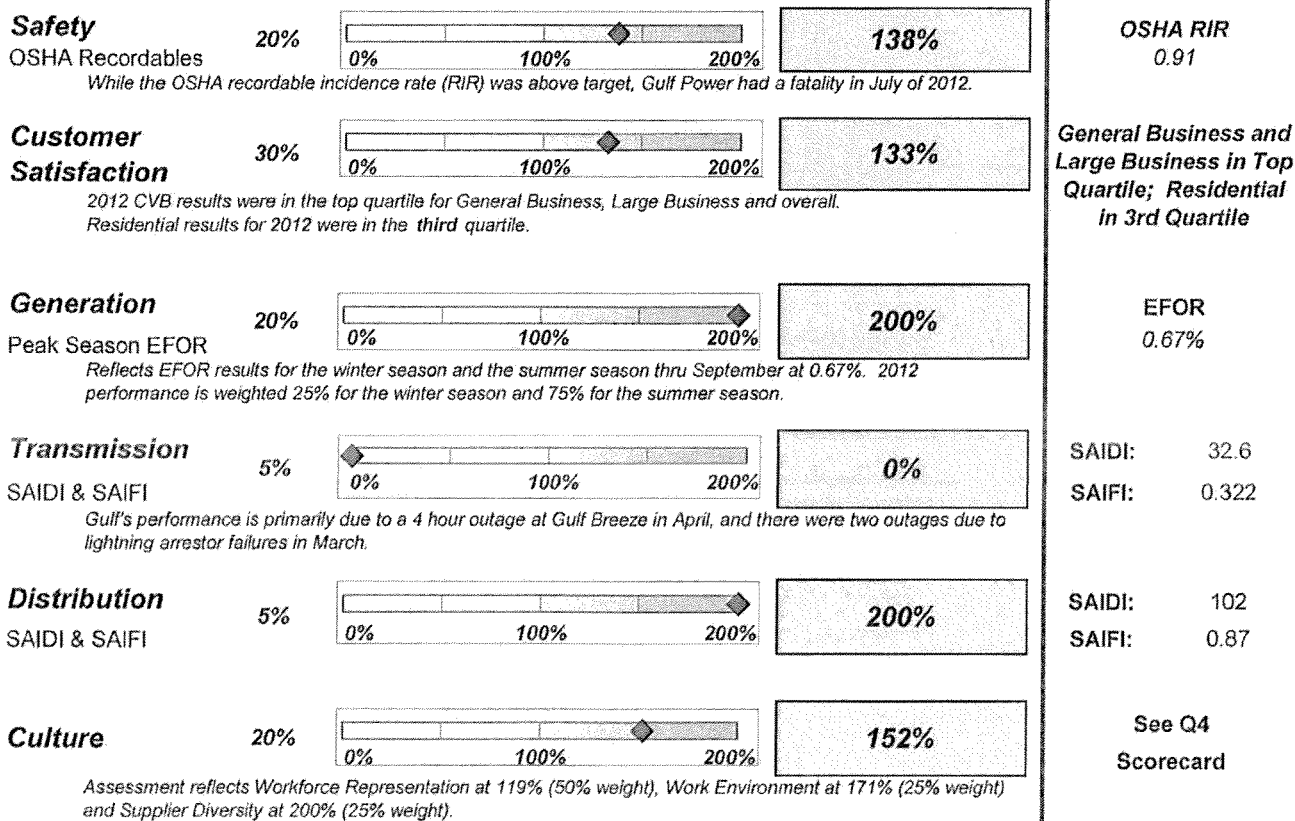
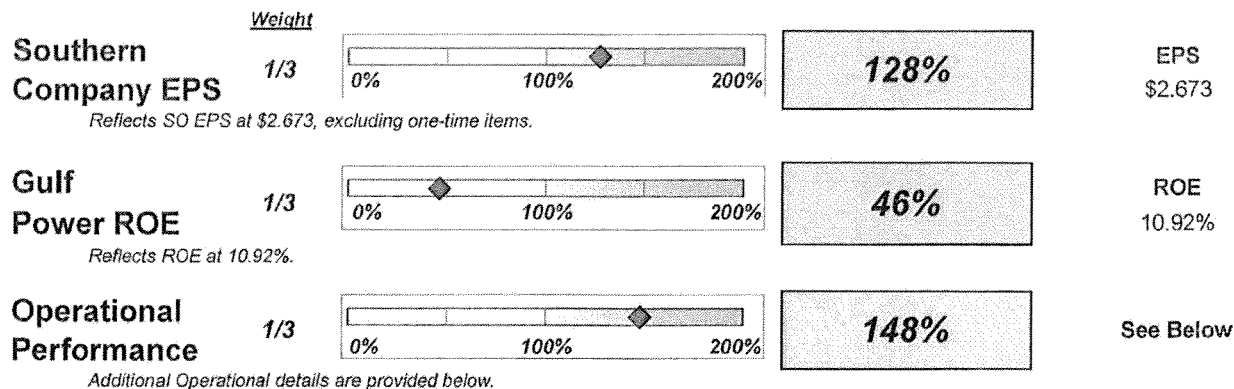
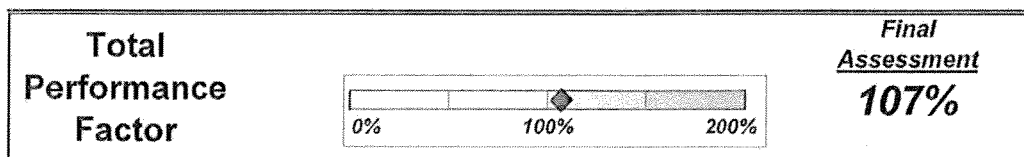


Gulf Power Company

2012 PPP Assessment - FINAL

Confidential

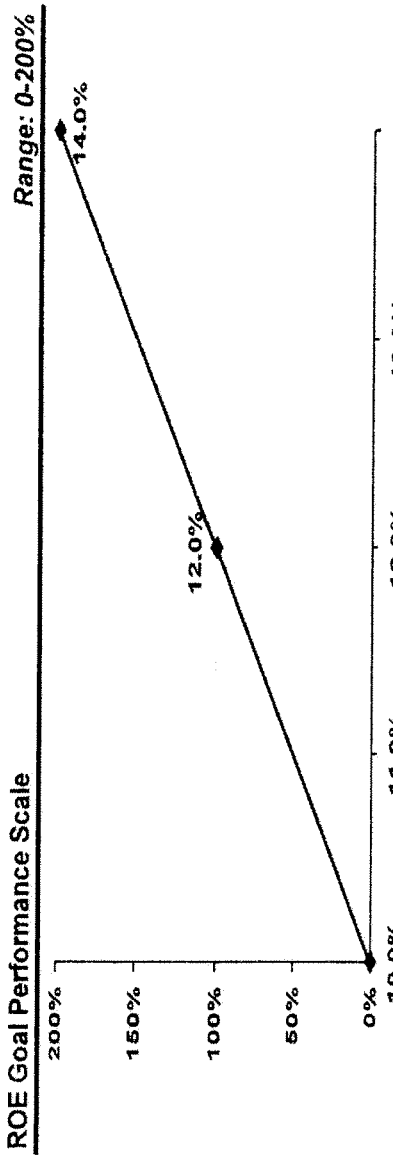


2012 Gulf Power PPP Goals

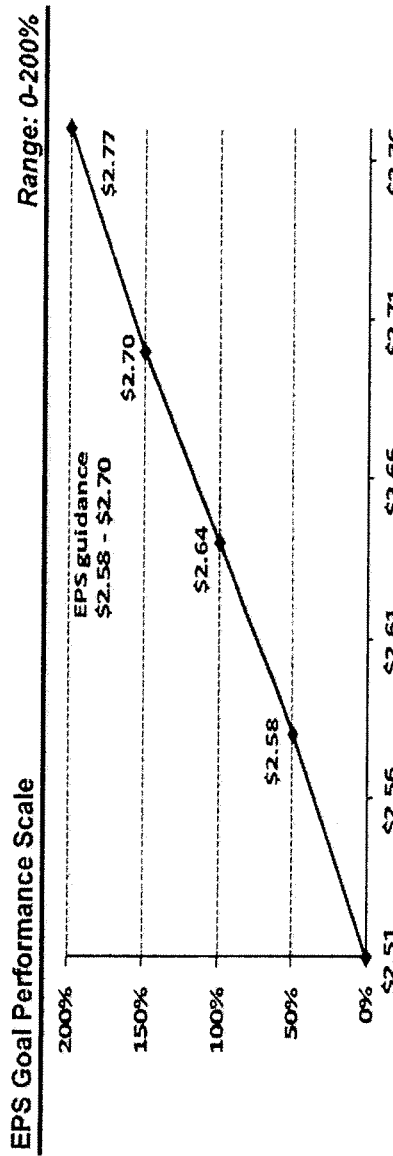
Applicable to all eligible Gulf employees

Operational (1/3)	Safety (20%) Target Zero OSHA Recordable Incidence Rate (20%)	Operations (60%) Customer Satisfaction (30%) Generation (20%) Transmission (5%) SAIDI & SAIFI (2.5% each) Distribution (5%) SAIDI & SAIFI (2.5% each)	Culture (20%) Work Environment (5%) Internal Survey (2.5%) Fortune Trust Index (1.25%) Diversity Inc Index (1.25%) Workforce Representation (10%) Leadership (5%) Leadership Pipeline (2.5%) Total Workforce (2.5%) Supplier Diversity (5%)
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**Gulf
ROE
(1/3)**



**Southern
Company
EPS
(1/3)**



2012 Gulf Power PPP Goals

Operational Goal Performance Scales

Range: 0-200%

Safety (20%)

Target Zero	
Scale	OSHA Recordable Incidence Rate
200%	0.57
100%	1.12
0%	1.29

Operations (60%)

Customer Satisfaction		Goal Detail
Scale	Customer Value Benchmark Study	Overall performance determines the payout range while Residential, General Business, and Large Business segment results determine the score within that range, based on the scale below. 1st Quartile 2nd Quartile 3rd Quartile 4th Quartile
200%	Top Quartile Overall and 3 Points	
167%	Top Quartile Overall and 4 Points	
133%	Top Quartile Overall and 5 Points	
67%	Top Quartile Overall and 6 Points or more OR 2nd Quartile Overall and 6 Points or less	
33%	2nd Quartile Overall and 7 Points	
0%	2nd Quartile Overall and 8 Points or more	

Culture (20%)

Scale	Generation		Transmission		Supplier Diversity		Representation	
	Peak Season	SAIDI Duration/MVA	SAIFI Frequency/MVA	SAIDI Duration/Customer	% of Total Spend	Leadership Pipeline	Total Workforce	
200%	EFOR 2.14%	5.5	0.128	108	18.40%	Subjective assessment by the Southern Company CEO and Management Council	Total Workforce	
150%	Interpolate 4.99%	9.2	0.152	Interpolate 134	15.33%			
100%	9.00%	11.0	0.182	161	9.50%			
0%		14.6	0.243					

¹ Measures Southern Company results

*See Culture Certification Letter for further details regarding the Diversity/Inc scale

Financial Triggers

- EPS performance less than \$2.38 (90% of Target) will result in a 10 percentage point (10% of Target) reduction to the Total Performance Factor.

January 17, 2013



Southern Company
600 North 18th Street
Birmingham, AL 35203
Attn: Mark Crosswhite

Mr. Crosswhite,

In connection with the Operational Goals of the 2012 Southern Company Performance Pay Program, as Executive Sponsor of the Customer Satisfaction Operational Goal, I certify that, to the best of my knowledge and belief, the following statements are correct in all material respects:

Operational Controls and Procedures:

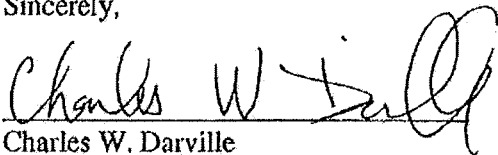
1. We are responsible for establishing and maintaining effective controls and procedures to ensure the accuracy of Performance Pay Program Operational Goal results. Based on our evaluation of those controls and procedures for the 2012 reporting period, we believe that they are effective.
2. No events have occurred which would require adjustment to management's certification of the 2012 Operational Goals results and performance as presented herein.
3. The 2012 Operational Goal results were measured and reported in accordance with the attached performance scales established and certified to on March 2nd, 2012.

Results and Performance:

The final Customer Satisfaction Operational Goal results and according performance for 2012 are:

	Result	Performance
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
Gulf	Top quartile overall and top quartile in the Large Business & General Business segments. Third quartile in the Residential segment.	133%
[REDACTED]	[REDACTED]	[REDACTED]

Sincerely,



Charles W. Darville
Vice President, Marketing Services

CC: Mr. Larry Sitton,
Mr. Brent Young



January 22, 2013

Southern Company
600 North 18th Street
Birmingham, AL 35203
Attn: Mark Crosswhite

Mr. Crosswhite,

In connection with the Operational Goals of the **2012** Southern Company Performance Pay Program, as Executive Sponsor of the Distribution Reliability Operational Goal, I certify that, to the best of my knowledge and belief, the following statements are correct in all material respects:

Operational Controls and Procedures:

1. We are responsible for establishing and maintaining effective controls and procedures to ensure the accuracy of Performance Pay Program Operational Goal results. Based on our evaluation of those controls and procedures for the **2012** reporting period, we believe that they are effective.
2. No events have occurred which would require adjustment to management's certification of the **2012** Operational Goals results and performance as presented herein.
3. The **2012** Operational Goal results were measured and reported in accordance with the attached guidelines and performance scales established and certified to on **February 29th, 2012**.

Results and Performance:

The final Distribution Reliability Operational Goal results and according performance for 2012 are:

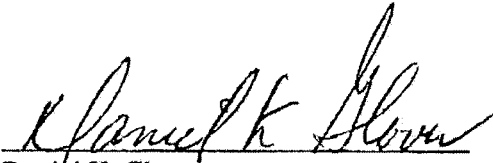
Distribution SAIDI (Duration/Customer)

	Result	Performance
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
Gulf	102	200.00%
[REDACTED]	[REDACTED]	[REDACTED]

Distribution SAIFI (Frequency/Customer)

	Result	Performance
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
Gulf	0.87	200.00%
[REDACTED]	[REDACTED]	[REDACTED]

Sincerely,



Daniel K. Glover
Vice President, Power Delivery – Distribution

- CC: Mr. Wendell Smith,
Mr. Jeff Franklin,
Mr. Bernard Jacob,
Ms. Leslie Sibert,
Ms. Louise Scott,
Mr. Brent Young

William O. Ball
Executive Vice President and
Chief Transmission Officer

Southern Company Transmission
600 North 18th Street / 13N-8800
Post Office Box 2641
Birmingham, Alabama 35291-8800

Tel 205.257.6218
Fax 205.257.5390
woball@southernco.com

January 18, 2013



Southern Company
Mark A. Crosswhite
600 North 18th Street
Birmingham, AL 35203

Mark,

In connection with the Operational Goals of the 2012 Southern Company Performance Pay Program, as Executive Sponsor of the Transmission Reliability Operational Goal, I certify that, to the best of my knowledge and belief, the following statements are correct in all material respects:

Operational Controls and Procedures

1. We are responsible for establishing and maintaining effective controls and procedures to ensure the accuracy of Performance Pay Program Operational Goal results. Based on our evaluation of those controls and procedures for the 2012 reporting period, we believe that they are effective.
2. No events have occurred which would require adjustment to management's certification of the 2012 Operational Goals results and performance as presented herein.
3. The 2012 Operational Goal results were measured and reported in accordance with the attached guidelines and performance scales established and certified to on March 1, 2012.

Results and Performance

The final Transmission Reliability Operational Goal results and according performance for 2012 are:

Transmission SAIDI - Duration/Customer	Result	Performance
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
Gulf	32.6	0.00%
[REDACTED]	[REDACTED]	[REDACTED]

Transmission SAIFI - Frequency/Customer	Result	Performance
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
Gulf	0.322	0.00%
[REDACTED]	[REDACTED]	[REDACTED]

Sincerely,

cc: Larry Sitton, Brent Young, Matt Warstler

January 24, 2013



Southern Company
600 North 18th Street
Birmingham, AL 35203
Attn: Mark Crosswhite

Mr. Crosswhite,

In connection with the Operational Goals of the 2012 Southern Company Performance Pay Program, as Executive Sponsor of the Generation Reliability Operational Goal, I certify that, to the best of my knowledge and belief, the following statements are correct in all material respects:

Operational Controls and Procedures:

1. We are responsible for establishing and maintaining effective controls and procedures to ensure the accuracy of Performance Pay Program Operational Goal results. Based on our evaluation of those controls and procedures for the 2012 reporting period, we believe that they are effective.
2. No events have occurred which would require adjustment to management's certification of the 2012 Operational Goals results and performance as presented herein.
3. The 2012 Operational Goal results were measured and reported in accordance with the attached guidelines and performance scales established and certified to on March 6th, 2012.

Results and Performance:

The final Generation Reliability Operational Goal results and according performance for 2012 are:

	Result	Performance
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
Gulf	0.67%	200.00%
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

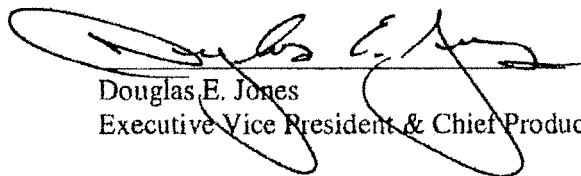
Exclusions:

As defined in the attached guidelines and performance scales established and certified to on March 6th, 2012, the following exclusions have been approved by the Southern Company Chief Production Officer and the Southern Company COO and are reflected in the results shown above for MPC and Southern Company.

The approved adjustments are for events related to Hurricane Isaac (GADS Code 9035):

- Mississippi Power - Plant Chevron
- Mississippi Power - Plant Daniel
- Mississippi Power - Plant Watson

Sincerely,



Douglas E. Jones
Executive Vice President & Chief Production Officer

CC: Ms. Kim Flowers
Ms. Penny Manuel
Mr. Larry Sitton
Mr. Brent Young

January 22, 2013



Southern Company
600 North 18th Street
Birmingham, AL 35203
Attn: Mark Crosswhite

Mr. Crosswhite,

In connection with the Operational Goals of the 2012 Southern Company Performance Pay Program, as Executive Sponsor of the Culture Operational Goals, I certify that, to the best of my knowledge and belief, the following statements are correct in all material respects:

Operational Controls and Procedures:

1. We are responsible for establishing and maintaining effective controls and procedures to ensure the accuracy of Performance Pay Program Operational Goal results. Based on our evaluation of those controls and procedures for the 2012 reporting period, we believe that they are effective.
2. No events have occurred which would require adjustment to management's certification of the 2012 Operational Goals results and performance as presented herein.
3. The 2012 Operational Goal results were measured and reported in accordance with the attached guidelines and performance scales established and certified to on February 23rd, 2012.

Results and Performance:

The final Culture Operational Goal results and according performance for 2012 are:

Leadership Representation

	[REDACTED]	[REDACTED]	[REDACTED]	Gulf	[REDACTED]
Performance	[REDACTED]	[REDACTED]	[REDACTED]	100.00%	[REDACTED]

	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]
Performance	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]

Leadership Pipeline Representation

	[REDACTED]	[REDACTED]	[REDACTED]	Gulf	[REDACTED]
Performance	[REDACTED]	[REDACTED]	[REDACTED]	125.00%	[REDACTED]

	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]
Performance	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]

Total Workforce Representation

	[REDACTED]	[REDACTED]	[REDACTED]	Gulf	[REDACTED]
Performance	[REDACTED]	[REDACTED]	[REDACTED]	150.00%	[REDACTED]

	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]
Performance	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]

Internal Employee Engagement Survey

	[REDACTED]	[REDACTED]	[REDACTED]	Gulf	[REDACTED]
Result	[REDACTED]	[REDACTED]	[REDACTED]	82.60	[REDACTED]
Performance	[REDACTED]	[REDACTED]	[REDACTED]	176.00%	[REDACTED]


	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]
Result	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]
Performance	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]

Southern results applied to all employees:

	Fortune's Trust Index	DiversityInc's Inclusion Index
Result	78.43	Top 10.70%
Performance	134.30%	197.67%

Supplier Diversity certification is provided separately by the Vice President of Supply Chain Management

Sincerely,



Stacy R. Kilcoyne
Human Resources Vice President

CC: Ms. Becky Jinks
Mr. Patrick Razuri
Mr. Larry Sitton
Mr. Brent Young



January 22, 2013

Southern Company
600 North 18th Street
Birmingham, AL 35203
Attn: Mark Crosswhite

Mr. Crosswhite,

In connection with the Operational Goals of the 2012 Southern Company Performance Pay Program, as Executive Sponsor of the Supplier Diversity Operational Goal, I certify that, to the best of my knowledge and belief, the following statements are correct in all material respects:

Operational Controls and Procedures:

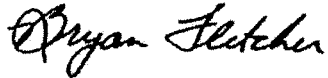
1. We are responsible for establishing and maintaining effective controls and procedures to ensure the accuracy of Performance Pay Program Operational Goal results. Based on our evaluation of those controls and procedures for the 2012 reporting period, we believe that they are effective.
2. No events have occurred which would require adjustment to management's certification of the 2012 Operational Goals results and performance as presented herein.
3. The 2012 Operational Goal results were measured and reported in accordance with the attached guidelines and performance scales established and certified to on March 21st, 2012.

Results and Performance:

The final Supplier Diversity Operational Goal results and according performance for 2012 are:

	Diverse Spend	Total Spend	Diverse Spend (%)	Performance
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Gulf	\$55,085,427	\$299,004,352	18.42%	200.00%
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Sincerely,



A. Bryan Fletcher
Supply Chain Management Vice President

CC: Mr. Rick Harrison
Mr. Ken Huff
Mr. Larry Sitton,
Mr. Brent Young

January 30th, 2013



Southern Company
30 Ivan Allen, Jr. Boulevard, NW
Atlanta, Georgia 30308
Attn: Arthur P. Beattie

Mr. Beattie,

In connection with the Financial Goals of the 2012 Southern Company Performance Pay Program, I certify that, to the best of my knowledge and belief, the following statements are correct in all material respects:

Controls and Procedures:

1. We are responsible for establishing and maintaining effective controls and procedures to ensure the accuracy of Performance Pay Program Financial Goal results. Based on our evaluation of those controls and procedures for the 2012 reporting period, we believe that they are effective.
2. No events have occurred which would require adjustment to management's certification of the 2012 Financial Goals results and performance as presented herein.
3. The 2012 Financial Goal results were measured and reported in accordance with the attached guidelines established on February 29th, 2012.

Results:

The final Financial Goal results for 2012 are:

EPS

Earnings from Continuing Operations	\$2,350,042,796
Average Shares Outstanding	871,388,130
Basic EPS from Continuing Operations	\$2.697

In March 2009, Southern Company recorded a charge related to a settlement agreement with MC Asset Recovery, LLC (MCAR) to settle a lawsuit. Southern Company filed an insurance claim for a portion of the MCAR settlement amount. In June 2012, Southern Company received an insurance recovery related to this claim. Earnings from continuing operations for 2012 included \$21,167,438 for the MCAR insurance recovery.

ROE/Net Income

	Net Income	Average Common Equity	Return on Average Common Equity
Gulf	\$125,931,984	\$1,152,844,912	10.92%

Sincerely,



W. Ron Hinson
Comptroller, CAO and SVP

CC: Mr. Mark Lantrip,
Mr. Larry Sitton,
Mr. Brent Young



January 22, 2013

Southern Company
600 North 18th Street
Birmingham, AL 35203
Attn: Mark Crosswhite

Dear Mark,

In connection with the Operational Goals of the 2012 Southern Company Performance Pay Program, as Executive Sponsor of the Safety Operational Goal, I certify that, to the best of my knowledge and belief, the following statements are correct in all material respects:

Operational Controls and Procedures:

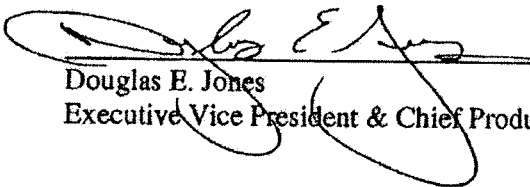
1. We are responsible for establishing and maintaining effective controls and procedures to ensure the accuracy of Performance Pay Program Operational Goal results. Based on our evaluation of those controls and procedures for the 2012 reporting period, we believe that they are effective.
2. No events have occurred which would require adjustment to management's certification of the 2012 Operational Goals results and performance as presented herein.
3. The 2012 Operational Goal results were measured and reported in accordance with the attached guidelines and performance scales established and certified to on March 6th, 2012.

Results and Performance:

The final Safety Operational Goal results and according performance for 2012 are:

	Result	Performance
[REDACTED]	[REDACTED]	[REDACTED]
Gulf	0.91	138.18%
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Sincerely,



Douglas E. Jones
Executive Vice President & Chief Production Officer

CC: Mr. Don Gaddy,
Mr. Hamilton Hardin,
Mr. Larry Sitton,
Mr. Brent Young