100%	100%
■ Spouse of married participants	100%	100%
Capped employees		
■ Participant	80%	75% ¹
■ Spouse of married participants	75%	70% ¹

- Participation rates for capped employees and spouses were lowered 5 basis points
 - Experience continues to show that retired capped employees participate at lower levels than previously anticipated
- Additionally, participation rates for those retiring prior to 55 anticipated to be much lower prior to Medicare eligibility at age 65
 - High health care costs prior to Medicare eligibility at age 65 make coverage less affordable
 - Fixed-dollar company subsidy² (limited by service adjustment and early retirement reductions) leads to leveraged increases in the cost retirees must pay
 - Expect many employees "retiring" before age 55 will have coverage available via subsequent jobs
 - Most pre-55 retirees unlikely to have accumulated assets/benefits to permanently retire
 - Southern allows employees to opt back into coverage after previously rejecting coverage

¹ For employees projected to retire prior to age 55, participation rates prior to Medicare eligibility 50% of levels shown.

² Note that only capped benefits apply to employees retiring prior to attaining age 55.

Per Capita Retiree Healthcare Costs

Data and Discussion

- Anticipates average annual cost of healthcare per individual after retirement
 - Includes expected level of retiree drug subsidy (“RDS”) company expects to recoup from Medicare
- Assumptions must be based on costs for only retirees and their dependents
- Base per capitas for populations of significant size on the following:
 - Actual claims;
 - Plan designs; and
 - Election patterns
- For Southern, assumptions have been based primarily on actual claims experience
 - Consistent with the long-term nature of these benefits, assumptions balance:
 - Anticipated claim levels developed specifically for year containing measurement date (in part to set retiree contribution levels); and
 - Prior expectations adjusted for trend and plan changes
 - Per capita assumptions also reflect anticipated administrative expenses
- Southern’s per capita assumptions age-graded for measurement purposes
 - Grading based on distribution of company’s actual retiree populations
 - Increase in healthcare costs for each year of age:
 - 4% per year of age prior to Medicare eligibility
 - 3% per year of age after becoming Medicare eligible, declining 1% every five years
- The expected per-capita claims shown on next page reflect all known plan changes.
 - Refer to the section “Plan Changes to Reflect in 12/31/2010 measurement”

Decision

	12/31/2009 ¹			12/31/2010 ¹		
	Medicare Ineligible ²	Medicare Eligible		Medicare Ineligible ²	Medicare Eligible	
		Medical	Rx		Medical	Rx
APC	\$8,305	\$1,167	\$2,089	\$8,531	\$1,214	\$2,148
GPC	8,218			8,531		
• COB		1,618	2,089		1,628	2,148
• CO		1,087	2,089		1,109	2,148
Gulf	8,305	1,167	2,089	8,531	1,214	2,148
MPC	7,698	3,351 ²		7,940	760	2,778
SNC						
• East	8,218			8,531		
- COB		1,618	2,089		1,628	2,148
- CO		1,087	2,089		1,109	2,148
• West	8,305	1,167	2,089	8,531	1,214	2,148
SCS						
• East	8,398			8,531		
- COB		1,615	2,089		1,628	2,148
- CO		1,015	2,089		1,109	2,148
• West	8,305	1,167	2,089	8,531	1,214	2,148
RDS ³						
• MPC	n/a	n/a	(770)	n/a	n/a	(666)
• All Others	n/a	n/a	(610)	n/a	n/a	(556)
• Part D Carveout ⁴	n/a	n/a	(1,228)	n/a	n/a	(1,178)

- Assumptions developed for 12/31/2010 measurement and reflect 2010 cost levels
 - Reflect latest claims data and cost sharing
 - Eliminate differences in assumptions where terms of coverage the same
 - Reflect certain plan changes (see separate discussion of accounting for changes)

¹ Amounts are nearly final as of date document printed. Amounts within 10% of the per-capita claims developed by the health insurance actuaries.

² Medical and Rx are combined.

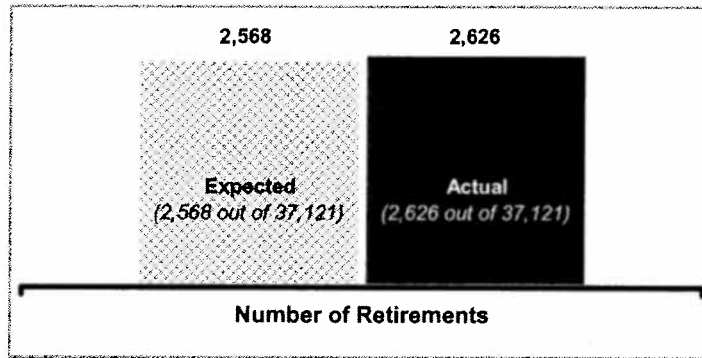
³ Grandfathered retirees anticipated to be RDS-eligible forever; this reflects an assumption that the \$5,000 reimbursement limit on Rx claims will be raised as needed to keep the plan actuarially equivalent to Medicare Part D. Nongrandfathered retirees expected to be RDS-eligible through 2016.

⁴ 5% of grandfathered retirees expected to opt into Medicare Part D, preventing the company from obtaining RDS. For this 5%, obligations anticipate the company carves out of what it pays benefits paid by Medicare Part D.

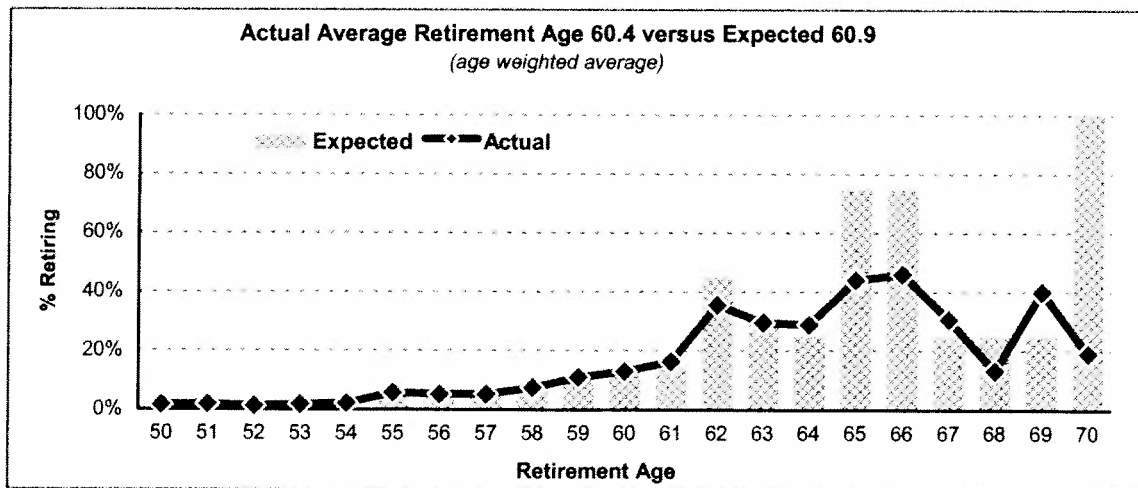
Retirement Rates—Actives

Data and Discussion

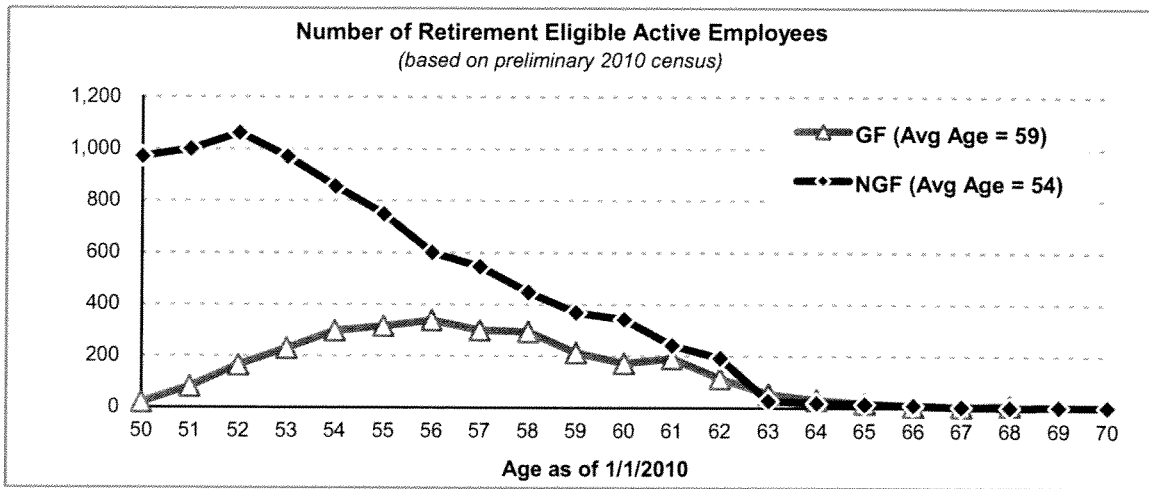
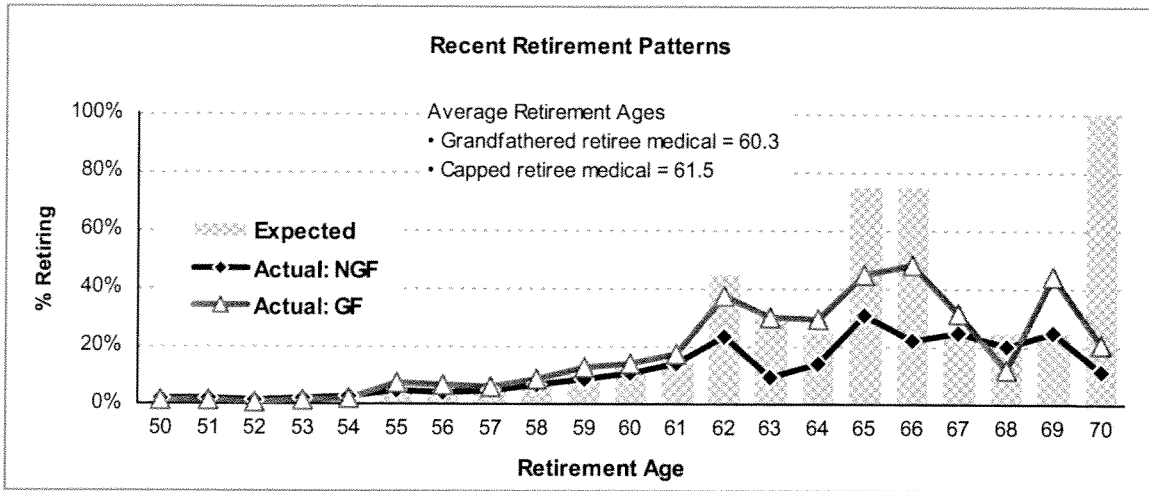
- Anticipates when retirement benefit payments commence
- Particularly important for measuring retiree medical obligations due to relatively high cost of benefits prior to Medicare eligibility
- Generally, rates of retirement vary by age and reflect
 - Company-provided retirement benefits (pension, DC, and retiree welfare)
 - Government benefits (Medicare and Social Security)
 - Actual experience
- Results of in-depth analysis of actual retirements during 2006, 2007, 2008 and 2009
 - Expected versus actual number of retirements slightly higher than anticipated



— Existing retirement rates statistically valid in total (refer to Appendix C)



- Detailed analysis shows retirement experience starting to diverge based on retiree medical grandfathered status



- Non-grandfathered employees retiring about one year later than grandfathered employees
- Trend likely to continue due to increases in medical costs above fixed dollar employer subsidies
- May be appropriate to have different retirement rates based on grandfathered status
 - Consider whether past experience will more accurately predict future events
 - Weigh impact of any past non-recurring events
 - Decide how different future circumstances could be

Decision

Age	Percent Retiring at Age		
	12/31/2010		
	<i>(based on retiree medical status)</i>		
	12/31/2009	Eligible to be Grandfathered	Capped
50 – 54	0.5	1.0 ¹	1.0
55	5.0	5.0	5.0
56	5.0	5.0	4.0
57	5.0	5.0	4.0
58	7.5	7.5	5.0
59	10.0	10.0	7.5
60	12.5	12.5	10.0
61	15.0	15.0	10.0
62	45.0	45.0	20.0
63	30.0	30.0	12.5
64	25.0	25.0	12.5
65	75.0	75.0	35.0
66	75.0	75.0	20.0
67	25.0	25.0	25.0
68	25.0	25.0	20.0
69	25.0	25.0	20.0
70	100.0	100.0	100.0
Average	60.9	60.9	62.2

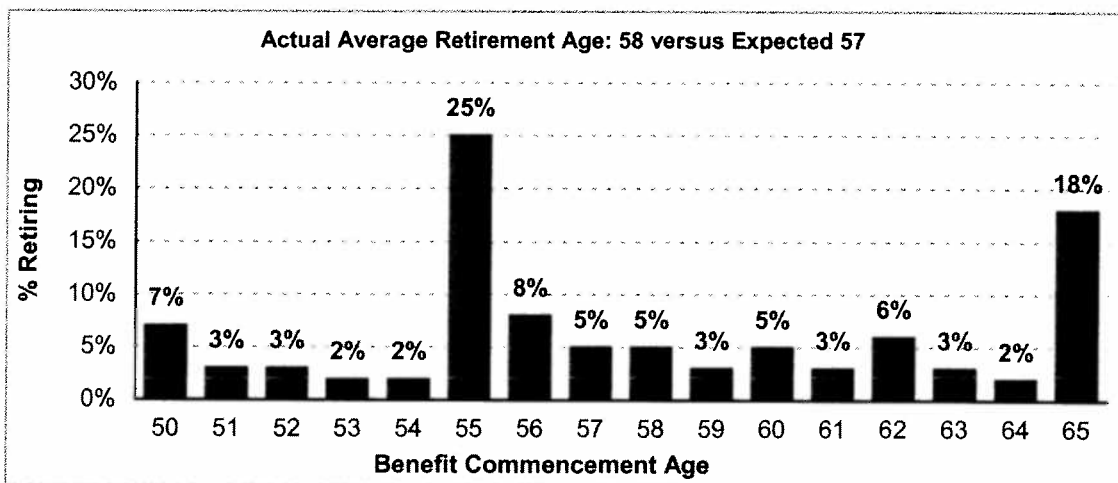
- Pre-55 retirement rates increased to reflect experience with recognition that nonrecurring factors exist
- Existing rates over age 55 unchanged for employees potentially eligible for grandfathered retiree medical
 - In line with past experience
 - Consistent with expectations for future
- Post-55 rates for employees with capped retiree medical adjusted to reflect later retirements overall
 - Emerging experience shows employees with capped benefits retiring later than grandfathered eligible
 - Expect that high retiree medical costs will result in these employees having to work longer than employees with grandfathered benefits to accumulate adequate retirement assets

¹ Employees retiring before age 55 get capped benefits even if they were eligible for grandfathered benefits

Retirement Rates—Terminated Vesteds

Data and Discussion

- Anticipates when former employees start drawing vested pension benefits
- Traditionally a single point retirement used (e.g., age 65)
 - Significant early retirement reductions (a.k.a., penalties)
 - Small numbers of participants
 - Small benefits
- Consider that early retirement reductions are only barrier to drawing benefits as early as possible
- In-depth experience analysis of retirements during 2006, 2007, and 2008
 - Average retirement age increased slightly versus prior review



— Even so, decided to make no changes pending confirmation of trend in later analysis

Decision

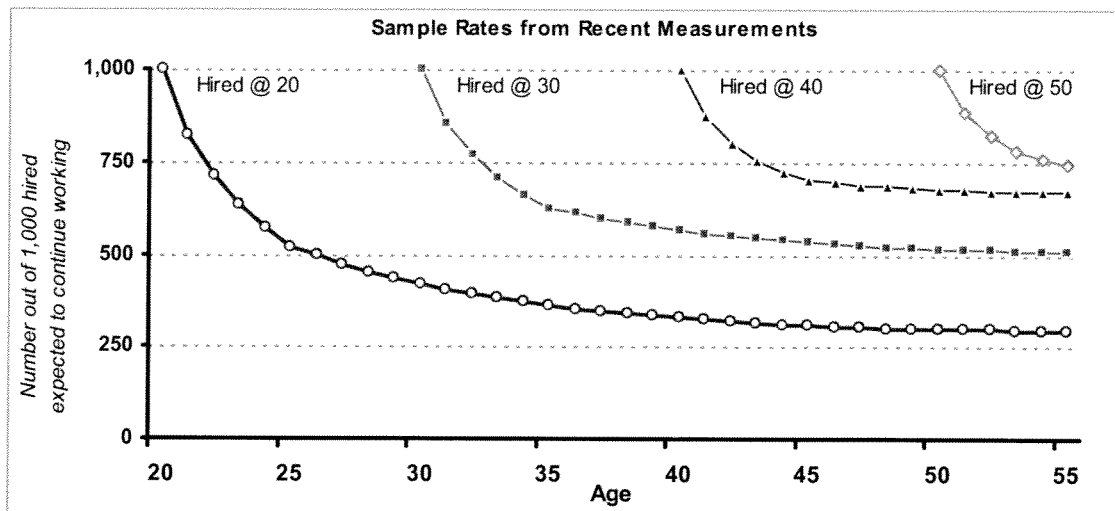
Retirement age for	12/31/2009	12/31/2010
Current vested terms	Age 57	Age 57
Anticipated future vested terms	Age 57	Age 57

- Existing assumptions still in line with future expectations

Withdrawal Rates

Data and Discussion

- Anticipates how many employees leave company for reason other than retirement, death, and disability
- Rates typically vary by age and service
- Southern's assumed withdrawal rates
 - High for first five years of service
 - Decline gradually with age thereafter



- In-depth analysis of actual terminations during 2006, 2007, and 2008 done in 2009
 - Actual experience in first five years of service consistent with expectations in total
 - Expected 695 to terminate over three years (7,400 exposures)
 - Actually 692 terminated
 - Actual experience after five years indicated slightly higher turnover
 - Expected 499 to terminate over three years (35,800 exposures)
 - Actually 862 terminated
 - Actual experience differed from expectations most for noncovered
 - Assumptions adjusted starting 12/31/2009
 - Anticipate doing another detailed analysis by 2012 measurement

■ 12/31/2009 Assumption (withdrawals per 1,000 participants)

Age	Years of Service					Ultimate
	0	1	2	3	4	
20 & Under	180.0	130.5	115.0	99.0	84.5	70.0
21	176.0	130.5	115.0	99.0	82.5	66.0
22	171.0	126.9	115.0	99.0	80.0	61.0
23	166.0	122.4	111.0	99.0	77.5	56.0
24	163.0	117.9	106.0	94.6	73.8	53.0
25	159.0	115.2	101.0	89.1	69.1	49.0
26	156.0	111.6	98.0	83.6	64.8	46.0
27	152.0	108.9	94.0	80.3	61.2	42.0
28	149.0	105.3	91.0	75.9	57.5	39.0
29	146.0	102.6	87.0	72.6	54.3	36.0
30	144.0	99.9	84.0	68.2	51.1	34.0
31	141.0	98.1	81.0	64.9	48.0	31.0
32	139.0	95.4	79.0	61.6	45.3	29.0
33	137.0	93.6	76.0	59.4	43.2	27.0
34	135.0	91.8	74.0	56.1	40.6	25.0
35	133.0	90.0	72.0	53.9	38.5	23.0
36	131.0	88.2	70.0	51.7	36.4	21.0
37	129.0	86.4	68.0	49.5	34.3	19.0
38	128.0	84.6	66.0	47.3	32.7	18.0
39	126.0	83.7	64.0	45.1	30.6	16.0
40	125.0	81.9	63.0	42.9	29.0	15.0
41	123.0	81.0	61.0	41.8	27.4	14.5
42	122.0	79.2	60.0	39.6	25.8	14.0
43	121.0	78.3	58.0	38.5	24.8	13.5
44	119.5	77.4	57.0	36.3	22.9	13.0
45	118.5	76.1	56.0	35.2	21.9	12.5
46	117.5	75.2	54.5	34.1	20.8	12.0
47	116.5	74.3	53.5	32.5	19.5	11.5
48	115.5	73.4	52.5	31.4	18.5	11.0
49	115.0	72.5	51.5	30.3	17.7	10.5
50	114.0	72.0	50.5	29.2	16.6	10.5
51	113.0	71.1	50.0	28.1	15.6	10.5
52	112.5	70.2	49.0	27.5	15.0	10.5
53	111.5	69.8	48.0	26.4	14.0	10.5
54	110.0	68.9	47.5	25.3	13.2	10.5
55	110.0	67.5	46.5	24.8	12.4	10.5
56	110.0	67.5	45.0	23.7	11.9	10.5
57 & Over	110.0	67.5	45.0	22.0	11.0	10.5

Decision

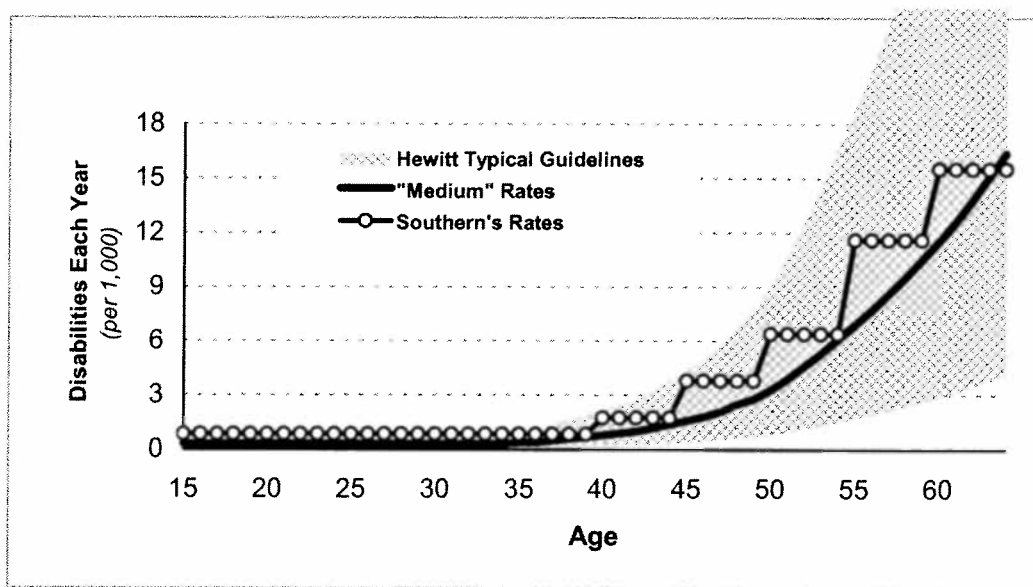
	12/31/2009	12/31/2010
Withdrawal rates	See table above	See table above

■ Existing assumptions still in line with future expectations

Disability Incidence Rates

Data and Discussion

- Used to anticipate how many employees will qualify for LTD benefits
- Disability rates usually vary by
 - Age
 - Industry/job
 - Plan provisions (definition of disability, waiting periods, benefit provided, etc.)
 - Economic conditions
- Few companies have sufficient experience to create company specific rates
- Last general study done in 1987 by Society of Actuaries
- Generally acceptable rates compared to Southern's assumption in chart below



- Southern's assumptions slightly higher than typical and Aon Hewitt guidelines at younger ages
 - Liberal definition of "own occupation" probably genesis

Decision

Age	Disabilities per 1,000 Participants	
	12/31/2009	12/31/2010
Under 40	0.85	0.85
40 to 44	1.76	1.76
45 to 49	3.80	3.80
50 to 54	6.39	6.39
55 to 59	11.60	11.60
60 to 64	15.52	15.52

- Existing assumptions still in line with future expectations

“Non-disabled” Mortality Rates

Data and Discussion

- Anticipates how many employees survive to retirement and how long post-retirement lifetimes will be
- Standard tables commonly used
- Concern about understating life expectancies persists due to increasing longevity
 - Focused on by funding rules, IRS, SEC, auditors, and actuarial organizations
 - New mortality tables under development (*release possible in next year or so*)
- RP-2000 Combined Healthy table (“RP-2000CH”) most used for retirement benefits
 - Created by Society of Actuaries explicitly for pension populations
 - Generally, male life expectancies longer and females slightly shorter vs. earlier tables
 - No contingency loads (like those embedded in group annuity tables used in prior years)
 - Rates for several target populations (healthy/disabled, blue/white collar, and benefit status/size)
 - Increasingly expected/required to project mortality rates to reflect ongoing mortality improvement
 - Factors provided by Society of Actuaries
 - Projections either static (projected to a year) or generational (continuously declining mortality rates)
- For funding calculations, IRS mandates RP-2000CH rates with projections
 - Annually updated static projection (linked to “duration of liabilities” for actives and annuitants); or
 - Generational projections assuming ongoing declines in mortality rates
- For Fiscal 2009 accounting cost measurements, survey of roughly 170 Aon Hewitt clients showed:
 - 98% used some version of RP-2000 table
 - 99% projected mortality rate improvements (48% projected beyond measurement date)
- Southern adopted generational versions of RP-2000CH as of 12/31/2008 for ASC 715 purposes and annually updated static projection as of 1/1/2008 for funding purposes

Decision

	12/31/2008	12/31/2010
Mortality Rates	RP-2000 CH (generational projection)	RP-2000 CH (generational projection)

- Existing assumptions still in line with future expectations

“Disabled” Mortality Rates

Data and Discussion

- Anticipates whether disableds survive to retirement and how long annuity benefits paid
- Standard tables usually used
 - Data for one employer not credible
 - RP-2000 Disabled Retiree Mortality Table has latest rates from Society of Actuaries
- For pension funding calculations, IRS requires Southern to use “non-disabled” mortality rates for disabled lives
 - Can use disabled rates only if benefits based on Social Security Administration’s definition of disability
- For 2009 accounting cost measurements, Southern last changed assumptions
 - Adopted RP-2000 Combined Healthy with no projection
 - Previously used RP-2000 Disabled Retiree Mortality Table
 - Due to relatively liberal disability definition

Decision

	12/31/2009	12/31/2010
Accounting	RP-2000 CH (no projection)	RP-2000 CH (no projection)
Funding	Same as non-disabled	Same as non-disabled

- Existing assumptions still in line with future expectations

Optional Pension Form of Payment Elections at Retirement

Data and Discussion

- Anticipates what pension annuity payment option retiring employees will select
- Pension benefits¹ payable in a normal form and optional alternative forms
 - Form of payment factors adjust benefits to roughly equate benefit liability to that for normal form
 - Even so, liabilities for various forms not always the same leading to more or less obligations
 - Subsidized form of payment factors sometimes used
 - Differences between measurement assumptions and basis for form factors
- Base assumption on experience and expectations
 - Implicit assumptions (e.g., all pick normal form) viable if potential differences in liabilities small
 - However, explicit assumptions much preferred and now common
- Southern's pensions pay full monthly benefit as a single life annuity and reduced amounts in other forms
 - Level income life annuity option
 - 50%, 75%, or 100% joint and survivor with or without pop-up features
- Southern changed assumptions for 12/31/2009 measurement to reflect in-depth analysis of form of payment elections by actual retirements during 2006, 2007, and 2008
 - Experience for participants who terminated after becoming retirement eligible (*see below*)

	Single Life	Level Income	50% / 75% Survivor	100% Survivor
Male	22%	30%	26%	22%
Female	50%	35%	9%	6%
Total	28%	31%	22%	19%

- Data on elections by participants terminating before retirement eligibility not seen as credible
- Assumptions to be compared to data again by 2012 measurement

¹ Relevant to all qualified pension and any SRP/SERP/contract participants who elected lifetime payments.

Decision

	12/31/2009	12/31/2010
Retirement Eligibles		
■ Males		
— Single life annuity	25%	25%
— Level income	25%	25%
— Survivor annuities		
– 50%	25%	25%
– 100%	25%	25%
■ Females		
— Single life annuity	40%	40%
— Level income	40%	40%
— Survivor annuities		
– 50%	10%	10%
– 100%	10%	10%
Non-retirement Eligibles	100% single life annuity	100% single life annuity

- Existing assumptions still believed to be in line with available experience and future expectations

Percent Married

Data and Discussion

- Anticipates percentage of active employee with a spouse which impacts liabilities for preretirement pension death benefits; pension benefits, and retiree medical benefits
- Typically assume 60%-80% married absent actual data to the contrary
 - Common to assume smaller percentage of female participants married
 - Complete data on whether active employees have spouses generally not available
- Southern lowered married percent assumption starting with 12/31/2009 measurement to reflect 1/1/2009 active pension participant census data
 - 76% of males and 41% of females reported with a spousal birth date
 - Suspect underreporting of spousal data by female participants
 - Anticipate reviewing actual age differences again by 2012 measurement date

Decision

	12/31/2009	12/31/2010
Male	75%	75%
Female	65%	65%

- Existing assumptions still believed to be in line with experience and future expectations

Spouse Age Differences

Data and Discussion

- Anticipates age of active employees' spouses for pension death benefits and retiree healthcare benefits
- Typically assume wives two to four years younger than husbands
- Base assumption on typical expectations or actual experience if available and credible
- Southern retained existing assumptions after experience analysis done for 12/31/2009 measurement
 - Results of analysis reflecting 1/1/2009 active participants with spousal birthdates reported

	Males	Females
All active participants	2.0 years younger	2.1 years younger
Age 50 and over only	2.6 years younger	1.6 years younger

- Anticipate reviewing actual age differences again by 2012 measurement date

Decision

	12/31/2009	12/31/2010
Wives' ages relative to husbands'	2 years younger	2 years younger

- Existing assumptions still believed to be in line with available experience and future expectations

Expense Allowance—*Pension Trust*

Data and Discussion

- Anticipates expenses that will be paid directly from pension trust
- Explicit assumptions increasingly common instead of implicitly reducing assumed rate of return on assets
- Funding calculations required to anticipate expenses
- Accounting calculations now *expected* to reflect expenses explicitly
- Southern reflects expenses explicitly
 - Funding reflects expenses as an addition to the cost of benefit accruals estimated based on the prior year's non-investment management administrative expenses paid from the Trust
 - Accounting reflects expenses estimated as follows as a reduction in expected return cost component
 1. Compute expense ratios for three calendar years preceding measurement date (*expense ratio equals total expenses paid during calendar year divided by market value at end of year*)
 2. Average these expense ratios
 3. Assumed expenses equal the average ratio times actual asset value on measurement date

Decision

	12/31/2009	12/31/2010
Pension Trust Expenses	Use methodologies above	Use methodologies above

- Existing assumptions still in line with experience and future expectations

Expense Allowance—Life Insurance Charges

Data and Discussion

- Anticipates costs of group term insurance beyond anticipated death proceeds
- Base assumptions on expectations and/or experience when available and viable
- Aon Hewitt guideline for retiree life expenses now 10% on annual claims absent company-specific data
- C. Greene supplied MetLife data for policy year ending 12/31/2007 suggesting total retention charges of nearly 9%
- Southern adopted explicit assumptions starting with 9/30/2007 measurement in line with Aon Hewitt guidelines

Decision

	12/31/2009	12/31/2010
Retiree Life Expenses	10% of current year's expected retiree life benefits	10% of current year's expected retiree life benefits

- Existing assumptions still in line with future expectations

Census Data Adjustments for Events During 2010

- 12/31/2010 accounting measurements to be based on 1/1/2010 data projected
 - Seek to reasonably reflect actual 12/31/2010 population
 - Use selected assumptions
 - Base pay rates on census data reflect general increase granted noncovered employees in March
 - No further increases projected for noncovered employees' base pays
 - Covered employees base pays projected to increase prior to measurement date at assumed rates
 - Use ad hoc adjustments to reflect significant events during 2010 not anticipated by assumptions
- Ad hoc adjustments due to significant and unusual events
 - Transfer of several hundred transmission employees to SCS early in 2010?
 - Decision: No adjustment required.
 - Executive transitions (would primarily impact nonqualified pensions)?
 - Decision: No adjustment required.
 - Any other significant events to reflect in projection of participant population (e.g., severances)?
 - Decision: No other significant changes to reflect during 2010
- Ad hoc adjustments due to significant and nonrecurring experience during 2010 (e.g., pay freezes)
 - No events identified prior to start of year-end measurement process
 - Any such events?
 - Decision: No significant and unusual experience during 2010

12/31/2010 Asset Values

- 12/31/2010 accounting measurements to be based on fair value of benefit plan assets
 - Pension and 401(h) assets may require a "fair value adjustment"
 - Adjustment required if amount reported by trustee deemed by Southern to not adequately represent fair value
- Southern to provide values in table below (MetLife and Provident assets from Southern's Compensation and Benefits group and all others from Trust Finance group)

Trust/Account	Trust Value	Fair Value Adjustment	Fair Value
■ Pension	_____	_____	_____
■ 401(h)	_____	_____	_____
■ VEBAs			
— APC	_____	n/a	_____
— GPC— <i>Medical</i>	_____	n/a	_____
— GPC— <i>Life</i>	_____	n/a	_____
— Gulf	_____	n/a	_____
— MPC	_____	n/a	_____
■ Provident	_____	n/a	_____
■ MetLife	_____	n/a	_____

- Required 2010 cash flows to be obtained from:
 - Accrued/prepaid reconciliations
 - Asset reconciliation worksheets from Southern's Trust Finance group
- MetLife reserves provided in aggregate by Southern Company
 - Reserves allocated to individual companies based on the anticipated benefits/premiums the reserves anticipated to pay during the remainder of the ongoing premium holiday
 - Allocation methodology consistent with what was done during 2009 when the MetLife reserve was originally recognized

Plan Changes to Reflect in 12/31/2010 Measurement

- 12/31/2010 measurement should reflect any retirement benefit plan changes communicated to employees/retirees since the last measurement date
 - Changes will be treated as prior service costs in accounting (absent directions to the contrary)
 - Note that pension funding and VEBA deduction calculations will recognize changes when effective
- Tax-qualified pension
 - Normal changes in pay/benefit limits will be reflected (recognized gain/loss for accounting purposes)
 - Others?
 - Decision: No other changes to reflect
- Nonqualified pension (SBP/SERP/contracts)
 - No SBP/SERP plan changes have been communicated
 - New executive pension service contracts
 - W. Ball; B. Terry; P. Raymond; M. Bowden; K. King¹; B. Anderson²
 - Dennis Stone confirmed contracts for active employees
 - Others changes?
 - Decisions: No plan changes other than new executive contracts noted above
- Retiree life
 - Limits on post-65 death benefits apply to covered MPC employees who retire after 2011 per the union negotiations completed during 2010
 - Limits match those implemented for noncovered employees retiring after 2010 (which were reflected in the 12/31/2009 measurement)
 - Above change to be reflected as negative prior service cost as of 12/31/2010
 - Others?
 - Decision: No other plan changes have been communicated

¹ Obligations for K. King's pension service contract were previously recognized in SNC's benefit obligations; however, the contract now indicates that SNC will share these obligations with SCS. Based on Southern's input, the benefit obligations that SCS will take on will be reflected as a prior service cost, and the reduction in SNC's benefit obligation will be reflected as a negative plan amendment.

² Recognition deferred until 12/31/2011 since not a plan participant as of 12/31/2010.

■ Retiree medical

— Coverage changes for 2011 include benefit changes related to preventive care, mental healthcare parity, and drug design (adjustments to generic and specialty drug management). See below for impact on expected per-capita costs.

	2010 Expected Per Capita Retiree Healthcare Costs		
	Before Change	After Change	Difference
APC, Gulf, SCS-W, SNC-W			
■ Medicare Ineligible	\$8,446	\$8,531	\$85
■ Medicare Eligible			
– Medical	1,207	1,214	7
– Rx	2,170	2,148	-22
GPC, SCS-E, SNC-E			
■ Medicare Ineligible	8,446	8,531	85
■ Medicare Eligible			
– Medical: COB	1,622	1,628	6
– Medical: CO	1,101	1,109	8
– Rx	2,170	2,148	-22
MPC			
■ Medicare Ineligible	7,860	7,940	80
■ Medicare Eligible			
– Medical	747	760	13
– Rx	2,806	2,778	-28

— Should these changes be treated as (gain)/loss for accounting purposes?

- Cost sharing features already anticipated in assumptions
- Small changes may not merit the expense of separately capturing as a prior service cost
- Decision: Account for these relatively minor changes as (gains)/losses

— Healthcare Reform impact¹

Changes	Decisions
Preventive care and mental health care parity provisions	Reflected in changes identified in table just above
RDS tax change	<p>Accounting</p> <ul style="list-style-type: none"> ■ No ASC 715-60 impact ■ ASC 740 impact for remaining tax-advantaged RDS described in 9/30/10 email to J. Horne from J. Ferguson <p>Funding—VEBA deductions to be based on claims net of expected RDS versus current approach reflecting gross claims</p>
Early Retirement Reimbursement Program (ERRP)	<p>Reflect as gains when amounts received</p> <ul style="list-style-type: none"> ■ ERRP receipts indefinite² ■ Roughly anticipate \$13-26 million in total ERRP receipts for 2010 and 2011 ■ Expect only about 60% (\$8-16 million) to reduce employer costs
"Cadillac" plan excise tax effective 2018	<p>Reflect any impact as losses when costs incurred</p> <ul style="list-style-type: none"> ■ No Company obligation for capped participants due to fixed dollar Company subsidy ■ "Small" Company obligation for grandfathered participants <ul style="list-style-type: none"> — Company pays fraction of costs, presumably including tax impact absent plan change — Limited exposure for retiree + spouse coverage because applicable tax thresholds 2.6× level for single coverage — Pre-65 exposure limited since only closed group of 4,400 participants under 65 — Post-65 exposure limited due to post-Medicare cost levels leading to tax not expected to apply until after 2040 — Rough assessment suggests total PV of additional company obligations less than \$5 million using measurement data and assumptions with following key simplifying assumptions <ul style="list-style-type: none"> – Triggering of tax assessed separately for pre/post-65 – Third party administrators pass cost equal to 64.5% (40% tax with gross up) of excess of plan costs over tax threshold, if any – All grandfathered participants live to age 100 – Spouses live only as long as retirees
Other?	<ul style="list-style-type: none"> ■ None anticipated

¹ Modest impact on trend to be reflected via normal, ongoing experience.

² \$5 billion set aside for all employers and reimbursements cease when money runs out

Items to Reflect in Funding and Accounting Cost Projections Beyond December 31, 2010

Contributions to Pension Trust and VEBAs

- Cost projections will reflect contributions anticipated to be made to pension trust and VEBAs
- Anticipated contributions must also be displayed in the footnotes to the 2010 financial statements
 - Generally base 2011 accounting costs on 2011 contributions shown in 2010 financial statements
- Prior projections anticipated
 - Pension — Amounts *required* by funding rules with no 401(h) account contributions
 - VEBA contributions based on rate requirements¹
- What contributions should be expected for 2011 costs and cost projections through 2021?
 - Decisions ◀Southern to verify
 - 2011 costs to reflect only contributions disclosed in footnotes to 2010 financial statements
 - Anticipate contributions after 12/31/2010 in same manner as done for prior projections

Future plan experience

- Prior projections assumed assumptions as of measurement date accurately portray experience during projection period
- Should any future gains or losses be anticipated in the upcoming projections?
 - Decision: No, anticipate assumptions accurately portray experience ◀Southern to verify

Future plan changes

- Prior cost projections anticipated improvements in pension plans (qualified and nonqualified)
 - Anticipated 5% increase in active employees' benefit obligations in 2012 and 2017
 - Meant to be "allowance" for periodic minor improvements and/or compliance-related changes
- Should upcoming projections reflect same pension changes? Any other changes to reflect?
 - Decision: Reflect pension changes in 2012 and 2017 as previously done ◀Southern to verify

¹ See discussion in cost projection letter sent to Larry Sitton dated 3/15/2010 via email.

Future plan population changes

- Prior projections assumed no change in active participant head counts
- Except, SNC requested projections reflect additional new hires for all but non-qualified pension costs
 - New hires will not be reflected in actual costs until after they become pension participants

Hire Year	Additional Hires			Year Cost First Impacted
	East	West	Total	
2008	84	29	113	2011
2009	65	12	77	2012
2010	155	5	160	2013
2011	118	6	124	2014
2012	177	5	182	2015

- Are these counts still accurate?
- What should be done for upcoming cost projections?
 - Decision: Project populations as done previously ◀Southern to verify

Future assumption changes

- Historically, no assumption changes have been anticipated during projection period
- Reasons to anticipate a change
 - Anticipate a future event
 - Strongly believe current conditions will not persist (e.g., interest rate levels)
- Should any changes in assumptions—discount rates or others—after 12/31/2010 be anticipated?
 - Decision: Reflect no future assumption changes in projections ◀Southern to verify

Compliance-Related Items

Asset values

- Pension funding calculations have been based on "reported fair value of assets"
- However, these values have been roughly \$4 million higher than values ultimately reported in plan audit
 - No substantive impact up to now due to funded position
 - Could impact future contributions (≈\$1 million per year) and PBGC premiums (≈\$36,000 per year)
 - Can plan audited asset values be available by mid-August to use in funding calculations?
 - Decision: To be determined by Southern

PBGC premiums for pension plan

- Premium structure
 - \$35 per participant flat rate
 - \$9 per \$1,000 of "under funding" variable rate
- PBGC-specific calculation
 - Count only vested benefits
 - Obligations based on 24-month average of IRS promulgated 3-tier yield curves as of 1/2011
 - 5-year election to use 24-month average made in 2010 to avoid variable rate premium for 2010
 - Averaged value must be used through the 2014 plan year
 - After 5 years can base calculation on IRS yield curve, reflected in 3-tier spot yield curves
- Anticipate variable rate premium may be required in future
 - Estimate 2011 premium would have been about \$2 – \$2.5 million (*first ever for Southern*) absent December 2010 contribution
 - Based on projecting assets and obligations to 12/31/2010
 - Premiums would be trust payable and will generally be payable by October 15th

Pension verifications

- Tax-qualified pension funding calculations after PPA require plan sponsors to provide ongoing direction about certain aspects of the calculations
- “One-time” formal elections required by plan sponsor for 2010 PPA method confirmations (authorized by R. Hinson)
 - Interest rate basis
 - Asset valuation method
- Annual confirmations
 - About plan funding provided by plan sponsor representative (thus far provided by R. Hinson)
 - Credit balance elections (reductions and/or additions, if any)
 - Contribution confirmations (amount, date, plan year, tax year)
 - About plan sponsorship and operations (thus far provided by G. Marshall / T. Fallaw)
 - Single employer plan
 - Controlled group information (list of other employers/plans)
 - Notification of any plan spin-off, merger, or termination
 - Notification of any other plan amendments
 - List of benefits provided by the qualified pension which are covered by insurance contracts, if any
 - Notification of any layoffs or other material changes in participant headcounts
- Nondiscrimination testing
 - At a minimum triennial testing required
 - Annual assessment of meeting requirements being done due to changes in pay definitions related to voluntary nonqualified deferred compensation
- DB funding participant notice
 - Sent to all plan participants every April
 - Various items required to be disclosed (obligations on several bases, asset values, funding policy, investment policy, etc.)

Appendix A

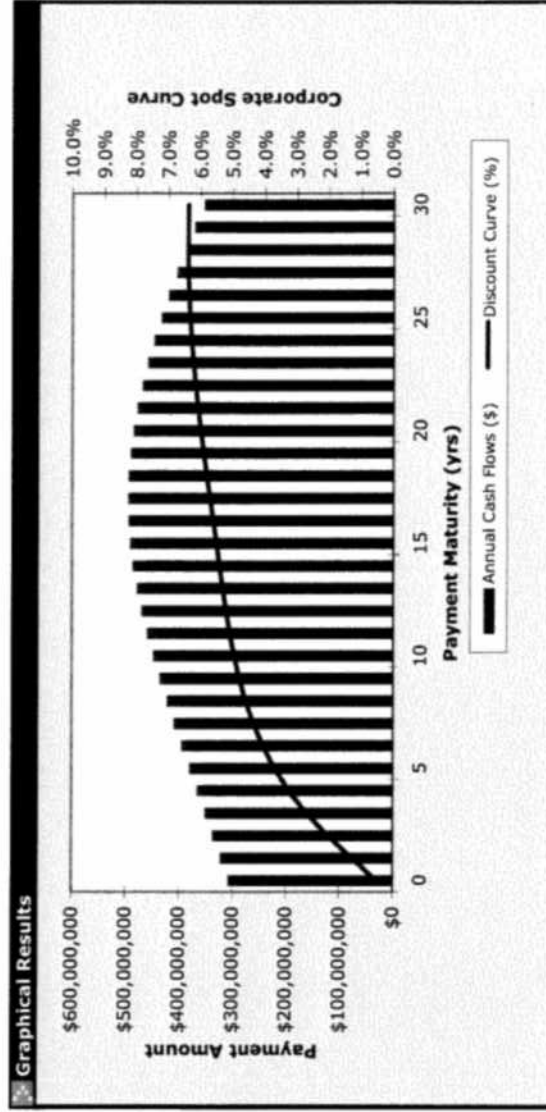
Discount Rate
Tool Analyses

Qualified Pension

Hewitt Discount Rate Tool (U.S.)

Southern Company - Qualified Pension

Selected Yield Curve and Details	
Hewitt Top Quartile (12/31/2010)	
Date	12/31/2010
Weighted Avg Discount Rate	5.61%
Duration	12.5 Yrs
Discounted Cash Flows	\$6,649,661,001
Moody's Aa Corporate Bond Index ¹	
Date	12/31/2010
As Published (Nominal Rate)	5.15%
Annualized (Effective Rate)	5.22%
Duration	14.0 Yrs
Discounted Cash Flows	\$7,013,778,108
¹ Only includes long-term (maturity > 20 yrs) corporate bonds	
User Selected Rate	
Date (for documentation)	12/31/2010
Discount Rate	5.55%
Duration	13.6 Yrs
Discounted Cash Flows	\$6,705,558,183



Nonqualified Pension

Hewitt

Discount Rate Tool (U.S.)

Southern Company - Nonqualified Pension

Selected Yield Curve and Details

Hewitt Top Quartile (12/31/2010)

Date: 12/31/2010

Weighted Avg Discount Rate: 5.09%

Duration: 08.8 Yrs

Discounted Cash Flows: \$465,585,393

Moody's Aa Corporate Bond Index¹

Date: 12/31/2010

As Published (Nominal Rate): 5.15%

Annualized (Effective Rate): 5.22%

Duration: 09.4 Yrs

Discounted Cash Flows: \$460,319,766

¹Only includes long-term (maturity > 20 yrs) corporate bonds

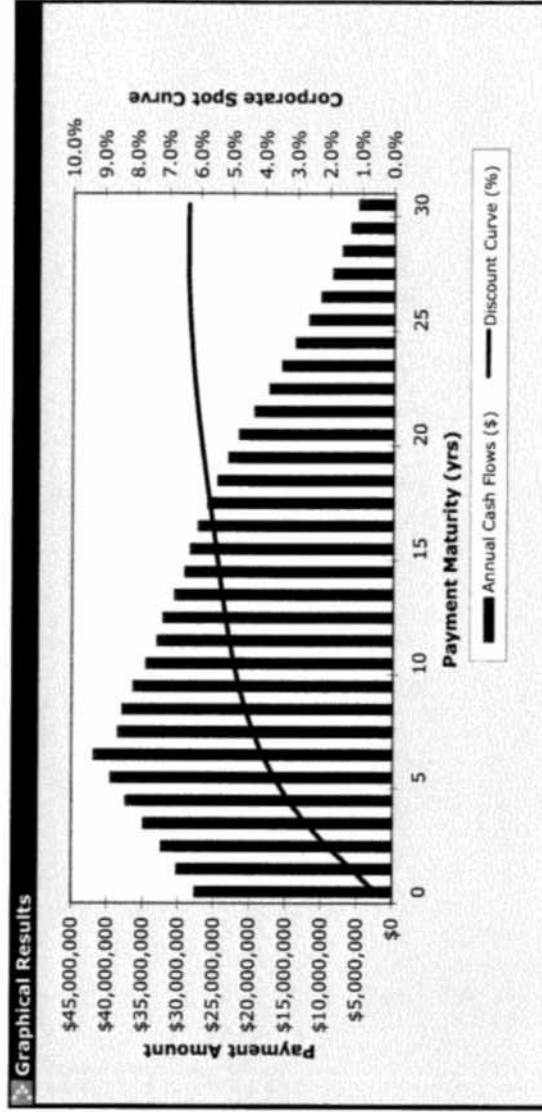
User Selected Rate

Date (for documentation): 12/31/2010

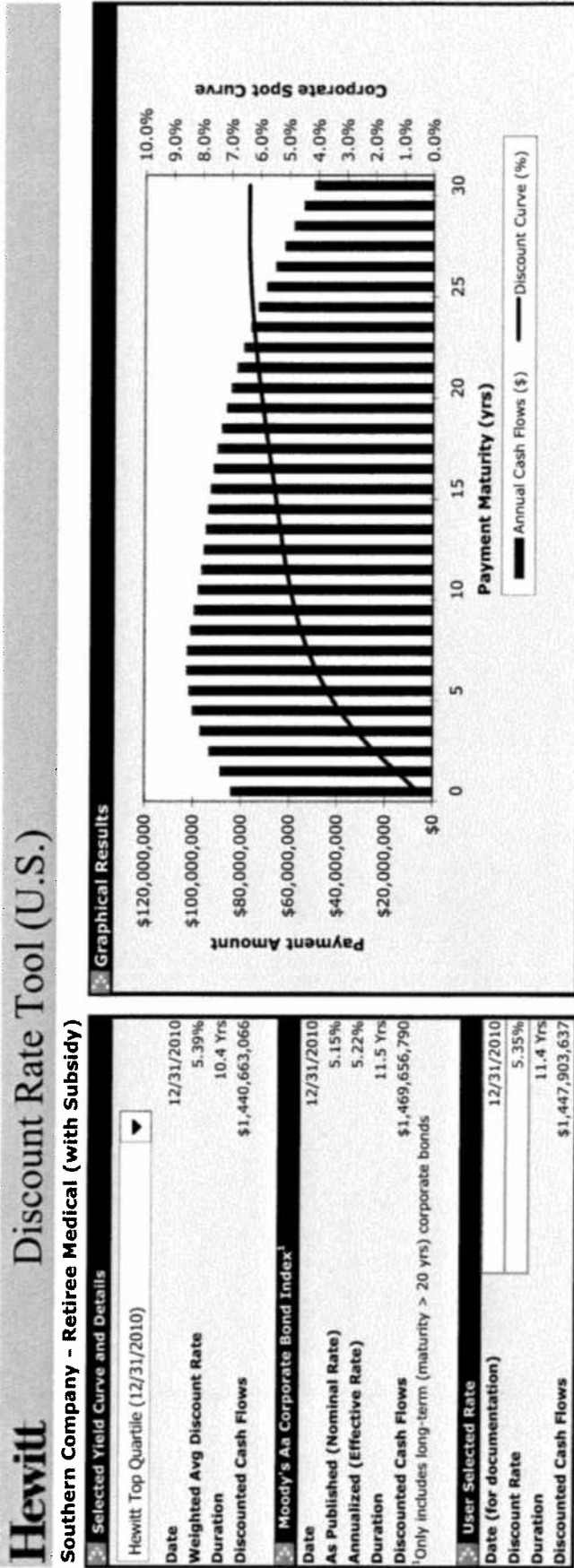
Discount Rate: 5.05%

Duration: 09.4 Yrs

Discounted Cash Flows: \$467,393,038



Retiree Medical (reflecting anticipated RDS receipts)

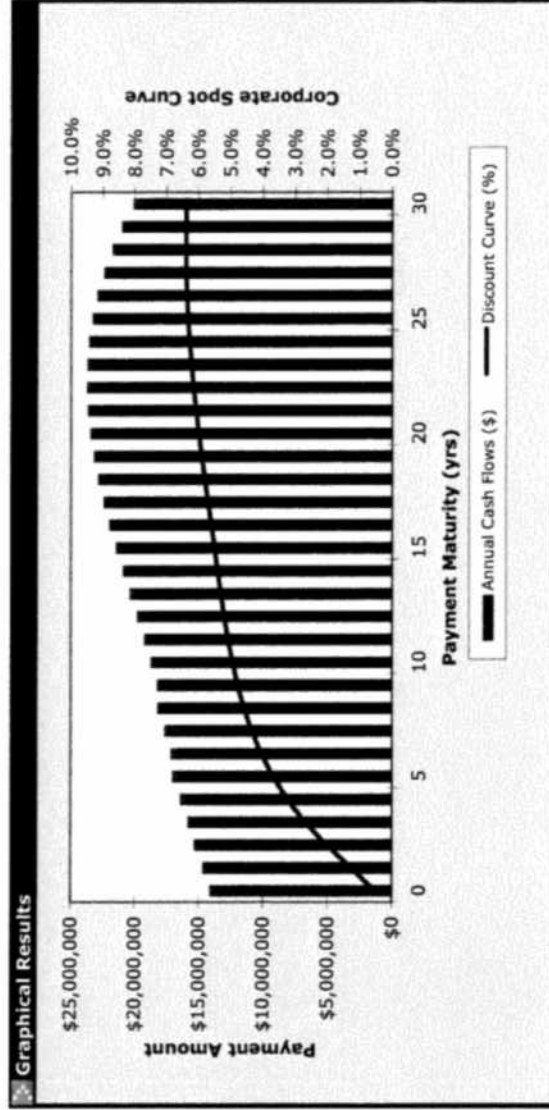


Retiree Life

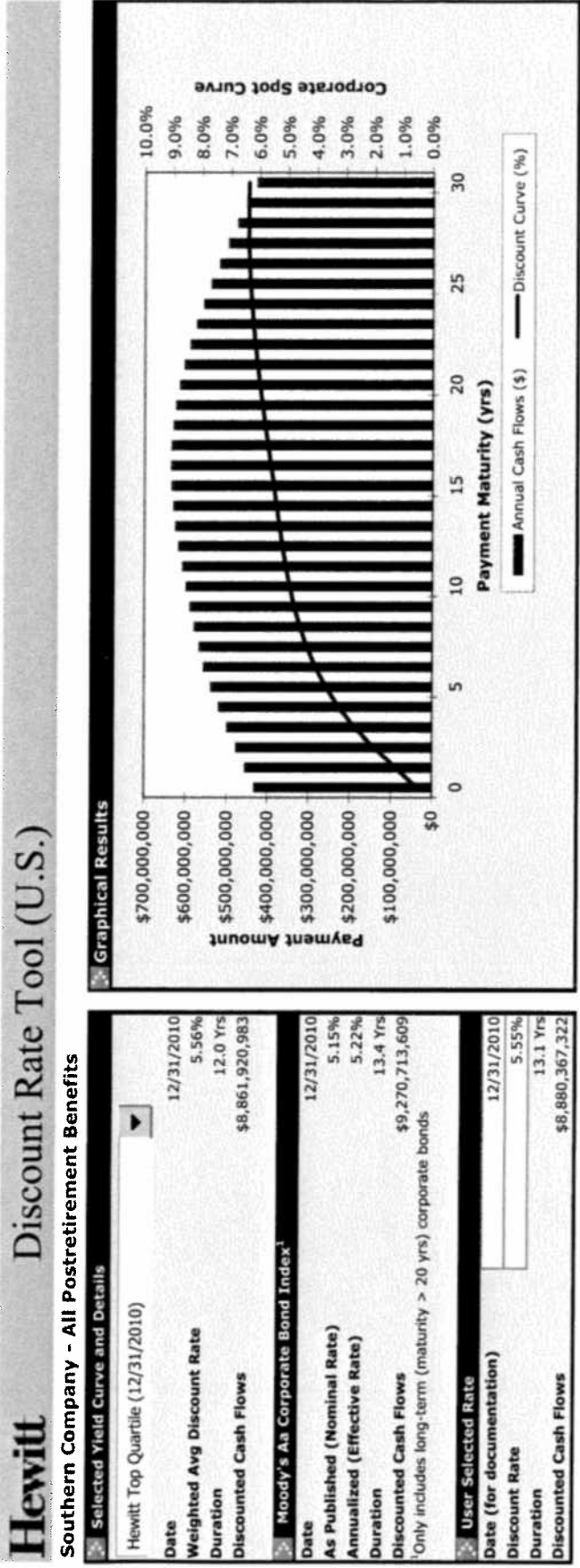
Hewitt Discount Rate Tool (U.S.)

Southern Company - Retiree Life

Selected Yield Curve and Details	
Hewitt Top Quartile (12/31/2010)	12/31/2010
Date	5.68%
Weighted Avg Discount Rate	13.2 Yrs
Duration	\$306,011,523
Discounted Cash Flows	
Moody's Aa Corporate Bond Index¹	
Date	12/31/2010
As Published (Nominal Rate)	5.15%
Annualized (Effective Rate)	5.22%
Duration	14.8 Yrs
Discounted Cash Flows	\$326,958,943
¹ Only includes long-term (maturity > 20 yrs) corporate bonds	
User Selected Rate	
Date (for documentation)	12/31/2010
Discount Rate	5.65%
Duration	14.3 Yrs
Discounted Cash Flows	\$307,470,234



Total Retirement Benefits (reflecting anticipated RDS receipts)



Total Retirement Benefit Cash Flows (reflecting anticipated RDS receipts)

Data, assumptions, methods and plan changes since prior measurement are summarized in this Assumption Guide.

Projected Cashflows underlying the Benefit Obligations as of December 31, 2010

Year	Qualified Pension	Nonqualified Pension	Retiree Medical with Subsidy	Retiree Life	Total
2011	307,225,700	27,786,931	84,237,652	14,159,230	433,409,513
2012	322,264,353	30,299,587	88,696,675	14,695,007	455,955,622
2013	337,126,991	32,482,119	93,418,862	15,346,643	478,374,614
2014	351,574,067	35,002,827	97,284,491	15,839,182	499,700,566
2015	366,189,118	37,539,692	100,465,389	16,457,937	520,652,137
2016	380,483,719	39,628,059	101,908,598	17,079,910	539,100,286
2017	395,354,130	41,970,065	102,922,760	17,183,801	557,430,757
2018	409,212,872	38,628,218	102,540,655	17,686,861	568,068,604
2019	422,583,973	38,048,491	101,272,596	18,237,117	580,142,176
2020	436,152,945	36,507,392	99,930,715	18,250,989	590,842,041
2021	448,728,325	34,704,222	98,206,078	18,738,937	600,377,562
2022	460,105,194	33,170,640	96,869,716	19,285,473	609,431,023
2023	470,782,018	32,355,872	95,727,139	19,841,085	618,706,114
2024	479,784,334	30,715,915	94,934,876	20,403,006	625,838,131
2025	487,178,339	29,285,356	93,994,032	20,965,763	631,423,490
2026	492,517,819	28,570,360	92,875,113	21,508,741	635,472,034
2027	495,527,214	27,437,288	91,627,941	22,017,766	636,610,208
2028	496,706,030	26,185,173	90,087,855	22,477,607	635,456,665
2029	495,299,274	24,711,920	88,355,328	22,895,874	631,262,395
2030	491,846,698	23,206,408	86,432,104	23,233,813	624,719,024
2031	486,181,458	21,766,439	84,275,281	23,514,253	615,737,431
2032	478,924,784	19,615,558	81,845,729	23,698,916	604,084,987
2033	470,032,737	17,473,022	79,177,782	23,778,075	590,461,616
2034	459,633,994	15,756,971	76,263,707	23,756,433	575,411,106
2035	447,768,873	13,888,684	73,106,597	23,629,894	558,394,048
2036	434,630,263	11,998,796	69,638,468	23,359,559	539,627,086
2037	420,475,016	10,300,019	65,998,630	22,971,235	519,744,901
2038	405,281,663	8,679,100	62,192,137	22,446,316	498,599,216
2039	389,089,438	7,420,813	58,258,828	21,807,538	476,576,617
2040	372,189,445	6,210,149	54,168,615	21,044,201	453,612,410
2041	354,647,260	5,139,124	50,061,807	20,169,384	430,017,574
2042	336,631,518	4,250,759	45,910,807	19,225,863	406,018,947
2043	318,114,376	3,431,068	41,816,255	18,202,610	381,564,309
2044	299,314,792	2,764,807	37,798,682	17,131,044	357,009,325
2045	280,424,849	2,088,551	33,860,311	16,037,737	332,411,448
2046	261,619,523	1,680,856	30,159,101	14,925,123	308,384,603
2047	242,969,593	1,319,066	26,690,316	13,811,347	284,790,322
2048	224,643,792	1,029,028	23,459,239	12,712,405	261,844,465
2049	206,792,809	785,624	20,523,323	11,643,522	239,745,278
2050	189,562,702	577,410	17,840,376	10,608,430	218,588,917
2051	173,106,057	461,937	15,429,493	9,616,684	198,614,170

Total Retirement Benefit Cash Flows (reflecting anticipated RDS receipts)

Data, assumptions, methods and plan changes since prior measurement are summarized in this Assumption Guide.

Projected Cashflows underlying the Benefit Obligations as of December 31, 2010

Year	Qualified Pension	Nonqualified Pension	Retiree Medical with Subsidy	Retiree Life	Total
2052	157,462,686	361,608	13,244,208	8,678,208	179,746,710
2053	142,750,847	284,416	11,354,898	7,799,517	162,189,678
2054	129,007,673	220,499	9,703,287	6,975,509	145,906,968
2055	116,264,844	178,643	8,272,109	6,222,968	130,938,564
2056	104,522,687	144,302	7,065,083	5,528,629	117,260,701
2057	93,758,994	113,364	6,009,207	4,903,430	104,784,996
2058	83,930,521	87,989	5,107,332	4,338,919	93,464,761
2059	74,986,323	70,097	4,339,653	3,840,387	83,236,461
2060	66,862,210	55,698	3,688,006	3,395,070	74,000,984
2061	59,495,920	44,178	3,135,883	3,004,147	65,680,128
2062	52,819,171	34,865	2,668,857	2,659,757	58,182,650
2063	46,765,799	27,416	2,274,262	2,359,307	51,426,784
2064	41,276,043	21,469	1,940,885	2,092,232	45,330,629
2065	36,297,352	16,704	1,658,664	1,858,425	39,831,144
2066	31,783,041	12,938	1,419,762	1,648,924	34,864,666
2067	27,692,887	9,888	1,216,961	1,462,392	30,382,129
2068	23,993,252	7,494	1,044,075	1,293,527	26,338,348
2069	20,656,694	5,634	896,410	1,139,376	22,698,114
2070	17,659,771	4,135	770,042	998,661	19,432,609
2071	14,981,933	3,000	661,794	869,221	16,515,949
2072	12,604,877	2,151	568,566	750,722	13,926,316
2073	10,510,439	1,491	488,178	642,982	11,643,090
2074	8,681,090	1,019	418,925	544,588	9,645,622
2075	7,098,890	687	359,515	456,416	7,915,507
2076	5,744,445	446	308,419	377,962	6,431,272
2077	4,598,236	286	264,189	308,588	5,171,299
2078	3,640,114	181	225,904	249,151	4,115,349
2079	2,848,455	113	193,016	197,989	3,239,572
2080	2,203,038	70	164,577	154,807	2,522,492
2081	1,683,967	43	139,688	119,436	1,943,134
2082	1,271,898	27	118,171	90,688	1,480,784
2083	949,069	17	99,766	67,611	1,116,463
2084	699,648	10	83,672	49,725	833,055
2085	509,475	6	69,501	35,891	614,873
2086	366,556	4	57,404	25,437	449,400
2087	260,556	2	47,196	17,756	325,509
2088	182,977	1	38,341	12,176	233,495
2089	126,974	1	30,678	8,179	165,832
2090	87,072	0	24,382	5,419	116,874
2091	59,000	0	19,257	3,533	81,790

Total Retirement Benefit Cash Flows (reflecting anticipated RDS receipts)

Data, assumptions, methods and plan changes since prior measurement are summarized in this Assumption Guide.

Projected Cashflows underlying the Benefit Obligations as of December 31, 2010

Year	Qualified Pension	Nonqualified Pension	Retiree Medical with Subsidy	Retiree Life	Total
2092	39,509	0	14,988	2,271	56,768
2093	26,142	0	11,434	1,443	39,020
2094	17,089	0	8,617	910	26,616
2095	11,031	0	6,401	570	18,002
2096	7,029	0	4,680	354	12,062
2097	4,418	0	3,364	218	8,000
2098	2,739	0	2,374	132	5,245
2099	1,674	0	1,644	80	3,398
2100	1,007	0	1,116	48	2,171
2101	595	0	744	29	1,368
2102	344	0	488	17	849
2103	194	0	315	10	519
2104	107	0	200	5	312
2105	58	0	125	3	185
2106	30	0	79	2	110
2107	14	0	48	1	63
2108	7	0	28	0	35
2109	3	0	18	0	20

Appendix B

Expected Return
Tool Analyses

Asset Allocation

Asset Class	Allocation	Expected Real Return ¹
Equity		
U.S. Large Cap	23.00%	6.10%
U.S. Small Cap	9.00%	6.50%
Developed International	19.00%	6.20%
Emerging Markets	9.00%	7.80%
Fixed Income		
Cash	0.00%	1.70%
TIPS	0.00%	1.80%
Core Fixed Income (Mkt Duration)	0.00%	2.30%
Long Duration - Gov't/Credit	15.00%	2.70%
Long Duration - Credit	0.00%	3.30%
Long Duration - Gov't	0.00%	2.20%
High Yield Bonds	0.00%	3.80%
Developed International Bonds	0.00%	2.00%
Emerging Market Bonds	0.00%	3.00%
Alternative Investments		
Hedge Funds	0.00%	4.60%
Real Estate	15.00%	4.80%
Commodities	0.00%	3.70%
Private Equity	10.00%	7.25%
Total	100.00%	
Inflation Rate	2.10%	

Nominal Returns

Weighted Average Return	7.94%
Rebalancing/Diversification Effect	1.37%
Passive Expected Return	9.31%
Active Management Effect	0.00%
Total Expected Return	9.31%
Expected Nominal Volatility	15.87%

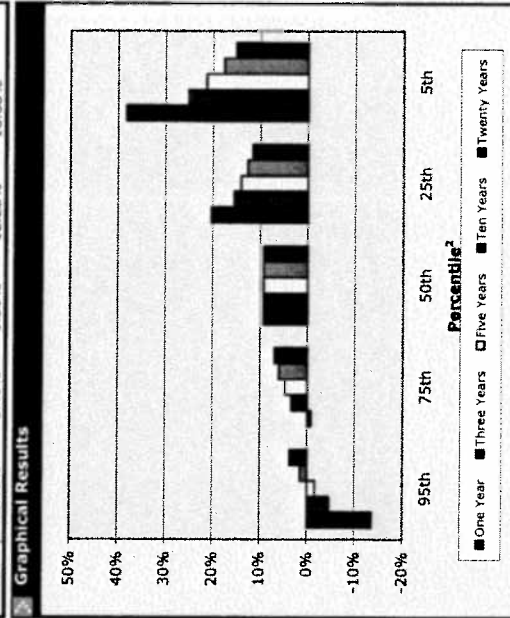
For 2010 Q4

The expected real returns shown at left are based on the long-term capital market assumptions set by Hewitt Investment Group for 2010 Q4.

These assumptions will be reviewed quarterly to ensure continued reasonability.

Range of Returns

Year(s)	95th	75th	50th	25th	5th
1	-13.59%	-0.74%	9.31%	20.38%	38.29%
3	-4.56%	3.39%	9.31%	15.57%	25.21%
5	-1.60%	4.70%	9.31%	14.13%	21.43%
10	1.48%	6.03%	9.31%	12.70%	17.75%
20	3.71%	6.98%	9.31%	11.70%	15.21%
33	2.41%	6.43%	9.31%	12.28%	16.68%



Asset Allocation

	Allocation	Expected Real Return ¹
Equity		
U.S. Large Cap	32.97%	6.10%
U.S. Small Cap	8.99%	6.50%
Developed International	9.51%	6.20%
Emerging Markets	0.44%	7.80%
Fixed Income		
Cash	0.00%	1.70%
TIPS	0.00%	1.80%
Core Fixed Income (Mkt Duration)	3.96%	2.30%
Long Duration - Gov't/Credit	44.12%	2.70%
Long Duration - Credit	0.00%	3.30%
Long Duration - Gov't	0.00%	2.20%
High Yield Bonds	0.00%	3.80%
Developed International Bonds	0.00%	2.00%
Emerging Market Bonds	0.00%	3.00%
Alternative Investments		
Hedge Funds	0.00%	4.60%
Real Estate	0.00%	4.80%
Commodities	0.00%	3.70%
Private Equity	0.00%	7.25%
Total	100.00%	
Inflation Rate	2.10%	

Nominal Returns

Weighted Average Return	6.70%
Rebalancing/Diversification Effect	0.83%
Passive Expected Return	7.53%
Active Management Effect	0.00%
Total Expected Return	7.53%
Expected Nominal Volatility	12.22%

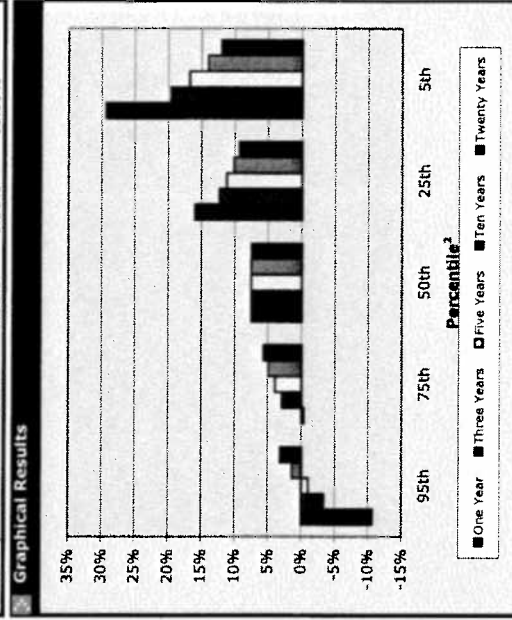
For 2010 Q4

The expected real returns shown at left are based on the long-term capital market assumptions set by Hewitt Investment Group for 2010 Q4.

These assumptions will be reviewed quarterly to ensure continued reasonability.

Range of Returns

Year(s)	95th	75th	50th	25th	5th
1	-10.65%	-0.33%	7.53%	16.01%	29.40%
3	-3.37%	2.92%	7.53%	12.34%	19.66%
5	-1.02%	3.94%	7.53%	11.24%	16.81%
10	1.41%	4.98%	7.53%	10.14%	14.01%
20	3.17%	5.72%	7.53%	9.37%	12.07%
33	2.14%	5.29%	7.53%	9.81%	13.19%



Asset Allocation

	Allocation	Expected Real Return ¹
Equity		
U.S. Large Cap	100.00%	6.10%
U.S. Small Cap	0.00%	6.50%
Developed International	0.00%	6.20%
Emerging Markets	0.00%	7.80%
Fixed Income		
Cash	0.00%	1.70%
TIPS	0.00%	1.80%
Core Fixed Income (Mkt Duration)	0.00%	2.30%
Long Duration - Gov't/Credit	0.00%	2.70%
Long Duration - Credit	0.00%	3.30%
Long Duration - Gov't	0.00%	2.20%
High Yield Bonds	0.00%	3.80%
Developed International Bonds	0.00%	2.00%
Emerging Market Bonds	0.00%	3.00%
Alternative Investments		
Hedge Funds	0.00%	4.60%
Real Estate	0.00%	4.80%
Commodities	0.00%	3.70%
Private Equity	0.00%	7.25%
Total	100.00%	
Inflation Rate	2.10%	

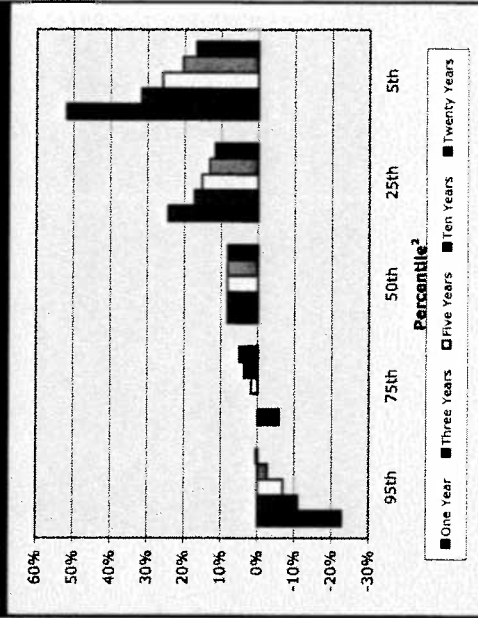
Nominal Returns

Weighted Average Return	8.33%
Rebalancing/Diversification Effect	0.00%
Passive Expected Return	8.33%
Active Management Effect	0.00%
Total Expected Return	8.33%
Expected Nominal Volatility	23.01%

Range of Returns

Year(s)	95th	75th	50th	25th	5th
1	-22.77%	-5.71%	8.33%	24.45%	51.96%
3	-10.90%	-0.01%	8.33%	17.36%	31.70%
5	-6.89%	1.81%	8.33%	15.26%	26.03%
10	-2.67%	3.68%	8.33%	13.19%	20.56%
20	0.43%	5.02%	8.33%	11.74%	16.84%
33	-1.38%	4.24%	8.33%	12.58%	18.99%

Graphical Results



For 2010 Q4

The expected real returns shown at left are based on the long-term capital market assumptions set by Hewitt Investment Group for 2010 Q4.

These assumptions will be reviewed quarterly to ensure continued reasonability.

Asset Allocation

	Allocation	Expected Real Return ¹
Equity		
U.S. Large Cap	8.33%	6.10%
U.S. Small Cap	0.00%	6.50%
Developed International	33.33%	6.20%
Emerging Markets	0.00%	7.80%
Fixed Income		
Cash	0.00%	1.70%
TIPS	0.00%	1.80%
Core Fixed Income (Mkt Duration)	0.00%	2.30%
Long Duration - Gov't/Credit	58.33%	2.70%
Long Duration - Credit	0.00%	3.30%
Long Duration - Gov't	0.00%	2.20%
High Yield Bonds	0.00%	3.80%
Developed International Bonds	0.00%	2.00%
Emerging Market Bonds	0.00%	3.00%
Alternative Investments		
Hedge Funds	0.00%	4.60%
Real Estate	0.00%	4.80%
Commodities	0.00%	3.70%
Private Equity	0.00%	7.25%
Total	100.00%	
Inflation Rate	2.10%	

Nominal Returns

	Nominal Returns
Weighted Average Return	6.34%
Rebalancing/Diversification Effect	0.72%
Passive Expected Return	7.06%
Active Management Effect	0.00%
Total Expected Return	7.06%
Expected Nominal Volatility	10.28%

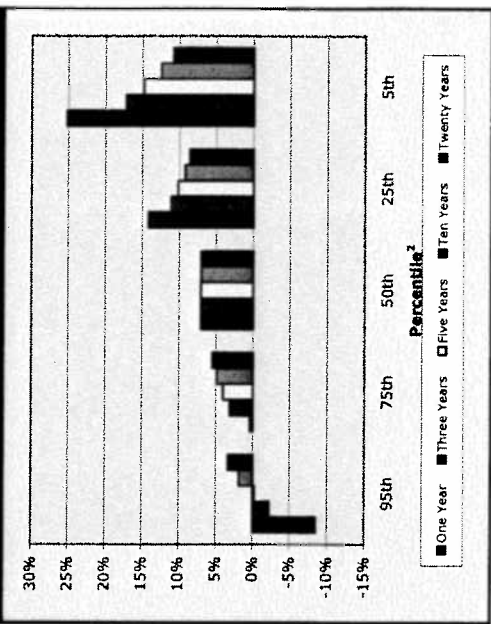
For 2010 Q4

The expected real returns shown at left are based on the long-term capital market assumptions set by Hewitt Investment Group for 2010 Q4. These assumptions will be reviewed quarterly to ensure continued reasonability.

Range of Returns

Year(\$)	95th	75th	50th	25th	5th
1	-8.48%	0.39%	7.06%	14.17%	25.24%
3	-2.21%	3.16%	7.06%	11.11%	17.21%
5	-0.19%	4.03%	7.06%	10.19%	14.84%
10	1.88%	4.91%	7.06%	9.26%	12.51%
20	3.37%	5.53%	7.06%	8.61%	10.88%
33	2.50%	5.17%	7.06%	8.99%	11.82%

Graphical Results



Asset Allocation

	Allocation	Expected Real Return ¹
Equity		
U.S. Large Cap	<input type="text" value="100.00%"/>	6.10%
U.S. Small Cap	<input type="text" value="0.00%"/>	6.50%
Developed International	<input type="text" value="0.00%"/>	6.20%
Emerging Markets	<input type="text" value="0.00%"/>	7.80%
Fixed Income		
Cash	<input type="text" value="0.00%"/>	1.70%
TIPS	<input type="text" value="0.00%"/>	1.80%
Core Fixed Income (Mkt Duration)	<input type="text" value="0.00%"/>	2.30%
Long Duration - Gov't/Credit	<input type="text" value="0.00%"/>	2.70%
Long Duration - Credit	<input type="text" value="0.00%"/>	3.30%
Long Duration - Gov't	<input type="text" value="0.00%"/>	2.20%
High Yield Bonds	<input type="text" value="0.00%"/>	3.80%
Developed International Bonds	<input type="text" value="0.00%"/>	2.00%
Emerging Market Bonds	<input type="text" value="0.00%"/>	3.00%
Alternative Investments		
Hedge Funds	<input type="text" value="0.00%"/>	4.60%
Real Estate	<input type="text" value="0.00%"/>	4.80%
Commodities	<input type="text" value="0.00%"/>	3.70%
Private Equity	<input type="text" value="0.00%"/>	7.25%
Total	100.00%	
Inflation Rate	<input type="text" value="2.10%"/>	

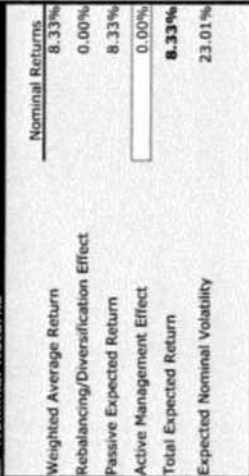
Nominal Returns

Weighted Average Return	Nominal Returns
Rebalancing/Diversification Effect	8.33%
Passive Expected Return	0.00%
Active Management Effect	8.33%
Total Expected Return	0.00%
Expected Nominal Volatility	8.33%
	23.01%

Range of Returns

Year(s)	95th	75th	50th	25th	5th
1	-22.77%	-5.71%	8.33%	24.45%	51.96%
3	-10.90%	-0.01%	8.33%	17.36%	31.70%
5	-6.89%	1.81%	8.33%	15.26%	26.03%
10	-2.67%	3.68%	8.33%	13.19%	20.56%
20	0.43%	5.02%	8.33%	11.74%	16.84%
30	-1.38%	4.24%	8.33%	12.58%	18.99%

Graphical Results



For 2010 Q4

The expected real returns shown at left are based on the long-term capital market assumptions set by Hewitt Investment Group for 2010 Q4.

These assumptions will be reviewed quarterly to ensure continued reasonability.

Asset Allocation	Allocation	Expected Real Return ¹
Equity		
U.S. Large Cap	<input type="text" value="45.00%"/>	6.10%
U.S. Small Cap	<input type="text" value="0.00%"/>	6.50%
Developed International	<input type="text" value="20.00%"/>	6.20%
Emerging Markets	<input type="text" value="0.00%"/>	7.80%
Fixed Income		
Cash	<input type="text" value="0.00%"/>	1.70%
TIPS	<input type="text" value="0.00%"/>	1.80%
Core Fixed Income (Mkt Duration)	<input type="text" value="0.00%"/>	2.30%
Long Duration - Gov't/Credit	<input type="text" value="35.00%"/>	2.70%
Long Duration - Credit	<input type="text" value="0.00%"/>	3.30%
Long Duration - Gov't	<input type="text" value="0.00%"/>	2.20%
High Yield Bonds	<input type="text" value="0.00%"/>	3.80%
Developed International Bonds	<input type="text" value="0.00%"/>	2.00%
Emerging Market Bonds	<input type="text" value="0.00%"/>	3.00%
Alternative Investments		
Hedge Funds	<input type="text" value="0.00%"/>	4.60%
Real Estate	<input type="text" value="0.00%"/>	4.80%
Commodities	<input type="text" value="0.00%"/>	3.70%
Private Equity	<input type="text" value="0.00%"/>	7.25%
Total	100.00%	
Inflation Rate	<input type="text" value="2.10%"/>	

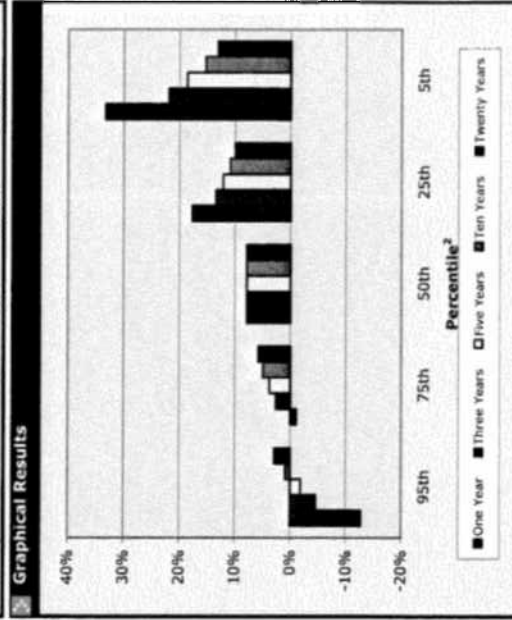
Nominal Returns	
Weighted Average Return	7.13%
Rebalancing/Diversification Effect	0.76%
Passive Expected Return	7.89%
Active Management Effect	0.00%
Total Expected Return	7.89%
Expected Nominal Volatility	14.07%

For 2010 Q4

The expected real returns shown at left are based on the long-term capital market assumptions set by Hewitt Investment Group for 2010 Q4.

These assumptions will be reviewed quarterly to ensure continued reasonability.

Range of Returns					
Year(s)	95th	75th	50th	25th	5th
1	-12.71%	-1.09%	7.89%	17.68%	33.34%
3	-4.53%	2.61%	7.89%	13.44%	21.92%
5	-1.86%	3.78%	7.89%	12.16%	18.61%
10	0.90%	4.97%	7.89%	10.89%	15.36%
20	2.90%	5.81%	7.89%	10.01%	13.12%
30	1.73%	5.32%	7.89%	10.57%	14.42%



Asset Allocation

	Allocation	Expected Real Return ¹
Equity		
U.S. Large Cap	0.00%	6.10%
U.S. Small Cap	0.00%	6.50%
Developed International	0.00%	6.20%
Emerging Markets	0.00%	7.80%
Fixed Income		
Cash	0.00%	1.70%
TIPS	0.00%	1.80%
Core Fixed Income (Mkt Duration)	9.00%	2.30%
Long Duration - Gov't/Credit	91.00%	2.70%
Long Duration - Credit	0.00%	3.30%
Long Duration - Gov't	0.00%	2.20%
High Yield Bonds	0.00%	3.80%
Developed International Bonds	0.00%	2.00%
Emerging Market Bonds	0.00%	3.00%
Alternative Investments		
Hedge Funds	0.00%	4.60%
Real Estate	0.00%	4.80%
Commodities	0.00%	3.70%
Private Equity	0.00%	7.25%
Total	100.00%	
Inflation Rate	2.10%	

Nominal Returns

Weighted Average Return	4.82%
Rebalancing/Diversification Effect	0.01%
Passive Expected Return	4.83%
Active Management Effect	0.00%
Total Expected Return	4.83%
Expected Nominal Volatility	8.23%

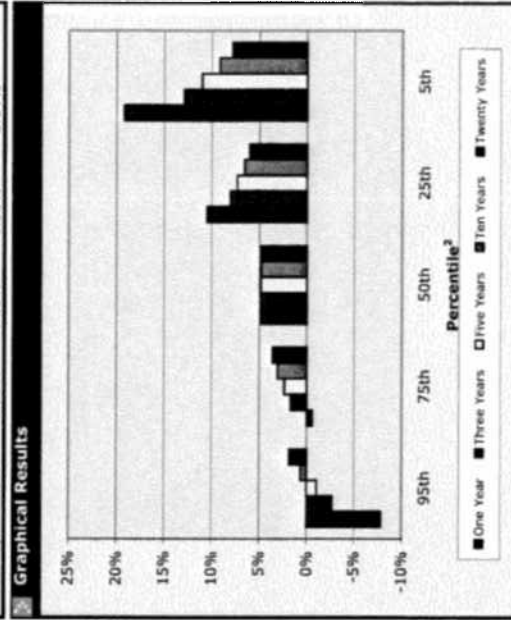
For 2010 Q4

The expected real returns shown at left are based on the long-term capital market assumptions set by Hewitt Investment Group for 2010 Q4.

These assumptions will be reviewed quarterly to ensure continued reasonability.

Range of Returns

Year(s)	95th	75th	50th	25th	5th
1	-7.82%	-0.55%	4.83%	10.51%	19.21%
3	-2.67%	1.69%	4.83%	8.07%	12.91%
5	-1.03%	2.39%	4.83%	7.33%	11.04%
10	0.65%	3.10%	4.83%	6.59%	9.18%
20	1.86%	3.60%	4.83%	6.07%	7.89%
33	1.16%	3.31%	4.83%	6.38%	8.64%



Asset Allocation

	Allocation	Expected Real Return ¹
Equity		
U.S. Large Cap	<input type="text" value="0.00%"/>	6.10%
U.S. Small Cap	<input type="text" value="0.00%"/>	6.50%
Developed International	<input type="text" value="0.00%"/>	6.20%
Emerging Markets	<input type="text" value="0.00%"/>	7.80%
Fixed Income		
Cash	<input type="text" value="0.00%"/>	1.70%
TIPS	<input type="text" value="0.00%"/>	1.80%
Core Fixed Income (Mkt Duration)	<input type="text" value="100.00%"/>	2.30%
Long Duration - Gov't/Credit	<input type="text" value="0.00%"/>	2.70%
Long Duration - Credit	<input type="text" value="0.00%"/>	3.30%
Long Duration - Gov't	<input type="text" value="0.00%"/>	2.20%
High Yield Bonds	<input type="text" value="0.00%"/>	3.80%
Developed International Bonds	<input type="text" value="0.00%"/>	2.00%
Emerging Market Bonds	<input type="text" value="0.00%"/>	3.00%
Alternative Investments		
Hedge Funds	<input type="text" value="0.00%"/>	4.60%
Real Estate	<input type="text" value="0.00%"/>	4.80%
Commodities	<input type="text" value="0.00%"/>	3.70%
Private Equity	<input type="text" value="0.00%"/>	7.25%
Total	100.00%	
Inflation Rate	<input type="text" value="2.10%"/>	

Nominal Returns

Weighted Average Return	4.45%
Rebalancing/Diversification Effect	0.00%
Passive Expected Return	4.45%
Active Management Effect	0.00%
Total Expected Return	4.45%
Expected Nominal Volatility	4.26%

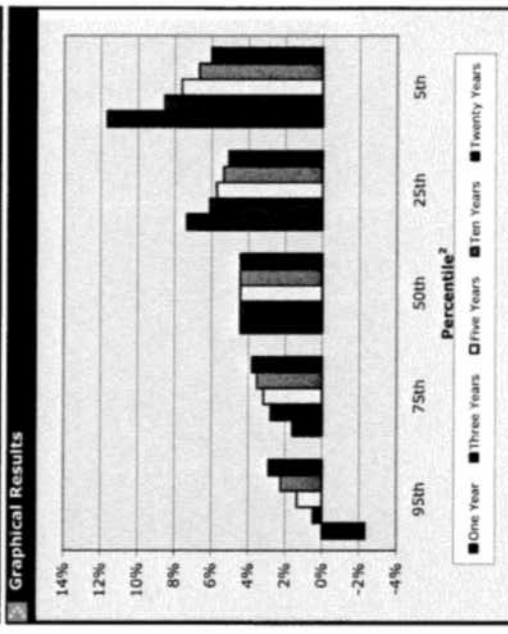
For 2010 Q4

The expected real returns shown at left are based on the long-term capital market assumptions set by Hewitt Investment Group for 2010 Q4.

These assumptions will be reviewed quarterly to ensure continued reasonability.

Range of Returns

Year(s)	95th	75th	50th	25th	5th
1	-2.32%	1.62%	4.45%	7.36%	11.69%
3	0.49%	2.80%	4.45%	6.12%	8.57%
5	1.37%	3.17%	4.45%	5.74%	7.62%
10	2.26%	3.54%	4.45%	5.36%	6.68%
20	2.90%	3.81%	4.45%	5.09%	6.02%
33	2.53%	3.66%	4.45%	5.25%	6.41%

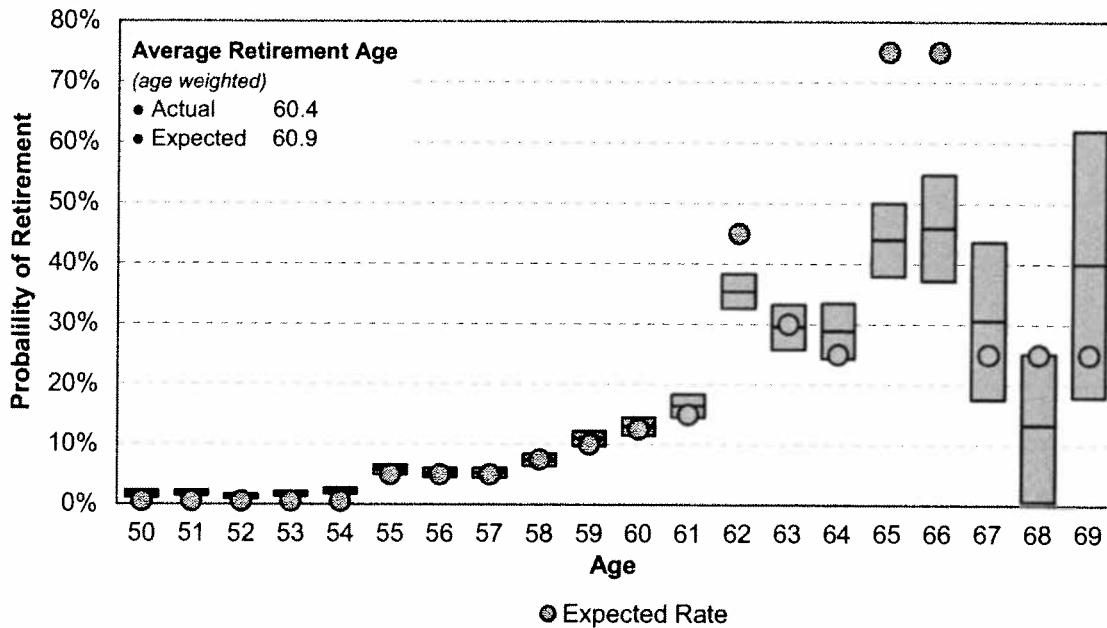


Appendix C

Statistical Analyses of Retirement Rates

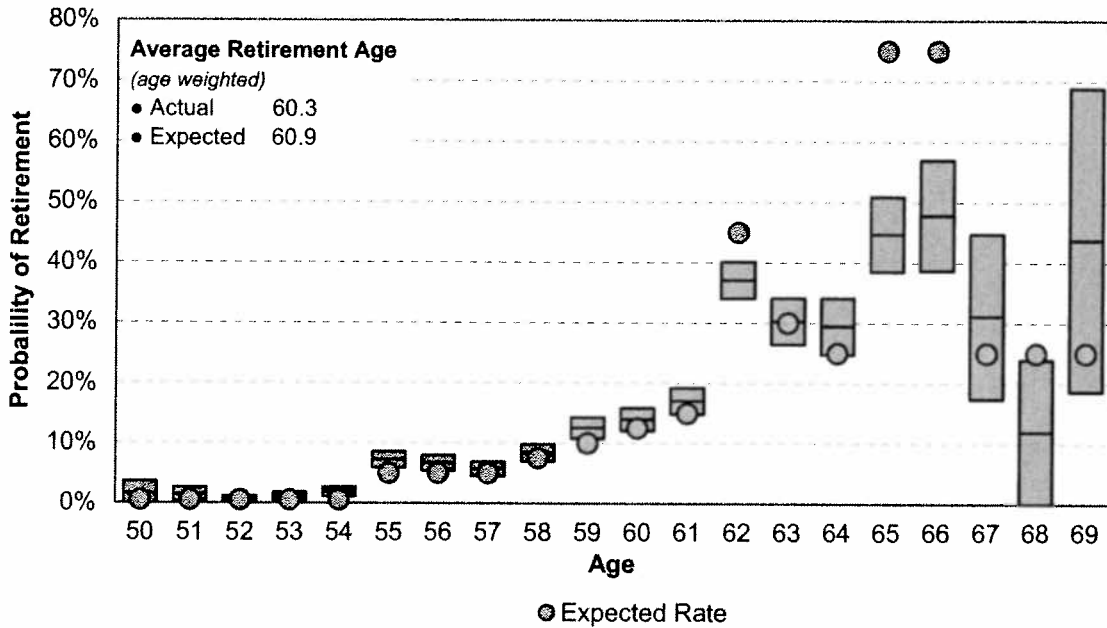
Based on 12/31/2009 Assumptions

Retirement Rates vs. Experience Confidence Intervals All Participants



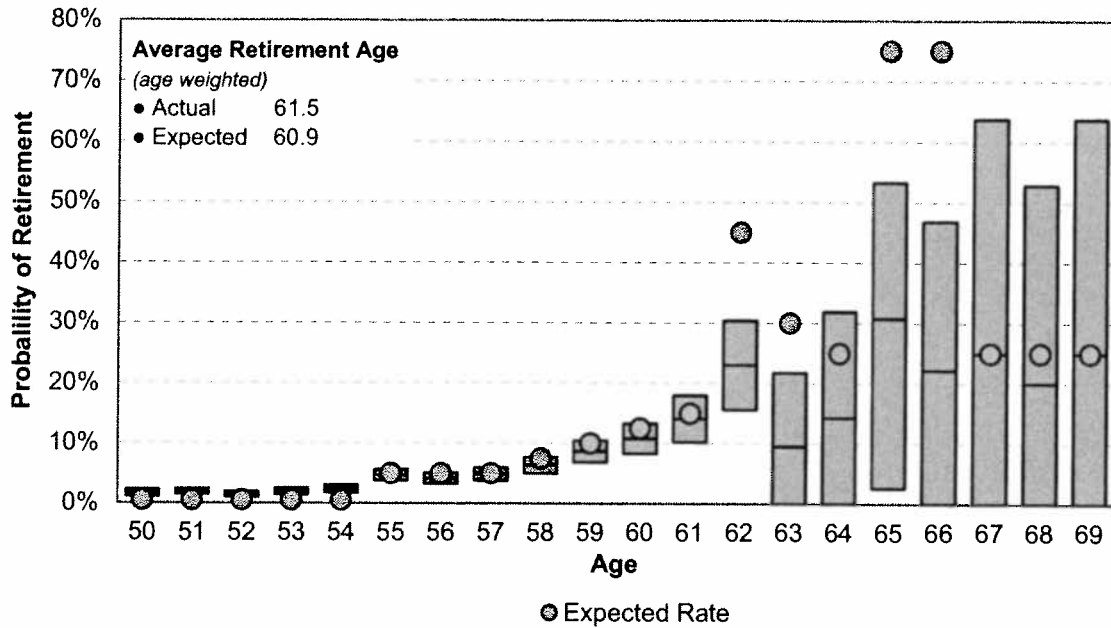
Ages	Exposures	Number of Retirements		Retirement Rates		Confidence Interval	
		Actual	Expected	Actual	Expected	Lower	Upper
50	1,980	34	9.9	1.7%	0.5%	1.1%	2.3%
51	3,811	72	19.1	1.9%	0.5%	1.5%	2.3%
52	3,691	48	18.5	1.3%	0.5%	0.9%	1.7%
53	3,656	64	18.3	1.8%	0.5%	1.3%	2.2%
54	3,565	79	17.8	2.2%	0.5%	1.7%	2.7%
55	3,437	198	171.9	5.8%	5.0%	5.0%	6.5%
56	3,166	168	158.3	5.3%	5.0%	4.5%	6.1%
57	2,930	155	146.5	5.3%	5.0%	4.5%	6.1%
58	2,629	196	197.2	7.5%	7.5%	6.5%	8.5%
59	2,354	259	235.4	11.0%	10.0%	9.7%	12.3%
60	1,885	245	235.6	13.0%	12.5%	11.5%	14.5%
61	1,448	238	217.2	16.4%	15.0%	14.5%	18.3%
62	1,083	384	487.4	35.5%	45.0%	32.6%	38.3%
63	569	168	170.7	29.5%	30.0%	25.8%	33.3%
64	377	109	94.3	28.9%	25.0%	24.3%	33.5%
65	259	114	194.3	44.0%	75.0%	38.0%	50.1%
66	124	57	93.0	46.0%	75.0%	37.2%	54.8%
67	49	15	12.3	30.6%	25.0%	17.6%	43.7%
68	30	4	7.5	13.3%	25.0%	0.6%	25.2%
69	20	8	5.0	40.0%	25.0%	18.0%	62.0%

Retirement Rates vs. Experience Confidence Intervals Grandfathered Retiree Medical Participants



Ages	Exposures	Number of Retirements		Retirement Rates		Confidence Interval	
		Actual	Expected	Actual	Expected	Lower	Upper
50	131	2	0.7	1.5%	0.5%	0.0%	3.6%
51	412	6	2.1	1.5%	0.5%	0.3%	2.6%
52	678	4	3.4	0.6%	0.5%	0.0%	1.2%
53	972	11	4.9	1.1%	0.5%	0.5%	1.8%
54	1,219	23	6.1	1.9%	0.5%	1.1%	2.7%
55	1,419	103	71.0	7.3%	5.0%	5.9%	8.6%
56	1,432	96	71.6	6.7%	5.0%	5.4%	8.0%
57	1,434	82	71.7	5.7%	5.0%	4.5%	6.9%
58	1,414	119	106.1	8.4%	7.5%	7.0%	9.9%
59	1,410	177	141.0	12.6%	10.0%	10.8%	14.3%
60	1,294	181	161.8	14.0%	12.5%	12.1%	15.9%
61	1,143	195	171.5	17.1%	15.0%	14.9%	19.2%
62	957	355	430.7	37.1%	45.0%	34.0%	40.2%
63	548	166	164.4	30.3%	30.0%	26.4%	34.1%
64	363	107	90.8	29.5%	25.0%	24.8%	34.2%
65	246	110	184.5	44.7%	75.0%	38.5%	50.9%
66	115	55	86.3	47.8%	75.0%	38.7%	57.0%
67	45	14	11.3	31.1%	25.0%	17.4%	44.8%
68	25	3	6.3	12.0%	25.0%	0.0%	23.9%
69	16	7	4.0	43.8%	25.0%	18.6%	68.9%

Retirement Rates vs. Experience Confidence Intervals Non-grandfathered Retiree Medical Participants



Ages	Exposures	Number of Retirements		Retirement Rates		Confidence Interval	
		Actual	Expected	Actual	Expected	Lower	Upper
50	1,849	32	9.2	1.7%	0.5%	1.1%	2.3%
51	3,399	66	17.0	1.9%	0.5%	1.5%	2.4%
52	3,013	44	15.1	1.5%	0.5%	1.0%	1.9%
53	2,684	53	13.4	2.0%	0.5%	1.4%	2.5%
54	2,346	56	11.7	2.4%	0.5%	1.8%	3.0%
55	2,018	95	100.9	4.7%	5.0%	3.8%	5.6%
56	1,734	72	86.7	4.2%	5.0%	3.2%	5.1%
57	1,496	73	74.8	4.9%	5.0%	3.8%	6.0%
58	1,215	77	91.1	6.3%	7.5%	5.0%	7.7%
59	944	82	94.4	8.7%	10.0%	6.9%	10.5%
60	591	64	73.9	10.8%	12.5%	8.3%	13.3%
61	305	43	45.8	14.1%	15.0%	10.2%	18.0%
62	126	29	56.7	23.0%	45.0%	15.6%	30.4%
63	21	2	6.3	9.5%	30.0%	0.0%	21.8%
64	14	2	3.5	14.3%	25.0%	0.0%	31.9%
65	13	4	9.8	30.8%	75.0%	2.6%	53.3%
66	9	2	6.8	22.2%	75.0%	0.0%	46.8%
67	4	1	1.0	25.0%	25.0%	0.0%	63.7%
68	5	1	1.3	20.0%	25.0%	0.0%	52.9%
69	4	1	1.0	25.0%	25.0%	0.0%	63.7%



January 31, 2011

Ms. Rebecca J. Marsh
Southern Company Services, Inc.
BIN 10115
241 Ralph McGill Boulevard NE
Atlanta, GA 30308-3374

Dear Becky,

Subject: December 31, 2010 ASC 715-30/60 Financial Statement Information

The information related to retirement benefits that Southern needs for its December 31, 2010 financial statements appears in the attachments to this letter. The information provided this year is generally the same as what was provided for last year. The attachments include:

1. Detailed description of the ASC 715 obligations/assets/costs disclosed.
2. Summary of key decisions, primarily about assumptions, impacting disclosure data calculations. (Refer to enclosed copy of the Assumption Guide, as sent to J. Horne at Southern on January 19, 2011.)
3. Displays with the by company and by plan disclosure information Southern requires (including additional displays specific to AOCI development with amounts required for Southern's tax accounting).
4. Summary of key census data information used in the development of obligations disclosed.
5. Sensitivity of retirement benefit obligations/costs to certain assumption changes specified by Southern.

Overall, the funded statuses of postretirement benefit plans have improved over the prior year. This improvement is attributable largely to positive trust asset returns, a large contribution to the tax-qualified pension trust and refinement of demographic actuarial assumptions.

If you need anything else or have any questions, please call.

Sincerely,

Hewitt Associates LLC, operating as Aon Hewitt

Joy L. Ferguson.

JLF:cm

Enclosures

cc: Mr. Jeffery O. Horne, Southern Company Services, Inc.
Ms. Ellen Chow, Aon Hewitt
Mr. H. John Elliot, Aon Hewitt
Mr. Colby C. Park, Aon Hewitt
Mr. Scott C. Twery, Aon Hewitt

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t 770.956.7777 | f 770.690.7040 | aonhewitt.com
Proprietary & Confidential

Southern Company—Description of ASC 715 Information for December 31, 2010 Financial Statement Footnotes

This material describes key aspects of the ASC 715 information prepared for the footnotes to Southern Company's December 31, 2010 financial statements.

1. Scope of Information—The table below shows what data has been included in this material.

Company	ASC 715-30 for Qualified Pension?	ASC 715-30 for SERP/SUPP?	ASC 715-30 for COSBs?	ASC 715-60?
Alabama (APC)	Yes	Yes	Yes	Yes
Georgia (GPC)	Yes	Yes	Yes	Yes
Gulf	Yes	Yes	n/a	Yes
Mississippi (MPC)	Yes	Yes	Yes	Yes
Southern Company Services (SCS)	Yes	Yes	Yes	Yes
Southern Nuclear (SNC)	Yes	Yes	n/a	Yes
Communications (COM)	Yes	Yes	n/a	Yes
Southern Company (SOCO) ¹	Yes	Yes	n/a	Yes

¹ Southern Energy Retired Employees whose benefits were assumed by Southern when Mirant spun off.

- 2. Measurement Date**—All benefit obligations and assets were measured as of December 31, 2010. Reconciliations of obligations, assets and AOCI amounts reflect a 12-month period from the last measurement date to the current one.
- 3. Benefit Obligations**—Benefit obligations are based on assumptions, population data, and plan information as of the measurement date. See following items for a discussion of each.
- 4. Assumptions**—Assumptions were selected as of the measurement date. A table with key assumptions is included among the attachments. A document emailed to Jeff Horne on January 19, 2011 named "2011.01.19 SO 2010 Assumption Review_final_sent.pdf" includes information on all of the assumptions (copy enclosed; refer to pages 1- 41 and appendices A, B and C). It also documents the key information used in the assumption selection process and the basic reasoning for each assumption decision. Southern selected economic and demographic assumptions and prescribed them for use for purposes of compliance with the applicable accounting statements. Aon Hewitt provided guidance with respect to these assumptions, and it is our belief that they represent reasonable expectations of future plan experience.
- For this year only, we included two displays of weighted average assumptions. The only difference between the displays is the calculation of the weighted average long-term return for plan assets for retiree life plans; one display includes the calculation reflecting the 0% anticipated return for MetLife reserves; the other ignores the anticipated return on MetLife reserves. Southern requested the two displays to evaluate which is most appropriate to be disclosed.

5. **Population Data**—Population data as of January 1, 2010 was projected to the December 31, 2010 measurement date. The valuation assumptions were assumed to have accurately anticipated plan experience during the projection period. Refer to the document emailed to Jeff Horne on January 19, 2011 named 2011.01.19 SO 2010 Assumption Review_final_sent.pdf for additional information about the population projections (refer to page 42). For a summary of key information related to the population data as of January 1, 2010, refer to display titled “Summary of Census Data.”
6. **Plan Provisions**—Refer to the document emailed to Jeff Horne on January 19, 2011 named “2011.01.19 SO 2010 Assumption Review_final_sent.pdf” for description of plan changes since last measurement (refer to pages 44 – 46). Here is a brief summary of the changes:
- Tax-qualified pension had no changes to plan provisions since last measurement date.
 - Nonqualified pension’s obligations reflect four new individual contracts and the reallocation of liabilities for one contract.
 - Retiree medical reflects the impact of health care reform legislation. However, most of these impacts were relatively minor, and Southern elected to reflect them as gains/losses. Refer to the document referenced above for additional detailed information.
 - Retiree life obligations reflect that the \$12,500 limit on post-65 benefits will apply to all MPC covered employees retiring after 2011.
7. **Transfers**—Employees periodically move between companies as part of the normal course of business.
- *Tax-qualified Pension*—Qualified pension benefit obligations are transferred between the companies involved and associated assets are transferred between the companies’ sub-accounts in the Southern Company Pension Plan trust. The December 31, 2010 measurements reflect transfers reported in the data provided as of January 1, 2010. The appropriate asset adjustments were determined as of the data collection date and communicated to Timothy P. Acklin in a letter dated November 24, 2010. Asset transfers were completed prior to the measurement date; none are pending.
 - *Nonqualified Pension*—When nonqualified pension participants transfer between companies, benefit responsibilities are allocated between companies according to the governing plan provisions. When transferring nonqualified pension participants retire, the company from which they retired initially makes the nonqualified benefit payments each year; at year-end, true-up payments between companies are made to reflect the allocation of benefits. The December 31, 2010 measurement reflects transfers reported as of January 1, 2010 and the 2010 payment true-ups reported to Greta Wells and Jane Struble in an email dated December 13, 2010.
 - *Retiree Medical/Life*—For other postretirement benefits, obligations for benefits move with transferring employees between companies. The impact of these routine transfers on each company’s obligations is reflected as gains/losses. Assets related to these benefit obligations do not move between companies.

8. **Assets**—Southern provided the market values of assets as of this December 31, 2010 measurement date. Here are more details about the various values used.

- *Qualified pension trust*—Southern reported pension and 401(h) account values by company. These values were combined with a market value adjustment supplied by Southern for the entire trust. As we understand it, the adjustment reflects the difference between the market value of certain real estate and private equity investments as of the measurement date and the values of those investments reported by the trustee as of that date. This total market value adjustment was allocated between the pension and 401(h) accounts and individual company accounts based on the trustee reported value of assets as of the measurement date. A schedule of by account and by company adjustments appears in the AOCI reconciliation in the attachments.
- *VEBA trusts*—Asset values were reported by Southern. No market value adjustments were made.
- *Provident reserves*—Values were used as reported by Southern as of September 30, 2010. No market value adjustments were made.
- *MetLife reserve*—Amount related to retiree life benefits as of December 31, 2010 was reported by Southern. These reserves were allocated to individual companies based on the anticipated benefits they are expected to pay. This allocation approach is consistent with what was done during 2009 when the MetLife reserve was originally recognized.

As we understand it, all of the additional asset-related information required to be disclosed in the notes to Southern's financial statements will come from Southern's Trust/Finance department.

9. **Accrued/Prepaid Costs**—Accrued/prepaid accounting costs (i.e., accumulated differences between amounts run through the income statements and contributions) were supplied by the various companies. Any differences between actual and anticipated amounts were treated as gains/losses. These generally minor gains/losses are isolated in the attached disclosure information on a line labeled "(Gains) Losses from Other Sources" in the schedule showing the changes in other comprehensive income.

10. **Anticipated Funding of Benefit Trusts in 2011, 2012, and 2013**—The information provided includes projections of the amounts that the companies will fund. The amounts reflect both anticipated benefit payments from general assets and the pre-funding of external trusts. The projections are based on current practices, anticipate that experience during the projection period is consistent with current assumptions, and future funding valuations are based on current assumptions. The contributions to external trusts are shown in the year the company is anticipated to deposit the funds.

- *Tax-qualified Pension*—Southern prescribed that the projection of contributions should only reflect **required** contributions. For 2011–2013, no contributions are projected to be required. This is largely due to the funding credits which have accumulated, including those resulting from the \$620 million contribution Southern made in December 2010.

- *Nonqualified Pensions and COSBs*—All funding is for benefit payments; no trust funding is anticipated.
- *Retiree Medical/Life*—The funding reflects benefit payments and expected contributions to the VEBAs set up by APC, GPC, Gulf, and MPC. No funding of the pension trust's section 401(h) account was anticipated. The projected VEBA funding reflects the following understandings about each company's strategy:
 - *APC*—Contributions are related to the amounts APC collects in rates for these benefits less net benefits/claims APC pays from general assets. For projection purposes, the amounts APC collects in rates were estimated to equal each year's ASC 715-60 costs since other adjustments that may apply are beyond the scope of this work. Payments from general assets are assumed equal to the projected claims net of anticipated retiree drug subsidy less reimbursements APC is anticipated to receive from its VEBAs and 401(h) accounts during the year. The projections assume that 10% of claims/premiums each year are related to former key employees whose benefits cannot be reimbursed from APC's external trusts.
 - *GPC*—GPC's funding was projected using the same methodology as APC's *except* contributions will only be made to external trusts to the extent the contributions were anticipated to be deductible in the year contributed. Due to the large asset loss in 2008, we do not anticipate deductibility limiting contributions during the projection period.
 - *Gulf/MPC*—These companies' contributions are small and driven by various wholesale sales and/or contracts. For the projections, we estimated future contributions will equal the amounts contributed in 2010.

11. Anticipated Benefit Payments for Years 2011–2020—The projection of benefits shown in the displays are the amounts anticipated to be payable during the projection period pursuant to the plans' provisions, regardless of the source of funds from which those payments are made. Note, that the retiree medical benefits shown do not reflect the expected retiree drug subsidies from the government; the subsidy amounts expected are displayed separately.

12. Other Miscellaneous Items

- In line with prior practice, amounts on pages labeled "Total Pension Benefits" are the sum of figures for the tax-qualified Southern Company Pension Plan, Southern's nonqualified pension plans, and certain other supplemental pension benefit plans.
 - Southern's nonqualified pension plans encompass a group of coordinated benefit programs—Southern's Supplemental Executive Retirement Plan ("SERP"), Southern's Supplemental Benefit Plan ("SUPP;" defined benefit pension component only), Savannah SERP, and a group of individual supplemental pension benefit agreements. For all ASC 715-30 purposes, these integrated plans are treated as one program. For the display of obligations/costs, the Savannah

SERP was combined with Georgia Power’s nonqualified pension obligations/costs; however, the obligations/costs of that plan are computed as if it were a separate plan.

- The certain other supplemental pension benefit plans (“COSB”) encompass pension benefits being paid by APC, GPC, MPC, and SCS to closed groups of retirees. For all ASC 715-30 purposes, these arrangements are aggregated on a by company basis. Note that the accounting for MPC’s individual plans (ERIP I, II and III) is done separately.
- The amounts on pages labeled “Postretirement Medical and Life” are the sum of figures for Southern’s retiree medical/life plans.
- The information provided shows a reconciliation of retiree medical and life plan assets at the beginning and end of the measurement period. The employer contributions and benefits paid are as described.

Description of Contributions and Benefits shown in “Change in Plan Assets”

Employer Contributions	<ul style="list-style-type: none"> ▪ Any contributions to external trust, <i>plus</i> ▪ Net claims paid from company general assets, which equals actual gross claims paid, minus any retiree contributions, minus retiree drug subsidy received, minus reimbursements from external trusts
Benefits Paid	<ul style="list-style-type: none"> ▪ Amounts paid by external trust, <i>plus</i> ▪ Net claims paid from company general assets (same as above), <i>plus</i> ▪ Retiree life premiums paid by MetLife reserves

**Southern Company—Total Pension Benefits
2010 Disclosure Information Under ASC 715**

	Alabama Power Company		Georgia Power Company		Gulf Power Company		Mississippi Power Company		Southern Company Services		Southern Nuclear Operating Company		Southern Communications Services		Southern Company		TOTAL
Accumulated Benefit Obligation	\$ 1,654,628,871	\$ 2,508,135,641	\$ 289,890,494	\$ 306,833,473	\$ 1,188,492,029	\$ 698,520,389	\$ 39,027,538	\$ 8,667,758	\$ 6,694,196,193								
Change in Benefit Obligations																	
Benefit Obligations, Prior Year	\$ 1,674,700,856	\$ 2,517,007,697	\$ 298,885,951	\$ 309,178,565	\$ 1,195,934,049	\$ 711,768,977	\$ 41,586,708	\$ 8,795,591	\$ 6,757,858,394								
Changes During Year																	
• Service Cost	\$ 41,023,871	\$ 53,699,495	\$ 7,853,168	\$ 8,299,878	\$ 35,177,303	\$ 23,549,221	\$ 2,040,476	\$ 0	\$ 171,643,412								
• Interest Cost	96,745,400	145,264,045	17,305,449	17,916,219	69,192,233	41,816,277	2,439,221	494,243	390,973,087								
• Benefits Paid	(80,823,775)	(127,007,901)	(13,400,736)	(12,205,921)	(43,153,372)	(19,354,162)	(512,844)	(196,159)	(296,654,870)								
• Transfers	(1,869,920)	(2,641,876)	44,815	150,769	4,126,542	587,168	(397,498)	0	0								
• (Gain)/Loss	48,232,951	87,880,057	5,137,669	6,927,330	36,520,356	12,299,042	429,653	(425,917)	197,001,141								
• Amendments	640,467	25,843	459,480	47,782	1,085,408	(108,859)	0	0	2,150,121								
• Curtailment	0	0	0	0	0	0	0	0	0								
• Total	\$ 103,948,994	\$ 157,219,663	\$ 17,399,845	\$ 21,136,057	\$ 102,948,470	\$ 58,588,687	\$ 3,999,008	\$ (127,833)	\$ 465,112,891								
Benefit Obligations, Current Year	\$ 1,778,649,850	\$ 2,674,227,360	\$ 316,285,796	\$ 330,314,622	\$ 1,298,882,519	\$ 770,357,664	\$ 45,585,716	\$ 8,667,758	\$ 7,222,971,285								
Change in Plan Assets																	
Assets Available for Benefits, Prior Year	\$ 1,712,150,519	\$ 2,237,223,087	\$ 254,058,825	\$ 218,014,719	\$ 809,942,530	\$ 372,390,688	\$ 13,488,177	\$ 9,590,114	\$ 5,626,858,659								
Changes During Year																	
• Actual Return on Plan Assets	\$ 258,859,638	\$ 337,973,305	\$ 38,690,999	\$ 33,629,553	\$ 126,010,514	\$ 59,731,834	\$ 2,314,130	\$ 1,506,400	\$ 858,716,373								
• Employer Contributions	44,438,000	175,590,888	28,433,484	44,108,764	169,675,559	169,046,652	13,700,196	196,159	645,189,702								
• Benefits Paid	(80,823,775)	(127,007,901)	(13,400,736)	(12,205,921)	(43,153,372)	(19,354,162)	(512,844)	(196,159)	(296,654,870)								
• Transfers	(1,869,920)	(2,641,876)	44,815	150,769	4,126,542	587,168	(397,498)	0	0								
• Total	\$ 220,603,943	\$ 383,914,416	\$ 53,768,562	\$ 65,683,165	\$ 256,659,243	\$ 210,011,492	\$ 15,103,984	\$ 1,506,400	\$ 1,207,251,205								
Assets Available for Benefits, Current Year	\$ 1,932,754,462	\$ 2,621,137,503	\$ 307,827,387	\$ 283,697,884	\$ 1,066,601,773	\$ 582,402,180	\$ 28,592,161	\$ 11,096,514	\$ 6,834,109,864								
Net Pension Asset/(Liability)																	
Benefit Obligations	\$(1,778,649,850)	\$(2,674,227,360)	\$(316,285,796)	\$(330,314,622)	\$(1,298,882,519)	\$(770,357,664)	\$(45,585,716)	\$(8,667,758)	\$(7,222,971,285)								
Assets	1,932,754,462	2,621,137,503	307,827,387	283,697,884	1,066,601,773	582,402,180	28,592,161	11,096,514	6,834,109,864								
Net Pension Asset/(Liability)	\$ 154,104,612	\$ (53,089,857)	\$ (8,458,409)	\$ (46,616,738)	\$ (232,280,746)	\$ (187,955,484)	\$ (16,993,555)	\$ 2,428,756	\$ (388,861,421)								

Amounts Recognized in Statement of Financial Position

Noncurrent Assets	
Current Liabilities	
Noncurrent Liabilities	
Net Amount Recognized	

To Be Provided by Southern Accounting

**Southern Company—Total Pension Benefits
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Amounts Recognized in Accumulated Other Comprehensive Income									
Transition Obligation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service Cost	41,547,526	60,779,813	7,663,894	7,878,815	36,826,878	11,107,826	1,445,072	25,675	167,275,499
(Gain)/Loss	455,585,147	628,404,377	67,432,048	70,250,958	272,148,998	151,353,260	5,920,981	(751,207)	1,650,344,562
Total	\$ 497,132,673	\$ 689,184,190	\$ 75,095,942	\$ 78,129,773	\$ 308,975,876	\$ 162,461,086	\$ 7,366,053	\$ (725,532)	\$ 1,817,620,061
Components of Net Periodic Benefit Cost									
Service Cost	\$ 41,023,871	\$ 53,699,495	\$ 7,853,168	\$ 8,299,878	\$ 35,177,303	\$ 23,549,221	\$ 2,040,476	\$ 0	\$ 171,643,412
Interest Cost	96,745,400	145,264,045	17,305,449	17,916,219	69,192,233	41,616,277	2,439,221	494,243	390,973,087
Expected Return on Plan Assets	(167,559,635)	(219,419,616)	(24,695,548)	(21,452,122)	(78,605,954)	(36,692,943)	(1,281,230)	(924,583)	(550,631,631)
Amortization of Unrecognized Amounts									
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service Cost	8,743,110	12,545,855	1,301,574	1,391,249	6,479,745	2,127,554	143,141	1,741	32,733,969
• (Gain)/Loss	1,882,170	2,027,398	398,139	634,377	3,763,921	995,522	33,245	(40,884)	9,693,898
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ (19,165,084)	\$ (5,882,823)	\$ 2,162,782	\$ 6,789,601	\$ 36,007,248	\$ 31,595,631	\$ 3,374,853	\$ (469,483)	\$ 54,412,725
Other Changes in Plan Assets and Projected Benefit Obligation Recognized in Other Comprehensive Income									
Prior Service Cost (Credit)	\$ 640,467	\$ 25,843	\$ 459,480	\$ 47,782	\$ 1,085,408	\$ (108,859)	\$ 0	\$ 0	\$ 2,150,121
Transition Obligation (Asset)	0	0	0	0	0	0	0	0	0
(Gains) Losses from Assets and Benefit Obligations	(43,067,052)	(30,673,632)	(8,857,782)	(5,250,101)	(10,884,204)	(10,739,849)	(603,247)	(1,007,734)	(111,083,601)
(Gains) Losses from Other Sources	839,860	324,520	0	0	(34,988)	(129,574)	0	0	999,818
Amortizations of:									
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service (Cost)/Credit	(8,743,110)	(12,545,855)	(1,301,574)	(1,391,249)	(6,479,745)	(2,127,554)	(143,141)	(1,741)	(32,733,969)
• Gain/(Loss)	(1,882,170)	(2,027,398)	(398,139)	(634,377)	(3,763,921)	(995,522)	(33,245)	40,884	(9,693,898)
Total Recognized in Other Comprehensive Income	\$ (52,212,005)	\$ (44,866,522)	\$ (10,098,015)	\$ (7,227,945)	\$ (20,077,450)	\$ (14,101,358)	\$ (779,633)	\$ (968,591)	\$ (150,361,519)
Total Recognized in Net Periodic Pension Cost and Other Comprehensive Income	\$ (71,377,089)	\$ (50,779,345)	\$ (7,935,233)	\$ (438,344)	\$ 15,929,798	\$ 17,494,273	\$ 2,595,220	\$ (1,438,074)	\$ (95,948,794)

**Southern Company—Total Pension Benefits
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Estimated Amortization During 2011									
Transition Obligation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service Cost	8,823,168	12,265,496	1,262,490	1,308,790	6,430,352	2,045,049	142,690	1,741	32,279,776
(Gain)/Loss	4,304,886	6,002,840	511,989	1,114,449	6,153,975	2,805,434	37,745	(38,204)	20,893,114
Total	\$ 13,128,054	\$ 18,268,336	\$ 1,774,479	\$ 2,423,239	\$ 12,584,327	\$ 4,850,483	\$ 180,435	\$ (36,463)	\$ 53,172,890
Estimated Future Benefit Payments									
2011	\$ 90,189,400	\$ 138,852,124	\$ 14,524,098	\$ 13,753,322	\$ 52,584,346	\$ 23,716,052	\$ 893,161	\$ 680,029	\$ 335,192,532
2012	\$ 94,581,409	\$ 143,581,272	\$ 15,129,113	\$ 14,847,066	\$ 56,970,212	\$ 26,626,973	\$ 1,164,992	\$ 673,759	\$ 353,574,796
2013	\$ 98,975,683	\$ 148,745,470	\$ 15,708,552	\$ 15,763,189	\$ 61,658,874	\$ 29,458,834	\$ 1,319,170	\$ 666,941	\$ 372,296,713
2014	\$ 103,218,546	\$ 154,136,019	\$ 16,419,360	\$ 16,752,854	\$ 66,701,976	\$ 32,481,758	\$ 1,488,979	\$ 659,522	\$ 391,859,014
2015	\$ 107,506,765	\$ 160,222,783	\$ 17,157,903	\$ 17,690,705	\$ 71,847,252	\$ 35,734,124	\$ 1,690,699	\$ 651,452	\$ 412,501,683
2016 - 2020	\$ 596,064,769	\$ 889,519,448	\$ 99,481,740	\$ 105,208,074	\$ 427,775,817	\$ 234,549,862	\$ 12,358,971	\$ 3,108,084	\$ 2,368,066,765
Estimated Future Funding									
2011	\$ 6,548,047	\$ 8,722,839	\$ 778,151	\$ 1,516,238	\$ 8,826,826	\$ 1,291,163	\$ 98,658	\$ 184,910	\$ 27,966,832
2012	\$ 7,067,392	\$ 9,578,022	\$ 801,908	\$ 1,670,609	\$ 9,635,649	\$ 1,407,551	\$ 187,528	\$ 183,595	\$ 30,532,254
2013	\$ 7,615,302	\$ 10,278,098	\$ 835,087	\$ 1,761,224	\$ 10,409,650	\$ 1,503,931	\$ 223,788	\$ 182,165	\$ 32,809,245
Average Remaining Service¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

¹ Refer to the individual pension plan results.

**Southern Company—The Southern Company Pension Plan
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Accumulated Benefit Obligation	\$ 1,561,372,948	\$ 2,373,602,638	\$ 277,208,301	\$ 282,512,401	\$ 1,046,722,376	\$ 677,516,730	\$ 36,115,983	\$ 6,264,534	\$ 6,261,315,911
Change in Benefit Obligations									
Benefit Obligations, Prior Year	\$ 1,579,507,773	\$ 2,381,557,950	\$ 283,855,418	\$ 285,884,153	\$ 1,052,887,098	\$ 687,726,845	\$ 38,696,966	\$ 6,445,379	\$ 6,316,561,582
Changes During Year									
• Service Cost	\$ 39,718,792	\$ 51,945,213	\$ 7,580,218	\$ 8,051,861	\$ 32,753,488	\$ 23,161,733	\$ 1,970,196	\$ 0	\$ 165,181,501
• Interest Cost	91,573,304	137,896,155	16,488,429	16,652,356	61,408,201	40,308,893	2,278,850	367,779	366,973,967
• Benefits Paid	(74,476,095)	(119,110,893)	(12,678,152)	(10,965,817)	(35,569,993)	(18,171,270)	(492,948)	0	(271,465,168)
• Transfers	(1,869,920)	(2,641,876)	44,815	150,769	4,126,542	587,168	(397,498)	0	0
• (Gain)/Loss	41,465,989	80,771,272	5,245,863	5,091,044	24,458,545	11,832,992	324,292	(548,624)	168,641,373
• Amendments	0	0	0	0	0	0	0	0	0
• Curtailment	0	0	0	0	0	0	0	0	0
• Total	\$ 96,412,070	\$ 148,859,871	\$ 16,681,173	\$ 18,980,213	\$ 87,176,783	\$ 57,719,516	\$ 3,682,892	\$ (180,845)	\$ 429,331,673
Benefit Obligations, Current Year	\$ 1,675,919,843	\$ 2,530,417,821	\$ 300,536,591	\$ 304,864,366	\$ 1,140,063,881	\$ 745,446,361	\$ 42,379,858	\$ 6,264,534	\$ 6,745,893,255
Change in Plan Assets									
Assets Available for Benefits, Prior Year	\$ 1,712,150,519	\$ 2,237,223,087	\$ 254,058,825	\$ 218,014,719	\$ 809,942,530	\$ 372,390,688	\$ 13,488,177	\$ 9,590,114	\$ 5,626,858,659
Changes During Year									
• Actual Return on Plan Assets	\$ 258,859,638	\$ 337,973,305	\$ 38,690,999	\$ 33,629,553	\$ 126,010,514	\$ 59,731,834	\$ 2,314,130	\$ 1,506,400	\$ 858,716,373
• Employer Contributions	38,090,320	167,693,880	27,710,900	42,868,660	162,092,180	167,863,760	13,680,300	0	620,000,000
• Benefits Paid	(74,476,095)	(119,110,893)	(12,678,152)	(10,965,817)	(35,569,993)	(18,171,270)	(492,948)	0	(271,465,168)
• Transfers	(1,869,920)	(2,641,876)	44,815	150,769	4,126,542	587,168	(397,498)	0	0
• Total	\$ 220,603,943	\$ 383,914,416	\$ 53,768,562	\$ 65,683,165	\$ 256,659,243	\$ 210,011,492	\$ 15,103,984	\$ 1,506,400	\$ 1,207,251,205
Assets Available for Benefits, Current Year	\$ 1,932,754,462	\$ 2,621,137,503	\$ 307,827,387	\$ 283,697,884	\$ 1,066,601,773	\$ 582,402,180	\$ 28,592,161	\$ 11,096,514	\$ 6,834,109,864
Net Pension Asset/(Liability)									
Benefit Obligations	\$(1,675,919,843)	\$(2,530,417,821)	\$(300,536,591)	\$(304,864,366)	\$(1,140,063,881)	\$(745,446,361)	\$(42,379,858)	\$(6,264,534)	\$(6,745,893,255)
Assets	1,932,754,462	2,621,137,503	307,827,387	283,697,884	1,066,601,773	582,402,180	28,592,161	11,096,514	6,834,109,864
Net Pension Asset/(Liability)	\$ 256,834,619	\$ 90,719,682	\$ 7,290,796	\$ (21,166,482)	\$ (73,462,108)	\$ (163,044,181)	\$ (13,787,697)	\$ 4,831,980	\$ 88,216,609

To Be Provided by Southern Accounting

Amounts Recognized in Statement of Financial Position
 Noncurrent Assets
 Current Liabilities
 Noncurrent Liabilities
 Net Amount Recognized

Southern Company—The Southern Company Pension Plan
2010 Disclosure Information Under ASC 715

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Amounts Recognized in Accumulated Other Comprehensive Income									
Transition Obligation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service Cost	32,023,443	46,615,671	6,143,239	6,249,343	20,114,277	9,481,165	1,074,415	25,675	121,727,228
(Gain)/Loss	425,695,215	592,094,454	62,852,078	61,247,771	216,036,524	142,060,583	5,260,686	(1,554,638)	1,503,692,673
Total	\$ 457,718,658	\$ 638,710,125	\$ 68,995,317	\$ 67,497,114	\$ 236,150,801	\$ 151,541,748	\$ 6,335,101	\$ (1,528,963)	\$ 1,625,419,901
Components of Net Periodic Benefit Cost									
Service Cost	\$ 39,718,792	\$ 51,945,213	\$ 7,580,218	\$ 8,051,861	\$ 32,753,488	\$ 23,161,733	\$ 1,970,196	\$ 0	\$ 165,181,501
Interest Cost	91,573,304	137,896,155	16,488,429	16,652,356	61,408,201	40,308,893	2,278,850	367,779	366,973,967
Expected Return on Plan Assets	(167,559,635)	(219,419,616)	(24,695,548)	(21,452,122)	(78,605,954)	(36,692,943)	(1,281,230)	(924,583)	(550,631,631)
Amortization of Unrecognized Amounts									
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service Cost	6,726,181	9,574,899	1,043,354	1,089,683	3,583,680	1,731,278	91,827	1,741	23,842,643
• (Gain)/Loss	0	0	0	0	0	59,524	0	(65,645)	(6,121)
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ (29,541,358)	\$ (20,003,349)	\$ 416,453	\$ 4,341,778	\$ 19,139,415	\$ 28,568,485	\$ 3,059,643	\$ (620,708)	\$ 5,360,359
Other Changes in Plan Assets and Projected Benefit Obligation Recognized in Other Comprehensive Income									
Prior Service Cost (Credit)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transition Obligation (Asset)	0	0	0	0	0	0	0	0	0
(Gains) Losses from Assets and Benefit Obligations	(49,834,014)	(37,782,417)	(8,749,588)	(7,086,387)	(22,946,015)	(11,205,899)	(708,608)	(1,130,441)	(139,443,369)
(Gains) Losses from Other Sources	0	0	0	0	0	0	0	0	0
Amortizations of:									
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service (Cost)/Credit	(6,726,181)	(9,574,899)	(1,043,354)	(1,089,683)	(3,583,680)	(1,731,278)	(91,827)	(1,741)	(23,842,643)
• Gain/(Loss)	0	0	0	0	0	(59,524)	0	65,645	6,121
Total Recognized in Other Comprehensive Income	\$ (56,560,195)	\$ (47,357,316)	\$ (9,792,942)	\$ (8,176,070)	\$ (26,529,695)	\$ (12,996,701)	\$ (800,435)	\$ (1,066,537)	\$ (163,279,891)
Total Recognized in Net Periodic Pension Cost and Other Comprehensive Income	\$ (86,101,553)	\$ (67,360,665)	\$ (9,376,489)	\$ (3,834,292)	\$ (7,390,280)	\$ 15,571,784	\$ 2,259,208	\$ (1,687,245)	\$ (157,919,532)

**Southern Company—The Southern Company Pension Plan
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Estimated Amortization During 2011									
Transition Obligation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service Cost	6,726,181	9,291,677	1,041,649	1,083,901	3,526,170	1,672,114	91,376	1,741	23,434,809
(Gain)/Loss	1,814,135	3,396,795	178,095	365,312	1,610,626	1,955,241	0	(67,841)	9,252,363
Total	\$ 8,540,316	\$ 12,688,472	\$ 1,219,744	\$ 1,449,213	\$ 5,136,796	\$ 3,627,355	\$ 91,376	\$ (66,100)	\$ 32,687,172
Estimated Future Benefit Payments									
2011	\$ 83,641,353	\$ 130,129,285	\$ 13,745,947	\$ 12,237,084	\$ 43,757,520	\$ 22,424,889	\$ 794,503	\$ 495,119	\$ 307,225,700
2012	\$ 87,514,017	\$ 134,003,250	\$ 14,327,205	\$ 13,176,457	\$ 47,334,563	\$ 25,219,422	\$ 977,464	\$ 490,164	\$ 323,042,542
2013	\$ 91,360,381	\$ 138,467,372	\$ 14,873,465	\$ 14,001,965	\$ 51,249,224	\$ 27,954,903	\$ 1,095,382	\$ 484,776	\$ 339,487,468
2014	\$ 94,991,438	\$ 143,068,042	\$ 15,549,372	\$ 14,886,657	\$ 55,252,134	\$ 30,881,867	\$ 1,243,719	\$ 478,917	\$ 356,352,146
2015	\$ 98,653,640	\$ 148,342,246	\$ 16,221,614	\$ 15,699,564	\$ 59,425,953	\$ 33,987,889	\$ 1,418,663	\$ 472,552	\$ 374,222,121
2016 - 2020	\$ 548,691,935	\$ 826,804,107	\$ 94,066,888	\$ 94,318,158	\$ 361,753,065	\$ 225,868,048	\$ 10,609,448	\$ 2,245,716	\$ 2,164,357,365
Estimated Future Funding									
2011	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2012	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2013	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Average Remaining Service ¹	14 Years	13 Years	14 Years	13 Years	13 Years	13 Years	16 Years	18 Years	N/A

¹ As of December 31, 2010. Average remaining lifetime for Southern Company.

**Southern Company—Nonqualified Pension Benefits
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Accumulated Benefit Obligation	\$ 81,560,622	\$ 122,760,396	\$ 12,682,193	\$ 20,932,573	\$ 135,174,310	\$ 21,003,659	\$ 2,911,555	\$ 2,403,224	\$ 399,428,532
Change in Benefit Obligations									
Benefit Obligations, Prior Year	\$ 83,429,365	\$ 123,294,952	\$ 15,030,533	\$ 19,838,008	\$ 136,329,868	\$ 24,042,132	\$ 2,889,742	\$ 2,350,212	\$ 407,204,812
Changes During Year									
• Service Cost	\$ 1,305,079	\$ 1,754,282	\$ 272,950	\$ 248,017	\$ 2,423,815	\$ 387,488	\$ 70,280	\$ 0	\$ 6,461,911
• Interest Cost	4,554,208	6,730,879	817,020	1,082,595	7,431,642	1,307,384	160,371	126,464	22,210,563
• Benefits Paid	(4,799,803)	(6,451,728)	(722,584)	(786,217)	(6,647,396)	(1,182,892)	(19,896)	(196,159)	(20,806,675)
• Transfers	0	0	0	0	0	0	0	0	0
• (Gain)/Loss	5,905,390	6,682,704	(108,194)	1,631,572	11,599,958	466,050	105,361	122,707	26,405,548
• Amendments	640,467	25,643	459,480	47,782	1,085,408	(108,859)	0	0	2,150,121
• Curtailment	0	0	0	0	0	0	0	0	0
• Total	\$ 7,605,341	\$ 8,741,980	\$ 718,672	\$ 2,223,749	\$ 15,893,427	\$ 869,171	\$ 316,116	\$ 53,012	\$ 36,421,468
Benefit Obligations, Current Year	\$ 91,034,706	\$ 132,036,932	\$ 15,749,205	\$ 22,061,757	\$ 152,223,295	\$ 24,911,303	\$ 3,205,858	\$ 2,403,224	\$ 443,626,280
Change in Plan Assets									
Assets Available for Benefits, Prior Year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Changes During Year									
• Actual Return on Plan Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
• Employer Contributions	4,799,803	6,451,728	722,584	786,217	6,647,396	1,182,892	19,896	196,159	20,806,675
• Benefits Paid	(4,799,803)	(6,451,728)	(722,584)	(786,217)	(6,647,396)	(1,182,892)	(19,896)	(196,159)	(20,806,675)
• Transfers	0	0	0	0	0	0	0	0	0
• Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Assets Available for Benefits, Current Year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Pension Asset/(Liability)									
Benefit Obligations	\$ (91,034,706)	\$ (132,036,932)	\$ (15,749,205)	\$ (22,061,757)	\$ (152,223,295)	\$ (24,911,303)	\$ (3,205,858)	\$ (2,403,224)	\$ (443,626,280)
Assets	0	0	0	0	0	0	0	0	0
Net Pension Asset/(Liability)	\$ (91,034,706)	\$ (132,036,932)	\$ (15,749,205)	\$ (22,061,757)	\$ (152,223,295)	\$ (24,911,303)	\$ (3,205,858)	\$ (2,403,224)	\$ (443,626,280)
Amounts Recognized in Statement of Financial Position									
Noncurrent Assets									
Current Liabilities									
Noncurrent Liabilities									
Net Amount Recognized									

To Be Provided by Southern Accounting

**Southern Company—Nonqualified Pension Benefits
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Amounts Recognized in Accumulated Other Comprehensive Income									
Transition Obligation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service Cost	8,673,628	13,024,367	1,520,655	1,490,810	16,427,851	1,626,661	370,657	0	43,134,629
(Gain)/Loss	25,587,681	30,539,668	4,579,970	8,129,526	52,579,658	9,292,677	660,295	803,431	132,172,906
Total	\$ 34,261,309	\$ 43,564,035	\$ 6,100,625	\$ 9,620,336	\$ 69,007,509	\$ 10,919,338	\$ 1,030,952	\$ 803,431	\$ 175,307,535
Components of Net Periodic Benefit Cost									
Service Cost	\$ 1,305,079	\$ 1,754,282	\$ 272,950	\$ 248,017	\$ 2,423,815	\$ 387,488	\$ 70,280	\$ 0	\$ 6,461,911
Interest Cost	4,554,208	6,730,879	817,020	1,082,595	7,431,642	1,307,384	160,371	126,464	22,210,563
Expected Return on Plan Assets	0	0	0	0	0	0	0	0	0
Amortization of Unrecognized Amounts	0	0	0	0	0	0	0	0	0
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service Cost	1,872,876	2,772,734	258,220	281,024	2,859,324	396,276	51,314	0	8,491,768
• (Gain)/Loss	1,499,679	1,359,018	398,139	564,269	3,422,629	935,998	33,245	24,761	8,237,738
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 9,231,842	\$ 12,616,913	\$ 1,746,329	\$ 2,175,905	\$ 16,137,410	\$ 3,027,146	\$ 315,210	\$ 151,225	\$ 45,401,980
Other Changes in Plan Assets and Projected Benefit Obligation Recognized in Other Comprehensive Income									
Prior Service Cost (Credit)	\$ 640,467	\$ 25,843	\$ 459,480	\$ 47,782	\$ 1,085,408	\$ (108,859)	\$ 0	\$ 0	\$ 2,150,121
Transition Obligation (Asset)	0	0	0	0	0	0	0	0	0
(Gains) Losses from Assets and Benefit Obligations	5,905,390	6,682,704	(108,194)	1,631,572	11,599,958	466,050	105,361	122,707	26,405,548
(Gains) Losses from Other Sources	841,599	327,389	0	0	(34,320)	(129,574)	0	0	1,005,094
Amortizations of:									
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service (Cost)/Credit	(1,872,876)	(2,772,734)	(258,220)	(281,024)	(2,859,324)	(396,276)	(51,314)	0	(8,491,768)
• Gain/(Loss)	(1,499,679)	(1,359,018)	(398,139)	(564,269)	(3,422,629)	(935,998)	(33,245)	(24,761)	(8,237,738)
Total Recognized in Other Comprehensive Income	\$ 4,014,901	\$ 2,904,184	\$ (305,073)	\$ 834,061	\$ 6,369,093	\$ (1,104,657)	\$ 20,802	\$ 97,946	\$ 12,831,257
Total Recognized in Net Periodic Pension Cost and Other Comprehensive Income	\$ 13,246,743	\$ 15,521,097	\$ 1,441,256	\$ 3,009,966	\$ 22,506,503	\$ 1,922,489	\$ 336,012	\$ 249,171	\$ 58,233,237

**Southern Company—Nonqualified Pension Benefits
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Estimated Amortization During 2011									
Transition Obligation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service Cost	1,952,934	2,775,597	220,841	204,347	2,867,441	372,935	51,314	0	8,445,409
(Gain)/Loss	2,060,526	1,884,763	333,894	658,150	4,150,814	850,193	37,745	29,637	10,005,722
Total	\$ 4,013,460	\$ 4,660,360	\$ 554,735	\$ 862,497	\$ 7,018,255	\$ 1,223,128	\$ 89,059	\$ 29,637	\$ 18,451,131
Estimated Future Benefit Payments									
2011	\$ 5,095,036	\$ 7,215,703	\$ 778,151	\$ 1,086,400	\$ 7,995,394	\$ 1,291,163	\$ 98,658	\$ 184,910	\$ 23,745,415
2012	\$ 5,668,520	\$ 8,137,168	\$ 801,908	\$ 1,260,019	\$ 8,834,997	\$ 1,407,551	\$ 187,528	\$ 183,595	\$ 26,481,286
2013	\$ 6,275,084	\$ 8,909,540	\$ 835,087	\$ 1,370,883	\$ 9,643,011	\$ 1,503,931	\$ 223,788	\$ 182,165	\$ 28,943,489
2014	\$ 6,950,059	\$ 9,777,215	\$ 869,988	\$ 1,497,024	\$ 10,720,411	\$ 1,599,891	\$ 245,260	\$ 180,605	\$ 31,840,453
2015	\$ 7,643,676	\$ 10,672,313	\$ 936,289	\$ 1,643,947	\$ 11,732,123	\$ 1,746,235	\$ 272,036	\$ 178,900	\$ 34,825,519
2016 - 2020	\$ 42,467,616	\$ 57,996,760	\$ 5,414,852	\$ 9,500,782	\$ 63,260,621	\$ 8,681,814	\$ 1,749,523	\$ 862,368	\$ 189,934,336
Estimated Future Funding¹									
2011	\$ 5,095,036	\$ 7,215,703	\$ 778,151	\$ 1,086,400	\$ 7,995,394	\$ 1,291,163	\$ 98,658	\$ 184,910	\$ 23,745,415
2012	\$ 5,668,520	\$ 8,137,168	\$ 801,908	\$ 1,260,019	\$ 8,834,997	\$ 1,407,551	\$ 187,528	\$ 183,595	\$ 26,481,286
2013	\$ 6,275,084	\$ 8,909,540	\$ 835,087	\$ 1,370,883	\$ 9,643,011	\$ 1,503,931	\$ 223,788	\$ 182,165	\$ 28,943,489
Average Remaining Service²	8 Years	9 Years	9 Years	9 Years	9 Years	8 Years	9 Years	19 Years	N/A

¹ Reflects payments of benefits, no funding to external trusts is anticipated.

² As of December 31, 2010. Average remaining lifetime for Southern Company. An average remaining lifetime of 15 years was used for the Savannah SERP.

**Southern Company — Certain Other Supplemental Pension Benefits
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Accumulated Benefit Obligation	\$ 11,695,301	\$ 11,772,607	\$ 0	\$ 3,388,499	\$ 6,595,343	\$ 0	\$ 0	\$ 0	\$ 33,451,750
Change in Benefit Obligations									
Benefit Obligations, Prior Year	\$ 11,763,718	\$ 12,154,795	\$ 0	\$ 3,456,404	\$ 6,717,083	\$ 0	\$ 0	\$ 0	\$ 34,092,000
Changes During Year									
• Service Cost	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
• Interest Cost	617,888	637,011	0	181,268	352,390	0	0	0	1,788,557
• Benefits Paid	(1,547,877)	(1,445,280)	0	(453,887)	(935,983)	0	0	0	(4,383,027)
• Transfers	0	0	0	0	0	0	0	0	0
• (Gain)/Loss	861,572	426,081	0	204,714	461,853	0	0	0	1,954,220
• Amendments	0	0	0	0	0	0	0	0	0
• Curtailment	0	0	0	0	0	0	0	0	0
• Total	\$ (68,417)	\$ (382,188)	\$ 0	\$ (67,905)	\$ (121,740)	\$ 0	\$ 0	\$ 0	\$ (640,250)
Benefit Obligations, Current Year	\$ 11,695,301	\$ 11,772,607	\$ 0	\$ 3,388,499	\$ 6,595,343	\$ 0	\$ 0	\$ 0	\$ 33,451,750
Change in Plan Assets									
Assets Available for Benefits, Prior Year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Changes During Year									
• Actual Return on Plan Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
• Employer Contributions	1,547,877	1,445,280	0	453,887	935,983	0	0	0	4,383,027
• Benefits Paid	(1,547,877)	(1,445,280)	0	(453,887)	(935,983)	0	0	0	(4,383,027)
• Transfers	0	0	0	0	0	0	0	0	0
• Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Assets Available for Benefits, Current Year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Pension Asset/(Liability)									
Benefit Obligations	\$ (11,695,301)	\$ (11,772,607)	\$ 0	\$ (3,388,499)	\$ (6,595,343)	\$ 0	\$ 0	\$ 0	\$ (33,451,750)
Assets	0	0	0	0	0	0	0	0	0
Net Pension Asset/(Liability)	\$ (11,695,301)	\$ (11,772,607)	\$ 0	\$ (3,388,499)	\$ (6,595,343)	\$ 0	\$ 0	\$ 0	\$ (33,451,750)

Amounts Recognized in Statement of Financial Position

Noncurrent Assets
Current Liabilities
Noncurrent Liabilities
Net Amount Recognized

To Be Provided by Southern Accounting

**Southern Company — Certain Other Supplemental Pension Benefits
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Amounts Recognized in Accumulated Other Comprehensive Income									
Transition Obligation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service Cost	850,455	1,139,775	0	138,662	284,750	0	0	0	2,413,642
(Gain)/Loss	4,302,251	5,770,255	0	873,661	3,532,816	0	0	0	14,478,983
Total	\$ 5,152,706	\$ 6,910,030	\$ 0	\$ 1,012,323	\$ 3,817,566	\$ 0	\$ 0	\$ 0	\$ 16,892,625
Components of Net Periodic Benefit Cost									
Service Cost	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest Cost	617,888	637,011	0	181,268	352,390	0	0	0	1,788,557
Expected Return on Plan Assets	0	0	0	0	0	0	0	0	0
Amortization of Unrecognized Amounts	0	0	0	0	0	0	0	0	0
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service Cost	144,053	198,222	0	20,542	36,741	0	0	0	399,558
• (Gain)/Loss	382,491	668,380	0	70,108	341,292	0	0	0	1,462,271
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 1,144,432	\$ 1,503,613	\$ 0	\$ 271,918	\$ 730,423	\$ 0	\$ 0	\$ 0	\$ 3,650,386
Other Changes in Plan Assets and Projected Benefit Obligation Recognized in Other Comprehensive Income									
Prior Service Cost (Credit)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transition Obligation (Asset)	0	0	0	0	0	0	0	0	0
(Gains) Losses from Assets and Benefit Obligations	861,572	426,081	0	204,714	461,853	0	0	0	1,954,220
(Gains) Losses from Other Sources	(1,739)	(2,869)	0	0	(668)	0	0	0	(5,276)
Amortizations of:									
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service (Cost)/Credit	(144,053)	(198,222)	0	(20,542)	(36,741)	0	0	0	(399,558)
• Gain/(Loss)	(382,491)	(668,380)	0	(70,108)	(341,292)	0	0	0	(1,462,271)
Total Recognized in Other Comprehensive Income	\$ 333,289	\$ (443,390)	\$ 0	\$ 114,064	\$ 83,152	\$ 0	\$ 0	\$ 0	\$ 87,115
Total Recognized in Net Periodic Pension Cost and Other Comprehensive Income	\$ 1,477,721	\$ 1,060,223	\$ 0	\$ 385,982	\$ 813,575	\$ 0	\$ 0	\$ 0	\$ 3,737,501

**Southern Company — Certain Other Supplemental Pension Benefits
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Estimated Amortization During 2011									
Transition Obligation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service Cost	144,053	198,222	0	20,542	36,741	0	0	0	399,558
(Gain)/Loss	430,225	721,282	0	90,987	392,535	0	0	0	1,635,029
Total	\$ 574,278	\$ 919,504	\$ 0	\$ 111,529	\$ 429,276	\$ 0	\$ 0	\$ 0	\$ 2,034,587
Estimated Future Benefit Payments									
2011	\$ 1,453,011	\$ 1,507,136	\$ 0	\$ 429,838	\$ 831,432	\$ 0	\$ 0	\$ 0	\$ 4,221,417
2012	\$ 1,398,872	\$ 1,440,854	\$ 0	\$ 410,590	\$ 800,652	\$ 0	\$ 0	\$ 0	\$ 4,050,968
2013	\$ 1,340,218	\$ 1,368,558	\$ 0	\$ 390,341	\$ 766,639	\$ 0	\$ 0	\$ 0	\$ 3,865,756
2014	\$ 1,277,049	\$ 1,290,762	\$ 0	\$ 369,173	\$ 729,431	\$ 0	\$ 0	\$ 0	\$ 3,666,415
2015	\$ 1,209,449	\$ 1,208,224	\$ 0	\$ 347,194	\$ 689,176	\$ 0	\$ 0	\$ 0	\$ 3,454,043
2016 - 2020	\$ 4,905,218	\$ 4,718,581	\$ 0	\$ 1,389,134	\$ 2,762,131	\$ 0	\$ 0	\$ 0	\$ 13,775,064
Estimated Future Funding¹									
2011	\$ 1,453,011	\$ 1,507,136	\$ 0	\$ 429,838	\$ 831,432	\$ 0	\$ 0	\$ 0	\$ 4,221,417
2012	\$ 1,398,872	\$ 1,440,854	\$ 0	\$ 410,590	\$ 800,652	\$ 0	\$ 0	\$ 0	\$ 4,050,968
2013	\$ 1,340,218	\$ 1,368,558	\$ 0	\$ 390,341	\$ 766,639	\$ 0	\$ 0	\$ 0	\$ 3,865,756
Average Remaining Lifetime²	10 Years	8 Years	N/A	9 Years	9 Years	N/A	N/A	N/A	N/A

¹ Reflects payments of benefits, no funding to external trusts is anticipated.

² As of December 31, 2010. The three MPC COSB's have separate values for the Average Remaining Lifetime as follows:

MPC ERIP I: 8 years

MPC ERIP II: 10 years

MPC ERIP III: 10 years

**Southern Company—Postretirement Medical and Life Plans
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Change in Benefit Obligations									
Benefit Obligations, Prior Year	\$ 461,198,504	\$ 781,745,458	\$ 72,640,323	\$ 83,773,647	\$ 191,360,121	\$ 161,866,118	\$ 5,255,453	\$ 1,576,694	\$ 1,759,416,318
Changes During Year									
• Service Cost	\$ 6,229,819	\$ 8,735,811	\$ 1,303,601	\$ 1,305,193	\$ 3,752,377	\$ 3,355,786	\$ 364,757	\$ 2,750	\$ 25,050,094
• Interest Cost	26,151,074	44,214,063	4,120,635	4,763,455	10,874,918	9,229,246	301,483	89,239	99,744,113
• Benefits Paid	(25,825,110)	(43,614,625)	(4,068,353)	(4,245,095)	(10,515,817)	(6,782,741)	(101,990)	(20,516)	(95,174,247)
• Retiree Drug Subsidy ("RDS")	2,565,271	1,988,925	323,943	426,087	661,004	25,000	8,477	0	5,998,707
• (Gain)/Loss	(16,572,964)	(6,625,679)	(4,702,917)	(2,511,467)	(684,255)	(8,732,908)	(1,109,823)	(175,427)	(41,115,440)
• Amendments	0	0	0	(1,823,900)	0	0	0	0	(1,823,900)
• Curtailment	0	0	0	0	0	0	0	0	0
• Total	\$ (7,451,910)	\$ 4,698,495	\$ (3,023,091)	\$ (2,085,727)	\$ 4,088,227	\$ (2,905,617)	\$ (537,096)	\$ (103,954)	\$ (7,320,673)
Benefit Obligations, Current Year	\$ 453,746,594	\$ 786,443,953	\$ 69,617,232	\$ 81,687,920	\$ 195,448,348	\$ 158,960,501	\$ 4,718,357	\$ 1,472,740	\$ 1,752,095,645
Change in Plan Assets									
Assets Available for Benefits, Prior Year	\$ 295,177,033	\$ 368,569,305	\$ 14,973,662	\$ 20,291,379	\$ 43,111,439	\$ 878,097	\$ 20,337	\$ 32,396	\$ 743,053,648
Changes During Year									
• Actual Return on Plan Assets	\$ 34,714,060	\$ 36,684,371	\$ 2,009,869	\$ 2,297,459	\$ 6,458,340	\$ 0	\$ 0	\$ 0	\$ 82,164,099
• Employer Contributions	16,570,363	29,482,167	2,458,251	2,184,868	8,919,480	6,329,785	82,116	0	66,027,030
• Benefits Paid (net of RDS)	(23,259,839)	(41,625,700)	(3,744,410)	(3,819,008)	(9,854,813)	(6,757,741)	(93,513)	(20,516)	(89,175,540)
• Total	\$ 28,024,584	\$ 24,540,838	\$ 723,710	\$ 663,319	\$ 5,523,007	\$ (427,956)	\$ (11,397)	\$ (20,516)	\$ 59,015,589
Assets Available for Benefits, Current Year	\$ 323,201,617	\$ 393,110,143	\$ 15,697,372	\$ 20,954,698	\$ 48,634,446	\$ 450,141	\$ 8,940	\$ 11,880	\$ 802,069,237
Net Postretirement Benefit Asset/(Liability)									
Benefit Obligations	\$ (453,746,594)	\$ (786,443,953)	\$ (69,617,232)	\$ (81,687,920)	\$ (195,448,348)	\$ (158,960,501)	\$ (4,718,357)	\$ (1,472,740)	\$ (1,752,095,645)
Assets	323,201,617	393,110,143	15,697,372	20,954,698	48,634,446	450,141	8,940	11,880	802,069,237
Net Postretirement Benefit Asset/(Liability)	\$ (130,544,977)	\$ (393,333,810)	\$ (53,919,860)	\$ (60,733,222)	\$ (146,813,902)	\$ (158,510,360)	\$ (4,709,417)	\$ (1,460,860)	\$ (950,026,408)
Amounts Recognized in Statement of Financial Position									
Noncurrent Assets									
Current Liabilities									
Noncurrent Liabilities									
Net Amount Recognized									

To Be Provided by Southern Accounting

**Southern Company—Postretirement Medical and Life Plans
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Amounts Recognized in Accumulated Other Comprehensive Income									
Transition Obligation	\$ 5,256,356	\$ 17,182,812	\$ 449,740	\$ 399,708	\$ 416,893	\$ 982,392	\$ 0	\$ 0	\$ 24,687,901
Prior Service Cost	29,619,569	9,677,795	695,300	(2,873,381)	1,371,716	(3,958,636)	(359,757)	0	34,172,606
(Gain)/Loss	37,362,882	151,661,493	(1,310,588)	11,091,814	29,489,428	10,548,589	(1,548,336)	(1,396,723)	235,898,559
Total	\$ 72,238,807	\$ 178,522,100	\$ (165,548)	\$ 8,618,141	\$ 31,278,037	\$ 7,572,345	\$ (1,908,093)	\$ (1,396,723)	\$ 294,759,066
Components of Net Periodic Benefit Cost									
Service Cost	\$ 6,229,819	\$ 8,735,811	\$ 1,303,601	\$ 1,305,193	\$ 3,752,377	\$ 3,355,786	\$ 364,757	\$ 2,750	\$ 25,050,094
Interest Cost	26,151,074	44,214,063	4,120,635	4,763,455	10,874,918	9,229,246	301,483	89,239	99,744,113
Expected Return on Plan Assets	(24,663,579)	(30,767,761)	(1,479,913)	(1,826,819)	(4,342,969)	0	0	0	(63,081,041)
Amortization of Unrecognized Amounts									
• Transition Obligation	3,003,631	6,373,119	257,000	228,411	202,219	357,235	0	0	10,421,615
• Prior Service Cost	3,598,846	1,393,581	185,795	(57,485)	615,204	(261,529)	(21,857)	0	5,452,555
• (Gain)/Loss	0	3,258,678	(36,996)	403,381	589,930	464,376	(6,442)	(60,747)	4,612,180
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 14,319,791	\$ 33,207,491	\$ 4,350,122	\$ 4,816,136	\$ 11,691,679	\$ 13,145,114	\$ 637,941	\$ 31,242	\$ 82,199,516
Other Changes in Plan Assets and Projected Benefit Obligation Recognized in Other Comprehensive Income									
Prior Service Cost (Credit)	\$ 0	\$ 0	\$ 0	\$ (1,823,900)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,823,900)
Transition Obligation (Asset)	0	0	0	0	0	0	0	0	0
(Gains) Losses from Assets and Benefit Obligations	(26,623,445)	(12,542,289)	(5,232,873)	(2,982,107)	(2,799,626)	(8,732,908)	(1,109,823)	(175,427)	(60,198,498)
(Gains) Losses from Other Sources	(2,530,906)	316,705	(387,976)	(334,129)	0	984,518	1	0	(1,951,787)
Amortizations of:									
• Transition Obligation	(3,003,631)	(6,373,119)	(257,000)	(228,411)	(202,219)	(357,235)	0	0	(10,421,615)
• Prior Service (Cost)/Credit	(3,598,846)	(1,393,581)	(185,795)	57,485	(615,204)	261,529	21,857	0	(5,452,555)
• Gain/(Loss)	0	(3,258,678)	36,996	(403,381)	(589,930)	(464,376)	6,442	60,747	(4,612,180)
Total Recognized in Other Comprehensive Income	\$ (35,756,828)	\$ (23,250,962)	\$ (6,026,648)	\$ (5,714,443)	\$ (4,206,979)	\$ (8,308,472)	\$ (1,081,523)	\$ (114,680)	\$ (84,460,535)
Total Recognized in Net Periodic Pension Cost and Other Comprehensive Income	\$ (21,437,037)	\$ 9,956,529	\$ (1,676,526)	\$ (898,307)	\$ 7,484,700	\$ 4,836,642	\$ (443,582)	\$ (83,438)	\$ (2,261,019)

**Southern Company—Postretirement Medical and Life Plans
2010 Disclosure Information Under ASC 715**

	Alabama		Georgia		Gulf Power Company		Mississippi Power Company		Southern Company Services		Southern Nuclear Operating Company		Southern Communications Services		Southern Company		TOTAL
	Power Company	Power Company	Power Company	Power Company	Power Company	Power Company	Power Company	Power Company	Services	Services	Operating Company	Operating Company	Services	Services	Company	Company	
Estimated Amortization During 2011																	
Transition Obligation	\$ 3,003,631	\$ 6,373,119	\$ 257,000	\$ 228,411	\$ 202,219	\$ 357,235	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,421,615
Prior Service Cost	3,598,846	1,393,581	185,795	(187,764)	615,204	(261,529)	(21,857)	(59,806)	(21,857)	(59,806)	(21,857)	(59,806)	(21,857)	(59,806)	(21,857)	(59,806)	5,322,276
(Gain)/Loss	0	3,157,382	(47,278)	233,660	645,865	0	0	0	0	0	0	0	0	0	(70,413)	(70,413)	3,859,410
Total	\$ 6,602,477	\$ 10,924,082	\$ 395,517	\$ 274,307	\$ 1,463,288	\$ 95,706	\$ (81,663)	\$ (70,413)	\$ (70,413)	\$ (81,663)	\$ (70,413)	\$ (81,663)	\$ (70,413)	\$ (81,663)	\$ (70,413)	\$ (81,663)	\$ 19,603,301
Change Due to Different Medical Trend Rates																	
Increase Due to 1% Higher Trend Rates	\$ 1,755,405	\$ 3,476,870	\$ 204,546	\$ 309,683	\$ 706,687	\$ 519,080	\$ 7,833	\$ 5,966	\$ 5,966	\$ 7,833	\$ 5,966	\$ 7,833	\$ 5,966	\$ 7,833	\$ 5,966	\$ 7,833	\$ 6,986,070
• Service Cost and Interest Cost Components	\$ 32,373,483	\$ 63,482,880	\$ 3,801,889	\$ 5,785,948	\$ 12,900,537	\$ 9,492,575	\$ 135,206	\$ 111,513	\$ 111,513	\$ 135,206	\$ 111,513	\$ 135,206	\$ 111,513	\$ 135,206	\$ 111,513	\$ 135,206	\$ 128,084,031
• Benefit Obligations	\$ 1,490,980	\$ 2,939,919	\$ 174,609	\$ 263,852	\$ 594,700	\$ 436,914	\$ 6,575	\$ 5,120	\$ 5,120	\$ 6,575	\$ 5,120	\$ 6,575	\$ 5,120	\$ 6,575	\$ 5,120	\$ 6,575	\$ 5,912,669
Decrease Due to 1% Lower Trend Rates	\$ 27,512,415	\$ 53,733,341	\$ 3,246,308	\$ 4,929,779	\$ 10,865,489	\$ 7,996,552	\$ 113,732	\$ 95,703	\$ 95,703	\$ 113,732	\$ 95,703	\$ 113,732	\$ 95,703	\$ 113,732	\$ 95,703	\$ 113,732	\$ 108,493,319
• Service Cost and Interest Cost Components																	
• Benefit Obligations																	
Estimated Future Benefit Payments—Gross Employer Payments																	
2011	\$ 29,175,701	\$ 49,753,456	\$ 4,460,742	\$ 4,744,739	\$ 11,470,047	\$ 7,896,556	\$ 161,834	\$ 99,652	\$ 99,652	\$ 161,834	\$ 99,652	\$ 161,834	\$ 99,652	\$ 161,834	\$ 99,652	\$ 161,834	\$ 107,762,727
2012	\$ 31,043,350	\$ 52,039,158	\$ 4,705,958	\$ 5,097,532	\$ 12,205,613	\$ 8,706,318	\$ 196,471	\$ 100,487	\$ 100,487	\$ 196,471	\$ 100,487	\$ 196,471	\$ 100,487	\$ 196,471	\$ 100,487	\$ 196,471	\$ 114,094,887
2013	\$ 33,067,512	\$ 54,444,999	\$ 4,930,768	\$ 5,544,432	\$ 13,112,855	\$ 9,559,787	\$ 221,949	\$ 105,877	\$ 105,877	\$ 221,949	\$ 105,877	\$ 221,949	\$ 105,877	\$ 221,949	\$ 105,877	\$ 221,949	\$ 120,988,179
2014	\$ 34,587,558	\$ 56,850,947	\$ 5,177,726	\$ 5,860,900	\$ 13,915,561	\$ 10,308,946	\$ 260,766	\$ 101,698	\$ 101,698	\$ 260,766	\$ 101,698	\$ 260,766	\$ 101,698	\$ 260,766	\$ 101,698	\$ 260,766	\$ 127,064,102
2015	\$ 36,008,669	\$ 59,044,015	\$ 5,371,762	\$ 6,213,602	\$ 14,734,760	\$ 11,026,679	\$ 295,165	\$ 102,755	\$ 102,755	\$ 295,165	\$ 102,755	\$ 295,165	\$ 102,755	\$ 295,165	\$ 102,755	\$ 295,165	\$ 132,797,407
2016 - 2020	\$ 184,462,076	\$ 306,831,547	\$ 27,974,152	\$ 33,655,413	\$ 78,112,516	\$ 61,459,809	\$ 1,804,439	\$ 574,835	\$ 574,835	\$ 1,804,439	\$ 574,835	\$ 1,804,439	\$ 574,835	\$ 1,804,439	\$ 574,835	\$ 1,804,439	\$ 694,874,787
Estimated Future Benefit Payments—Anticipated Subsidy																	
2011	\$ 2,621,957	\$ 3,291,925	\$ 372,095	\$ 488,739	\$ 739,037	\$ 380,351	\$ 8,916	\$ 10,613	\$ 10,613	\$ 8,916	\$ 10,613	\$ 8,916	\$ 10,613	\$ 10,613	\$ 10,613	\$ 10,613	\$ 7,913,633
2012	\$ 2,949,385	\$ 3,757,745	\$ 423,117	\$ 555,749	\$ 895,869	\$ 486,857	\$ 11,855	\$ 11,855	\$ 11,855	\$ 11,855	\$ 11,855	\$ 11,855	\$ 11,855	\$ 11,855	\$ 11,855	\$ 11,855	\$ 9,091,102
2013	\$ 3,271,387	\$ 4,249,485	\$ 476,736	\$ 613,770	\$ 1,052,686	\$ 599,245	\$ 14,257	\$ 12,504	\$ 12,504	\$ 14,257	\$ 12,504	\$ 14,257	\$ 12,504	\$ 12,504	\$ 12,504	\$ 12,504	\$ 10,290,070
2014	\$ 3,621,832	\$ 4,741,289	\$ 531,287	\$ 685,911	\$ 1,216,562	\$ 728,281	\$ 17,620	\$ 14,489	\$ 14,489	\$ 17,620	\$ 14,489	\$ 17,620	\$ 14,489	\$ 14,489	\$ 14,489	\$ 14,489	\$ 11,557,271
2015	\$ 3,969,387	\$ 5,249,426	\$ 588,915	\$ 750,817	\$ 1,390,441	\$ 879,461	\$ 23,877	\$ 15,862	\$ 15,862	\$ 23,877	\$ 15,862	\$ 23,877	\$ 15,862	\$ 15,862	\$ 15,862	\$ 15,862	\$ 12,868,186
2016 - 2020	\$ 21,715,027	\$ 28,770,416	\$ 3,022,462	\$ 3,735,579	\$ 7,007,714	\$ 4,644,006	\$ 83,075	\$ 80,248	\$ 80,248	\$ 83,075	\$ 80,248	\$ 83,075	\$ 80,248	\$ 83,075	\$ 80,248	\$ 80,248	\$ 69,058,527

**Southern Company—Postretirement Medical and Life Plans
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Estimated Future Funding									
2011									
• Contributions to VEBA	\$ 9,201,443	\$ 21,813,153	\$ 0	\$ 274,551	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,289,147
• Claim payments									
— PAYG (net of retiree contributions and RDS)	\$ 26,553,744	\$ 46,461,531	\$ 4,088,647	\$ 4,256,000	\$ 10,731,010	\$ 7,516,205	\$ 152,918	\$ 89,039	\$ 99,849,094
— Reimbursements from trusts	(23,679,204)	(38,873,199)	(1,546,247)	(2,006,991)	(1,059,114)	(450,141)	(8,940)	(11,880)	(67,635,716)
— Net company payments	\$ 2,874,540	\$ 7,588,332	\$ 2,542,400	\$ 2,249,009	\$ 9,671,896	\$ 7,066,064	\$ 143,978	\$ 77,159	\$ 32,213,378
• Total	\$ 12,075,983	\$ 29,401,485	\$ 2,542,400	\$ 2,523,560	\$ 9,671,896	\$ 7,066,064	\$ 143,978	\$ 77,159	\$ 63,502,525
2012									
• Contributions to VEBA	\$ 8,643,431	\$ 25,906,234	\$ 0	\$ 274,551	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,824,216
• Claim payments									
— PAYG (net of retiree contributions and RDS)	\$ 28,093,965	\$ 48,281,413	\$ 4,282,841	\$ 4,541,783	\$ 11,309,744	\$ 8,219,461	\$ 185,946	\$ 88,632	\$ 105,003,785
— Reimbursements from trusts	(22,878,841)	(40,151,675)	(1,179,370)	(1,820,949)	(10,067)	0	0	0	(66,040,902)
— Net company payments	\$ 5,215,124	\$ 8,129,738	\$ 3,103,471	\$ 2,720,834	\$ 11,299,677	\$ 8,219,461	\$ 185,946	\$ 88,632	\$ 38,962,883
• Total	\$ 13,858,555	\$ 34,035,972	\$ 3,103,471	\$ 2,995,385	\$ 11,299,677	\$ 8,219,461	\$ 185,946	\$ 88,632	\$ 73,787,099
2013									
• Contributions to VEBA	\$ 8,165,509	\$ 26,292,961	\$ 0	\$ 274,551	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,733,021
• Claim payments									
— PAYG (net of retiree contributions and RDS)	\$ 29,796,125	\$ 50,195,514	\$ 4,454,032	\$ 4,930,662	\$ 12,060,169	\$ 8,960,542	\$ 207,692	\$ 93,373	\$ 110,698,109
— Reimbursements from trusts	(25,787,513)	(43,386,166)	(1,224,744)	(2,017,638)	(10,067)	0	0	0	(72,426,128)
— Net company payments	\$ 4,008,612	\$ 6,809,348	\$ 3,229,288	\$ 2,913,024	\$ 12,050,102	\$ 8,960,542	\$ 207,692	\$ 93,373	\$ 38,271,981
• Total	\$ 12,174,121	\$ 33,102,309	\$ 3,229,288	\$ 3,187,575	\$ 12,050,102	\$ 8,960,542	\$ 207,692	\$ 93,373	\$ 73,005,002

Average Remaining Service¹

¹ Refer to the individual retiree medical and life results.

**Southern Company—Postretirement Medical Plans
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Change in Benefit Obligations									
Benefit Obligations, Prior Year	\$ 374,581,680	\$ 659,990,967	\$ 58,407,845	\$ 70,111,290	\$ 155,104,585	\$ 136,779,057	\$ 4,565,332	\$ 1,046,867	\$ 1,460,587,623
Changes During Year									
• Service Cost	\$ 4,928,835	\$ 7,120,688	\$ 1,072,909	\$ 1,081,356	\$ 3,239,207	\$ 2,879,821	\$ 334,062	\$ 0	\$ 20,656,878
• Interest Cost	21,100,689	37,103,607	3,288,244	3,962,280	8,755,653	7,747,930	260,641	58,357	82,277,401
• Benefits Paid	(23,049,059)	(38,693,055)	(3,640,077)	(3,866,083)	(9,356,993)	(6,230,968)	(79,664)	0	(84,915,899)
• Retiree Drug Subsidy ("RDS")	2,565,271	1,988,925	323,943	426,087	661,004	25,000	8,477	0	5,998,707
• (Gain)/Loss	(14,841,270)	(5,954,524)	(4,425,031)	(2,266,431)	387,472	(8,525,497)	(1,026,096)	(113,015)	(36,764,392)
• Amendments	0	0	0	0	0	0	0	0	0
• Curtailment	0	0	0	0	0	0	0	0	0
• Total	\$ (9,295,534)	\$ 1,565,641	\$ (3,380,012)	\$ (662,791)	\$ 3,686,343	\$ (4,103,714)	\$ (502,580)	\$ (54,658)	\$ (12,747,305)
Benefit Obligations, Current Year	\$ 365,286,146	\$ 661,556,608	\$ 55,027,833	\$ 69,448,499	\$ 158,790,928	\$ 132,675,343	\$ 4,062,752	\$ 992,209	\$ 1,447,840,318
Change in Plan Assets									
Assets Available for Benefits, Prior Year	\$ 229,535,774	\$ 292,109,172	\$ 14,092,409	\$ 17,769,299	\$ 41,019,227	\$ 0	\$ 0	\$ 0	\$ 594,525,881
Changes During Year									
• Actual Return on Plan Assets	\$ 28,067,867	\$ 25,049,661	\$ 2,009,088	\$ 2,315,978	\$ 6,446,082	\$ 0	\$ 0	\$ 0	\$ 63,888,676
• Employer Contributions	15,583,236	23,919,237	2,390,358	1,918,976	8,695,989	6,205,968	71,187	0	58,784,951
• Benefits Paid (net of RDS)	(20,483,788)	(36,704,130)	(3,316,134)	(3,439,996)	(8,695,989)	(6,205,968)	(71,187)	0	(78,917,192)
• Total	\$ 23,167,315	\$ 12,264,768	\$ 1,083,312	\$ 794,958	\$ 6,446,082	\$ 0	\$ 0	\$ 0	\$ 43,756,435
Assets Available for Benefits, Current Year	\$ 252,703,089	\$ 304,373,940	\$ 15,175,721	\$ 18,564,257	\$ 47,465,309	\$ 0	\$ 0	\$ 0	\$ 638,282,316
Net Postretirement Benefit Asset/(Liability)									
Benefit Obligations	\$ (365,286,146)	\$ (661,556,608)	\$ (55,027,833)	\$ (69,448,499)	\$ (158,790,928)	\$ (132,675,343)	\$ (4,062,752)	\$ (992,209)	\$ (1,447,840,318)
Assets	252,703,089	304,373,940	15,175,721	18,564,257	47,465,309	0	0	0	638,282,316
Net Postretirement Benefit Asset/(Liability)	\$ (112,583,057)	\$ (357,182,668)	\$ (39,852,112)	\$ (50,884,242)	\$ (111,325,619)	\$ (132,675,343)	\$ (4,062,752)	\$ (992,209)	\$ (809,558,002)
Amounts Recognized in Statement of Financial Position									
Noncurrent Assets									
Current Liabilities									
Noncurrent Liabilities									
Net Amount Recognized									

To Be Provided by Southern Accounting

**Southern Company—Postretirement Medical Plans
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Amounts Recognized in Accumulated Other Comprehensive Income									
Transition Obligation	\$ 5,256,356	\$ 17,182,812	\$ 449,740	\$ 399,708	\$ 416,893	\$ 982,392	\$ 0	\$ 0	\$ 24,687,901
Prior Service Cost	39,188,800	14,672,936	2,423,311	788,778	11,143,721	2,884,839	110,387	0	71,212,772
(Gain)/Loss	44,216,359	143,673,840	830,372	12,817,521	29,966,252	11,022,379	(1,249,985)	(1,042,713)	240,234,025
Total	\$ 88,661,515	\$ 175,529,588	\$ 3,703,423	\$ 14,006,007	\$ 41,526,866	\$ 14,889,610	\$ (1,139,598)	\$ (1,042,713)	\$ 336,134,688
Components of Net Periodic Benefit Cost									
Service Cost	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest Cost	\$ 4,328,835	\$ 7,120,688	\$ 1,072,909	\$ 1,081,356	\$ 3,239,207	\$ 2,879,821	\$ 334,062	\$ 0	\$ 20,656,878
Expected Return on Plan Assets	21,100,689	37,103,607	3,288,244	3,962,280	8,755,653	7,747,930	260,641	58,357	82,277,401
Amortization of Unrecognized Amounts	(20,052,395)	(24,533,618)	(1,470,213)	(1,728,849)	(4,333,929)	0	0	0	(52,119,004)
• Transition Obligation	3,003,631	6,373,119	257,000	228,411	202,219	357,235	0	0	10,421,615
• Prior Service Cost	4,354,312	1,821,736	322,217	87,641	1,386,678	325,055	6,352	0	8,303,991
• (Gain)/Loss	0	3,258,678	0	425,742	589,930	464,376	0	(45,834)	4,692,892
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 13,335,072	\$ 31,144,210	\$ 3,470,157	\$ 4,056,581	\$ 9,839,758	\$ 11,774,417	\$ 601,055	\$ 12,523	\$ 74,233,773
Other Changes in Plan Assets and Projected Benefit Obligation Recognized in Other Comprehensive Income									
Prior Service Cost (Credit)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transition Obligation (Asset)	0	0	0	0	0	0	0	0	0
(Gains) Losses from Assets and Benefit Obligations	(22,856,742)	(6,470,567)	(4,963,906)	(2,853,560)	(1,724,681)	(8,525,497)	(1,026,096)	(113,015)	(48,534,064)
(Gains) Losses from Other Sources	(2,570,594)	322,870	(387,981)	(334,129)	0	297,452	36,094	0	(2,636,288)
Amortizations of:									
• Transition Obligation	(3,003,631)	(6,373,119)	(257,000)	(228,411)	(202,219)	(357,235)	0	0	(10,421,615)
• Prior Service (Cost)/Credit	(4,354,312)	(1,821,736)	(322,217)	(87,641)	(1,386,678)	(325,055)	(6,352)	0	(8,303,991)
• Gain/(Loss)	0	(3,258,678)	0	(425,742)	(589,930)	(464,376)	0	45,834	(4,692,892)
Total Recognized in Other Comprehensive Income	\$ (32,785,279)	\$ (17,601,230)	\$ (5,931,104)	\$ (3,929,483)	\$ (3,903,508)	\$ (9,374,711)	\$ (996,354)	\$ (67,181)	\$ (74,588,850)
Total Recognized in Net Periodic Pension Cost and Other Comprehensive Income	\$ (19,450,207)	\$ 13,542,980	\$ (2,460,947)	\$ 127,098	\$ 5,936,250	\$ 2,399,706	\$ (395,299)	\$ (54,658)	\$ (355,077)

**Southern Company—Postretirement Medical Plans
2010 Disclosure Information Under ASC 715**

	Alabama	Georgia	Gulf	Mississippi	Southern	Southern	Southern	Southern	TOTAL
	Power Company	Power Company	Power Company	Power Company	Company Services	Nuclear Operating Company	Communications Services	Southern Company	
Estimated Amortization During 2011									
Transition Obligation	\$ 3,003,631	\$ 6,373,119	\$ 257,000	\$ 228,411	\$ 202,219	\$ 357,235	\$ 0	\$ 0	\$ 10,421,615
Prior Service Cost	4,354,312	1,821,736	322,217	87,641	1,386,678	325,055	6,352	0	8,303,991
(Gain)/Loss	0	3,157,382	0	275,261	645,865	0	(46,873)	(52,416)	3,979,219
Total	\$ 7,357,943	\$ 11,352,237	\$ 579,217	\$ 591,313	\$ 2,234,762	\$ 682,290	\$ (40,521)	\$ (52,416)	\$ 22,704,825
Change Due to Different Medical Trend Rates									
Increase Due to 1% Higher Trend Rates	\$ 1,755,405	\$ 3,476,870	\$ 204,546	\$ 309,683	\$ 706,687	\$ 519,080	\$ 7,833	\$ 5,966	\$ 6,986,070
• Service Cost and Interest Cost Components	\$ 32,373,483	\$ 63,482,880	\$ 3,801,889	\$ 5,785,948	\$ 12,900,537	\$ 9,492,575	\$ 135,206	\$ 111,513	\$ 128,084,031
• Benefit Obligations									
Decrease Due to 1% Lower Trend Rates	\$ 1,490,980	\$ 2,939,919	\$ 174,609	\$ 263,852	\$ 594,700	\$ 436,914	\$ 6,575	\$ 5,120	\$ 5,912,669
• Service Cost and Interest Cost Components	\$ 27,512,415	\$ 53,733,341	\$ 3,246,308	\$ 4,929,779	\$ 10,865,489	\$ 7,996,552	\$ 113,732	\$ 95,703	\$ 108,493,319
• Benefit Obligations									
Estimated Future Benefit Payments—Gross Employer Payments									
2011	\$ 24,159,486	\$ 43,367,671	\$ 3,728,050	\$ 4,123,565	\$ 9,522,126	\$ 7,060,713	\$ 145,234	\$ 77,591	\$ 92,184,436
2012	\$ 25,841,326	\$ 45,484,339	\$ 3,944,639	\$ 4,437,246	\$ 10,153,748	\$ 7,797,347	\$ 178,477	\$ 77,565	\$ 97,914,687
2013	\$ 27,647,841	\$ 47,655,909	\$ 4,136,287	\$ 4,834,266	\$ 10,943,814	\$ 8,563,145	\$ 201,247	\$ 81,739	\$ 104,066,248
2014	\$ 29,036,930	\$ 49,832,127	\$ 4,359,192	\$ 5,117,349	\$ 11,680,766	\$ 9,231,671	\$ 237,228	\$ 76,445	\$ 109,571,708
2015	\$ 30,275,578	\$ 51,761,683	\$ 4,523,413	\$ 5,436,654	\$ 12,394,075	\$ 9,851,171	\$ 267,687	\$ 75,917	\$ 114,586,178
2016 - 2020	\$ 154,485,688	\$ 267,320,822	\$ 23,423,555	\$ 29,394,988	\$ 65,582,565	\$ 54,366,887	\$ 1,622,861	\$ 413,088	\$ 596,610,454
Estimated Future Benefit Payments—Anticipated Subsidy									
2011	\$ 2,621,957	\$ 3,291,925	\$ 372,095	\$ 488,739	\$ 739,037	\$ 380,351	\$ 8,916	\$ 10,613	\$ 7,913,633
2012	\$ 2,949,385	\$ 3,757,745	\$ 423,117	\$ 555,749	\$ 895,869	\$ 486,857	\$ 10,525	\$ 11,855	\$ 9,091,102
2013	\$ 3,271,387	\$ 4,249,485	\$ 476,736	\$ 613,770	\$ 1,052,686	\$ 599,245	\$ 14,257	\$ 12,504	\$ 10,290,070
2014	\$ 3,621,832	\$ 4,741,289	\$ 531,287	\$ 685,911	\$ 1,216,562	\$ 728,281	\$ 17,620	\$ 14,489	\$ 11,557,271
2015	\$ 3,969,387	\$ 5,249,426	\$ 588,915	\$ 750,817	\$ 1,390,441	\$ 879,461	\$ 23,877	\$ 15,862	\$ 12,868,186
2016 - 2020	\$ 21,715,027	\$ 28,770,416	\$ 3,022,462	\$ 3,735,579	\$ 7,007,714	\$ 4,644,006	\$ 83,075	\$ 80,248	\$ 69,059,527

**Southern Company—Postretirement Medical Plans
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Estimated Future Funding									
2011									
• Contributions to VEBA	\$ 9,201,443	\$ 21,813,153	\$ 0	\$ 7,705	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,022,301
• Claim payments									
— PAYG (net of retiree contributions and RDS)	\$ 21,537,529	\$ 40,075,746	\$ 3,355,955	\$ 3,634,826	\$ 8,783,089	\$ 6,680,362	\$ 136,318	\$ 66,978	\$ 84,270,803
— Reimbursements from trusts	(20,744,154)	(34,823,749)	(1,146,624)	(1,862,813)	0	0	0	0	(58,377,340)
— Net company payments	\$ 793,375	\$ 5,251,997	\$ 2,209,331	\$ 1,972,013	\$ 8,783,089	\$ 6,680,362	\$ 136,318	\$ 66,978	\$ 25,893,463
• Total	\$ 9,994,818	\$ 27,065,150	\$ 2,209,331	\$ 1,979,718	\$ 8,783,089	\$ 6,680,362	\$ 136,318	\$ 66,978	\$ 56,915,764
2012									
• Contributions to VEBA	\$ 8,643,431	\$ 25,906,234	\$ 0	\$ 7,705	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,557,370
• Claim payments									
— PAYG (net of retiree contributions and RDS)	\$ 22,891,941	\$ 41,726,594	\$ 3,521,522	\$ 3,881,497	\$ 9,257,879	\$ 7,310,490	\$ 167,952	\$ 65,710	\$ 88,823,585
— Reimbursements from trusts	(21,743,537)	(39,030,904)	(1,174,336)	(1,773,558)	0	0	0	0	(63,722,335)
— Net company payments	\$ 1,148,404	\$ 2,695,690	\$ 2,347,186	\$ 2,107,939	\$ 9,257,879	\$ 7,310,490	\$ 167,952	\$ 65,710	\$ 25,101,250
• Total	\$ 9,791,835	\$ 28,601,924	\$ 2,347,186	\$ 2,115,644	\$ 9,257,879	\$ 7,310,490	\$ 167,952	\$ 65,710	\$ 59,658,620
2013									
• Contributions to VEBA	\$ 8,165,509	\$ 26,292,961	\$ 0	\$ 7,705	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,466,175
• Claim payments									
— PAYG (net of retiree contributions and RDS)	\$ 24,376,454	\$ 43,406,424	\$ 3,661,551	\$ 4,220,496	\$ 9,891,128	\$ 7,963,900	\$ 186,990	\$ 69,235	\$ 93,776,178
— Reimbursements from trusts	(23,257,194)	(40,935,905)	(1,219,710)	(1,908,472)	0	0	0	0	(67,321,281)
— Net company payments	\$ 1,119,260	\$ 2,470,519	\$ 2,441,841	\$ 2,312,024	\$ 9,891,128	\$ 7,963,900	\$ 186,990	\$ 69,235	\$ 26,454,897
• Total	\$ 9,284,769	\$ 28,763,480	\$ 2,441,841	\$ 2,319,729	\$ 9,891,128	\$ 7,963,900	\$ 186,990	\$ 69,235	\$ 60,921,072
Average Remaining Service ¹	15 Years	15 Years	15 Years	14 Years	15 Years	14 Years	18 Years	18 Years	N/A

¹ As of December 31, 2010.

**Southern Company—Postretirement Life Plans
2010 Disclosure Information Under ASC 715**

	Alabama Power Company		Georgia Power Company		Gulf Power Company		Mississippi Power Company		Southern Nuclear Operating Company		Southern Communications Services		Southern Company		TOTAL
Change in Benefit Obligations															
Benefit Obligations, Prior Year	\$ 86,616,824	\$ 121,754,491	\$ 14,232,478	\$ 13,662,357	\$ 36,255,536	\$ 25,087,061	\$ 690,121	\$ 529,827	\$ 298,828,695						
Changes During Year															
• Service Cost	\$ 1,300,984	\$ 1,615,123	\$ 230,692	\$ 223,837	\$ 513,170	\$ 475,965	\$ 30,695	\$ 2,750	\$ 4,393,216						
• Interest Cost	5,050,385	7,110,456	832,391	801,175	2,119,265	1,481,316	40,842	30,882	17,466,712						
• Benefits Paid	(2,776,051)	(4,921,570)	(428,276)	(379,012)	(1,158,824)	(551,773)	(22,326)	(20,516)	(10,258,348)						
• (Gain)/Loss	(1,731,694)	(671,155)	(277,886)	(245,036)	(1,071,727)	(207,411)	(83,727)	(62,412)	(4,351,048)						
• Amendments	0	0	0	(1,823,900)	0	0	0	0	(1,823,900)						
• Curtailment	0	0	0	0	0	0	0	0	0						
• Total	\$ 1,843,624	\$ 3,132,854	\$ 356,921	\$ (1,422,936)	\$ 401,884	\$ 1,198,097	\$ (34,516)	\$ (49,296)	\$ 5,426,632						
Benefit Obligations, Current Year	\$ 88,460,448	\$ 124,887,345	\$ 14,589,399	\$ 12,239,421	\$ 36,657,420	\$ 26,285,158	\$ 655,605	\$ 480,531	\$ 304,255,327						
Change in Plan Assets															
Assets Available for Benefits, Prior Year	\$ 65,641,259	\$ 76,460,133	\$ 881,253	\$ 2,522,080	\$ 2,092,212	\$ 878,097	\$ 20,337	\$ 32,396	\$ 148,527,767						
Changes During Year															
• Actual Return on Plan Assets	\$ 6,646,193	\$ 11,634,710	\$ 781	\$ (18,519)	\$ 12,258	\$ 0	\$ 0	\$ 0	\$ 18,275,423						
• Employer Contributions	987,127	5,562,930	67,893	265,892	223,491	123,817	10,929	0	7,242,079						
• Benefits Paid	(2,776,051)	(4,921,570)	(428,276)	(379,012)	(1,158,824)	(551,773)	(22,326)	(20,516)	(10,258,348)						
• Total	\$ 4,857,269	\$ 12,276,070	\$ (359,602)	\$ (131,639)	\$ (923,075)	\$ (427,956)	\$ (11,397)	\$ (20,516)	\$ 15,259,154						
Assets Available for Benefits, Current Year	\$ 70,498,528	\$ 88,736,203	\$ 521,651	\$ 2,390,441	\$ 1,169,137	\$ 450,141	\$ 8,940	\$ 11,880	\$ 163,786,921						
Net Postretirement Benefit Asset/(Liability)															
Benefit Obligations	\$ (88,460,448)	\$ (124,887,345)	\$ (14,589,399)	\$ (12,239,421)	\$ (36,657,420)	\$ (26,285,158)	\$ (655,605)	\$ (480,531)	\$ (304,255,327)						
Assets	70,498,528	88,736,203	521,651	2,390,441	1,169,137	450,141	8,940	11,880	163,786,921						
Net Postretirement Benefit Asset/(Liability)	\$ (17,961,920)	\$ (36,151,142)	\$ (14,067,748)	\$ (9,848,980)	\$ (35,488,283)	\$ (25,835,017)	\$ (646,665)	\$ (468,651)	\$ (140,468,406)						
Amounts Recognized in Statement of Financial Position															
Noncurrent Assets															
Current Liabilities															
Noncurrent Liabilities															
Net Amount Recognized															

To Be Provided by Southern Accounting

**Southern Company—Postretirement Life Plans
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Amounts Recognized in Accumulated Other Comprehensive Income									
Transition Obligation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service Cost	(9,569,231)	(4,995,141)	(1,728,011)	(3,662,159)	(9,772,005)	(6,843,475)	(470,144)	0	(37,040,166)
(Gain)/Loss	(6,853,477)	7,987,653	(2,140,960)	(1,725,707)	(476,824)	(473,790)	(298,351)	(354,010)	(4,335,466)
Total	\$ (16,422,708)	\$ 2,992,512	\$ (3,868,971)	\$ (5,387,866)	\$ (10,248,829)	\$ (7,317,265)	\$ (768,495)	\$ (354,010)	\$ (41,375,632)
Components of Net Periodic Benefit Cost									
Service Cost	\$ 1,300,984	\$ 1,615,123	\$ 230,692	\$ 223,837	\$ 513,170	\$ 475,965	\$ 30,695	\$ 2,750	\$ 4,393,216
Interest Cost	5,050,385	7,110,456	832,391	801,175	2,119,265	1,481,316	40,842	30,882	17,466,712
Expected Return on Plan Assets	(4,611,184)	(6,234,143)	(9,700)	(97,970)	(9,040)	0	0	0	(10,962,037)
Amortization of Unrecognized Amounts									
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service Cost	(755,466)	(428,155)	(136,422)	(145,126)	(771,474)	(586,584)	(28,209)	0	(2,851,436)
• (Gain)/Loss	0	0	(36,996)	(22,361)	0	0	(6,442)	(14,913)	(80,712)
Curtailment	0	0	0	0	0	0	0	0	0
Net Cost	\$ 984,719	\$ 2,063,281	\$ 879,965	\$ 759,555	\$ 1,851,921	\$ 1,370,697	\$ 36,886	\$ 18,719	\$ 7,965,743
Other Changes in Plan Assets and Projected Benefit Obligation Recognized in Other Comprehensive Income									
Prior Service Cost (Credit)	\$ 0	\$ 0	\$ 0	\$ (1,823,900)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,823,900)
Transition Obligation (Asset)	0	0	0	0	0	0	0	0	0
(Gains) Losses from Assets and Benefit Obligations	(3,766,703)	(6,071,722)	(268,967)	(128,547)	(1,074,945)	(207,411)	(83,727)	(62,412)	(11,664,434)
(Gains) Losses from Other Sources	39,688	(6,165)	5	0	0	687,066	(36,093)	0	684,501
Amortizations of:									
• Transition Obligation	0	0	0	0	0	0	0	0	0
• Prior Service (Cost)/Credit	755,466	428,155	136,422	145,126	771,474	586,584	28,209	0	2,851,436
• Gain/(Loss)	0	0	36,996	22,361	0	0	6,442	14,913	80,712
Total Recognized in Other Comprehensive Income	\$ (2,971,549)	\$ (5,649,732)	\$ (95,544)	\$ (1,784,960)	\$ (303,471)	\$ 1,066,239	\$ (85,169)	\$ (47,499)	\$ (9,871,685)
Total Recognized in Net Periodic Pension Cost and Other Comprehensive Income	\$ (1,986,830)	\$ (3,586,451)	\$ 784,421	\$ (1,025,405)	\$ 1,548,450	\$ 2,436,936	\$ (48,283)	\$ (28,780)	\$ (1,905,942)

**Southern Company—Postretirement Life Plans
2010 Disclosure Information Under ASC 715**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Estimated Amortization During 2011									
Transition Obligation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Prior Service Cost	(755,466)	(428,155)	(136,422)	(275,405)	(771,474)	(586,584)	(28,209)	0	(2,981,715)
(Gain)/Loss	0	0	(47,278)	(41,601)	0	0	(12,933)	(17,997)	(119,809)
Total	\$ (755,466)	\$ (428,155)	\$ (183,700)	\$ (317,006)	\$ (771,474)	\$ (586,584)	\$ (41,142)	\$ (17,997)	\$ (3,101,524)
Estimated Future Benefit Payments—Gross Employer Payments									
2011	\$ 5,016,215	\$ 6,385,785	\$ 732,692	\$ 621,174	\$ 1,947,921	\$ 835,843	\$ 16,600	\$ 22,061	\$ 15,578,291
2012	\$ 5,202,024	\$ 6,554,819	\$ 761,319	\$ 660,286	\$ 2,051,865	\$ 908,971	\$ 17,994	\$ 22,922	\$ 16,180,200
2013	\$ 5,419,671	\$ 6,789,090	\$ 792,481	\$ 710,166	\$ 2,169,041	\$ 996,642	\$ 20,702	\$ 24,138	\$ 16,921,931
2014	\$ 5,550,628	\$ 7,018,820	\$ 818,534	\$ 743,551	\$ 2,234,795	\$ 1,077,275	\$ 23,538	\$ 25,253	\$ 17,492,394
2015	\$ 5,733,091	\$ 7,282,332	\$ 848,349	\$ 776,948	\$ 2,340,685	\$ 1,175,508	\$ 27,478	\$ 26,838	\$ 18,211,229
2016 - 2020	\$ 29,976,388	\$ 39,510,725	\$ 4,550,597	\$ 4,260,425	\$ 12,529,951	\$ 7,092,922	\$ 181,578	\$ 161,747	\$ 98,264,333
Estimated Future Funding									
2011	\$ 0	\$ 0	\$ 0	\$ 266,846	\$ 0	\$ 0	\$ 0	\$ 0	\$ 266,846
• Contributions to VEBA									
• Claim payments									
— PAYG (net of retiree contributions)	\$ 5,016,215	\$ 6,385,785	\$ 732,692	\$ 621,174	\$ 1,947,921	\$ 835,843	\$ 16,600	\$ 22,061	\$ 15,578,291
— Reimbursements from trusts	(2,935,060)	(4,049,450)	(399,623)	(344,178)	(1,059,114)	(450,141)	(8,940)	(11,880)	(9,258,376)
— Net company payments	\$ 2,081,165	\$ 2,336,335	\$ 333,069	\$ 276,996	\$ 888,807	\$ 385,702	\$ 7,660	\$ 10,181	\$ 6,319,915
• Total	\$ 2,081,165	\$ 2,336,335	\$ 333,069	\$ 543,842	\$ 888,807	\$ 385,702	\$ 7,660	\$ 10,181	\$ 6,586,761
2012	\$ 0	\$ 0	\$ 0	\$ 266,846	\$ 0	\$ 0	\$ 0	\$ 0	\$ 266,846
• Contributions to VEBA									
• Claim payments									
— PAYG (net of retiree contributions)	\$ 5,202,024	\$ 6,554,819	\$ 761,319	\$ 660,286	\$ 2,051,865	\$ 908,971	\$ 17,994	\$ 22,922	\$ 16,180,200
— Reimbursements from trusts	(1,135,304)	(1,120,771)	(5,034)	(47,391)	(10,067)	0	0	0	(2,318,567)
— Net company payments	\$ 4,066,720	\$ 5,434,048	\$ 756,285	\$ 612,895	\$ 2,041,798	\$ 908,971	\$ 17,994	\$ 22,922	\$ 13,861,633
• Total	\$ 4,066,720	\$ 5,434,048	\$ 756,285	\$ 879,741	\$ 2,041,798	\$ 908,971	\$ 17,994	\$ 22,922	\$ 14,128,479
2013	\$ 0	\$ 0	\$ 0	\$ 266,846	\$ 0	\$ 0	\$ 0	\$ 0	\$ 266,846
• Contributions to VEBA									
• Claim payments									
— PAYG (net of retiree contributions)	\$ 5,419,671	\$ 6,789,090	\$ 792,481	\$ 710,166	\$ 2,169,041	\$ 996,642	\$ 20,702	\$ 24,138	\$ 16,921,931
— Reimbursements from trusts	(2,530,319)	(2,450,261)	(5,034)	(109,166)	(10,067)	0	0	0	(5,104,847)
— Net company payments	\$ 2,889,352	\$ 4,338,829	\$ 787,447	\$ 601,000	\$ 2,158,974	\$ 996,642	\$ 20,702	\$ 24,138	\$ 11,817,084
• Total	\$ 2,889,352	\$ 4,338,829	\$ 787,447	\$ 867,846	\$ 2,158,974	\$ 996,642	\$ 20,702	\$ 24,138	\$ 12,083,930
Average Remaining Service ¹	15 Years	15 Years	15 Years	14 Years	15 Years	14 Years	18 Years	17 Years	N/A

¹ As of December 31, 2010.

Southern Company
2010 Disclosure Information Under ASC 715
Weighted Average Assumptions (reflecting returns on MetLife Reserves)

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	TOTAL
Weighted Average Assumptions used to develop Fiscal 2010 Net Periodic Benefit Cost					
Discount rate¹					
Pension plans					
Qualified	5.95%	5.95%	5.95%	5.95%	5.95%
Nonqualified/COSB	5.60%	5.60%	5.60%	5.60%	5.60%
Total (weighted average)	5.93%	5.93%	5.93%	5.92%	5.93%
Other postretirement benefit plans					
Retiree medical	5.80%	5.80%	5.80%	5.80%	5.80%
Retiree life ²	6.00%	6.00%	6.00%	6.00%	6.00%
Total (weighted average)	5.84%	5.83%	5.84%	5.83%	5.83%
Annual salary increase³	4.18%	4.18%	4.18%	4.18%	4.18%
Long-term return on plan assets³					
Pension plans					
Qualified	8.75%	8.75%	8.75%	8.75%	8.75%
Nonqualified/COSB	N/A	N/A	N/A	N/A	N/A
Total (weighted average)	8.75%	8.75%	8.75%	8.75%	8.75%
Other postretirement benefit plans					
Retiree medical	7.71%	7.47%	8.63%	8.20%	7.70%
Retiree life	6.47%	6.39%	0.95%	3.78%	6.22%
Total (weighted average)	7.43%	7.24%	8.18%	7.65%	7.40%
Healthcare Cost Trend Rate for Medicare Ineligible					
Initial Trend (2009 - 2010) ⁴	8.50%	8.50%	8.50%	8.50%	8.50%
Ultimate Trend	5.25%	5.25%	5.25%	5.25%	5.25%
Year Ultimate Trend Reached	2016	2016	2016	2016	2016
Healthcare Cost Trend Rate for Medicare Eligible (Medical / Rx)					
Initial Trend (2009 - 2010) ⁴	8.50% / 8.50%	8.50% / 8.50%	8.50% / 8.50%	8.50% / 8.50%	8.50% / 8.50%
Ultimate Trend	5.25% / 5.25%	5.25% / 5.25%	5.25% / 5.25%	5.25% / 5.25%	5.25% / 5.25%
Year Ultimate Trend Reached	2016 / 2016	2016 / 2016	2016 / 2016	2016 / 2016	2016 / 2016

¹ Weighted average based on benefit obligations for each plan as of the prior measurement date.

² Average salary increase over an individual employee's career. Assumed increases vary by population group (covered, noncovered and executive). Career average was weighted by active headcount for each group.

³ Weighted average based on market values of assets as of measurement date (reflecting the 0% assumed return on MetLife reserves).

⁴ Drops 0.50% each year but not below the ultimate trend rate.

Southern Company
2010 Disclosure Information Under ASC 715
Weighted Average Assumptions (reflecting returns on MetLife Reserves)

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	TOTAL
Weighted Average Assumptions used to develop Benefit Obligations as of December 31, 2010					
Discount rate¹					
Pension plans					
Qualified	5.55%	5.55%	5.55%	5.55%	5.55%
Nonqualified/COSB	5.05%	5.05%	5.05%	5.05%	5.05%
Total (weighted average)	5.52%	5.52%	5.53%	5.51%	5.52%
Other postretirement benefit plans					
Retiree medical	5.35%	5.35%	5.35%	5.35%	5.35%
Retiree life	5.65%	5.65%	5.65%	5.65%	5.65%
Total (weighted average)	5.41%	5.40%	5.41%	5.39%	5.40%
Annual salary increase²	3.84%	3.84%	3.84%	3.84%	3.84%
Healthcare Cost Trend Rate for Medicare Ineligible					
Initial Trend (2010 - 2011) ³	8.25%	8.25%	8.25%	8.25%	8.25%
Ultimate Trend	5.00%	5.00%	5.00%	5.00%	5.00%
Year Ultimate Trend Reached	2019	2019	2019	2019	2019
Healthcare Cost Trend Rate for Medicare Eligible (Medical / Rx)					
Initial Trend (2010 - 2011) ^{4/3}	8.25% / 8.25%	8.25% / 8.25%	8.25% / 8.25%	8.25% / 8.25%	8.25% / 8.25%
Ultimate Trend	5.00% / 5.00%	5.00% / 5.00%	5.00% / 5.00%	5.00% / 5.00%	5.00% / 5.00%
Year Ultimate Trend Reached	2016 / 2019	2016 / 2019	2016 / 2019	2016 / 2019	2016 / 2019

¹ Weighted average based on benefit obligations for each plan as of the current measurement date.

² Average salary increase over an individual employee's career. Assumed increases vary by population group (covered, noncovered and executive). Career average was weighted by active headcount for each group.

³ Drops 0.40% each year but not below the ultimate trend rate.

⁴ Drops 0.60% each year but not below the ultimate trend rate.

Southern Company
2010 Disclosure Information Under ASC 715
Weighted Average Assumptions (Ignoring Returns on MetLife Reserves)

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	TOTAL
Weighted Average Assumptions used to develop Fiscal 2010 Net Periodic Benefit Cost					
Discount rate¹					
Pension plans					
Qualified	5.95%	5.95%	5.95%	5.95%	5.95%
Nonqualified/COSB	5.60%	5.60%	5.60%	5.60%	5.60%
Total (weighted average)	5.93%	5.93%	5.93%	5.93%	5.93%
Other postretirement benefit plans					
Retiree medical	5.80%	5.80%	5.80%	5.80%	5.80%
Retiree life ²	6.00%	6.00%	6.00%	6.00%	6.00%
Total (weighted average)	5.84%	5.83%	5.84%	5.83%	5.83%
Annual salary increase³	4.18%	4.18%	4.18%	4.18%	4.18%
Long-term return on plan assets³					
Pension plans					
Qualified	8.75%	8.75%	8.75%	8.75%	8.75%
Nonqualified/COSB	N/A	N/A	N/A	N/A	N/A
Total (weighted average)	8.75%	8.75%	8.75%	8.75%	8.75%
Other postretirement benefit plans					
Retiree medical	7.71%	7.47%	8.63%	8.20%	7.70%
Retiree life	7.01%	7.02%	6.60%	5.11%	6.99%
Total (weighted average)	7.56%	7.38%	8.61%	7.91%	7.57%
Healthcare Cost Trend Rate for Medicare Ineligible					
Initial Trend (2009 - 2010) ⁴	8.50%	8.50%	8.50%	8.50%	8.50%
Ultimate Trend	5.25%	5.25%	5.25%	5.25%	5.25%
Year Ultimate Trend Reached	2016	2016	2016	2016	2016
Healthcare Cost Trend Rate for Medicare Eligible (Medical / Rx)					
Initial Trend (2009 - 2010) ⁴	8.50% / 8.50%	8.50% / 8.50%	8.50% / 8.50%	8.50% / 8.50%	8.50% / 8.50%
Ultimate Trend	5.25% / 5.25%	5.25% / 5.25%	5.25% / 5.25%	5.25% / 5.25%	5.25% / 5.25%
Year Ultimate Trend Reached	2016 / 2016	2016 / 2016	2016 / 2016	2016 / 2016	2016 / 2016

¹ Weighted average based on benefit obligations for each plan as of the prior measurement date.

² Average salary increase over an individual employee's career. Assumed increases vary by population group (covered, noncovered and executive). Career average was weighted by active headcount for each group.

³ Weighted average based on market values of assets as of measurement date (ignoring the 0% assumed return on MetLife reserves).

⁴ Drops 0.50% each year but not below the ultimate trend rate.

Southern Company
2010 Disclosure Information Under ASC 715
Weighted Average Assumptions (Ignoring Returns on MetLife Reserves)

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	TOTAL
Weighted Average Assumptions used to develop Benefit Obligations as of December 31, 2010					
Discount rate¹					
Pension plans					
Qualified	5.55%	5.55%	5.55%	5.55%	5.55%
Nonqualified/COSB	5.05%	5.05%	5.05%	5.05%	5.05%
Total (weighted average)	5.52%	5.52%	5.53%	5.51%	5.52%
Other postretirement benefit plans					
Retiree medical	5.35%	5.35%	5.35%	5.35%	5.35%
Retiree life	5.65%	5.65%	5.65%	5.65%	5.65%
Total (weighted average)	5.41%	5.40%	5.41%	5.39%	5.40%
Annual salary increase²	3.84%	3.84%	3.84%	3.84%	3.84%
Healthcare Cost Trend Rate for Medicare Ineligible					
Initial Trend (2010 - 2011) ³	8.25%	8.25%	8.25%	8.25%	8.25%
Ultimate Trend	5.00%	5.00%	5.00%	5.00%	5.00%
Year Ultimate Trend Reached	2019	2019	2019	2019	2019
Healthcare Cost Trend Rate for Medicare Eligible (Medical / Rx)					
Initial Trend (2010 - 2011) ^{4, 5}	8.25% / 8.25%	8.25% / 8.25%	8.25% / 8.25%	8.25% / 8.25%	8.25% / 8.25%
Ultimate Trend	5.00% / 5.00%	5.00% / 5.00%	5.00% / 5.00%	5.00% / 5.00%	5.00% / 5.00%
Year Ultimate Trend Reached	2016 / 2019	2016 / 2019	2016 / 2019	2016 / 2019	2016 / 2019

¹ Weighted average based on benefit obligations for each plan as of the current measurement date.

² Average salary increase over an individual employee's career. Assumed increases vary by population group (covered, noncovered and executive).

³ Career average was weighted by active headcount for each group.

⁴ Drops 0.40% each year but not below the ultimate trend rate.

⁵ Drops 0.60% each year but not below the ultimate trend rate.

Southern Company
2010 Disclosure Information Under ASC 715
Summary of Census Data

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Qualified Pension									
Active									
• Count	6,965	8,769	1,359	1,318	3,944	3,382	356	0	26,093
• Base pay (000s)	\$ 63,592	\$ 66,089	\$ 62,278	\$ 66,077	\$ 85,291	\$ 74,200	\$ 70,238	\$ 0	\$ 69,234
• Total Pay (000s)	\$ 72,625	\$ 75,280	\$ 71,362	\$ 76,047	\$ 104,518	\$ 85,985	\$ 83,858	\$ 0	\$ 80,330
Inactive									
• Count	6,070	9,540	1,057	1,030	3,165	1,284	168	19	22,333
Nonqualified Pension									
Active Count	163	217	38	44	332	88	13	0	895
Inactive Count	110	193	20	27	175	67	1	9	602
COSB									
Inactive Count	287	400	0	132	203	0	0	0	1,022
Retiree Medical and Life									
Active Count	6,946	8,750	1,364	1,310	3,943	3,364	351	0	26,028
Inactive Count	5,966	8,690	909	909	1,969	1,239	27	22	19,731
• Medical	3,338	4,745	528	518	1,237	759	20	17	11,162
• Life									

Comments — This page contains a summary of personnel data used for the December 31, 2010 measurement. The personnel data was reported as of January 1, 2010, complemented with pay information as of March 2010.

- Refer to the Assumption Guide sent to Jeff Horne on January 19, 2011 for additional information related to projection of this census data to the measurement date.
- Active participants are reported under the operating company for which they are currently employed.
- Inactive participants are reported under the most recent operating company for which they were employed.
- Base Pay is the average of the base pay rates as of March 2010.
- Total Pay is the average of the base pay rates as of March 2010 plus 130% of target incentives.
- Retired retirees (currently receiving pension payments) are included as actives in the Retiree Medical and Life counts and included as inactive in the Qualified Pension counts.
- Retiree Medical and Life active counts exclude employees that are currently on leave of absence.
- Retiree Medical inactive counts include covered spouses.

**Southern Company—Total Pension Benefits
2010 Disclosure Information Under ASC 715**

Impact on December 31, 2010 Obligations and Anticipated 2011 Costs of Incremental Changes in Assumptions

(rounded to \$1,000's)

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
Discount Rate + 25 bps									
• Obligations	\$ (56,310,000)	\$ (83,777,000)	\$ (10,622,000)	\$ (11,202,000)	\$ (43,373,000)	\$ (28,173,000)	\$ (1,938,000)	\$ (188,000)	\$ (235,583,000)
• Costs	\$ (3,177,000)	\$ (4,969,000)	\$ (494,000)	\$ (704,000)	\$ (3,234,000)	\$ (2,992,000)	\$ (151,000)	\$ 0	\$ (15,721,000)
Discount Rate - 25 bps									
• Obligations	\$ 59,457,000	\$ 88,381,000	\$ 11,235,000	\$ 11,828,000	\$ 45,746,000	\$ 29,766,000	\$ 2,066,000	\$ 196,000	\$ 248,675,000
• Costs	\$ 5,502,000	\$ 8,164,000	\$ 1,097,000	\$ 1,160,000	\$ 4,633,000	\$ 3,140,000	\$ 262,000	\$ 0	\$ 23,958,000
Salary Increase Rate + 25 bps									
• Obligations	\$ 15,085,000	\$ 20,465,000	\$ 3,106,000	\$ 3,101,000	\$ 11,526,000	\$ 8,581,000	\$ 662,000	\$ 0	\$ 62,526,000
• Costs	\$ 3,036,000	\$ 4,161,000	\$ 614,000	\$ 626,000	\$ 2,510,000	\$ 1,706,000	\$ 142,000	\$ 0	\$ 12,795,000
Salary Increase Rate - 25 bps									
• Obligations	\$ (14,468,000)	\$ (19,673,000)	\$ (2,968,000)	\$ (2,975,000)	\$ (10,934,000)	\$ (8,197,000)	\$ (628,000)	\$ 0	\$ (59,843,000)
• Costs	\$ (2,901,000)	\$ (3,990,000)	\$ (586,000)	\$ (602,000)	\$ (2,393,000)	\$ (1,626,000)	\$ (113,000)	\$ 0	\$ (12,211,000)
Medical Trend Rate + 25 bps									
• Obligations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
• Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Medical Trend Rate - 25 bps									
• Obligations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
• Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Expected Rates of Return + 25 bps									
• Obligations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
• Costs	\$ (5,187,000)	\$ (7,025,000)	\$ (818,000)	\$ (756,000)	\$ (2,807,000)	\$ (1,530,000)	\$ (73,000)	\$ (29,000)	\$ (18,225,000)
Expected Rates of Return - 25 bps									
• Obligations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
• Costs	\$ 5,187,000	\$ 7,025,000	\$ 818,000	\$ 756,000	\$ 2,807,000	\$ 1,530,000	\$ 73,000	\$ 29,000	\$ 18,225,000

Southern Company—Postretirement Medical and Life Plans
2010 Disclosure Informed Under ASC 715
Impact on December 31, 2010 Obligations and Anticipated 2011 Costs of Incremental Changes in Assumptions

(rounded to \$1,000's)

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Operating Company	Southern Communications Services	Southern Company	TOTAL
Discount Rate + 25 bps									
• Obligations	\$ (12,719,000)	\$ (22,255,000)	\$ (1,975,000)	\$ (2,338,000)	\$ (5,658,000)	\$ (4,846,000)	\$ (166,000)	\$ (38,000)	\$ (49,995,000)
• Costs	\$ 1,000	\$ (770,000)	\$ (21,000)	\$ (128,000)	\$ (255,000)	\$ (3,000)	\$ (21,000)	\$ (1,000)	\$ (1,198,000)
Discount Rate - 25 bps									
• Obligations	\$ 13,320,000	\$ 23,258,000	\$ 2,068,000	\$ 2,445,000	\$ 5,923,000	\$ 5,080,000	\$ 175,000	\$ 40,000	\$ 52,309,000
• Costs	\$ (133,000)	\$ 779,000	\$ 20,000	\$ 131,000	\$ 261,000	\$ 105,000	\$ 22,000	\$ 1,000	\$ 1,186,000
Salary Increase Rate + 25 bps									
• Obligations	\$ 48,000	\$ 70,000	\$ 4,000	\$ 1,000	\$ 6,000	\$ 9,000	\$ 0	\$ 0	\$ 138,000
• Costs	\$ 4,000	\$ 6,000	\$ 1,000	\$ 0	\$ 0	\$ 1,000	\$ 0	\$ 0	\$ 12,000
Salary Increase Rate - 25 bps									
• Obligations	\$ (47,000)	\$ (69,000)	\$ (4,000)	\$ (1,000)	\$ (5,000)	\$ (9,000)	\$ 0	\$ 0	\$ (135,000)
• Costs	\$ (4,000)	\$ (6,000)	\$ (1,000)	\$ 0	\$ 0	\$ (1,000)	\$ 0	\$ 0	\$ (12,000)
Medical Trend Rate + 25 bps									
• Obligations	\$ 7,430,000	\$ 14,518,000	\$ 869,000	\$ 1,330,000	\$ 2,966,000	\$ 2,191,000	\$ 31,000	\$ 26,000	\$ 29,361,000
• Costs	\$ 403,000	\$ 1,667,000	\$ 47,000	\$ 157,000	\$ 340,000	\$ 120,000	\$ 4,000	\$ 3,000	\$ 2,741,000
Medical Trend Rate - 25 bps									
• Obligations	\$ (6,899,000)	\$ (13,487,000)	\$ (808,000)	\$ (1,237,000)	\$ (2,752,000)	\$ (2,037,000)	\$ (29,000)	\$ (24,000)	\$ (27,273,000)
• Costs	\$ (374,000)	\$ (1,548,000)	\$ (43,000)	\$ (146,000)	\$ (316,000)	\$ (111,000)	\$ (3,000)	\$ (3,000)	\$ (2,544,000)
Expected Rates of Return + 25 bps									
• Obligations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
• Costs	\$ (830,000)	\$ (1,042,000)	\$ (42,000)	\$ (55,000)	\$ (130,000)	\$ 0	\$ 0	\$ 0	\$ (2,099,000)
Expected Rates of Return - 25 bps									
• Obligations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
• Costs	\$ 830,000	\$ 1,042,000	\$ 42,000	\$ 55,000	\$ 130,000	\$ 0	\$ 0	\$ 0	\$ 2,099,000

Southern Company—Total Pension Benefits
FINAL Development of 12/31/2010 Balance Sheet Assets/Liabilities and Related AOCI

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
1. Benefit Obligations	\$ (1,778,649,850)	\$ (2,674,227,360)	\$ (316,285,796)	\$ (330,314,622)	\$ (1,298,882,519)	\$ (770,357,664)	\$ (45,585,716)	\$ (8,667,758)	\$ (7,222,971,285)
2. Fair Value of Assets									
(a) Trustee Statement	\$ 1,922,287,951	\$ 2,606,943,167	\$ 306,160,399	\$ 282,161,565	\$ 1,060,825,768	\$ 579,248,278	\$ 28,437,325	\$ 11,036,423	\$ 6,797,100,876
(b) Adjustment to Fair Value	10,486,511	14,194,336	1,666,988	1,536,319	5,776,005	3,153,902	154,836	60,091	37,008,988
(c) Fair Value of Assets	\$ 1,932,754,462	\$ 2,621,137,503	\$ 307,827,387	\$ 283,697,884	\$ 1,066,601,773	\$ 582,402,180	\$ 28,592,161	\$ 11,096,514	\$ 6,834,109,864
3. Net Postretirement Benefit Asset/(Liability)	\$ 154,104,612	\$ (53,089,857)	\$ (8,458,409)	\$ (46,616,738)	\$ (232,280,746)	\$ (187,955,484)	\$ (16,993,555)	\$ 2,428,756	\$ (388,861,421)
4. Amounts Recognized in AOCI									
(a) Transition Obligations/(Asset)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(b) Prior Service Cost/(Credit)	41,547,526	60,779,813	7,663,894	7,878,815	36,826,878	11,107,826	1,445,072	25,675	167,275,499
(c) Net Loss/(Gain)	455,585,147	628,404,377	67,432,048	70,250,958	272,148,998	151,353,260	5,920,981	(751,207)	1,650,344,562
(d) Total AOCI	\$ 497,132,673	\$ 689,184,190	\$ 75,095,942	\$ 78,129,773	\$ 308,975,876	\$ 162,461,086	\$ 7,366,053	\$ (725,532)	\$ 1,817,620,061
5. Prepaid/(Accrued) Cost Already Recognized	\$ 651,237,285	\$ 636,094,333	\$ 66,637,533	\$ 31,513,035	\$ 76,695,130	\$ (25,494,398)	\$ (9,627,502)	\$ 1,703,224	\$ 1,428,758,640
6. Estimated Benefit Payments for 2011	\$ 90,189,400	\$ 138,852,124	\$ 14,524,098	\$ 13,753,322	\$ 52,584,346	\$ 23,716,052	\$ 893,161	\$ 680,029	\$ 335,192,532

Comments — The values above are FINAL benefit obligations and asset values as of December 31, 2010. The following describes the values that have been provided.

- Line (1): Benefit obligations were computed based on the following:
 - Assumption Guide referenced below is the guide delivered to J. Home at Southern on January 19, 2011.
 - Personnel data as of January 1, 2010 that originated from Southern Company projected to December 31, 2010, measurement date. See description in Assumption Guide.
 - Plan provisions described in the Fiscal 2010 accounting reports with changes summarized in the Assumption Guide.
 - Actuarial assumptions and methods described in the Assumption Guide. (Discount rate: Qualified: 5.55%, Nonqualified: 5.05%).
- Line (2): Fair value of assets as of December 31, 2010 provided by Southern. Refer to letter for details.
- Line (3): Net Postretirement Benefit Asset/(Liability) is difference between plan assets and benefit obligations. ASC 715 requires this excess/(deficit) to be reflected in the company's balance sheet.
- Line (4): These lines show the components of the AOCI ("accumulated other comprehensive income") to be recognized in the balance sheet. The amount shown is before adjustments (e.g., tax adjustments).
- Line (5): Reports the prepaid or accrued but unpaid retirement benefit costs which reflects the cumulative difference between amounts funded and amounts reflected in the company's income statement.

**Southern Company—The Southern Company Pension Plan
FINAL Development of 12/31/2010 Balance Sheet Assets/Liabilities and Related AOCI**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
1. Benefit Obligations	\$ (1,675,919,843)	\$ (2,530,417,821)	\$ (300,536,591)	\$ (304,864,366)	\$ (1,140,063,881)	\$ (745,446,361)	\$ (42,379,858)	\$ (6,264,534)	\$ (6,745,893,255)
2. Fair Value of Assets									
(a) Trustee Statement	\$ 1,922,287,951	\$ 2,606,943,167	\$ 306,160,399	\$ 282,161,565	\$ 1,060,825,768	\$ 579,248,278	\$ 28,437,325	\$ 11,036,423	\$ 6,797,100,876
(b) Adjustment to Fair Value	10,466,511	14,194,336	1,666,988	1,536,319	5,776,005	3,153,902	154,836	60,091	37,008,988
(c) Fair Value of Assets	\$ 1,932,754,462	\$ 2,621,137,503	\$ 307,827,387	\$ 283,697,884	\$ 1,066,601,773	\$ 582,402,180	\$ 28,592,161	\$ 11,096,514	\$ 6,834,109,864
3. Net Postretirement Benefit Asset/(Liability)	\$ 256,834,619	\$ 90,719,682	\$ 7,290,796	\$ (21,166,482)	\$ (73,462,108)	\$ (163,044,181)	\$ (13,787,697)	\$ 4,831,980	\$ 88,216,609
4. Amounts Recognized in AOCI									
(a) Transition Obligation/(Asset)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(b) Prior Service Cost/(Credit)	32,023,443	46,615,671	6,143,239	6,249,343	20,114,277	9,481,165	1,074,415	25,675	121,727,228
(c) Net Loss/(Gain)	425,695,215	592,094,454	62,852,078	61,247,771	216,036,524	142,060,583	5,260,686	(1,554,638)	1,503,692,673
(d) Total AOCI	\$ 457,718,658	\$ 638,710,125	\$ 68,995,317	\$ 67,497,114	\$ 236,150,801	\$ 151,541,748	\$ 6,335,101	\$ (1,528,963)	\$ 1,625,419,901
5. Prepaid/(Accrued) Cost Already Recognized	\$ 714,553,277	\$ 729,429,807	\$ 76,286,113	\$ 46,330,632	\$ 162,688,693	\$ (11,502,433)	\$ (7,452,596)	\$ 3,303,017	\$ 1,713,636,510
6. Estimated Benefit Payments for 2011	\$ 83,641,353	\$ 130,129,285	\$ 13,745,947	\$ 12,237,084	\$ 43,757,520	\$ 22,424,889	\$ 794,503	\$ 495,119	\$ 307,225,700

Comments — The values above are FINAL benefit obligations and asset values as of December 31, 2010. The following describes the values that have been provided.

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 - Actuarial assumptions and methods described in the Assumption Guide. (Discount rate: 5.55%).
- Line (2): Fair value of assets as of December 31, 2010 provided by Southern. Refer to letter for details.
- Line (3): Net Postretirement Benefit Asset/(Liability) is difference between plan assets and benefit obligations. ASC 715 requires this excess/(deficit) to be reflected in the company's balance sheet.
- Line (4): These lines show the components of the AOCI ("accumulated other comprehensive income") to be recognized in the balance sheet. The amount shown is before adjustments (e.g., tax adjustments).
- Line (5): Reports the prepaid or accrued but unpaid retirement benefit costs which reflects the cumulative difference between amounts funded and amounts reflected in the company's income statement.

Southern Company—Nonqualified Pension Benefits
FINAL Development of 12/31/2010 Balance Sheet Assets/Liabilities and Related AOCI

	Alabama	Georgia	Gulf	Mississippi	Southern	Southern	Southern	Southern	TOTAL
	Power Company	Power Company	Power Company	Power Company	Company Services	Nuclear Operating Company	Communications Services	Company	
1. Benefit Obligations	\$ (91,034,706)	\$ (132,036,932)	\$ (15,749,205)	\$ (22,061,757)	\$ (152,223,295)	\$ (24,911,303)	\$ (3,205,858)	\$ (2,403,224)	\$ (443,626,280)
2. Fair Value of Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(a) Trustee Statement	0	0	0	0	0	0	0	0	0
(b) Adjustment to Fair Value	0	0	0	0	0	0	0	0	0
(c) Fair Value of Assets	\$ (91,034,706)	\$ (132,036,932)	\$ (15,749,205)	\$ (22,061,757)	\$ (152,223,295)	\$ (24,911,303)	\$ (3,205,858)	\$ (2,403,224)	\$ (443,626,280)
3. Net Postretirement Benefit Asset/(Liability)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
4. Amounts Recognized in AOCI	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(a) Transition Obligations/(Asset)	8,673,628	13,024,367	1,520,655	1,490,810	16,427,851	1,626,661	370,657	0	43,134,629
(b) Prior Service Cost/(Credit)	25,587,681	30,539,668	4,579,970	8,129,526	52,579,658	9,292,677	660,295	803,431	132,172,906
(c) Net Loss/(Gain)	\$ 34,261,309	\$ 43,564,035	\$ 6,100,625	\$ 9,620,336	\$ 69,007,509	\$ 10,919,338	\$ 1,030,952	\$ 803,431	\$ 175,307,535
(d) Total AOCI	\$ (56,773,397)	\$ (88,472,897)	\$ (9,648,580)	\$ (12,441,421)	\$ (83,215,786)	\$ (13,991,965)	\$ (2,174,906)	\$ (1,599,793)	\$ (268,318,745)
5. Prepaid/(Accrued) Cost Already Recognized	\$ 5,095,036	\$ 7,215,703	\$ 778,151	\$ 1,086,400	\$ 7,995,394	\$ 1,291,163	\$ 98,658	\$ 184,910	\$ 23,745,415
6. Estimated Benefit Payments for 2011									

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 - Plan provisions described in the Fiscal 2010 accounting reports with changes summarized in the Assumption Guide.
 - Actuarial assumptions and methods described in the Assumption Guide. (Discount rate: 5.05%).
- Line (3): Net Postretirement Benefit Asset/(Liability) is difference between plan assets and benefit obligations. ASC 715 requires this excess/(deficit) to be reflected in the company's balance sheet.
- Line (4): These lines show the components of the AOCI ("accumulated other comprehensive income") to be recognized in the balance sheet. The amount shown is before adjustments (e.g., tax adjustments).
- Line (5): Reports the prepaid or accrued but unpaid retirement benefit costs which reflects the cumulative difference between amounts funded and amounts reflected in the company's income statement.

Southern Company — Certain Other Supplemental Pension Benefits
FINAL Development of 12/31/2010 Balance Sheet Assets/Liabilities and Related AOCI

	Alabama Power Company		Georgia Power Company		Mississippi Power Company		Southern Company Services		TOTAL
	ERIP I	ERIP II	ERIP I	ERIP II	ERIP III	Total	Total		
1. Benefit Obligations	\$ (11,695,301)	\$ (11,772,607)	\$ (798,039)	\$ (543,022)	\$ (2,047,438)	\$ (3,388,499)	\$ (6,595,343)	\$ (33,451,750)	
2. Fair Value of Assets									
(a) Trustee Statement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
(b) Adjustment to Fair Value	0	0	0	0	0	0	0	0	
(c) Fair Value of Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
3. Net Postretirement Benefit Asset/(Liability)	\$ (11,695,301)	\$ (11,772,607)	\$ (798,039)	\$ (543,022)	\$ (2,047,438)	\$ (3,388,499)	\$ (6,595,343)	\$ (33,451,750)	
4. Amounts Recognized in AOCI									
(a) Transition Obligation/(Asset)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
(b) Prior Service Cost/(Credit)	850,455	1,139,775	44,852	18,834	74,976	138,662	284,750	2,413,642	
(c) Net Loss/(Gain)	4,302,251	5,770,255	144,827	193,146	535,688	873,661	3,532,816	14,478,983	
(d) Total AOCI	\$ 5,152,706	\$ 6,910,030	\$ 189,679	\$ 211,980	\$ 610,664	\$ 1,012,323	\$ 3,817,566	\$ 16,892,625	
5. Prepaid/(Accrued) Cost Already Recognized	\$ (6,542,595)	\$ (4,862,577)	\$ (608,360)	\$ (331,042)	\$ (1,436,774)	\$ (2,376,176)	\$ (2,777,777)	\$ (16,559,125)	
6. Estimated Benefit Payments for 2011	\$ 1,453,011	\$ 1,507,136	\$ 127,041	\$ 67,428	\$ 235,369	\$ 429,838	\$ 831,432	\$ 4,221,417	

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 - Plan provisions described in the Fiscal 2010 accounting reports with changes summarized in the Assumption Guide.
 - Actuarial assumptions and methods described in the Assumption Guide. (Discount rate: 5.05%).
- Line (3): Net Postretirement Benefit Asset/(Liability) is difference between plan assets and benefit obligations. ASC 715 requires this excess/(deficit) to be reflected in the company's balance sheet.
- Line (4): These lines show the components of the AOCI ("accumulated other comprehensive income") to be recognized in the balance sheet. The amount shown is before adjustments (e.g., tax adjustment).
- Line (5): Reports the prepaid or accrued but unpaid retirement benefit costs which reflects the cumulative difference between amounts funded and amounts reflected in the company's income statement.

**Southern Company—Total Postretirement Medical and Life
FINAL Development of 12/31/2010 Balance Sheet Assets/Liabilities and Related AOCI**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
1. Benefit Obligations	\$ (453,746,594)	\$ (786,443,953)	\$ (69,617,232)	\$ (81,887,920)	\$ (195,448,348)	\$ (158,960,501)	\$ (4,718,357)	\$ (1,472,740)	\$ (1,752,095,645)
2. Fair Value of Assets									
(a) Trustee Statement	\$ 322,662,116	\$ 392,651,040	\$ 15,617,641	\$ 20,865,545	\$ 48,377,406	\$ 450,141	\$ 8,940	\$ 11,880	\$ 800,644,709
(b) Adjustment to Fair Value	539,501	459,103	79,731	89,153	257,040	0	0	0	1,424,528
(c) Fair Value of Assets	\$ 323,201,617	\$ 393,110,143	\$ 15,697,372	\$ 20,954,698	\$ 48,634,446	\$ 450,141	\$ 8,940	\$ 11,880	\$ 802,069,237
3. Net Postretirement Benefit Asset/(Liability)	\$ (130,544,977)	\$ (393,333,810)	\$ (53,919,860)	\$ (60,733,222)	\$ (146,813,902)	\$ (158,510,360)	\$ (4,709,417)	\$ (1,460,860)	\$ (950,026,408)
4. Amounts Recognized in AOCI									
(a) Transition Obligations/(Asset)	\$ 5,256,356	\$ 17,182,812	\$ 449,740	\$ 399,708	\$ 416,893	\$ 982,392	\$ 0	\$ 0	\$ 24,687,901
(b) Prior Service Cost/(Credit)	29,619,569	9,677,795	695,300	(2,873,381)	1,371,716	(3,958,636)	(359,757)	0	34,172,606
(c) Net Loss/(Gain)	37,362,882	151,661,493	(1,310,588)	11,091,814	29,489,428	10,548,589	(1,548,336)	(1,396,723)	235,898,559
(d) Total AOCI	\$ 72,238,807	\$ 178,522,100	\$ (165,548)	\$ 8,618,141	\$ 31,278,037	\$ 7,572,345	\$ (1,908,093)	\$ (1,396,723)	\$ 294,759,066
5. Prepaid/(Accrued) Cost Already Recognized	\$ (58,306,170)	\$ (214,811,710)	\$ (54,085,408)	\$ (52,115,081)	\$ (115,535,865)	\$ (150,938,015)	\$ (6,617,510)	\$ (2,857,583)	\$ (655,267,342)
6. Estimated Future Benefit Payments for 2011 Gross Employer Payments	\$ 29,175,701	\$ 49,753,456	\$ 4,460,742	\$ 4,744,739	\$ 11,470,047	\$ 7,896,556	\$ 161,834	\$ 99,652	\$ 107,762,727
7. Estimated Future Benefit Payments for 2011 Subsidy	\$ 2,621,957	\$ 3,291,925	\$ 372,095	\$ 488,739	\$ 739,037	\$ 380,351	\$ 8,916	\$ 10,613	\$ 7,913,633

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- Line (1): Benefit obligations were computed based on the following:
 - Assumption Guide referenced below is the guide delivered to J. Horne at Southern on January 19, 2011.
 - Personnel data as of January 1, 2010 that originated from Southern Company projected to December 31, 2010, measurement date. See description in Assumption Guide.
 - Plan provisions described in the Fiscal 2010 accounting reports with changes summarized in the Assumption Guide.
 - Actuarial assumptions and methods described in the Assumption Guide. (Discount rate: Medical: 5.35%, Life: 5.65%).
- Line (2): Fair value of assets as of December 31, 2010 provided by Southern. Refer to letter for details.
- Line (3): Net Postretirement Benefit Asset/(Liability) is difference between plan assets and benefit obligations. ASC 715 requires this excess/(deficit) to be reflected in the company's balance sheet.
- Line (4): These lines show the components of the AOCI ("accumulated other comprehensive income") to be recognized in the balance sheet. The amount shown is before adjustments (e.g., tax adjustments).
- Line (5): Reports the prepaid or accrued but unpaid retirement benefit costs which reflects the cumulative difference between amounts funded and amounts reflected in the company's income statement.
- Line (6): Estimated employer paid payments before reflecting the retiree drug subsidy.

Southern Company—Postretirement Medical Plans
FINAL Development of 12/31/2010 Balance Sheet Assets/Liabilities and Related AOCI

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
1. Benefit Obligations	\$ (365,286,146)	\$ (661,556,608)	\$ (55,027,833)	\$ (69,448,499)	\$ (158,790,928)	\$ (132,675,343)	\$ (4,062,752)	\$ (992,209)	\$ (1,447,840,318)
2. Fair Value of Assets									
(a) Trustee Statement	\$ 252,163,588	\$ 303,914,837	\$ 15,095,990	\$ 18,475,104	\$ 47,208,269	\$ 0	\$ 0	\$ 0	\$ 636,857,788
(b) Adjustment to Fair Value	539,501	459,103	79,731	89,153	257,040	0	0	0	1,424,528
(c) Fair Value of Assets	\$ 252,703,089	\$ 304,373,940	\$ 15,175,721	\$ 18,564,257	\$ 47,465,309	\$ 0	\$ 0	\$ 0	\$ 638,282,316
3. Net Postretirement Benefit Asset/(Liability)	\$ (112,583,057)	\$ (357,182,668)	\$ (39,852,112)	\$ (50,884,242)	\$ (111,325,619)	\$ (132,675,343)	\$ (4,062,752)	\$ (992,209)	\$ (809,558,002)
4. Amounts Recognized in AOCI									
(a) Transition Obligation/(Asset)	\$ 5,256,356	\$ 17,182,812	\$ 449,740	\$ 399,708	\$ 416,893	\$ 982,392	\$ 0	\$ 0	\$ 24,687,901
(b) Prior Service Cost/(Credit)	39,188,800	14,672,936	2,423,311	788,778	11,143,721	2,884,839	110,387	0	71,212,772
(c) Net Loss/(Gain)	44,216,359	143,673,840	830,372	12,817,521	29,966,252	11,022,379	(1,249,985)	(1,042,713)	240,234,025
(d) Total AOCI	\$ 88,661,515	\$ 175,529,588	\$ 3,703,423	\$ 14,006,007	\$ 41,526,866	\$ 14,889,610	\$ (1,139,598)	\$ (1,042,713)	\$ 336,134,698
5. Prepaid/(Accrued) Cost Already Recognized	\$ (23,921,542)	\$ (181,653,080)	\$ (36,148,689)	\$ (36,878,235)	\$ (69,798,753)	\$ (117,785,733)	\$ (5,202,350)	\$ (2,034,922)	\$ (473,423,304)
6. Estimated Future Benefit Payments for 2011 Gross Employer Payments	\$ 24,159,486	\$ 43,367,671	\$ 3,728,050	\$ 4,123,565	\$ 9,522,126	\$ 7,060,713	\$ 145,234	\$ 77,591	\$ 92,184,436
7. Estimated Future Benefit Payments for 2011 Subsidy	\$ 2,621,957	\$ 3,291,925	\$ 372,095	\$ 488,739	\$ 739,037	\$ 380,351	\$ 8,916	\$ 10,613	\$ 7,913,633

Comments — The values above are FINAL benefit obligations and asset values as of December 31, 2010. The following describes the values that have been provided.

- Line (1): Benefit obligations were computed based on the following:
 - Assumption Guide referenced below is the guide delivered to J. Horne at Southern on January 19, 2011.
 - Personnel data as of January 1, 2010 that originated from Southern Company projected to December 31, 2010, measurement date. See description in Assumption Guide.
 - Plan provisions described in the Fiscal 2010 accounting reports with changes summarized in the Assumption Guide.
 - Actuarial assumptions and methods described in the Assumption Guide. (Discount rate: 5.35%).
- Line (2): Fair value of assets as of December 31, 2010 provided by Southern. Refer to letter for details.
- Line (3): Net Postretirement Benefit Asset/(Liability) is difference between plan assets and benefit obligations. ASC 715 requires this excess/(deficit) to be reflected in the company's balance sheet.
- Line (4): These lines show the components of the AOCI ("accumulated other comprehensive income") to be recognized in the balance sheet. The amount shown is before adjustments (e.g., tax adjustments).
- Line (5): Reports the prepaid or accrued but unpaid retirement benefit costs which reflects the cumulative difference between amounts funded and amounts reflected in the company's income statement.
- Line (6): Estimated employer paid payments before reflecting the retiree drug subsidy.

Southern Company—Postretirement Life Plans
FINAL Development of 12/31/2010 Balance Sheet Assets/Liabilities and Related AOCI

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
1. Benefit Obligations	\$ (88,460,448)	\$ (124,887,345)	\$ (14,589,399)	\$ (12,239,421)	\$ (36,657,420)	\$ (26,285,158)	\$ (655,605)	\$ (480,531)	\$ (304,255,327)
2. Fair Value of Assets									
(a) Trustee Statement	\$ 70,498,528	\$ 88,736,203	\$ 521,651	\$ 2,390,441	\$ 1,169,137	\$ 450,141	\$ 8,940	\$ 11,880	\$ 163,786,921
(b) Adjustment to Fair Value	0	0	0	0	0	0	0	0	0
(c) Fair Value of Assets	\$ 70,498,528	\$ 88,736,203	\$ 521,651	\$ 2,390,441	\$ 1,169,137	\$ 450,141	\$ 8,940	\$ 11,880	\$ 163,786,921
3. Net Postretirement Benefit Asset/(Liability)	\$ (17,961,920)	\$ (36,151,142)	\$ (14,067,748)	\$ (9,848,980)	\$ (35,488,283)	\$ (25,835,017)	\$ (646,665)	\$ (468,651)	\$ (140,468,406)
4. Amounts Recognized in AOCI									
(a) Transition Obligations/(Asset)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(b) Prior Service Cost/(Credit)	(9,569,231)	(4,995,141)	(1,728,011)	(3,662,159)	(9,772,005)	(6,843,475)	(470,144)	0	(37,040,166)
(c) Net Loss/(Gain)	(6,853,477)	7,987,653	(2,140,960)	(1,725,707)	(476,824)	(473,790)	(298,351)	(354,010)	(4,335,466)
(d) Total AOCI	\$ (16,422,708)	\$ 2,992,512	\$ (3,868,971)	\$ (5,387,866)	\$ (10,248,829)	\$ (7,317,265)	\$ (768,495)	\$ (354,010)	\$ (41,375,632)
5. Prepaid/(Accrued) Cost-Already Recognized	\$ (34,384,628)	\$ (33,156,630)	\$ (17,936,719)	\$ (15,236,846)	\$ (45,737,112)	\$ (33,152,282)	\$ (1,415,160)	\$ (822,661)	\$ (181,844,038)
6. Estimated Future Benefit Payments for 2011									
Gross Employer Payments	\$ 5,016,215	\$ 6,385,785	\$ 732,692	\$ 621,174	\$ 1,947,921	\$ 835,843	\$ 16,600	\$ 22,061	\$ 15,578,291

Comments — The values above are FINAL benefit obligations and asset values as of December 31, 2010. The following describes the values that have been provided.

- Line (1): Benefit obligations were computed based on the following:
 - Assumption Guide referenced below is the guide delivered to J. Horne at Southern on January 19, 2011.
 - Personnel data as of January 1, 2010 that originated from Southern Company projected to December 31, 2010, measurement date. See description in Assumption Guide.
 - Plan provisions described in the Fiscal 2010 accounting reports with changes summarized in the Assumption Guide.
 - Actuarial assumptions and methods described in the Assumption Guide. (Discount rate: 5.65%).
- Line (2): Fair value of assets as of December 31, 2010 provided by Southern. Refer to letter for details.
- Line (3): Net Postretirement Benefit Asset/(Liability) is difference between plan assets and benefit obligations. ASC 715 requires this excess/(deficit) to be reflected in the company's balance sheet.
- Line (4): These lines show the components of the AOCI ("accumulated other comprehensive income") to be recognized in the balance sheet. The amount shown is before adjustments (e.g., tax adjustments).
- Line (5): Reports the prepaid or accrued but unpaid retirement benefit costs which reflects the cumulative difference between amounts funded and amounts reflected in the company's income statement.

**Southern Company—Postretirement Medical Plans (ignoring retiree drug subsidy)
FINAL Development of 12/31/2010 Balance Sheet Assets/Liabilities and Related AOCI**

	Alabama Power Company	Georgia Power Company	Gulf Power Company	Mississippi Power Company	Southern Company Services	Southern Nuclear Operating Company	Southern Communications Services	Southern Company	TOTAL
1. Benefit Obligations	\$ (370,570,047)	\$ (668,241,291)	\$ (55,781,912)	\$ (70,438,960)	\$ (160,339,981)	\$ (133,496,435)	\$ (4,081,178)	\$ (1,013,520)	\$ (1,463,963,324)
2. Fair Value of Assets									
(a) Trustee Statement	\$ 252,163,588	\$ 303,914,837	\$ 15,095,990	\$ 18,475,104	\$ 47,208,269	\$ 0	\$ 0	\$ 0	\$ 636,857,788
(b) Adjustment to Fair Value	539,501	459,103	79,731	89,153	257,040	0	0	0	1,424,528
(c) Fair Value of Assets	\$ 252,703,089	\$ 304,373,940	\$ 15,175,721	\$ 18,564,257	\$ 47,465,309	\$ 0	\$ 0	\$ 0	\$ 638,282,316
3. Net Postretirement Benefit Asset/(Liability)	\$ (117,866,958)	\$ (363,867,351)	\$ (40,606,191)	\$ (51,874,703)	\$ (112,874,672)	\$ (133,496,435)	\$ (4,081,178)	\$ (1,013,520)	\$ (825,681,008)
4. Amounts Recognized in AOCI									
(a) Transition Obligations/(Asset)	\$ 5,256,356	\$ 17,182,812	\$ 449,740	\$ 399,708	\$ 416,893	\$ 982,392	\$ 0	\$ 0	\$ 24,687,901
(b) Prior Service Cost/(Credit)	39,188,800	14,672,936	2,423,311	788,778	11,143,721	2,884,839	110,387	0	71,212,772
(c) Net Loss/(Gain)	50,160,140	145,471,436	1,218,412	13,622,621	30,796,037	10,842,425	(1,243,222)	(1,045,121)	249,822,728
(d) Total AOCI	\$ 94,605,296	\$ 177,327,184	\$ 4,091,463	\$ 14,811,107	\$ 42,356,651	\$ 14,709,656	\$ (1,132,835)	\$ (1,045,121)	\$ 345,723,401
5. Prepaid/(Accrued) Cost Already Recognized	\$ (23,261,662)	\$ (186,540,167)	\$ (36,514,728)	\$ (37,063,596)	\$ (70,518,021)	\$ (118,786,779)	\$ (5,214,013)	\$ (2,058,641)	\$ (479,957,607)
6. Estimated Future Benefit Payments for 2011									
Gross Employer Payments	\$ 24,159,486	\$ 43,367,671	\$ 3,728,050	\$ 4,123,565	\$ 9,522,126	\$ 7,060,713	\$ 145,234	\$ 77,591	\$ 92,184,436

Comments — The values above are the same as for retiree medical EXCEPT that anticipated benefit payments have not been offset by expected tax-advantaged RDS receipts in 2011 and 2012. These amounts are only for purposes of Southern's tax accounting related to the AOCI for retiree medical.



Southern Company Retiree Benefit Costs 2012 to 2021 ASC 715-30/60 Cost Projection Parameters - DRAFT

Ten-year projections of Southern's tax-qualified pension, nonqualified pensions (SERP/SRP/contracts and COSBs), retiree medical, and retiree life plans' ASC 715-30/60 costs by company have been completed. The most important projection parameters are discussed below. These were selected by Southern Company via a collaborative process.

1. Current Plan Populations—Based on 1/1/2010 data

The projections relied on January 1, 2010 census data; counts of **active tax-qualified pension participants as of 1/1/2010** appear below.

Company	Active Count	Company	Active Count
▪ Alabama (APC)	6,965	▪ Services (SCS)	3,944
▪ Georgia (GPC)	8,769	▪ Southern Nuclear (SNC)	3,382
▪ Gulf	1,359	▪ Communications (COM)	356
▪ Mississippi (MPC)	1,318	▪ Total	26,093

2. Population Projections — Stable active headcount with one exceptions

The projections assume that the actuarial assumptions accurately anticipate what will happen to plan participants during the projection period.¹ In addition, benefit obligations were roughly adjusted to reflect new hires replacing participants anticipated to retire/terminate. As a result, the projections approximately reflect a constant number of active plan participants at each company. This is the only exception to these general statements:

- For SNC, the projection anticipates that new hires will exceed the number needed to replace employees leaving its work force. Using year-by-year counts supplied by SNC, the projections anticipate SNC's active employee count increases to about 4,000 employees by the end of 2012.

As with prior projections, the cost of retirement benefits owed to former SEI employees that Southern assumed when Mirant was spun-off have been separately projected and identified with the label "SoCo—SEI."

¹ Small losses were reflected each year in the projection for the supplemental pension and SERP to approximately reflect the leveraging of those plan benefits due to pay/benefit limits on qualified plan benefits.

3. Benefit Plan Changes — *Only modest pension changes in 2012 and 2017*

The projections anticipate no changes in the benefit provisions reflected in the December 31, 2010 measurement of Southern's retirement benefit obligations/assets/costs for accounting purposes except for modest pension improvements in 2012 and 2017. It has been Southern's practice to anticipate non-specific pension changes every five years in its cost projections to provide some allowance for the possibility of changes in pension benefits. The changes reflected in this projection are intended to reflect relatively minor changes like those that may be required for compliance purposes. The changes anticipate an increase in active employees' projected benefit obligations of very roughly 5% as of the first day of the year of amendment. As done in prior years, the same size impact was reflected in qualified and nonqualified pension obligations.

4. Assumptions for Future Measurements/Valuations — *No changes*

The assumptions used for the December 31, 2010 accounting measurement date, and that will be used for the January 1, 2011 pension funding valuation, were the basis for projected ASC 715-30/60 accounting costs and pension contribution requirements for each year in the projection period, with one exception. The discount rates used for future funding valuations are based on a 24-month average of rates on corporate bond yield curves. For projection purposes, we anticipated that the December 2010 spot rates remained unchanged throughout the projection period.

As a reference, the discount rates used for all future ASC 715-30/60 accounting costs are as follows:

- Tax-Qualified Pension: 5.55%
- Nonqualified Pensions: 5.05%
- Retire Medical: 5.35%
- Retiree Life: 5.65%

5. Plan Assets — *Projected at expected returns*

The fair value of assets as of Southern's December 31, 2010 measurement date, including the market value adjustment made to pension and 401(h) values, were projected throughout the projection period and used for both funding and accounting purposes. The following sections describe what benefit payments and contributions were anticipated. Investment returns throughout the projection period were assumed to equal the long-term expected rates of return used to determine 2011 ASC 715-30/60 costs (refer to the December 31, 2010 Assumption Guide for details on the expected rates of return).

The retiree life projection reflects as an asset the MetLife reserve that is being used to provide the company and certain retirees a premium holiday. These assets will run down due to the payment holiday, which began during 2010 and is anticipated to end during 2011.

6. Benefit Payments — *As anticipated payments*

Benefit payments were projected based on the census data and assumptions described earlier. Payments were assumed to be made based on current practices which are described below.

- *Tax-qualified Pension* — The projections reflect all anticipated tax-qualified pension benefits being paid from pension trust assets.
- *Nonqualified Pensions* — All nonqualified pension benefits were anticipated to be paid from the companies' general assets.²
- Retiree Medical/Life³
 - APC, GPC, GULF, and MPC: These companies were projected to pay gross premiums/benefits in excess of retiree contributions and RDS payments from Medicare from general assets each year. In addition, their VEBA and 401(h) accounts were projected to reimburse the companies for a portion of those payments in the following year based on the adopted approaches. See our last email communicating reimbursement amounts to Joe Dunn dated August 18, 2010.
 - Other companies: These companies were projected to pay gross premiums/benefits in excess of retiree contributions and RDS payments from Medicare from general assets each year.

7. Contributions — *Based on prior practice and minimum*

The company contributions reflected in the projections are described below. Please pay particular attention to the description of retiree medical and life contributions since they are the net of several amounts.

- *Tax-qualified Pension* — No contributions to The Southern Company Pension Plan are anticipated during the projection period. These projections reflect the following:
 - PPA decisions that Southern has made to date, as reflected in the January 1, 2010 actuarial certification of funded status (“AFTAP”) sent to Southern on September 29, 2010.
 - A good faith interpretation of PPA where IRS guidance has not been provided.
 - Southern chooses to contribute no more than the minimum amount required as late as possible. Due to the rules related to contribution timing, that assumption means some contributions required for a year are reflected as being made in the following year. Importantly, the contribution amounts in the table of projected contributions are based on the year paid.
 - Note that the contribution requirements are determined on a total plan basis. Those contributions were allocated to the various companies using Southern's selected method. Basically, the method determines a contribution allocation percentage for each company

² These benefits were projected in aggregate for all plans. The allocations between the companies of current retiree benefits was based on anticipated 2010 benefits, which reflects transfers. Benefits for future retirees roughly adjusted to reflect changing allocations as more transferred participants retire.

³ Note that retiree life premiums will be paid from MetLife reserves for a period starting in 2010 until those assets are exhausted.

based on its share of the total plan's ASC 715-30 service cost and deficit (measured using the market value of assets and projected benefit obligations for accounting purposes). A detailed explanation of the allocation method can be found in a communiqué sent to Jeff Horne dated June 22, 2009.

- *Nonqualified Pensions* — The only funding projected for these benefits is the amount required to pay benefits each year. That is because these benefits are not pre-funded through a trust.
- *Retiree Medical/Life* — The funding of these benefits varies by company.
 - APC: Due to APC's rate order, the projections anticipate that each year APC will essentially fund at least the amounts it collects via rates for these costs. For projection purposes, this amount collected via rates was set equal to the projected ASC 715-60 costs.⁴ Of this amount, contributions to APC's VEBA were assumed to equal the excess, if any, of the ASC 715-60 costs over anticipated net premiums/claims paid in a year. The net premiums/claims paid in a year were projected to be equal to the projected gross premiums/claims paid for a year less the sum of retiree contributions, RDS payments from Medicare, and VEBA/401(h) reimbursements received in the year.
 - GPC: GPC's retiree medical/life funding policy is the same as APC's except contributions to its VEBAs are only required if they will be deductible in the year contributed. Due to the 2008 asset losses, it was assumed that deduction limits would not impact GPC's VEBA contribution during the projection period.
 - GULF/MPC: These companies were assumed to pay for projected net premiums/claims. In addition, these companies were assumed to contribute to their VEBA's related to certain contracts. The annual contributions were assumed to be \$0 for GULF and \$7,705 for MPC, which are the amounts contributed in 2010.
 - Other companies: These companies were assumed to pay for projected net premiums/claims from general assets each year. These were assumed to equal projected gross premiums/claims less retiree contributions and RDS payments.

The amounts shown in the table of projected contributions reflects the sum of net benefit payments for each year and anticipated contributions to the various VEBAs.

8. Employee Transfers Between Companies — *None anticipated after 2009*

The census data used reflects inter-company transfers through December 31, 2009. No additional transfers were anticipated. In particular, the transfer of about 300 employees to SCS from APC and GPC during early 2010 is not reflected in these results per Southern's direction. Note that the transfers reflected tended to have a relatively minor impact on the individual companies' costs. In general, the benefit obligations for employees who transfer follow them to their new companies. However, transferring employees' nonqualified pension benefits are split between companies, so some of their benefit obligations remain with a company even after the employee transfers. In addition, tax-qualified pension assets also move between companies' pension trust accounts to follow the transferring employees (based on a Southern-prescribed algorithm). If you want to discuss transfers in more detail, please call.

⁴ We believe that actual amounts collected via rates for retiree medical/life costs actually equals ASC 715-60 costs with various adjustments. Since Aon Hewitt cannot readily make nor project the various adjustments, the ASC 715-60 cost has been used for cost projection purposes.

9. Federal Retiree Drug Subsidy — *With and without RDS results developed*

Attachments show retiree medical accounting accruals two ways—reflecting the impact of the 28% federal prescription drug subsidy and showing what those figures would have been ignoring tax-advantaged RDS. Due to the health care reform legislation signed in March 2010, RDS will not be tax-advantaged after 2012. So, the tax accounting costs are anticipated to be the same as ASC 715-60 costs beginning in 2013. Costs reflecting the 28% subsidy are the costs for ASC 715-60 accounting purposes. Costs ignoring the impact of the subsidy should be used just for tax accounting, because the federal subsidy is not taxable. The summary of all costs shows only the ASC 715-60 costs (i.e., reflecting the impact of the subsidy).

10. Related Accounting Not Reflected — *No tax or regulatory adjustments*

Like prior years' projections, none of the amounts we have provided reflect any capitalization of costs, tax accounting, or regulatory accounting. However, as noted in item 9, a schedule has been provided that shows what ASC 715-60 costs would have been ignoring all tax-advantaged RDS payments. These amounts are needed for current tax accounting purposes since the RDS income through 2012 will not be subject to taxation.

11. Simple Projection Techniques — *Same methodology as in prior years*

Similar to prior years' projections, these projections are somewhat simplistic. For the most part, valuation results as of December 31, 2010 have been "rolled-forward" using expected relationships between each year's results. To keep the process efficient, educated "guesses" were used when relatively minor inputs were needed but could only be accurately obtained from technically elaborate computations or where an "overhaul" of existing processes would be required to accommodate a minor aspect of a one-time event. Even though the projections overall were relatively simple, it is important to note that detailed analyses are required to incorporate the various parameters Southern has given. The projections incorporate considerable efforts to reasonably reflect qualified pension funding, individual company retiree medical/life funding, individual headcount adjustments (SNC), and anticipated pension plan changes.



March 16, 2011

Mr. Larry Sitton
 Southern Company Services, Inc.
 BIN SC1403
 30 Ivan Allen Jr. Boulevard, NW
 Atlanta, GA 30308

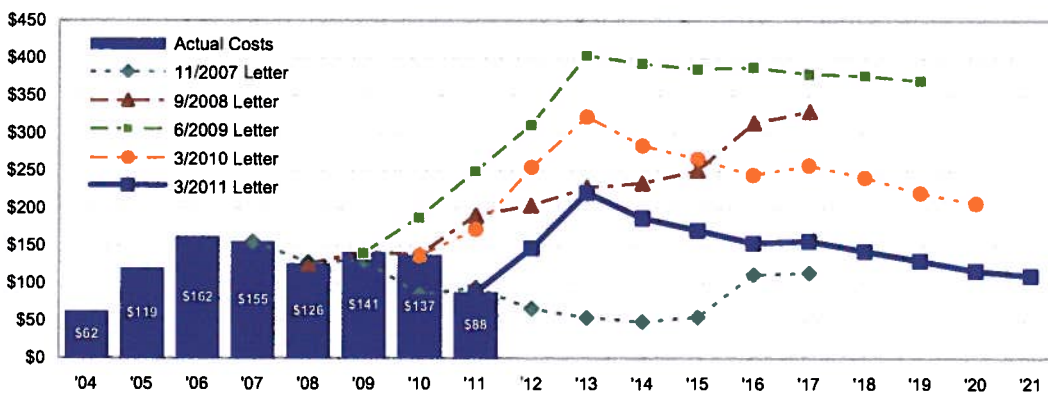
Dear Larry,

Subject: Retirement Benefit Cost and Contribution Projections through 2021

The attached tables contain new 10-year projections of ASC 715-30/60 costs and related funding by company and plan. These new projections reflect experience through the December 31, 2010 accounting measurement date and experience after 2010 that is generally in line with assumptions. A full description of the projection parameters also appears in the attachments along with projected retiree medical costs ignoring the remaining tax-advantaged retiree drug subsidy (for projected tax accounting purposes). The remainder of this letter summarizes the projection results, and describes how these projections differ from those provided last March.

Summary

The chart below compares the current projection of accounting costs to recent actual costs and prior cost projections. The costs shown are in millions and represent the sum of the costs for the tax-qualified pension, nonqualified pensions, retiree medical and retiree life plans.



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As anticipated, the total projected accounting costs fall well below costs projected last March. The following section describes a few key specifics.

From a different perspective, it is interesting that this latest cost projection forecasts costs falling to the levels anticipated by the projection provided in November 2007 near the end of the projection period. The November 2007 projection was the last one done prior to the financial crisis. The anticipated costs then were lower than they had been for years due to healthy investment returns and rising discount rates. Costs were actually anticipated to drop until pension changes forecasted for 2016. The June 2009 projection had the highest costs given it was done just after the 2008 asset losses. Since then, each annual projection has shown improvement due to *many* factors including better asset returns, the \$620 million pension contribution, key assumption changes, and smaller allowances for future pension changes.

While not shown in the chart above, the funding projections for all the retirement plans other than the tax-qualified pension are basically in line with those sent last March. For the tax-qualified pension, no funding is now expected to be required through 2021 due to the \$620 million contribution last December. That one contribution pre-funded most of the contributions that had been previously forecast, and gains from investment and assumption have helped build a small funding cushion.

Why Projected Costs Fell

The new projection anticipates lower costs than last March's projection in spite of being based on lower discount rates. In large part, this is due to the factors cited in our 2011 cost letter explaining why 2011 costs were lower than projected. See our February 16, 2011 letter to Becky Marsh. Here is a summary:

1. *2010 investment returns well above anticipated.* For example, pension trust returns were 15.6% vs. 8.75% expected. Note that these gains actually get factored into cost calculations over 5 years; so, the impact is spread over the projection period.
2. *\$620 million pension contribution in December 2010.* The expected earnings on this contribution alone pushed costs down about \$54 million in 2011. However versus the prior projection, this favorable impact diminishes over the projection period. The prior projection actually anticipated a similar amount of pension contributions being made over a longer period starting in 2012.
3. *Obligation lowering assumption changes.* Additional analysis supported several assumption changes that led to lower benefit obligations, particularly for the tax-qualified pension and the retiree medical plans. The key changes involved assuming employees with capped retiree medical benefits would retire about a year later on average than employees with grandfathered retiree medical and that they would opt to participate in the plan at slightly lower rates.

Most of the reduction in projected costs is explained by these factors, but a few changes in projection parameters also contributed to this result. The primary change was a reduction in the allowance made in 2012 and 2017 for pension improvements for compliance or other reasons. The changes are now anticipated to increase tax-qualified plan obligations by just 2% of the active employees' liabilities, leading to pension cost increases in 2012 and 2017 of about \$15 million. In prior projections, the allowance anticipated a 5% increase in active employees' tax-qualified and nonqualified pension obligations.

By-Company and Plan Costs

The by-company and plan cost patterns may differ from what was described above due to the specifics of each situation. Here are a few examples to note:

- This projection anticipates a number of company specific changes in population. Prior projections generally anticipated level headcounts. The most pronounced changes involved an expanding headcount at SNC leading to upward cost pressure over the projection and a shrinking population at COM leading to downward cost pressures. See the attachments for details about how these changes were reflected.
- The prior projection showed all of the companies costs trending in a similar manner. This is not true in the current projections. APC's, GPC's, Gulf's and COM's pension costs are all now projected to trend down over the period. MPC's, SCS's, and SNC's pension costs generally trend slightly to modestly higher. Projected changes in COM's and SNC's work force account for much of their cost trends. Other than that, the key difference between these companies' situations is the funded status of their pension obligations. APC, GPC, and Gulf all have assets in excess of benefit obligations. MPC, SCS, and SNC do not. This a bit different than the prior projection due to the the timing and allocation of the recent pension contribution.
- In past projections, we adjusted our projection of future service costs to roughly adjust for the terminations and retirements anticipated by the assumptions and the new hires that replace them. We used new projection tools to refine these adjustments this year. As a result, the retiree medical and life service costs are anticipated to grow more slowly than in prior projections. This change lowers projected costs by an increasing amount over the projection period.
- APC is now anticipated to have retiree life income after 2013. This is due to a combination of factors including significant VEBA funding, the slower growth in service costs, the reduction in post-65 benefits, and the MetLife reserves allocated to it.

Reliance on These Projections

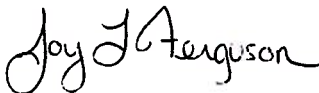
Absent some interim event, these projection results should be relied upon until new projections are done. However, please consider the following when relying on these projections:

- All of the projected costs and contributions are based on current inputs and assumptions about future events. Actual future contributions and accounting costs will certainly be different, because actual events will differ from what is expected and future assumptions will differ from those currently being used.
- Due to the specific rules involved, projections of required pension and GPC VEBA contributions can be particularly susceptible to any adverse experience or assumption changes. Any losses could lead to significantly higher contributions.

If a need arises to see how sensitive the results may be to scenarios different than the one used for this projection, please contact us to discuss scenarios that would be helpful. And, if you have any questions or want to review this material with us, please call.

Sincerely,

Hewitt Associates LLC, operating as Aon Hewitt



Joy L. Ferguson

JLF:cm

Attachments

cc: Mr. W. Ron Hinson, Southern Company Services, Inc.
Mr. Jeffrey O. Horne, Southern Company Services, Inc.
Mr. Mark S. Lantrip, Southern Company Services, Inc.
Ms. Rebecca J. Marsh, Southern Company Services, Inc.
Mr. Gregory F. Marshall, Southern Company Services, Inc.
Mr. H. John Elliot, Aon Hewitt
Mr. Colby C. Park, Aon Hewitt
Ms. Ellen Chow, Aon Hewitt
Mr. Scott C. Twery, Aon Hewitt



Southern Company Retiree Benefit Costs 2012 to 2021 ASC 715-30/60 Cost Projection Parameters

Ten-year projections of Southern's tax-qualified pension, nonqualified pensions (SERP/SRP/contracts and COSBs), retiree medical, and retiree life plans' ASC 715-30/60 costs and funding have been completed. Key projection parameters are discussed below. These were selected by Southern Company via a collaborative process.

1. Current Plan Populations—Based on 1/1/2010 data

The projections relied on January 1, 2010 census data; counts of active tax-qualified pension participants as of 1/1/2010 appear below.

Company	Active Count	Company	Active Count
▪ Alabama (APC)	6,965	▪ Services (SCS)	3,944
▪ Georgia (GPC)	8,769	▪ Southern Nuclear (SNC)	3,382
▪ Gulf	1,359	▪ Communications (COM)	356
▪ Mississippi (MPC)	1,318	▪ Total	26,093

2. Population Projections — Stable active headcount with some exceptions

The projections assume that the actuarial assumptions accurately anticipate what will happen to plan participants during the projection period.¹ In addition, benefit obligations were roughly adjusted to reflect new hires replacing participants anticipated to retire/terminate. As a result, the projections approximately reflect a constant number of active plan participants at each company. Below are the only exceptions to these general statements:

Special Headcount Adjustments

	Transmission Transfers 2010	Other 2010	2011	2012	2013	2014	2015	2016
APC	(154)	(145)	0	0	0	0	0	0
GPC	(123)	(159)	0	0	0	0	0	0
Gulf	0	0	111	0	0	0	0	0
MPC	0	(7)	10	0	123	0	0	0
SCS	277	2	222	45	0	0	22	0
SNC	0	179	473	79	244	112	0	0
COM	0	(46)	(7)	(33)	(40)	(35)	(35)	(40)
Total	0	(176)	809	91	327	77	(13)	(40)

¹ Small losses were reflected each year in the projection for the supplemental pension and SERP to approximately reflect the leveraging of those plan benefits due to pay/benefit limits on qualified plan benefits.



As with prior projections, the cost of retirement benefits owed to former SEI employees that Southern assumed when Mirant was spun-off have been separately projected and identified with the label "SoCo—SEI."

3. Employee Transfers Between Companies — *None anticipated after 2009 (with one exception)*

The census data used reflects inter-company transfers through December 31, 2009. No additional transfers were anticipated with the exception of 277 employees transferring to SCS from APC and GPC during early 2010. The modest impacts on the costs of the three companies involved were approximated.

Generally, the benefit obligations for employees who transfer follow them to their new companies. However, transferring employees' nonqualified pension benefits are split between companies, so some of their benefit obligations remain with a company even after the employee transfers. In addition, tax-qualified pension assets also move between companies' pension trust accounts to follow the transferring employees (based on a Southern-prescribed algorithm). If you want to discuss transfers in more detail, please call.

4. Benefit Plan Changes — *Only modest pension changes in 2012 and 2017*

The projections anticipate no changes in the benefit provisions reflected in the December 31, 2010 measurement of Southern's retirement benefit obligations/assets/costs for accounting purposes except for modest pension improvements in 2012 and 2017. It has been Southern's practice to anticipate non-specific pension changes every five years in its cost projections to provide some allowance for the possibility of changes in pension benefits. The changes reflected in this projection are intended to reflect relatively minor changes like those that may be required for compliance purposes. The changes anticipate an increase in active employees' projected benefit obligations of very roughly 2% as of the first day of the year of amendment. This anticipated change is only reflected in the qualified pension plan and is smaller than what was anticipated in prior years' projections.

5. Assumptions for Future Measurements/Valuations — *No changes*

The assumptions used for the December 31, 2010 accounting measurement date, which will also be used for the January 1, 2011 pension funding valuation, were the basis for projected ASC 715-30/60 accounting costs and pension contribution requirements for each year in the projection period, with one exception. The discount rates used for future funding valuations are based on a 24-month average of rates on corporate bond yield curves. For projection purposes, we anticipated that the February 2011 spot rates remained unchanged throughout the projection period.

As a reference, the discount rates used for all future ASC 715-30/60 accounting costs are as follows:

- Tax-Qualified Pension: 5.55%
- Nonqualified Pensions: 5.05%
- Retire Medical: 5.35%
- Retiree Life: 5.65%

6. Plan Assets — *Projected at expected returns*

The fair value of assets as of Southern's December 31, 2010 measurement date, including the market value adjustment made to pension and 401(h) values, were projected throughout the projection period and used for both funding and accounting purposes. The following sections describe what benefit payments and contributions were anticipated. Investment returns throughout the projection period were assumed to equal the long-term expected rates of return used to determine 2011 ASC 715-30/60 costs. For the tax-qualified pension trust, 8.75% returns were assumed. For the VEBAs, various rates of return were assumed (refer to the December 31, 2010 Assumption Guide for details on these expected rates of return).

The retiree life projection reflects as an asset the MetLife reserve that is being used to provide the company and certain retirees a premium holiday. These assets will run down due to the payment holiday, which began during 2010 and is anticipated to end during 2011.

7. Benefit Payments — *As anticipated payments*

Benefit payments were projected based on the census data and assumptions described earlier. Payments were assumed to be made based on current practices which are described below.

- *Tax-qualified Pension* — The projections reflect all anticipated tax-qualified pension benefits being paid from pension trust assets.
- *Nonqualified Pensions* — All nonqualified pension benefits were anticipated to be paid from the companies' general assets.
- *Retiree Medical/Life*¹
 - APC, GPC, GULF, and MPC: These companies were projected to pay gross premiums/benefits in excess of retiree contributions and RDS payments from Medicare from general assets each year. In addition, their VEBA and 401(h) accounts were projected to reimburse the companies for a portion of those payments in the following year based on the adopted approaches. See our last email communicating reimbursement amounts to Joe Dunn dated August 18, 2010. Note, due to the health care reform legislation signed in March 2010, the projections anticipate that the VEBA and 401(h) reimbursements for claims paid in 2013 and beyond will be based on benefits net of RDS payments from Medicare.
 - Other companies: These companies were projected to pay gross premiums/benefits in excess of retiree contributions and RDS payments from Medicare from general assets each year.

¹Note that retiree life premiums will be paid from MetLife reserves for a period starting in 2010 until those assets are exhausted.

8. Contributions — Based on prior practice and minimum requirements

The amounts shown in the table of projected contributions reflect anticipated contributions to external trusts and benefits/claims/premiums paid from general assets.

- *Tax-qualified Pension* — No contributions to The Southern Company Pension Plan are anticipated to be required during the projection period due to the substantial contribution in December 2010. This expectation is based on the following:
 - Southern chooses to contribute no more than the minimum amount required as late as possible.
 - PPA decisions that Southern has made to date, as reflected in the January 1, 2010 actuarial certification of funded status (“AFTAP”) sent to Southern on September 29, 2010.
 - A good faith interpretation of PPA where IRS guidance has not been provided.
- *Nonqualified Pensions* — The only funding projected for these benefits is the amount required to pay benefits each year. That is because these benefits are not pre-funded through a trust.
- *Retiree Medical/Life* — The funding of these benefits varies by company.
 - APC: Due to APC's rate order, the projections anticipate that each year APC will essentially fund at least the amounts it collects via rates for these costs. For projection purposes, this amount collected via rates was set equal to the projected ASC 715-60 costs.¹ Of this amount, contributions to APC's VEBA were assumed to equal the excess, if any, of the ASC 715-60 costs over anticipated net premiums/claims paid in a year. The net premiums/claims paid in a year were projected to be equal to the projected gross premiums/claims paid for a year less the sum of retiree contributions, RDS payments from Medicare, and VEBA/401(h) reimbursements received in the year.
 - GPC: GPC's retiree medical/life funding policy is the same as APC's except contributions to its VEBAs are only required if they will be deductible in the year contributed. For most of the projection period, the contribution is not limited by the amount deductible.
 - Gulf/MPC: These companies were assumed to make contributions to their VEBAs based on the portion of costs attributed to certain contracts. The annual contributions were assumed to be \$0 for Gulf and \$7,705 for MPC based on amounts contributed in 2010.
 - Other companies: These companies were assumed to pay for projected net premiums/claims from general assets each year. These were assumed to equal projected gross premiums/claims less retiree contributions and RDS payments.

9. Federal Retiree Drug Subsidy — With and without tax advantaged RDS results developed

Attachments show retiree medical accounting accruals two ways—reflecting the impact of the 28% federal prescription drug subsidy and showing what those figures would have been ignoring tax-advantaged RDS. Due to the health care reform legislation signed in March 2010, RDS will not be tax-advantaged after 2012. So, the tax accounting costs are anticipated to be the same as ASC 715-60 costs beginning in 2013. Costs reflecting the 28% subsidy are the costs for ASC 715-60 accounting purposes. Costs ignoring the impact of the subsidy should be used just for tax accounting,

¹ We believe that actual amounts collected via rates for retiree medical/life costs actually equal ASC 715-60 costs with various adjustments. Since Aon Hewitt cannot readily make nor project the various adjustments, the ASC 715-60 cost has been used for cost projection purposes.



because the federal subsidy is not taxable. The summary of all costs shows only the ASC 715-60 costs (i.e., reflecting the impact of the subsidy).

10. Related Accounting Not Reflected — *No tax or regulatory adjustments*

Like prior years' projections, none of the amounts we have provided reflect any capitalization of costs, tax accounting, or regulatory accounting. However, as noted in item 9, a schedule has been provided that shows what ASC 715-60 costs would have been ignoring all tax-advantaged RDS payments. These amounts are needed for current tax accounting purposes since the RDS income through 2012 will not be subject to taxation.

11. Simple Projection Techniques — *Same methodology as in prior years*

Similar to prior years' projections, these projections are somewhat simplistic. For the most part, valuation results as of December 31, 2010 have been "rolled-forward" using expected relationships between each year's results. To keep the process efficient, educated "guesses" were used when relatively minor inputs were needed but could only be accurately obtained from technically elaborate computations or where an "overhaul" of existing processes would be required to accommodate a minor aspect of a one-time event. Even though the projections overall were relatively simple, it is important to note that detailed analyses are required to incorporate the various parameters Southern has given. The projections incorporate considerable efforts to reasonably reflect qualified pension funding, individual company retiree medical/life funding, individual headcount adjustments, and anticipated pension plan changes.

12. Changes in Accounting or Funding Rules — *None anticipated*

The projections anticipate that the current rules governing retirement benefit accounting and the funding of these benefits remain unchanged throughout the projection period.



Southern Company—Projected ASC 715-30/60 Costs (2012 - 2021)
(in millions)

Company/Benefit	Actual					Projected					
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
APC											
• Qualified Pension	(\$31.87)	(\$17.62)	\$1.70	(\$7.70)	(\$14.50)	(\$21.32)	(\$22.41)	(\$28.41)	(\$33.54)	(\$39.15)	(\$44.57)
• Nonqualified Pension											
—SBP ¹ , SERP, Contracts	9.91	9.67	9.81	9.91	9.88	9.16	9.00	9.02	9.09	9.27	9.48
—COSB	1.13	1.04	0.95	0.85	0.77	0.69	0.60	0.52	0.42	0.37	0.32
• Retiree Medical	9.99	9.12	8.20	7.24	6.82	6.69	6.52	6.35	6.19	1.65	1.73
• Retiree Life	0.55	0.30	0.20	(0.09)	(0.26)	(0.42)	(0.61)	(0.80)	(1.00)	(1.23)	(1.46)
• Total	(\$10.29)	\$2.51	\$20.86	\$10.21	\$2.71	(\$5.20)	(\$6.90)	(\$13.32)	(\$18.84)	(\$29.09)	(\$34.50)
GPC											
• Qualified Pension	(\$29.21)	(\$6.10)	\$21.44	\$9.84	\$1.87	(\$6.22)	(\$6.96)	(\$12.03)	(\$17.43)	(\$22.44)	(\$27.30)
• Nonqualified Pension											
—SBP ¹ , SERP, Contracts	12.52	12.32	12.63	12.83	12.77	12.91	11.99	11.87	12.15	12.47	12.84
—SAV SERP	0.52	0.50	0.46	0.38	0.36	0.34	0.32	0.31	0.29	0.27	0.26
—COSB	1.48	1.34	1.22	1.10	1.00	0.86	0.63	0.55	0.48	0.42	0.37
• Retiree Medical	27.07	27.73	27.59	21.37	20.94	20.61	20.26	19.94	17.96	17.72	17.70
• Retiree Life	1.49	1.49	1.67	1.29	1.04	0.85	0.61	0.35	0.07	(0.25)	(0.58)
• Total	\$13.87	\$37.28	\$65.01	\$46.81	\$37.98	\$29.35	\$26.85	\$20.99	\$13.52	\$8.19	\$3.29
Gulf											
• Qualified Pension	(\$1.61)	\$1.04	\$4.69	\$3.49	\$2.77	\$2.53	\$2.46	\$1.93	\$1.61	\$1.25	\$0.96
• SBP ¹ , SERP, Contracts	1.66	1.70	1.75	1.80	1.86	1.92	1.86	1.89	1.96	1.99	2.08
• Retiree Medical	2.89	2.90	2.89	2.87	2.86	2.85	2.84	2.67	2.49	2.47	2.45
• Retiree Life	0.85	0.87	0.91	0.92	0.95	0.97	1.00	1.02	1.04	1.07	1.09
• Total	\$3.79	\$6.51	\$10.24	\$9.08	\$8.44	\$8.27	\$8.16	\$7.51	\$7.10	\$6.78	\$6.58
MPC											
• Qualified Pension	\$1.40	\$4.00	\$6.83	\$5.99	\$6.38	\$6.37	\$6.57	\$6.35	\$6.37	\$6.40	\$6.50
• Nonqualified Pension											
—SBP ¹ , SERP, Contracts	2.25	2.27	2.29	2.31	2.34	2.37	2.40	2.28	2.26	2.30	2.34
—COSB	0.27	0.25	0.23	0.21	0.19	0.17	0.15	0.12	0.11	0.09	0.08
• Retiree Medical	3.40	3.51	3.58	3.55	3.61	3.59	3.56	3.52	3.49	3.36	3.32
• Retiree Life	0.42	0.42	0.42	0.42	0.43	0.42	0.42	0.42	0.41	0.40	0.39
• Total	\$7.74	\$10.45	\$13.35	\$12.48	\$12.95	\$12.92	\$13.10	\$12.69	\$12.64	\$12.55	\$12.63
SCS											
• Qualified Pension	\$8.82	\$17.48	\$28.92	\$26.29	\$24.65	\$22.92	\$26.14	\$25.78	\$25.99	\$26.14	\$26.51
• Nonqualified Pension											
—SBP ¹ , SERP, Contracts	17.30	17.46	17.33	17.49	17.40	17.67	17.87	17.07	17.09	17.45	17.99
—COSB	0.74	0.67	0.61	0.55	0.49	0.44	0.40	0.35	0.28	0.25	0.22
• Retiree Medical	8.63	9.69	9.79	9.30	8.83	8.38	7.88	7.31	5.36	4.65	3.94
• Retiree Life	1.74	1.85	1.88	1.90	1.94	1.97	2.00	2.03	2.06	2.08	2.11
• Total	\$37.23	\$47.15	\$58.53	\$55.53	\$53.31	\$51.38	\$54.29	\$52.54	\$50.78	\$50.57	\$50.77
SNC											
• Qualified Pension	\$18.37	\$25.32	\$34.59	\$34.94	\$37.35	\$39.07	\$42.93	\$44.46	\$46.58	\$49.09	\$52.31
• SBP ¹ , SERP, Contracts	2.97	2.96	2.94	2.99	3.04	2.86	2.85	2.94	3.05	3.17	3.29
• Retiree Medical	9.99	10.26	10.64	10.56	10.89	11.11	11.24	11.37	11.45	11.28	11.40
• Retiree Life	1.35	1.42	1.52	1.59	1.69	1.78	1.86	1.94	2.02	2.09	2.17
• Total	\$32.68	\$39.96	\$49.69	\$50.08	\$52.97	\$54.82	\$58.88	\$60.71	\$63.10	\$65.63	\$69.17

Note: See accompanying material for details.

¹ "SBP" is the Supplemental Benefit Plan.



Southern Company—Projected ASC 715-30/60 Costs (2012 - 2021)
(in millions)

Company/Benefit	Actual					Projected					
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
COM											
• Qualified Pension	\$2.53	\$2.53	\$2.75	\$2.58	\$2.39	\$2.25	\$2.21	\$1.99	\$2.10	\$2.21	\$2.33
• SBP ¹ , SERP, Contracts	0.33	0.35	0.36	0.38	0.39	0.40	0.42	0.39	0.39	0.40	0.42
• Retiree Medical	0.43	0.42	0.44	0.44	0.43	0.41	0.40	0.38	0.39	0.39	0.40
• Retiree Life	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.03</u>	<u>0.04</u>	<u>0.04</u>
• Total	<u>\$3.32</u>	<u>\$3.33</u>	<u>\$3.58</u>	<u>\$3.43</u>	<u>\$3.24</u>	<u>\$3.09</u>	<u>\$3.06</u>	<u>\$2.79</u>	<u>\$2.91</u>	<u>\$3.04</u>	<u>\$3.19</u>
SoCo-SEI											
• Qualified Pension	(\$0.71)	(\$0.68)	(\$0.63)	(\$0.70)	(\$0.77)	(\$0.82)	(\$0.89)	(\$0.96)	(\$1.04)	(\$1.13)	(\$1.22)
• SBP ¹ , SERP, Contracts	0.15	0.14	0.14	0.13	0.13	0.12	0.12	0.11	0.11	0.10	0.10
• Retiree Medical	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01
• Retiree Life	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>
• Total	<u>(\$0.55)</u>	<u>(\$0.53)</u>	<u>(\$0.48)</u>	<u>(\$0.56)</u>	<u>(\$0.61)</u>	<u>(\$0.67)</u>	<u>(\$0.74)</u>	<u>(\$0.82)</u>	<u>(\$0.90)</u>	<u>(\$1.00)</u>	<u>(\$1.09)</u>
Total											
• Qualified Pension	(\$32.28)	\$25.97	\$100.29	\$74.73	\$60.14	\$44.78	\$50.05	\$39.11	\$30.64	\$22.37	\$15.52
• Nonqualified Pension	51.23	50.67	50.72	50.93	50.62	49.91	48.61	47.42	47.68	48.55	49.79
• Retiree Medical	62.40	63.63	63.13	55.33	54.39	53.65	52.71	51.55	47.34	41.53	40.95
• Retiree Life	<u>6.44</u>	<u>6.39</u>	<u>6.64</u>	<u>6.07</u>	<u>5.84</u>	<u>5.62</u>	<u>5.33</u>	<u>5.01</u>	<u>4.65</u>	<u>4.22</u>	<u>3.78</u>
• Total	<u>\$87.79</u>	<u>\$146.66</u>	<u>\$220.78</u>	<u>\$187.06</u>	<u>\$170.99</u>	<u>\$153.96</u>	<u>\$156.70</u>	<u>\$143.09</u>	<u>\$130.31</u>	<u>\$116.67</u>	<u>\$110.04</u>

Note: See accompanying material for details.

¹ "SBP" is the Supplemental Benefit Plan.



Southern Company—Projected Cash Contributions (2012 - 2021)

(In millions)

Company/Benefit	Projected											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
APC												
• Qualified Pension	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
• Nonqualified Pension												
—SBP ¹ , SERP, Contracts	5.10	5.67	6.28	6.95	7.64	8.20	8.89	8.89	8.40	8.09	7.81	
—COSB	1.45	1.40	1.34	1.28	1.21	1.14	1.06	0.98	0.90	0.82	0.74	
• Retiree Medical	9.99	9.12	8.20	7.24	6.82	6.69	6.52	6.35	6.19	2.55	2.32	
• Retiree Life	2.08	4.07	2.89	2.92	3.03	3.12	3.01	3.14	3.20	3.11	3.24	
• Total	\$18.62	\$20.26	\$18.71	\$18.39	\$18.70	\$19.15	\$19.48	\$19.36	\$18.69	\$14.57	\$14.11	
GPC												
• Qualified Pension	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
• Nonqualified Pension												
—SBP ¹ , SERP, Contracts	6.55	7.47	8.25	9.13	10.03	10.76	11.52	11.30	10.99	10.50	10.00	
—SAV SERP	0.67	0.66	0.66	0.65	0.64	0.63	0.63	0.62	0.54	0.52	0.50	
—COSB	1.51	1.44	1.37	1.29	1.21	1.12	1.03	0.94	0.85	0.77	0.68	
• Retiree Medical	27.07	27.73	27.59	21.37	20.94	20.61	20.26	19.94	17.96	16.35	5.28	
• Retiree Life	2.34	5.43	4.34	4.48	4.66	4.83	4.85	5.05	5.22	5.19	5.40	
• Total	\$38.14	\$42.73	\$42.21	\$36.92	\$37.48	\$37.95	\$38.29	\$37.85	\$35.56	\$33.33	\$21.86	
Gulf												
• Qualified Pension	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
• SBP ¹ , SERP, Contracts	0.78	0.80	0.84	0.87	0.94	1.01	1.08	1.00	1.12	1.20	1.29	
• Retiree Medical	2.21	2.51	2.60	2.84	2.90	2.97	2.96	3.03	2.95	3.02	3.02	
• Retiree Life	0.33	0.76	0.79	0.81	0.84	0.87	0.88	0.91	0.93	0.93	0.96	
• Total	\$3.32	\$4.07	\$4.23	\$4.52	\$4.68	\$4.85	\$4.92	\$4.94	\$5.00	\$5.15	\$5.27	
MPC												
• Qualified Pension	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
• Nonqualified Pension												
—SBP ¹ , SERP, Contracts	1.09	1.26	1.37	1.50	1.64	1.77	1.87	1.88	2.02	1.96	1.88	
—COSB	0.43	0.41	0.39	0.37	0.35	0.32	0.30	0.28	0.25	0.23	0.21	
• Retiree Medical	1.98	2.12	2.32	2.81	3.49	3.56	3.73	3.79	3.90	3.95	4.02	
• Retiree Life	0.54	0.88	0.87	0.89	0.92	0.95	0.95	0.99	1.02	1.00	1.03	
• Total	\$4.04	\$4.67	\$4.95	\$5.57	\$6.40	\$6.60	\$6.85	\$6.94	\$7.19	\$7.14	\$7.14	
SCS												
• Qualified Pension	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
• Nonqualified Pension												
—SBP ¹ , SERP, Contracts	8.00	8.83	9.64	10.72	11.73	12.67	13.78	11.82	12.48	12.51	12.24	
—COSB	0.83	0.80	0.77	0.73	0.69	0.65	0.60	0.55	0.51	0.46	0.41	
• Retiree Medical	8.78	9.26	9.89	10.46	11.00	11.34	11.68	11.71	11.93	11.91	11.87	
• Retiree Life	0.89	2.04	2.16	2.22	2.33	2.43	2.43	2.49	2.58	2.54	2.60	
• Total	\$18.50	\$20.93	\$22.46	\$24.13	\$25.75	\$27.09	\$28.49	\$26.57	\$27.50	\$27.42	\$27.12	
SNC												
• Qualified Pension	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
• SBP ¹ , SERP, Contracts	1.29	1.41	1.50	1.60	1.75	1.88	2.02	1.52	1.59	1.67	1.79	
• Retiree Medical	6.68	7.31	7.96	8.50	8.97	9.42	9.73	9.98	10.20	10.39	10.46	
• Retiree Life	0.39	0.91	1.00	1.08	1.18	1.29	1.32	1.41	1.52	1.55	1.65	
• Total	\$8.36	\$9.63	\$10.46	\$11.18	\$11.90	\$12.59	\$13.07	\$12.91	\$13.31	\$13.61	\$13.90	

Note: Reflects anticipated contributions to external trusts and benefits/claims/premiums paid from general assets.

¹ "SBP" is the Supplemental Benefit Plan.



Southern Company—Projected Cash Contributions (2012 - 2021)
(In millions)

Company/Benefit	Projected											
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
COM												
• Qualified Pension	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
• SBP ¹ , SERP, Contracts	0.10	0.19	0.22	0.25	0.27	0.30	0.33	0.37	0.41	0.35	0.32	
• Retiree Medical	0.14	0.17	0.19	0.22	0.24	0.27	0.28	0.30	0.34	0.36	0.37	
• Retiree Life	0.01	0.02	0.02	0.02	0.03	0.03	0.03	0.04	0.04	0.04	0.04	
• Total	\$0.25	\$0.38	\$0.43	\$0.49	\$0.54	\$0.60	\$0.64	\$0.71	\$0.79	\$0.75	\$0.73	
SoCo-SEI												
• Qualified Pension	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
• SBP ¹ , SERP, Contracts	0.18	0.18	0.18	0.18	0.18	0.18	0.17	0.17	0.17	0.17	0.16	
• Retiree Medical	0.07	0.07	0.07	0.06	0.06	0.06	0.06	0.07	0.07	0.07	0.07	
• Retiree Life	0.01	0.02	0.02	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.04	
• Total	\$0.26	\$0.27	\$0.27	\$0.27	\$0.27	\$0.27	\$0.26	\$0.27	\$0.27	\$0.28	\$0.27	
Total												
• Qualified Pension	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
• Nonqualified Pension	27.98	30.52	32.81	35.52	38.28	40.63	43.28	40.32	40.23	39.25	38.03	
• Retiree Medical	56.92	58.29	58.82	53.50	54.42	54.92	55.22	55.17	53.54	48.60	37.41	
• Retiree Life	6.59	14.13	12.09	12.45	13.02	13.55	13.50	14.06	14.54	14.40	14.96	
• Total	\$91.49	\$102.94	\$103.72	\$101.47	\$105.72	\$109.10	\$112.00	\$109.55	\$108.31	\$102.25	\$90.40	

Note: Reflects anticipated contributions to external trusts and benefits/claims/premiums paid from general assets.

¹ "SBP" is the Supplemental Benefit Plan.



Southern Company—Projected ASC 715-30/60 Costs (2012 - 2021)
Qualified Pension Benefits
 (in millions)

Company	Actual		Projected								
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
APC	(\$31.87)	(\$17.62)	\$1.70	(\$7.70)	(\$14.50)	(\$21.32)	(\$22.41)	(\$28.41)	(\$33.54)	(\$39.15)	(\$44.57)
GPC	(29.21)	(6.10)	21.44	9.84	1.87	(6.22)	(6.96)	(12.03)	(17.43)	(22.44)	(27.30)
Gulf	(1.61)	1.04	4.69	3.49	2.77	2.53	2.46	1.93	1.61	1.25	0.96
MPC	1.40	4.00	6.83	5.99	6.38	6.37	6.57	6.35	6.37	6.40	6.50
SCS	8.82	17.48	28.92	26.29	24.65	22.92	26.14	25.78	25.99	26.14	26.51
SNC	18.37	25.32	34.59	34.94	37.35	39.07	42.93	44.46	46.58	49.09	52.31
COM	2.53	2.53	2.75	2.58	2.39	2.25	2.21	1.99	2.10	2.21	2.33
SoCo-SEI	<u>(0.71)</u>	<u>(0.68)</u>	<u>(0.63)</u>	<u>(0.70)</u>	<u>(0.77)</u>	<u>(0.82)</u>	<u>(0.89)</u>	<u>(0.96)</u>	<u>(1.04)</u>	<u>(1.13)</u>	<u>(1.22)</u>
Total	(\$32.28)	\$25.97	\$100.29	\$74.73	\$60.14	\$44.78	\$50.05	\$39.11	\$30.64	\$22.37	\$15.52

Note: See accompanying material for details.



Southern Company—Projected ASC 715-30/60 Costs (2012 - 2021)

Nonqualified Pension Benefits¹
(in millions)

Company/Benefit		Actual	Projected									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
APC	SBP ¹ , SERP, Contracts	\$9.91	\$9.67	\$9.81	\$9.91	\$9.88	\$9.16	\$9.00	\$9.02	\$9.09	\$9.27	\$9.48
	COSB	<u>1.13</u>	<u>1.04</u>	<u>0.95</u>	<u>0.85</u>	<u>0.77</u>	<u>0.69</u>	<u>0.60</u>	<u>0.52</u>	<u>0.42</u>	<u>0.37</u>	<u>0.32</u>
	Total	\$11.04	\$10.71	\$10.76	\$10.76	\$10.65	\$9.85	\$9.60	\$9.54	\$9.51	\$9.64	\$9.80
GPC	SBP ¹ , SERP, Contracts	\$12.52	\$12.32	\$12.63	\$12.83	\$12.77	\$12.91	\$11.99	\$11.87	\$12.15	\$12.47	\$12.84
	SAV SERP	<u>0.52</u>	<u>0.50</u>	<u>0.46</u>	<u>0.38</u>	<u>0.36</u>	<u>0.34</u>	<u>0.32</u>	<u>0.31</u>	<u>0.29</u>	<u>0.27</u>	<u>0.26</u>
	COSB	<u>1.48</u>	<u>1.34</u>	<u>1.22</u>	<u>1.10</u>	<u>1.00</u>	<u>0.86</u>	<u>0.63</u>	<u>0.55</u>	<u>0.48</u>	<u>0.42</u>	<u>0.37</u>
	Total	\$14.52	\$14.16	\$14.31	\$14.31	\$14.13	\$14.11	\$12.94	\$12.73	\$12.92	\$13.16	\$13.47
Gulf	SBP ¹ , SERP, Contracts	\$1.66	\$1.70	\$1.75	\$1.80	\$1.86	\$1.92	\$1.86	\$1.89	\$1.96	\$1.99	\$2.08
MPC	SBP ¹ , SERP, Contracts	\$2.25	\$2.27	\$2.29	\$2.31	\$2.34	\$2.37	\$2.40	\$2.28	\$2.26	\$2.30	\$2.34
	COSB	<u>0.27</u>	<u>0.25</u>	<u>0.23</u>	<u>0.21</u>	<u>0.19</u>	<u>0.17</u>	<u>0.15</u>	<u>0.12</u>	<u>0.11</u>	<u>0.09</u>	<u>0.08</u>
	Total	\$2.52	\$2.52	\$2.52	\$2.52	\$2.53	\$2.54	\$2.55	\$2.40	\$2.37	\$2.39	\$2.42
SCS	SBP ¹ , SERP, Contracts	17.30	17.46	17.33	17.49	17.40	17.67	17.87	17.07	17.09	17.45	17.99
	COSB	<u>0.74</u>	<u>0.67</u>	<u>0.61</u>	<u>0.55</u>	<u>0.49</u>	<u>0.44</u>	<u>0.40</u>	<u>0.35</u>	<u>0.28</u>	<u>0.25</u>	<u>0.22</u>
	Total	\$18.04	\$18.13	\$17.94	\$18.04	\$17.89	\$18.11	\$18.27	\$17.42	\$17.37	\$17.70	\$18.21
SNC	SBP ¹ , SERP, Contracts	\$2.97	\$2.96	\$2.94	\$2.99	\$3.04	\$2.86	\$2.85	\$2.94	\$3.05	\$3.17	\$3.29
COM	SBP ¹ , SERP, Contracts	\$0.33	\$0.35	\$0.36	\$0.38	\$0.39	\$0.40	\$0.42	\$0.39	\$0.39	\$0.40	\$0.42
SoCo-SEI	SBP ¹ , SERP, Contracts	\$0.15	\$0.14	\$0.14	\$0.13	\$0.13	\$0.12	\$0.12	\$0.11	\$0.11	\$0.10	\$0.10
Total		\$51.23	\$50.67	\$50.72	\$50.93	\$50.62	\$49.91	\$48.61	\$47.42	\$47.68	\$48.55	\$49.79

Note: See accompanying material for details.

¹ "SBP" is the Supplemental Benefit Plan.



Southern Company—Projected ASC 715-30/60 Costs (2012 - 2021)

Retiree Medical Benefits

(In millions)

Company	Actual					Projected					
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
APC	\$9.99	\$9.12	\$8.20	\$7.24	\$6.82	\$6.69	\$6.52	\$6.35	\$6.19	\$1.65	\$1.73
GPC	27.07	27.73	27.59	21.37	20.94	20.61	20.26	19.94	17.96	17.72	17.70
Gulf	2.89	2.90	2.89	2.87	2.86	2.85	2.84	2.67	2.49	2.47	2.45
MPC	3.40	3.51	3.58	3.55	3.61	3.59	3.56	3.52	3.49	3.36	3.32
SCS	8.63	9.69	9.79	9.30	8.83	8.38	7.88	7.31	5.36	4.65	3.94
SNC	9.99	10.26	10.64	10.56	10.89	11.11	11.24	11.37	11.45	11.28	11.40
COM	0.43	0.42	0.44	0.44	0.43	0.41	0.40	0.38	0.39	0.39	0.40
SoCo-SEI	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>
Total	\$62.40	\$63.63	\$63.13	\$55.33	\$54.39	\$53.65	\$52.71	\$51.55	\$47.34	\$41.53	\$40.95

Note: See accompanying material for details.



Southern Company—Projected ASC 715-30/60 Costs (2012 - 2021)
Retiree Life Benefits
(In millions)

Company	Actual		Projected								
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
APC	\$0.55	\$0.30	\$0.20	(\$0.09)	(\$0.26)	(\$0.42)	(\$0.61)	(\$0.80)	(\$1.00)	(\$1.23)	(\$1.46)
GPC	1.49	1.49	1.67	1.29	1.04	0.85	0.61	0.35	0.07	(0.25)	(0.58)
Gulf	0.85	0.87	0.91	0.92	0.95	0.97	1.00	1.02	1.04	1.07	1.09
MPC	0.42	0.42	0.42	0.42	0.43	0.42	0.42	0.42	0.41	0.40	0.39
SCS	1.74	1.85	1.88	1.90	1.94	1.97	2.00	2.03	2.06	2.08	2.11
SNC	1.35	1.42	1.52	1.59	1.69	1.78	1.86	1.94	2.02	2.09	2.17
COM	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04	0.04
SoCo-SEI	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>
Total	\$6.44	\$6.39	\$6.64	\$6.07	\$5.84	\$5.62	\$5.33	\$5.01	\$4.65	\$4.22	\$3.78

Note: See accompanying material for details.



Southern Company—Projected ASC 715-30/60 Costs (2012 - 2021)
Retiree Medical Benefits Ignoring Tax-Advantaged Subsidy (for tax accounting purposes only)
 (in millions)

Company	Actual					Projected					
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
APC	\$13.18	\$12.17	\$8.20	\$7.24	\$6.82	\$6.69	\$6.52	\$6.35	\$6.19	\$1.65	\$1.73
GPC	28.23	28.72	27.59	21.37	20.94	20.61	20.26	19.94	17.96	17.72	17.70
Gulf	3.11	3.10	2.89	2.87	2.86	2.85	2.84	2.67	2.49	2.47	2.45
MPC	3.84	3.93	3.58	3.55	3.61	3.59	3.56	3.52	3.49	3.36	3.32
SCS	9.10	10.13	9.79	9.30	8.83	8.38	7.88	7.31	5.36	4.65	3.94
SNC	9.93	10.18	10.64	10.56	10.89	11.11	11.24	11.37	11.45	11.28	11.40
COM	0.44	0.43	0.44	0.44	0.43	0.41	0.40	0.38	0.39	0.39	0.40
SoCo-SEI	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>	<u>0.01</u>
Total	\$67.83	\$68.66	\$63.13	\$55.33	\$54.39	\$53.65	\$52.71	\$51.55	\$47.34	\$41.53	\$40.95

Note: See accompanying material for details.

The Southern Company
Active Contracts

Name	Type	Contract Service	Company Responsible for the Liability							Total	
			APC	GPC	SAV	FPC	MPC	SCS	SNC		COM
New Contracts for Active Employees											
[REDACTED]	Service	18,0000								100.00%	100.00%
[REDACTED]	Service	10,0000	100.00%								100.00%
TERRY, BENTINA C.	Service	10,0000		4.51%		90.34%				5.15%	100.00%
Existing Contracts for Active Employees											
CROSSWHITE, MARK A.	Service	15,0000	96.00%						4.00%		100.00%
[REDACTED]	Service	8,0000							100.00%		100.00%
[REDACTED]	Service	10,0000		65.80%					34.20%		100.00%
[REDACTED]	Service	12,2500		48.60%	43.80%				7.60%		100.00%
[REDACTED]	Service	8,0000							60.56%	39.44%	100.00%
[REDACTED]	Service	6,0000							100.00%		100.00%
[REDACTED]	Service	10,0000	100.00%								100.00%
[REDACTED]	Service	10,0000							100.00%		100.00%
[REDACTED]	Service	10,0000							100.00%		100.00%
[REDACTED]	Service	2,7500		100.00%							100.00%
[REDACTED]	Service	5,0000							100.00%		100.00%
[REDACTED]	Service	1,0000							100.00%		100.00%
[REDACTED]	Service	10,0000							100.00%		100.00%
[REDACTED] C.	Service	8,0000							100.00%		100.00%
2009 Terminations											
[REDACTED]	Service	5,0000		29.00%							71.00%
[REDACTED]	Service	5,0000									100.00%

¹ Contract benefit is offset by Mirant Benefit. Refer to Table I in individual's agreement for offset amount.

² Contract was executed in 2009. Accounting recognition was delayed since was not a participant as of January 1, 2009 (last year's data collection date).



THE BANK OF NEW YORK MELLON.

TRDGUV GUVF20000202 MONTHLY REVISED 085324
GUV F200002
GULF POWER MEDICAL INSURANCE

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11

PAGE: 1
NA100

ASSETS

INVESTMENTS:
COST \$ 452,131.32
UNREALIZED APPRECIATION-INVEST 456.40

\$ 452,587.72

TOTAL ASSETS

452,587.72

LIABILITIES

TOTAL LIABILITIES

0.00

NET ASSETS

\$ 452,587.72



THE BANK OF NEW YORK MELLON.

TRDGUV GUVF20000202 MONTHLY REVISED 085324
GUV F200002 INVESTMENT SUMMARY 31 DECEMBER 2010
GULF POWER MEDICAL INSURANCE

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
PAGE: 1
M1001

<u>INVESTMENT DISTRIBUTION</u>	<u>COST</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
UNIT OF PARTICIPATION	452,131.32	452,587.72	456.40
TOTAL INVESTMENTS	452,131.32	452,587.72	456.40



THE BANK OF NEW YORK MELLON.

TRDGUV GUVF20000202 MONTHLY REVISED 085324
GUV F200002 INVESTMENT DETAIL
GULF POWER MEDICAL INSURANCE

31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11

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M1101

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
421,185.4000	GULF POWER LIFE/MEDICAL	452,131.32	1.0745	452,587.72	456.40
	TOTAL INVESTMENTS UNIT OF PARTICIPATION	452,131.32		452,587.72	456.40
	TOTAL INVESTMENT	452,131.32		452,587.72	456.40



THE BANK OF NEW YORK MELLON.

TRDGUV GUVF20000202 MONTHLY REVISED 085324
GUV F200002
GULF POWER MEDICAL INSURANCE

PURCHASES PENDING SETTLEMENT

31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11

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MT5251

SECURITY DESCRIPTION/ TRADING BROKER	TRD DATE/ SET DATE	SHARES*PAR VALUE/ (ORIGINAL SHARES)/ PRICE	SETTLEMENT AMOUNT
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S INDICATES PARTIAL SETTLEMENT

*** NO POSITIONS END OF PERIOD ***



THE BANK OF NEW YORK MELLON.

TRDGUV GUVF20000202 MONTHLY REVISED 085324
GUV F200002
GULF POWER MEDICAL INSURANCE

PENDING FOREIGN EXCHANGE CONTRACTS

31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11

PAGE: 1
MT5271

<u>UNITS</u>	<u>CONTRACT DESCRIPTION</u>	<u>TRD DATE/ SET DATE</u>	<u>PAY FX RATE/ RCV FX RATE/ CONTRACT RATE</u>	<u>PAY OPENING VALUE/ RCV OPENING VALUE</u>	<u>PAY MARKET VALUE/ RCV MARKET VALUE</u>	<u>UNREALIZED CURRENCY GAIN/LOSS</u>
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* * * NO POSITIONS END OF PERIOD * * *



THE BANK OF NEW YORK MELLON.

TRDGVU GUVF20000202 MONTHLY REVISED 085324
GUV F200002
GULF POWER MEDICAL INSURANCE

SALES PENDING SETTLEMENT

31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11

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MT5261

SECURITY DESCRIPTION/ TRADING BROKER	TRD DATE/ SET DATE	SHARES*PAR VALUE/ (ORIGINAL SHARES)/ PRICE	SETTLEMENT AMOUNT
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S INDICATES PARTIAL SETTLEMENT

* * * NO POSITIONS END OF PERIOD * * *



THE BANK OF NEW YORK MELLON.

TRDGUV GUV/F20000202 MONTHLY REVISED 085324
GUV F200002
GULF POWER MEDICAL INSURANCE

INTEREST RECEIVABLE

31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11

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MT5821

PAY DATE/
MAT DATE/
CONTRACT
SETTLE DATE

SHARES/PAR VALUE/
INTEREST RATE

INTEREST
ACCRUED

INTEREST
RECEIVED

INTEREST
RECEIVABLE

S INDICATES PARTIAL SETTLEMENT
* INDICATES PENDING INTEREST

* * * NO POSITIONS END OF PERIOD * * *



THE BANK OF NEW YORK MELLON.

TRDGUV GUV/F20000202 MONTHLY REVISED 085324
GUV F200002
GULF POWER MEDICAL INSURANCE

DIVIDENDS RECEIVABLE

31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11

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MT583G

<u>SECURITY DESCRIPTION</u>	<u>EX DATE/ PAY DATE</u>	<u>SHARES/PAR VALUE/ DIVIDEND RATE</u>	<u>DIVIDEND ACCRUED</u>	<u>DIVIDEND RECEIVED</u>	<u>DIVIDEND RECEIVABLE</u>
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* * * NO POSITIONS END OF PERIOD * * *



THE BANK OF NEW YORK MELLON

TRDGUV GUVF20000202 MONTHLY REVISED 085324
GUV F200002
GULF POWER MEDICAL INSURANCE

STATEMENT OF CHANGE IN NET ASSETS AVAILABLE FOR BENEFIT \$ 2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
31 DECEMBER 2010
PAGE: 1
NC100

	CURRENT PERIOD		YEAR TO DATE	
	01-DEC-10	31-DEC-10	01-JAN-10	31-DEC-10
NET ASSETS - BEGINNING OF PERIOD		\$ 452,552.34		\$ 457,026.86
RECEIPTS:				
INVESTMENT INCOME:				
REALIZED GAIN/LOSS	0.00		5.15	
UNREALIZED GAIN/LOSS-INVESTMENT	0.16		4.67-	
TOTAL		0.16		0.48
MASTER TRUST CHANGE IN REALIZED G/L	0.00		0.40-	
MASTER TRUST INTEREST INCOME EARNED	35.22		679.93	
TOTAL RECEIPTS		35.38		679.53
DISBURSEMENTS:				
ADMINISTRATIVE EXPENSES:				
FEES:				
CONSULTING	0.00		550.15	
LEGAL	0.00		4,569.00	
TOTAL		0.00		5,119.15
TOTAL DISBURSEMENTS		0.00		5,119.15
NET ASSETS - END OF PERIOD		\$ 452,587.72		\$ 452,587.72



THE BANK OF NEW YORK MELLON.

TRDGUV GUVF20000202 MONTHLY
GUV F200002
GULF POWER MEDICAL INSURANCE

REVISED 085324

FOREIGN EXCHANGE CONTRACT TRANSACTIONS
FOR THE PERIOD 01 DECEMBER 2010 THROUGH 31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
PAGE: 1
M25401



THE BANK OF NEW YORK MELLON.

TRDGIV GUVF20000202 MONTHLY REVISED 085324
GUV F200002
GULF POWER MEDICAL INSURANCE

INTEREST EARNED
FOR THE PERIOD 01 DECEMBER 2010 THROUGH 31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11

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M25201

<u>SECURITY DESCRIPTION</u>	<u>TRAN CODE</u>	<u>TRANSACTION DESCRIPTION</u>	<u>PAYMENT/ EFFECTIVE DATE</u>	<u>TRADE DATE</u> <u>BASE VALUE OF</u> <u>AMOUNT RECEIVED</u>	<u>SETTLE DATE</u> <u>BASE VALUE OF</u> <u>AMOUNT RECEIVED</u>
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* INDICATES PENDING SETTLEMENT

*** NO ACTIVITY FOR THIS PERIOD ***



THE BANK OF NEW YORK MELLON

TRDGUV GUVF20000202 MONTHLY REVISED 085324
GUV F200002
GULF POWER MEDICAL INSURANCE

DIVIDENDS EARNED
FOR THE PERIOD 01 DECEMBER 2010 THROUGH 31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
PAGE: 1
M25301

<u>SECURITY DESCRIPTION</u>	<u>TRAN CODE</u>	<u>TRANSACTION DESCRIPTION</u>	<u>PAYMENT/ EFFECTIVE DATE</u>	<u>EX DATE</u>	<u>BASE VALUE OF AMOUNT RECEIVED</u>
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* * * NO ACTIVITY FOR THIS PERIOD * * *



THE BANK OF NEW YORK MELLON.

TRDGUV GUVF20000202 MONTHLY REVISED 085324
GUV F200002
GULF POWER MEDICAL INSURANCE

CASH AND BASE COST RECONCILIATION
FOR THE PERIOD 01 DECEMBER 2010 THROUGH 31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11

PAGE: 1
M25801

BEGINNING OF PERIOD

SETTLE DATE
BASE CASH

TRADE DATE
BASE COST OF
INVESTMENT

0.00

452,096.10

TRANSACTIONS - CONTRACT BASIS
TRANSACTIONS - SETTLED BASIS

35.22

SETTLED RECEIPTS AND DISBURSEMENT TRANSACTIONS

0.00

INTEREST RECEIVED

0.00

DIVIDENDS RECEIVED

0.00

END OF PERIOD

0.00

452,131.32



THE BANK OF NEW YORK MELLON.

TRDGUV GUVF20000202 MONTHLY REVISED 085324
GUV F200002
GULF POWER MEDICAL INSURANCE

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11

PAGE: 1
NA200

BOOK VALUE
INVESTMENTS:
COST

\$ 452,131.32

\$ 452,131.32

TOTAL BOOK VALUE

452,131.32

UNREALIZED
APPRECIATION/DEPRECIATION
UNREALIZED APPRECIATION-INVEST

456.40

456.40

TOTAL UNREALIZED

456.40

TOTAL MARKET VALUE

\$ 452,587.72



THE BANK OF NEW YORK MELLON.

TRDGUV GUVF20000102 MONTHLY REVISED 085324 STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS 2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
 GUV F200001 31 DECEMBER 2010 PAGE: 1
 GULF POWER LIFE INSURANCE NA100

ASSETS		
INVESTMENTS:		
COST	\$ 67,473.42	
UNREALIZED APPRECIATION-INVEST	456.52-	
	\$	67,016.90
		<u>67,016.90</u>
		<u>67,016.90</u>
LIABILITIES		
		<u>0.00</u>
		<u>0.00</u>
NET ASSETS	\$	67,016.90
		<u>67,016.90</u>
		<u>67,016.90</u>



THE BANK OF NEW YORK MELLON

TRDGUV GUVF20000102 MONTHLY REVISED 085324 INVESTMENT SUMMARY

31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
PAGE: 1
M1001

GUV F200001
GULF POWER LIFE INSURANCE

<u>INVESTMENT DISTRIBUTION</u>	<u>COST</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
UNIT OF PARTICIPATION	67,473.42	67,016.90	456.52-
TOTAL INVESTMENTS	67,473.42	67,016.90	456.52-



THE BANK OF NEW YORK MELLON

TRDGUV GUVF20000102 MONTHLY REVISED 085324 INVESTMENT DETAIL
GUV F200001
GULF POWER LIFE INSURANCE

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
PAGE: 1
M1101

31 DECEMBER 2010

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
62,367.0020	GULF POWER LIFE/MEDICAL	67,473.42	1.0745	67,016.90	456.52-
TOTAL INVESTMENTS UNIT OF PARTICIPATION		67,473.42		67,016.90	456.52-
TOTAL INVESTMENT		67,473.42		67,016.90	456.52-



THE BANK OF NEW YORK MELLON.

TRDGUV GUVF20000102 MONTHLY REVISED 085324

PURCHASES PENDING SETTLEMENT
31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
PAGE: 1
MT525I

GUV F200001
GULF POWER LIFE INSURANCE

<u>SECURITY DESCRIPTION/ TRADING_BROKER</u>	<u>TRD DATE/ SET DATE</u>	<u>SHARES-PAR VALUE/ (ORIGINAL SHARES)/ PRICE</u>	<u>SETTLEMENT AMOUNT</u>
			S INDICATES PARTIAL SETTLEMENT

* * * NO POSITIONS END OF PERIOD * * *



THE BANK OF NEW YORK MELLON

TRDGUV GUVF20000102 MONTHLY REVISED 085324 PENDING FOREIGN EXCHANGE CONTRACTS
GUV F200001 31 DECEMBER 2010
GULF POWER LIFE INSURANCE

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
PAGE: 1
MT5271

<u>UNITS</u>	<u>CONTRACT DESCRIPTION</u>	<u>TRD DATE/ SET DATE</u>	<u>PAY FX RATE/ RCV FX RATE/ CONTRACT RATE</u>	<u>PAY OPENING VALUE/ RCV OPENING VALUE</u>	<u>PAY MARKET VALUE/ RCV MARKET VALUE</u>	<u>UNREALIZED CURRENCY GAIN/LOSS</u>
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* * * NO POSITIONS END OF PERIOD * * *



THE BANK OF NEW YORK MELLON

TRDGUV GUVF20000102 MONTHLY REVISED 085324
GUV F200001
GULF POWER LIFE INSURANCE

SALES PENDING SETTLEMENT
31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
PAGE: 1
MT526I

<u>SECURITY DESCRIPTION/ TRADING BROKER</u>	<u>TRD DATE/ SET DATE</u>	<u>SHARES/PAR VALUE/ (ORIGINAL SHARES)/ PRICE</u>	<u>SETTLEMENT AMOUNT</u>
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* * * NO POSITIONS END OF PERIOD * * *

S INDICATES PARTIAL SETTLEMENT



THE BANK OF NEW YORK MELLON.

TRDGUV GUVF20000102 MONTHLY REVISED 085324 INTEREST RECEIVABLE 31 DECEMBER 2010 2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
GUV F200001 PAGE: 1
GULF POWER LIFE INSURANCE MT5821

<u>SECURITY DESCRIPTION</u>	<u>PAY DATE/ MAT DATE/ CONTRACT</u>	<u>SHARES/PAR VALUE/ INTEREST RATE</u>	<u>INTEREST ACCRUED</u>	<u>INTEREST RECEIVED</u>	<u>INTEREST RECEIVABLE</u>
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S INDICATES PARTIAL SETTLEMENT
* INDICATES PENDING INTEREST

* * * NO POSITIONS END OF PERIOD * * *



THE BANK OF NEW YORK MELLON.

TRDGUV GUVF20000102 MONTHLY REVISED 085324
GUV F200001
GULF POWER LIFE INSURANCE

DIVIDENDS RECEIVABLE 31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
PAGE: 1
MT583G

<u>SECURITY DESCRIPTION</u>	<u>EX DATE/ PAY DATE</u>	<u>SHARES/PAR VALUE/ DIVIDEND RATE</u>	<u>DIVIDEND ACCRUED</u>	<u>DIVIDEND RECEIVED</u>	<u>DIVIDEND RECEIVABLE</u>
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* * * NO POSITIONS END OF PERIOD * * *



THE BANK OF NEW YORK MELLON

TRDGUV GUVF20000102 MONTHLY REVISED 085324
 GUV F200001
 GULF POWER LIFE INSURANCE

STATEMENT OF CHANGE IN NET ASSETS AVAILABLE FOR BENEFIT \$
 2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
 31 DECEMBER 2010 PAGE: 1
 NC100

	CURRENT PERIOD		YEAR TO DATE	
	01-DEC-10	31-DEC-10	01-JAN-10	31-DEC-10
NET ASSETS - BEGINNING OF PERIOD	\$	67,011.66	\$	72,365.25
RECEIPTS:				
INVESTMENT INCOME:				
REALIZED GAIN/LOSS	\$	0.00	\$	35.05-
UNREALIZED GAIN/LOSS-INVESTMENT		0.03		4.78
MASTER TRUST CHANGE IN REALIZED G/L		0.00		30.30
MASTER TRUST INTEREST INCOME EARNED		5.21		105.11
TOTAL RECEIPTS		5.24		135.41
DISBURSEMENTS:				
ADMINISTRATIVE EXPENSES:				
FEES:				
CONSULTING		0.00		906.49
LEGAL		0.00		4,547.00
TOTAL DISBURSEMENTS		0.00		5,453.49
NET ASSETS - END OF PERIOD	\$	67,016.90	\$	67,016.90



THE BANK OF NEW YORK MELLON

TRDGUV GUVF20000102 MONTHLY REVISED 085324
GUV F200001
GULF POWER LIFE INSURANCE

FOREIGN EXCHANGE CONTRACT TRANSACTIONS
FOR THE PERIOD 01 DECEMBER 2010 THROUGH 31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
PAGE: 1
M2540I



THE BANK OF NEW YORK MELLON

TRDGUV GUVF20000102 MONTHLY REVISED 085324

GUV F200001 INTEREST EARNED

GULF POWER LIFE INSURANCE

FOR THE PERIOD 01 DECEMBER 2010 THROUGH 31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11

PAGE: 1

M2520I

<u>SECURITY DESCRIPTION</u>	<u>TRAN CODE</u>	<u>TRANSACTION DESCRIPTION</u>	<u>PAYMENT/ EFFECTIVE DATE</u>	<u>TRADE DATE BASE VALUE OF AMOUNT RECEIVED</u>	<u>SETTLE DATE BASE VALUE OF AMOUNT RECEIVED</u>
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* INDICATES PENDING SETTLEMENT

* * * NO ACTIVITY FOR THIS PERIOD * * *



THE BANK OF NEW YORK MELLON.

TRDGUV GUVF20000102 MONTHLY REVISED 085324
GUV F200001 DIVIDENDS EARNED
GULF POWER LIFE INSURANCE FOR THE PERIOD 01 DECEMBER 2010 THROUGH 31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
PAGE: 1
M25301

<u>SECURITY DESCRIPTION</u>	<u>TRAN CODE</u>	<u>TRANSACTION DESCRIPTION</u>	<u>PAYMENT/ EFFECTIVE DATE</u>	<u>EX DATE</u>	<u>BASE VALUE OF AMOUNT RECEIVED</u>
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* * * NO ACTIVITY FOR THIS PERIOD * * *



THE BANK OF NEW YORK MELLON

TRDGUV GUVF20000102 MONTHLY REVISED 085324
GUV F200001
GULF POWER LIFE INSURANCE

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
PAGE: 1
M25801

CASH AND BASE COST RECONCILIATION
FOR THE PERIOD 01 DECEMBER 2010 THROUGH 31 DECEMBER 2010

	<u>SETTLE DATE BASE CASH</u>	<u>TRADE DATE BASE COST OF INVESTMENT</u>
<u>BEGINNING OF PERIOD</u>	0.00	67,468.21
TRANSACTIONS - CONTRACT BASIS		
TRANSACTIONS - SETTLED BASIS		5.21
SETTLED RECEIPTS AND DISBURSEMENT TRANSACTIONS		
INTEREST RECEIVED	0.00	
DIVIDENDS RECEIVED	0.00	
<u>END OF PERIOD</u>	0.00	67,473.42



THE BANK OF NEW YORK MELLON

TRDGUV GUVF20000102 MONTHLY REVISED 085324
GUV F200001
GULF POWER LIFE INSURANCE

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 DECEMBER 2010

2010-12-31 CYCLE 3 12:19:17 RUN DATE: 14-JAN-11
PAGE: 1
NA200

BOOK VALUE INVESTMENTS: COST	\$	<u>67,473.42</u>	\$	67,473.42
TOTAL BOOK VALUE				<u>67,473.42</u>
UNREALIZED APPRECIATION/DEPRECIATION UNREALIZED APPRECIATION-INVEST				456.52-
TOTAL UNREALIZED				<u>456.52-</u>
TOTAL MARKET VALUE	\$		\$	67,016.90



November 24, 2010

Mr. Timothy P. Acklin
Southern Company Services, Inc.
BIN SC1101
30 Ivan Allen Jr. Boulevard, N.W.
Atlanta, GA 30308

Dear Tim,

Subject: 2010 Asset Transfer Amounts

This letter and the enclosed attachment discuss the movement of about \$25 million between individual company pension "sub-accounts" within the Southern Company Pension Plan trust. The asset transfers will make the adjustments necessary for employees who moved between companies during 2009. ***The asset transfers should be made on or before November 30, 2010.***

Summary

As employees move between companies, responsibility for their pension benefits accrued up to their transfer dates shifts to their new companies. Pension assets corresponding to their benefits are also supposed to follow the transferring employees. As a result, assets must be periodically moved between the company-specific pension sub-accounts of the consolidated pension plan's trust.

The November 30, 2010 asset transfers will be for the 2009 transfers. This group represents the normal movement of employees between companies during 2009. The attachment contains a summary of the asset amounts. Please note that a small portion of these transfers is the result of true-ups to the benefit calculations involved in the 2008 transfers.

Formal governmental filings are not required for these transfers. This is because funds are just being moved between sub-accounts of The Southern Company Pension Plan. Filings would be required only if funds were being transferred into or out of the plan.

Determination of Transfer Amounts

Prior letters describe precisely how the asset transfer amounts for normal transfers are determined, but a brief summary might be helpful. For a given individual who transferred during 2009, the amount to transfer as of November 30, 2010 was determined as follows:

- (1) The value of the individual's liability and the value of the total benefit liability for his prior business unit were determined as of January 1, 2010. The liabilities for both the individual transferring and all other participants were calculated using the assumptions used for the corporation's prior year accounting disclosures including an interest rate of 5.95%.
- (2) The value of assets for the individual's prior business unit was also determined as of January 1, 2010.

Consulting | Retirement
3350 Riverwood Parkway Suite 80 | Atlanta, GA 30339-3370
t 770.956.7777 | f 770.956.8780 | aonhewitt.com
Proprietary & Confidential

- (3) The asset transfer amount as of January 1, 2010 for the individual equals his prior business unit's assets times a ratio of the individual's liability to the business unit's total liability.
- (4) The final transfer amount in (3) was increased by annual interest at 8.75% for the 11 months from January 1, 2010 to November 30, 2010.

The process outlined in steps (1) through (4) was repeated for each individual for transfers during 2009. Resulting amounts were rounded to the nearest dollar in order to be consistent with prior practice.

Future Transfers

More transfers will be made in the future due to the continuous normal movement of employees between companies. The next group of normal transfers that will be identified are the transfers during the 2010 calendar year. The related asset transfer amounts will be determined in conjunction with the 2011 actuarial valuation. Assets can be transferred any time after that valuation is completed.

Other ad hoc transfers may be appropriate if special events take place.

Other Supporting Data

Listings of employees involved in the transfers have not been requested in the past several years. In years prior to that, when formal government filings were required, we sent lists of employees associated with each transfer. If you need listings, or if you have any questions or other needs, please call.

Sincerely,

Hewitt Associates LLC



H. John Elliot

HJE:bs 01909L001

Attachments

cc: Ms. Rebecca J. Marsh, Southern Company Services, Inc.
Ms. Greta Wells, Southern Company Services, Inc.
Ms. Joy L. Ferguson, Hewitt Associates
Mr. Colby Park, Hewitt Associates
Mr. Scott C. Twery, Hewitt Associates



Southern Company Pension Plan—Asset Transfers

Southern Company Pension Plan

Asset Transfers Between Company Accounts as of November, 30, 2010*
For Normal Transfers Between Companies During 2009

Assets To Be Transferred TO	Assets To Be Transferred FROM										Total
	APC	GPC	Gulf	MPC	SAV	SCS_SCS	SNC	COMM	SoCo	Total	
Alabama Power Company (APC)	\$ 0	\$ 481,788	\$ 787,604	\$ 142,509	\$ 0	\$ 2,062,432	\$ 382,251	\$ 6,294	\$ 0	\$ 3,862,878	
Georgia Power Company (GPC)	\$ 480,117	\$ 0	\$ 70,512	\$ 40,126	\$ 0	\$ 2,340,856	\$ 92,203	\$ 52	\$ 0	\$ 3,023,866	
Gulf Power Company (GULF)	\$ 316,975	\$ 681	\$ 0	\$ 147,605	\$ 0	\$ 1,175,499	\$ 8	\$ 19,727	\$ 0	\$ 1,660,495	
Mississippi Power Company (MPC)	\$ 567,720	\$ 531,710	\$ 7	\$ 0	\$ 0	\$ 35,266	\$ 0	\$ 0	\$ 0	\$ 1,134,703	
Savannah Electric & Power Company (SAV)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Southern Company Services, Inc. (SCS)	\$ 3,862,983	\$ 4,620,577	\$ 747,047	\$ 653,203	\$ 0	\$ 0	\$ 2,084,679	\$ 378,586	\$ 0	\$ 12,347,075	
Southern Nuclear Operating Company, Inc. (SNC)	\$ 504,979	\$ 23,849	\$ 10,510	\$ 491	\$ 0	\$ 2,606,480	\$ 0	\$ 0	\$ 0	\$ 3,146,309	
Southern Communications Services, Inc. (COMM)	\$ 24	\$ 7,137	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,161	
Southern Company (Southern Energy Retirees) (SoCo)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Total	\$ 5,732,798	\$ 5,665,742	\$ 1,615,680	\$ 983,934	\$ 0	\$ 8,220,533	\$ 2,559,141	\$ 404,659	\$ 0	\$ 25,182,487	

*Transfer amounts were adjusted to November 30, 2010 from the initial determination date by adding interest at 8.75% per year.



February 16, 2011

Ms. Rebecca J. Marsh
 Southern Company Services, Inc.
 BIN 10115
 241 Ralph McGill Boulevard, NE
 Atlanta, GA 30308-3374

Dear Becky,

Subject: Retiree Benefit Costs—Formal Reporting of 2011 ASC 715-30/60 Costs

This letter provides and briefly discusses the total ASC 715-30/60 retiree benefit costs for fiscal 2011. The final 2011 costs by company appear in an attachment.

Summary

This table summarizes Southern's 2011 retirement benefit costs and compares them to 2010 costs and prior projections of 2011 costs.

	ASC 715-30 (Income)/Costs		ASC 715-60 (Income)/Costs		Total Costs
	Qualified	Nonqualified	Retiree Medical	Retiree Life	
Ongoing Annual Period Costs					
<i>(\$ millions)</i>					
▪ 2010 — Actual	\$ 5.36	\$49.05	\$74.23	\$ 7.97	\$ 136.61
▪ 2011					
– Projected ¹	\$ 37.12	\$49.14	\$77.20	\$ 8.44	\$ 171.90
– Actual	\$ (32.28)	\$51.22	\$62.39	\$ 6.43	\$ 87.76

¹ From projections sent to Larry Sitton on March 15, 2010.

About the 2011 Costs

The final 2011 costs are based on the same benefit obligations, assets and unamortized obligations reflected in accumulated other comprehensive income that were reported to Southern for use in its 2010 financial statement footnotes. The communications related to that information fully describe the basis for these figures. (See letter to Becky Marsh dated January 31, 2011.) Even so, here are the key assumptions used to compute 2011 costs:

- Discount rate — 5.05% to 5.65%; varies by benefit plan
- Annual rate of base pay increases — 3.84% average over a typical employee's career; varies by age/service
- Return on investments — 8.75% for pension trust and ranging from 4.50% to 7.00% for VEBAs

The attachments with the by-company and by-plan costs are similar to those provided in prior years. When reviewing them, please keep the following in mind:

- Results labeled "SoCo" are for former SEI (Mirant) retirees for whom Southern assumed benefit obligations as a result of the SEI spin-off.
- A schedule of retiree medical costs ignoring the tax-advantaged Medicare-related retiree drug subsidy (RDS) is included. The amounts shown are only for Southern's tax accounting related to the actual ASC 715-60 costs that have been provided. These figures are smaller than those provided in prior years. This is because the 2010 health care reform legislation eliminates the tax advantaged status of RDS receipts received after 2012. The cost calculation essentially spreads the value of the remaining tax-advantaged RDS receipts over the next two years consistent with the methodology prescribed by Southern. (See email sent to Becky Marsh on September 30, 2010.)

To avoid any possible confusion, please note that no costs related to the Employee Savings Plan and ESOP are included; the Company independently accounts for these benefits.

Actual versus Projected 2011 Costs

The actual total 2011 retirement benefit costs are lower than had been projected due to many factors. The key drivers were the tax-qualified pension contribution and gains/losses resulting from new data, assumption changes, and favorable asset experience during 2010.

- Census data — The actual 2011 costs are based on updated data. Overall, the new data was only modestly different than what had been anticipated leading to gains and losses that differed by company and benefit plan.

- Assumption changes — Overall, the impact of changes in demographic and other interest rate sensitive assumptions mitigated much of the impact of lower discount rates.
 - Discount rates — Lower interest rates forced the company to adopt discount rates that are generally 35–55 basis points lower than anticipated in the projections which increased benefit obligations.
 - Other interest rate sensitive assumptions — Some of the factors leading to lower interest rates caused the company to revise other assumptions (primarily assumed rate of salary increases); these changes mitigated some of the increase in tax-qualified obligations due to discount rates.
 - Demographic assumptions — Emerging data has led to further refinement of two demographic assumptions – retirement age and retiree medical participation.
 - Retirement rates — The revised assumptions anticipate that employees who will not be eligible for grandfathered retiree medical benefits will retire about one year later than those who are. Anticipating later retirements for these employees decreased obligations in the tax-qualified pension and retiree medical plans.
 - Retiree medical participation rates — The participation rates for capped employees and spouses were lowered 5 basis points to reflect continued experience showing that retired capped employees participate at lower levels than previously anticipated. This revised assumption further reduced retiree medical obligations.
- Asset experience — Asset returns during 2010 were generally higher than anticipated leading to significant gains. This is especially true for the pension trust which had a dollar-weighted average return of about 15.6% versus the 8.75% anticipated.
- Pension contribution — The \$620 million contribution to the tax-qualified pension trust in December 2010 was not anticipated when the projections were done last spring. It basically erased the plan's deficit which had been projected to grow.

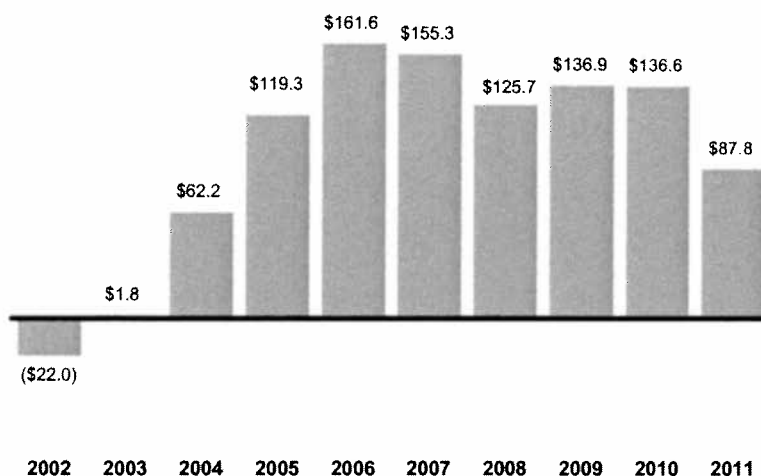
The exact impact of these factors on costs varies by plan and company. For example, the investment gains had no impact on the unfunded nonqualified pension. The returns impacted the tax-qualified pension most, and relatively speaking, APC benefited somewhat more than the other companies since its segment of the plan has the highest funded ratio. Another example, the pension contribution benefited companies differently. The Southern adopted method for allocating pension contributions resulted in GPC, SNC and SCS contributing the largest amounts, and as a result, they received the largest dollar benefit in 2011 cost.

Southern's accounting methodologies also influence how this experience impacts each plan's costs by company. For example, only 20% of investment gains will be reflected in the cost calculations since Southern has elected to smooth out this experience over five years. Other methodologies impacting how costs changed include the use of a 10% gain/loss corridor and varying amortization periods for gains/losses. The corridor generally limits the impact of gains/losses when they do not exceed 10% of a company's obligations. If gains/losses for a company do exceed that threshold, then

only a fraction of the excess is included in costs based on the average remaining service of the company's employees.

Historical Cost Perspective

The chart below provides perspective on Southern's total ASC 715-30/60 cost/(income) in recent years.



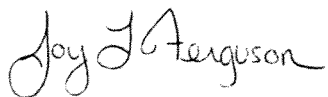
The cost changes over the last ten years are best explained by focusing on three periods.

- 2002 through 2005
 - Costs increased due to lower discount rates and 2000 – 2002 asset losses, which were recognized over a 5-year period due to smoothing rules.
- 2006 through 2008
 - Modest cost decreases were attributable to higher discount rates and better than expected asset returns.
- 2009 through 2011
 - Despite the 2008 asset loss and decreasing discount rates, costs were relatively stable in 2009 and 2010 due to favorable asset experience and multiple assumption changes.
 - The significant decrease in 2011 cost is due to the large contribution to tax-qualified pension in 2010 and assumption changes related to retirement age and medical plan participation.

If you have any questions, please let us know.

Sincerely,

Hewitt Associates LLC, operating as Aon Hewitt



Joy L. Ferguson

JLF:cm 01909L001

Attachments

cc: Mr. W. Ron Hinson, Southern Company Services, Inc.
Mr. Jeffrey O. Horne, Southern Company Services, Inc.
Mr. Gregory F. Marshall, Southern Company Services, Inc.
Mr. Larry E. Sitton, Southern Company Services, Inc.
Mr. Steven W. Wilkinson, Southern Company Services, Inc.
Ms. Ellen Chow, Aon Hewitt
Mr. H. John Elliot, Aon Hewitt
Mr. Colby C. Park, Aon Hewitt
Mr. Scott C. Twery, Aon Hewitt

**Southern Company—2011 ASC 715 Period Costs
Actual vs. Projected¹**

Company	Pension				Retiree Medical and Life		Total	Retiree Medical Tax Accounting
	Qualified Pension	Nonqualified Pension		Total	Retiree Medical	Retiree Life	ASC 715 (Income)/Cost	
		SERP	COSB					
Alabama								
• Projected	(\$22,870,000)	\$9,470,000	\$950,000	\$10,420,000	\$14,480,000	\$990,000	\$3,020,000	\$22,520,000
• Actual	(\$31,867,588)	\$9,910,773	\$1,128,202	\$11,038,975	\$9,994,818	\$545,464	(\$10,288,331)	\$13,179,260
Georgia								
• Projected	(\$9,930,000)	\$13,020,000	\$1,250,000	\$14,270,000	\$31,830,000	\$2,270,000	\$38,440,000	\$46,160,000
• Actual	(\$29,213,558)	\$13,035,364	\$1,475,965	\$14,511,329	\$27,065,150	\$1,492,709	\$13,855,630	\$28,233,520
- Sav SERP		\$517,387						
- SO SERP		\$12,517,977						
Gulf								
• Projected	\$1,870,000	\$1,680,000	n/a	\$1,680,000	\$3,610,000	\$920,000	\$8,080,000	\$4,680,000
• Actual	(\$1,611,013)	\$1,657,931	n/a	\$1,657,931	\$2,888,688	\$851,976	\$3,787,582	\$3,113,098
Mississippi								
• Projected	\$5,940,000	\$2,120,000	\$220,000	\$2,340,000	\$4,280,000	\$790,000	\$13,350,000	\$5,790,000
• Actual	\$1,403,318	\$2,246,802	\$271,795	\$2,518,597	\$3,399,443	\$415,638	\$7,736,996	\$3,841,909
- ERIP I			\$61,840					
- ERIP II			\$47,826					
- ERIP III			\$162,129					
Services								
• Projected	\$24,720,000	\$16,320,000	\$610,000	\$16,930,000	\$10,170,000	\$1,930,000	\$53,750,000	\$13,410,000
• Actual	\$8,819,537	\$17,296,535	\$741,347	\$18,037,882	\$8,626,453	\$1,743,810	\$37,227,682	\$9,104,451
Nuclear								
• Projected	\$34,650,000	\$3,020,000	n/a	\$3,020,000	\$12,170,000	\$1,480,000	\$51,320,000	\$14,530,000
• Actual	\$18,368,650	\$2,969,360	n/a	\$2,969,360	\$9,986,460	\$1,348,438	\$32,672,908	\$9,930,237
COM								
• Projected	\$3,320,000	\$330,000	n/a	\$330,000	\$650,000	\$40,000	\$4,340,000	\$680,000
• Actual	\$2,531,110	\$334,765	n/a	\$334,765	\$430,956	\$25,748	\$3,322,579	\$435,084
- STI	\$76,440	\$64,007	n/a	\$64,007	\$9,826	\$587	\$150,860	\$9,920
- LINC	\$2,454,670	\$270,758	n/a	\$270,758	\$421,130	\$25,161	\$3,171,719	\$425,164
SoCo								
• Projected	(\$580,000)	\$150,000	n/a	\$150,000	\$10,000	\$20,000	(\$400,000)	\$40,000
• Actual	(\$711,364)	\$146,331	n/a	\$146,331	(\$1,124)	\$10,536	(\$555,621)	(\$1,472)
Total								
• Projected	\$37,120,000	\$46,110,000	\$3,030,000	\$49,140,000	\$77,200,000	\$8,440,000	\$171,900,000	\$107,810,000
• Actual	(\$32,280,908)	\$47,597,861	\$3,617,309	\$51,215,170	\$62,390,844	\$6,434,319	\$87,759,425	\$67,836,087

¹ From the projections sent to Larry Sitton on March 15, 2010

Statement production date: 12/29/2010

		Breakout by Experience (102344-T-1)					
Southern Company (Exp # 33374 Retirees) 102344-F-1 Issue Date: 5/18/2010 F @ 1.280% 5/18/2010 - 1/1/2011		Southern Company 102344-T-1 Issue Date: 12/29/2005 T 12/29/2005 - 1/1/2011	Southern Company Experience number 33364 Actives	Southern Company Experience number 33374 Retirees	Southern Company Experience number 34147 Dependents	Southern Company A&S	Southern Company LTD
Beginning Balance	\$0.00	\$0.00	\$4,488,155.26	\$15,577,480.13	\$725,328.52	\$0.00	\$0.00
Deposits	\$5,000,000.00	\$24,285,001.86	\$1,485,763.00	\$0.00	\$758,513.00	\$878,820.01	\$370,941.94
Withdrawals	\$0.00	\$21,885,198.97	\$6,692,472.83	\$13,611,208.71	\$1,392,031.07	\$189,486.36	\$0.00
Interest Credited	\$39,882.61	\$3,037,529.65	\$718,554.57	\$2,053,929.80	\$162,197.90	\$72,054.87	\$30,792.50
Ending Balance	\$5,039,882.61	\$5,437,332.54	\$0.00	\$4,020,201.22	\$254,008.35	\$761,388.52	\$401,734.44

Amount available for withdrawal on date indicated
(Interest is not credited on the day of withdrawal)