

Gulf Power Company
Fin 48 Analysis
As of 09/30/2008

FIN 48 Activity -06/30/2008

	Tax Impact			
	Permanent	Temporary	Total Tax	Interest
Federal	\$ 1,536,329	\$ -	\$ 1,536,329	\$ 96,515
State	227,180	-	227,180	21,373
Total - 06/30/2008	1,763,509	-	1,763,509	117,888

FIN 48 Activity -09/30/2008

	Tax Impact			
	Permanent	Temporary	Total Tax	Interest
Federal	\$ 261,436	\$ -	\$ 261,436	\$ 12,546
State	26,780	-	26,780	1,230
Total - 09/30/2008	288,216	-	288,216	13,776
Difference - Federal	(1,274,893)	-	(1,274,893)	(83,969)
Difference - State	(200,400)	-	(200,400)	(20,143)
Total	(1,475,293)	-	(1,475,293)	(104,112)

Entries at Statutory Rates

	Account Numbers	Dr	Cr
FIN 48 Current Income Tax Expense – Federal	409-00481		1,445,688
FIN 48 Current Income Tax Expense – State	409-00482		227,235
FIN 48 Long-term Tax Liability - Federal	236-00483	1,445,688	-
FIN 48 Long-term Tax Liability - State	236-00484	227,235	-
Interest Expense- Federa	431-00481		88,295
Interest Expense- State	431-00482	-	21,373
FIN 48 Interest Payable - Federal	237-000483	88,295	
FIN 48 Interest Payable - State	237-000484	21,373	
<i>To Reverse Fin 48 UTP - Section 199 Deduction & Interest</i>			
FIN 48 Current Income Tax Expense – Federal	409-00481	170,795	
FIN 48 Current Income Tax Expense – State	409-00482	26,836	
FIN 48 Long-term Tax Liability - Federal	236-00483		170,795
FIN 48 Long-term Tax Liability - State	236-00484		26,836
Interest Expense- Federa	431-00481	4,326	
Interest Expense- State	431-00482	1,230	
FIN 48 Interest Payable - Federal	237-000483		4,326
FIN 48 Interest Payable - State	237-000484		1,230
<i>To Record Current Period Fin 48</i>			
Totals		3,658,701	3,658,701

Disclosure Tax Audit Report by Entity - The Southern Company

Current Disclosure: Copy 2008_Fin_48_9-30-2008.F48 - Reserve Date: 09/30/2008

Last Disclosure: 2008_Fin_48_6-30-2008.F48 - Reserve Date: 06/30/2008

: Gulf Power Company

Juris	Tax Period	Issue	Type	Old Adjust	New Adjust	Tax		
Opening Balance						1,763,508		
<u>Additions for Current Year Tax Position</u>								
FED	58-0690070	2008/1	INC	199 Indirect	Tax	-	215,500	75,425
FL	58-0690070	2008/1	INC	199 Indirect	Tax	-	214,500	11,853
Subtotal						87,223		
<u>Additions for Prior Years' Tax Position</u>								
FED	58-0690070	2006/1	INC	199 Indirect	Tax	-	38,156	13,355
FED	58-0690070	2007/1	INC	199 Indirect	Tax	-	234,257	81,990
FED	58-0690070	2007/1	INC	R&D	Tax	-	28	26
FL	58-0690070	2006/1	INC	199 Indirect	Tax	-	38,156	2,099
FL	58-0690070	2007/1	INC	199 Indirect	Tax	-	234,257	12,884
Subtotal						110,363		
<u>Reductions for Prior Years' Tax Position</u>								
No Activity								
<u>Settlements with Taxing Authority</u>								
FED	58-0690070	2005/1	INC	199 Ded	Tax	155,251	-	(54,338)
FED	58-0690070	2005/1	INC	199 Ded	Tax	621,003	-	(217,351)
FED	58-0690070	2006/1	INC	199 Ded	Tax	240,000	-	(84,000)
FED	58-0690070	2006/1	INC	199 Ded	Tax	(109,343)	-	38,270
FED	58-0690070	2006/1	INC	199 Ded	Tax	597,628	-	(209,170)
FED	58-0690070	2007/1	INC	199 Ded	Tax	265,000	-	(92,750)
FED	58-0690070	2007/1	INC	199 Ded	Tax	120,000	-	(42,000)
FED	58-0690070	2007/1	INC	199 Ded	Tax	120,000	-	(42,000)
FED	58-0690070	2007/1	INC	199 Ded	Tax	941,000	-	(329,350)
FED	58-0690070	2007/1	INC	199 Ded	Tax	555,000	-	(194,250)
FED	58-0690070	2008/1	INC	199 Ded	Tax	625,000	-	(218,750)
FL	58-0690070	2005/1	INC	199 Ded	Tax	155,251	-	(8,539)
FL	58-0690070	2005/1	INC	199 Ded	Tax	621,003	-	(34,155)
FL	58-0690070	2006/1	INC	199 Ded	Tax	240,000	-	(13,200)
FL	58-0690070	2006/1	INC	199 Ded	Tax	597,628	-	(32,870)
FL	58-0690070	2006/1	INC	199 Ded	Tax	(109,343)	-	6,014
FL	58-0690070	2007/1	INC	199 Ded	Tax	120,000	-	(6,600)
FL	58-0690070	2007/1	INC	199 Ded	Tax	265,000	-	(14,575)
FL	58-0690070	2007/1	INC	199 Ded	Tax	120,000	-	(6,600)
FL	58-0690070	2007/1	INC	199 Ded	Tax	555,000	-	(30,525)
FL	58-0690070	2007/1	INC	199 Ded	Tax	941,000	-	(51,755)
FL	58-0690070	2008/1	INC	199 Ded	Tax	625,000	-	(34,375)
Subtotal						(1,672,868)		

$$\begin{array}{r} 87278 \\ - 38575 \\ \hline 226255 \end{array}$$

$$\begin{array}{r} 15454 = 14718 \\ 94874 = 90364 \\ \hline 110328 \quad 105082 \\ \quad \quad \quad 5246 \end{array}$$

$$\begin{array}{r} 218205 \\ 229205 \\ \hline 447410 \end{array}$$

GUL : Gulf Power Company

Juris	Tax Period	Issue	Type	Old Adjust	New Adjust	Tax
<u>Reduction Due to Expired Statute of Limitations</u>						
No Activity						
Closing Balance						288,216

$$\begin{array}{r} 4130539 \\ - 272415 \\ - 215580 \\ \hline 3642626 \end{array}$$

$$\begin{array}{r} 1595355 \\ - 105083 \\ - 83129 \\ \hline 1405143 \\ \quad \quad \quad 215209 \\ \hline 1189643 \end{array}$$

Federal Permanent Adjustment	(3,642,626)
Federal Credit Adjustment	28
Federal Temporary Adjustment	-
State Permanent Adjustment	(3,643,626)
State Credit Adjustment	-
State Temporary Adjustment	-

Put in Opposite
 Put in Opposite

Provision Tax & Penalty Audit Report by Entity - The Southern Company
Current Provision: Copy 2008_Fin_48_9-30-2008.F48 - Reserve Date: 09/30/2008
Last Provision: 2008_Fin_48_6-30-2008.F48 - Reserve Date: 06/30/2008

GUL : Gulf Power Company

Federal

Tax Period	Issue	Change Information	Old Adjust	New Adjust	Tax Temporary	Tax Permanent	Penalty	Deficiency Interest	Overpayment Interest	Total
Opening Balance					0	1,536,329	0	96,515	0	1,632,844
Settled with tax Authority					-	-	-	-	-	-
Adjusted Balance					0	1,536,329	0	96,515	0	1,632,844
<i>Contingent Tax</i>										
ST LIB CON YES PER										
58-0690070 2006/12 INC	199 Indirect	New Item	-	38,156	-	13,355	-	1,570	-	14,925
58-0690070 2007/12 INC	199 Indirect	New Item	-	234,257	-	81,990	-	2,756	-	84,746
58-0690070 2008/12 INC	199 Indirect	New Item	-	215,500	-	75,425	-	-	-	75,425
LI LIB CON YES PER										
58-0690070 2005/12 INC	199 Ded	Settled 09/30/2008	155,251	155,251	-	(54,338)	-	(10,273)	-	(64,610)
58-0690070 2005/12 INC	199 Ded	Settled 09/30/2008	621,003	621,003	-	(217,351)	-	(41,090)	-	(258,441)
58-0690070 2006/12 INC	199 Ded	Settled 09/30/2008	240,000	240,000	-	(84,000)	-	(7,501)	(634)	(92,135)
58-0690070 2006/12 INC	199 Ded	Settled 09/30/2008	(109,343)	(109,343)	-	38,270	-	-	2,519	40,789
58-0690070 2006/12 INC	199 Ded	Settled 09/30/2008	597,628	597,628	-	(209,170)	-	(18,679)	(1,578)	(228,427)
58-0690070 2007/12 INC	199 Ded	Settled 09/30/2008	265,000	265,000	-	(92,750)	-	(1,682)	-	(94,432)
58-0690070 2007/12 INC	199 Ded	Settled 09/30/2008	120,000	120,000	-	(42,000)	-	(762)	-	(42,762)
58-0690070 2007/12 INC	199 Ded	Settled 09/30/2008	120,000	120,000	-	(42,000)	-	(762)	-	(42,762)
58-0690070 2007/12 INC	199 Ded	Settled 09/30/2008	941,000	941,000	-	(329,350)	-	(5,974)	-	(335,324)
58-0690070 2007/12 INC	199 Ded	Settled 09/30/2008	555,000	555,000	-	(194,250)	-	(3,524)	-	(197,774)
58-0690070 2007/12 INC	R&D	New Item	-	26	-	26	-	1	-	27
58-0690070 2008/12 INC	199 Ded	Settled 09/30/2008	625,000	625,000	-	(218,750)	-	-	-	(218,750)
Other Interest Charges	Various	Rollforward/Allocation			-	-	-	1,950	(307)	1,643

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

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GUL : Gulf Power Company

Federal

Tax Period	Issue	Change Information	Old Adjust	New Adjust	Tax Temporary	Tax Permanent	Penalty	Deficiency Interest	Overpayment Interest	Total
					0	(1,274,893)	0	(83,969)	0	(1,358,862)
Sub Total										
Closing Balance										
					0	261,436	0	12,546	0	273,981

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

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GUL : Gulf Power Company

US States

Tax Period	Issue	Change Information	Old Adjust	New Adjust	Tax Temporary	Tax Permanent	Penalty	Deficiency Interest	Overpayment Interest	Total
Opening Balance					0	227,180	0	21,373	0	248,553
Settled with tax Authority					-	-	-	-	-	-
Adjusted Balance					0	227,180	0	21,373	0	248,553
<i>Contingent Tax</i>										
<u>SI LIB CON YES PER</u>										
58-0690070 2006/12 INC	199 Indirect	New Item	-	38,156	-	2,099	-	389	-	2,488
58-0690070 2007/12 INC	199 Indirect	New Item	-	234,257	-	12,884	-	841	-	13,725
58-0690070 2008/12 INC	199 Indirect	New Item	-	214,500	-	11,798	-	-	-	11,798
<u>LI LIB CON YES PER</u>										
58-0690070 2005/12 INC	199 Ded	Settled 09/30/2008	155,251	155,251	-	(8,539)	-	(2,258)	-	(10,797)
58-0690070 2005/12 INC	199 Ded	Settled 09/30/2008	621,003	621,003	-	(34,155)	-	(9,032)	-	(43,187)
58-0690070 2006/12 INC	199 Ded	Settled 09/30/2008	240,000	240,000	-	(13,200)	-	(1,783)	(268)	(15,251)
58-0690070 2006/12 INC	199 Ded	Settled 09/30/2008	597,628	597,628	-	(32,870)	-	(4,440)	(667)	(37,976)
58-0690070 2006/12 INC	199 Ded	Settled 09/30/2008	(109,343)	(109,343)	-	6,014	-	-	934	6,948
58-0690070 2007/12 INC	199 Ded	Settled 09/30/2008	120,000	120,000	-	(6,600)	-	(232)	-	(6,832)
58-0690070 2007/12 INC	199 Ded	Settled 09/30/2008	265,000	265,000	-	(14,575)	-	(511)	-	(15,086)
58-0690070 2007/12 INC	199 Ded	Settled 09/30/2008	120,000	120,000	-	(6,600)	-	(232)	-	(6,832)
58-0690070 2007/12 INC	199 Ded	Settled 09/30/2008	555,000	555,000	-	(30,525)	-	(1,071)	-	(31,596)
58-0690070 2007/12 INC	199 Ded	Settled 09/30/2008	941,000	941,000	-	(51,755)	-	(1,816)	-	(53,571)
58-0690070 2008/12 INC	199 Ded	Settled 09/30/2008	625,000	625,000	-	(34,375)	-	-	-	(34,375)
Sub Total					0	(200,399)	0	(20,143)	0	(220,543)
Closing Balance					0	26,780	0	1,230	0	28,010

Disclosure Report by Entity - The Southern Company

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GUL : Gulf Power Company

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 1481000

Part-I Reconciliation of Unrecognized Tax Benefits

Opening Balance of Contingent Tax Reserves	
Additions for Current Year Tax Position	
Additions for Prior Years' Tax Position	
Reductions for Prior Years' Tax Position	
Settlements with Taxing Authority	
Reduction Due to Expired Statute of Limitations	
Closing Balance	

	Tax	
	1,763,508	
83129	87,223	2008
10,5082	110,353	2006/7
90640	-	
	(1,672,868)	
	-	
278851	288,216	
	87223	
	110353	
	90640	
	288216	

Part-II Impact on Effective Tax Rate

Portion of Contingent Tax Position That	
Would Impact the Effective Tax Rate	
Would NOT Impact the Effective Tax Rate	
Contingent Tax Position in Financial Statements	

	Tax
	288,216
	-
	288,216

Part-III Interest and Penalties

	Interest	Penalty
Opening Balance	117,888	-
Changes During Reporting Period	(104,113) ✓	-
Closing Balance	13,776	-

Part IV Currently Open for Examination

Jurisdiction	Tax Type	Period
Federal	Income	2005/12
Federal	Income	2006/12
Federal	Income	2007/12
Federal	Income	2008/12
Florida	Income	2005/12
Florida	Income	2006/12
Florida	Income	2007/12
Florida	Income	2008/12

Disclosure Tax Audit Report by Entity - The Southern Company

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Juris	Tax Period	Issue	Type	Old Adjust	New Adjust	Tax
Opening Balance						1,763,508
<u>Additions for Current Year Tax Position</u>						
FED	58-0690070	2008/12 INC	199 Indirect	Tax	-	215,500
FL	58-0690070	2008/12 INC	199 Indirect	Tax	-	214,500
Subtotal						87,223
<u>Additions for Prior Years' Tax Position</u>						
FED	58-0690070	2006/12 INC	199 Indirect	Tax	-	38,156
FED	58-0690070	2007/12 INC	199 Indirect	Tax	-	234,257
FED	58-0690070	2007/12 INC	R&D	Tax	-	26
FL	58-0690070	2006/12 INC	199 Indirect	Tax	-	38,156
FL	58-0690070	2007/12 INC	199 Indirect	Tax	-	234,257
Subtotal						110,353
<u>Reductions for Prior Years' Tax Position</u>						
No Activity						
<u>Settlements with Taxing Authority</u>						
FED	58-0690070	2005/12 INC	199 Ded	Tax	155,251	155,251
FED	58-0690070	2005/12 INC	199 Ded	Tax	621,003	621,003
FED	58-0690070	2006/12 INC	199 Ded	Tax	240,000	240,000
FED	58-0690070	2006/12 INC	199 Ded	Tax	(109,343)	(109,343)
FED	58-0690070	2006/12 INC	199 Ded	Tax	597,628	597,628
FED	58-0690070	2007/12 INC	199 Ded	Tax	265,000	265,000
FED	58-0690070	2007/12 INC	199 Ded	Tax	120,000	120,000
FED	58-0690070	2007/12 INC	199 Ded	Tax	120,000	120,000
FED	58-0690070	2007/12 INC	199 Ded.	Tax	941,000	941,000
FED	58-0690070	2007/12 INC	199 Ded	Tax	555,000	555,000
FED	58-0690070	2008/12 INC	199 Ded	Tax	625,000	625,000
FL	58-0690070	2005/12 INC	199 Ded	Tax	155,251	155,251
FL	58-0690070	2005/12 INC	199 Ded	Tax	621,003	621,003
FL	58-0690070	2006/12 INC	199 Ded	Tax	240,000	240,000
FL	58-0690070	2006/12 INC	199 Ded	Tax	597,628	597,628
FL	58-0690070	2006/12 INC	199 Ded	Tax	(109,343)	(109,343)
FL	58-0690070	2007/12 INC	199 Ded	Tax	120,000	120,000
FL	58-0690070	2007/12 INC	199 Ded	Tax	265,000	265,000
FL	58-0690070	2007/12 INC	199 Ded	Tax	120,000	120,000
FL	58-0690070	2007/12 INC	199 Ded	Tax	555,000	555,000
FL	58-0690070	2007/12 INC	199 Ded	Tax	941,000	941,000
FL	58-0690070	2008/12 INC	199 Ded	Tax	625,000	625,000
Subtotal						(1,672,868)

Disclosure Tax Audit Report by Entity - The Southern Company

Current Disclosure: Copy 2008_Fin_48_9-30-2008.F48 - Reserve Date: 09/30/2008

Last Disclosure: 2008_Fin_48_6-30-2008.F48 - Reserve Date: 06/30/2008

GUL : Gulf Power Company

Juris	Tax Period	Issue	Type	Old Adjust	New Adjust	Tax
		<u>Reduction Due to Expired Statute of Limitations</u>				
		No Activity				
		Closing Balance				<u>288,216</u>

Disclosure ETR Audit Report by Entity - The Southern Company

Current Disclosure: Copy 2008_Fin_48_9-30-2008.F48 - Reserve Date: 09/30/2008

Last Disclosure: 2008_Fin_48_6-30-2008.F48 - Reserve Date: 06/30/2008

Gulf Power Company

Juris	Tax Period	Issue	Type	Old Adjust	New Adjust	Tax	
<u>Portion of Contingent Tax Position that Would Impact the Effective Tax Rate</u>							
FED	58-0690070	2005/12	R&D	Tax	10,114	10,114	10,114
FED	58-0690070	2006/12	199 Indirect	Tax	-	38,156	13,355
FED	58-0690070	2006/12	R&D	Tax	40,696	40,696	40,696
FED	58-0690070	2007/12	199 Indirect	Tax	-	234,257	81,990
FED	58-0690070	2007/12	R&D	Tax	39,830	39,830	39,830
FED	58-0690070	2007/12	R&D	Tax	-	26	26
FED	58-0690070	2008/12	199 Indirect	Tax	-	215,500	75,425
FL	58-0690070	2006/12	199 Indirect	Tax	-	38,156	2,099
FL	58-0690070	2007/12	199 Indirect	Tax	-	234,257	12,884
FL	58-0690070	2008/12	199 Indirect	Tax	-	214,500	11,798
Sub Total							288,216

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

No Activity