

**Gulf Power Company**  
**Fin 48 Analysis**  
**As of 03/31/2011**

**FIN 48 Activity -12/31/2010**

	Tax Impact			
	Permanent	Temporary	Total Tax	Interest
Federal	\$ 1,311,242	\$ 1,766,515	\$ 3,077,757	\$ 152,667
State	<u>514,598</u>	<u>277,595</u>	<u>792,193</u>	<u>57,199</u>
Total - 12/31/2010	1,825,840	2,044,110	3,869,950	209,866

**FIN 48 Activity -03/31/2011**

	Tax Impact			
	Permanent	Temporary	Total Tax	Interest
Federal	\$ 1,321,438	\$ 1,942,066	\$ 3,263,504	\$ 172,016
State	<u>543,936</u>	<u>305,182</u>	<u>849,118</u>	<u>74,775</u>
Total - 03/31/2011	1,865,374	2,247,248	4,112,622	246,791
Difference - Federal	10,196	175,551	185,747	19,349
Difference - State	<u>29,338</u>	<u>27,587</u>	<u>56,925</u>	<u>17,576</u>
Total	<u>39,534</u>	<u>203,138</u>	<u>242,672</u>	<u>36,925</u>

**Entries at Statutory Rates**

	Account Numbers	Dr	Cr
FIN 48 Current Income Tax Expense - Federal	409-10481	175,551	
FIN 48 Current Income Tax Expense - State	409-10482	27,587	
Deferred Income Tax Expense - Federal	410-10481		175,551
Deferred Income Tax Expense - State	410-10482		27,587
Deferred Income Tax Liability -Federal	282-00483	175,551	
Deferred Income Tax Liability - State	282-00484	27,587	
FIN 48 Long-term Tax Liability - Federal	236-00483		175,551
FIN 48 Long-term Tax Liability - State	236-00484		27,587
<i>To Record Current Period Fin 48 - Deferred Income Tax</i>			
FIN 48 Current Income Tax Expense – Federal	409-10481	10,196	-
FIN 48 Current Income Tax Expense – State	409-10482	29,338	
FIN 48 Long-term Tax Liability - Federal	236-00483	-	10,196
FIN 48 Long-term Tax Liability - State	236-00484	-	29,338
Interest Expense- Federa	431-00481	19,349	
Interest Expense- State	431-00482	17,576	-
FIN 48 Interest Payable - Federal	237-000483	-	19,349
FIN 48 Interest Payable - State	237-000484	-	17,576
<i>To Record Current Period Fin 48</i>			
Totals		482,735	482,735

## Disclosure Tax Audit Report by Entity - The Southern Company

Current Disclosure: 2011 Fin 48 03-31-2011.F48 - Reserve Date: 03/31/2011

Last Disclosure: 2010 Fin 48 12-31-2010.F48 - Reserve Date: 12/31/2010

### GUL : Gulf Power Company

Juris	Tax Period	Issue	Type	Old Adjust	New Adjust	Tax		
<b>Opening Balance</b>						<b>3,869,949</b>		
<u>Additions for Current Year Tax Position</u>								
FED	58-0690070	2011/1	INC	R&D	Tax	-	10,196	10,196
FED	58-0690070	2011/1	INC	Repairs - Curr	Tax	-	501,575	175,551
FL	58-0690070	2011/1	INC	Repairs - Curr	Tax	-	501,575	27,587
GA	58-0690070	2011/1	INC	Mfg ITC - GULF	Tax	-	29,338	29,338
<b>Subtotal</b>						<b>220,869</b>		
<u>Additions for Prior Years' Tax Position</u>								
No Activity								
<u>Reductions for Prior Years' Tax Position</u>								
No Activity								
<u>Settlements with Taxing Authority</u>								
No Activity								
<u>Reduction Due to Expired Statute of Limitations</u>								
No Activity								
<b>Closing Balance</b>						<b>4,112,621</b>		

Federal Permanent Adjustment	-	✓
Federal Credit Adjustment	10,196	✓
Federal Temporary Adjustment	501,575	✓
State Permanent Adjustment	-	✓
State Credit Adjustment	29,338	✓
State Temporary Adjustment	501,575	✓

## Disclosure Tax Audit Report by Entity - The Southern Company

Current Disclosure: 2011 Fin 48 03-31-2011.F48 - Reserve Date: 03/31/2011

Last Disclosure: 2010 Fin 48 12-31-2010.F48 - Reserve Date: 12/31/2010

### GUL : Gulf Power Company

Juris	Tax Period	Issue	Type	Old Adjust	New Adjust	Tax
<b>Opening Balance</b>						<b>3,869,949</b>
<u>Additions for Current Year Tax Position</u>						
FED	58-0690070	2011/12 INC	R&D	Tax	-	10,196
FED	58-0690070	2011/12 INC	Repairs - Curr	Tax	-	501,575
FL	58-0690070	2011/12 INC	Repairs - Curr	Tax	-	501,575
GA	58-0690070	2011/12 INC	Mfg ITC - GULF	Tax	-	29,338 ✓
<b>Subtotal</b>						<b>242,672</b>
<u>Additions for Prior Years' Tax Position</u>						
No Activity						
<u>Reductions for Prior Years' Tax Position</u>						
No Activity						
<u>Settlements with Taxing Authority</u>						
No Activity						
<u>Reduction Due to Expired Statute of Limitations</u>						
No Activity						
<b>Closing Balance</b>						<b>4,112,621</b>

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

Current Provision: 2011 Fin 48 03-31-2011.F48 - Reserve Date: 03/31/2011

Last Provision: [none selected]

### GUL : Gulf Power Company

#### Federal

Class	Bal	Sht	Oper	In ETR	Def	Tax Temporary	Tax Permanent	Penalty	Deficiency Interest	Overpayment Interest
<b>Opening Balance</b>						0	0	0	0	0
<i>Contingent Tax</i>										
ST	LIB	CON	YES	PER		-	45,284	-	60	-
LT	LIB	CON	NO	TMP		1,942,066	-	-	43,132	-
LT	LIB	CON	YES	PER		-	1,276,154	-	128,825	-
<b>Sub Total</b>						<b>1,942,066</b>	<b>1,321,438</b>	<b>0</b>	<b>172,016</b>	<b>0</b>
<b>Closing Balance</b>						<b>1,942,066</b>	<b>1,321,438</b>	<b>0</b>	<b>172,016</b>	<b>0</b>

#### US States

Class	Bal	Sht	Oper	In ETR	Def	Tax Temporary	Tax Permanent	Penalty	Deficiency Interest	Overpayment Interest
<b>Opening Balance</b>						0	0	0	0	0
<i>Contingent Tax</i>										
LT	LIB	CON	NO	TMP		305,182	-	-	12,091	-
LT	LIB	CON	YES	PER		-	543,936	-	56,798	5,885
<b>Sub Total</b>						<b>305,182</b>	<b>543,936</b>	<b>0</b>	<b>68,890</b>	<b>5,885</b>
<b>Closing Balance</b>						<b>305,182</b>	<b>543,936</b>	<b>0</b>	<b>68,890</b>	<b>5,885</b>

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

Current Provision: 2011 Fin 48 03-31-2011.F48 - Reserve Date: 03/31/2011

Last Provision: 2010 Fin 48 12-31-2010.F48 - Reserve Date: 12/31/2010

### GUL : Gulf Power Company

#### Federal

Class	Bal	Sht	Oper	In ETR	Def	Tax Temporary	Tax Permanent	Penalty	Deficiency Interest	Overpayment Interest
<b>Opening Balance</b>						1,766,515	1,311,242	0	172,016	0
<i>Contingent Tax</i>										
ST	LIB	CON	YES	PER		-	45,284	-	60	-
LT	LIB	CON	NO	TMP		175,551	-	-	-	-
LT	LIB	CON	YES	PER		-	(35,088)	-	(60)	-
<b>Sub Total</b>						175,551	10,196	0	0	0
<b>Closing Balance</b>						1,942,066	1,321,438	0	172,016	0

#### US States

Class	Bal	Sht	Oper	In ETR	Def	Tax Temporary	Tax Permanent	Penalty	Deficiency Interest	Overpayment Interest
<b>Opening Balance</b>						277,595	514,598	0	68,890	5,885
<i>Contingent Tax</i>										
LT	LIB	CON	NO	TMP		27,587	-	-	-	-
LT	LIB	CON	YES	PER		-	29,338	-	-	-
<b>Sub Total</b>						27,587	29,338	0	0	0
<b>Closing Balance</b>						305,182	543,936	0	68,890	5,885

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

Current Provision: 2011 Fin 48 03-31-2011.F48 - Reserve Date: 03/31/2011  
 Last Provision: 2010 Fin 48 12-31-2010.F48 - Reserve Date: 12/31/2010

## 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					277,587	514,588	0	68,890	5,885	866,968
<b>Contingent Tax</b>										
	<u>LI,LIB,CON,NO,IMP</u>			501,575	27,587	-	-	-	-	27,587
	FL 58-0690070 2011/12 INC Repairs - Curr									
	<u>LI,LIB,CON,YES,PER</u>			29,338		29,338				29,338
	GA 58-0690070 2011/12 INC Mfg ITC - GULF									
Sub Total										
					27,587	29,338	0	0	0	56,925
					306,182	543,936	0	68,890	5,885	923,893
Closing Balance										

74,775

**Gulf Power Company**  
**Fin 48 Analysis - LT vs ST**  
**As of 03/31/2011**

**FIN 48 Activity -12/31/2010**

	Tax Impact			
	Permanent	Temporary	Total Tax	Interest
Federal - Long Term	\$ 1,311,242	\$ 1,766,515	\$ 3,077,757	\$ 152,667
Federal - Short Term	-	-	-	-
Total Federal- 12/31/2010	<u>1,311,242</u>	<u>1,766,515</u>	<u>3,077,757</u>	<u>152,667</u>
State - Long Term	\$ 514,598	\$ 277,595	\$ 792,193	\$ 57,199
State - Short Term	-	-	-	-
Total State - 12/31/2010	<u>514,598</u>	<u>277,595</u>	<u>792,193</u>	<u>57,199</u>
<b>Total - 12/31/2010</b>	<u><u>1,825,840</u></u>	<u><u>2,044,110</u></u>	<u><u>3,869,950</u></u>	<u><u>209,866</u></u>

**FIN 48 Activity -03/31/2011**

	Tax Impact			
	Permanent	Temporary	Total Tax	Interest
Federal - Long Term	\$ 1,276,154	\$ 1,942,066	\$ 3,218,220	\$ 171,957
Federal - Short Term	45,284	-	45,284	60
Total Federal-03/31/2011	<u>1,321,438</u>	<u>1,942,066</u>	<u>3,263,504</u>	<u>172,017</u>
State - Long Term	\$ 543,936	\$ 305,182	\$ 849,118	\$ 74,774
State - Short Term	-	-	-	-
Total State-03/31/2011	<u>543,936</u>	<u>305,182</u>	<u>849,118</u>	<u>74,774</u>
<b>Total -12/31/2010</b>	<u><u>1,865,374</u></u>	<u><u>2,247,248</u></u>	<u><u>4,112,622</u></u>	<u><u>246,791</u></u>

**Difference as of 03/31/2011**

Federal - Long Term	(35,088)	175,551	140,463	19,290
Federal - Short Term	45,284	-	45,284	60
Total Federal-03/31/2011	<u>\$ 10,196</u>	<u>\$ 175,551</u>	<u>\$ 185,747</u>	<u>\$ 19,350</u>
State - Long Term	29,338	27,587	56,925	17,575
State - Short Term	-	-	-	-
Total State-03/31/2011	<u>\$ 29,338</u>	<u>\$ 27,587</u>	<u>\$ 56,925</u>	<u>\$ 17,575</u>

**Entries at Statutory Rates**

	Account Numbers	Dr	Cr
<i>To Record Long-term vs Short-Term Tax Liability</i>			
FIN 48 Long-term Tax Liability - Federal	236-XXXXX		140,463
FIN 48 Short-term Tax Liability - Federal	236-XXXXX		45,284
FIN 48 Long-term Tax Liability - State	236-XXXXX		56,925
FIN 48 Short-term Tax Liability - State	236-XXXXX		
<i>To Record Long-term vs Short-Term Interest Payable</i>			
FIN 48 Long-term Interest Payable - Federal	237-XXXXX		19,290
FIN 48 Short-term Interest Payable - Federal	237-XXXXX		60
FIN 48 Long-term Interest Payable - State	237-XXXXX		17,575
FIN 48 Short-term Interest Payable - State	237-XXXXX		

GULF POWER COMPANY		Current Activity input from PowerPlan Rpt 51040			
FIN 48 Income Tax Reserve		Mar-2011	Mar-2011	Dec-2010	End Bal
saJ 04/06/2011		End Bal	JV2034	End Bal	
FIN 48	FERSUB FERSUB Descr				
19000483	FIN 48 TAXES ACCRUED - STAT	14,947.47	31.79	14,915.68	
19000484	FIN48 DEF TAX STATE OFFSET-	20,665.62	1,660.53	19,005.09	
19000481	FIN 48 TAXES ACCRUED - FEDE	132.17		132.17	
28200483	FIN48 DEF TAX FED OFFSET-LT	677,966.25	175,551.25	502,415.00	
28200484	FIN48 DEF TAX STATE OFFSET-	305,181.84	27,586.62	277,595.22	
28300483	FIN48 DEF TAX FED OFFSET-LT	1,370,913.18	9,655.32	1,361,257.86	
23600481	FIN 48 INC TAX ACCR-FED-CUR	(45,284.00)	(45,284.00)	-	
23600482	FIN 48 INC TAX ACCR-ST-CUR	-	-	-	
23600483	FIN 48 INC TAX ACCR-FED-LT	(3,218,167.50)	(140,463.25)	(3,077,704.25)	
23600484	FIN 48 INC TAX ACCR-ST-LT	(849,117.95)	(56,924.62)	(792,193.33)	
	Subtotal Income Tax Liability	(1,722,762.92)	(28,186.36)	(1,694,576.56)	
23700481	FIN 48 INT ACCR-FED-CURR	(60.00)	(60.00)	-	
23700482	FIN 48 INT ACCR-ST-CURR	-	-	-	
23700483	FIN 48 INT ACCR-FED-LT	(171,956.00)	(19,289.00)	(152,667.00)	
23700484	FIN 48 INT ACCR-ST-LT	(74,775.00)	(17,576.00)	(57,199.00)	
	Subtotal Interest	(246,791.00)	(36,925.00)	(209,866.00)	
	<b>Total Balance Sheet</b>	<b>(1,969,553.92)</b>	<b>(65,111.36)</b>	<b>(1,904,442.56)</b>	
40910481	FIN 48 INCOME TAX EXPENSE -	185,747.25	185,747.25	1,797,847.85	
41010481		-	-	(502,415.00)	
41010482		-	-	(78,951.00)	
41010483	FIN 48 Federal Offset	9,655.32	9,655.32	97,158.31	
41110481	FIN48 DEF TAX FED-UTIL-CR	(175,551.25)	(175,551.25)	(1,264,099.55)	
41110482	FIN48 DEF TAX ST-UTIL-CR	(27,586.62)	(27,586.62)	(198,644.22)	
41110483	FIN 48 Federal Offset	(19,342.43)	(19,342.43)	(149,236.87)	
41110484	FIN 48 State Offset	(1,660.53)	(1,660.53)	(8,927.12)	
40910482	FIN 48 INCOME TAX EXPENSE -	56,924.62	56,924.62	433,012.51	
40910483	FIN 48 Federal Offset	-	-	-	
43100481	OTH INT EXP-FIN 48-FED	19,349.00	19,349.00	86,206.00	
43100482	OTH INT EXP-FIN 48-ST	17,576.00	17,576.00	34,072.00	
	<b>Total Income Statement</b>	<b>65,111.36</b>	<b>65,111.36</b>	<b>246,022.91</b>	