



Southern Company Services, Inc. Price Reporting Code of Conduct

Code of Conduct for Voluntarily Submitting Energy Transaction Data to Index Developers

This Price Reporting Code of Conduct governs the behaviors that employees of Southern Company Services, Inc. ("SCS") follow in reporting purchases and sales of natural gas and electricity to index developers ("Code of Conduct"). This Code of Conduct is adopted in the conformance with the Federal Energy Regulatory Commission's July 24, 2003, policy statement on natural gas and electric price indices, *Price Discovery in Natural Gas and Electric Markets*, 104 FERC 61,121 (2003), as updated in the December 12, 2003 Order on Clarification of Policy Statement on Natural Gas and Electricity Price Indices, *Price Discovery in Natural Gas and Electric Markets*, 105 FERC 61,282 (2003).

This Code of Conduct applies to all employees of SCS who engage in the purchase or sale of natural gas or electricity on behalf of the company and to all employees who engage in reporting such transactions to independent price index developers. SCS maintains and enforces risk management policies and procedures designed to ensure compliance with the Code of Conduct. All energy trading transactions shall be properly recorded, classified and summarized in accordance with SCS's accounting policies in order to facilitate full, accurate, clear, fair and timely disclosure of the company's financial position.

Responsibility for reporting

- SCS will report transaction data through a corporate department that is independent from, and not responsible for trading.
- The reporting department will ensure the accuracy and completeness of the data before submitting to the index developers.
- SCS will notify FERC of any changes in the status of price SCS's reporting to the index developers.

Requirement to report all trades

- Subject to an appropriate confidentiality agreement with the relevant index provider, SCS will report all bilateral transactions with non-affiliate companies in the physical (cash) markets for all applicable trades.
- Physical (cash) market reporting shall not include financial hedges, financial transactions or swaps or exchanges of gas or electricity. For each transaction, the following information shall be provided: (a) price; (b) volume; (c) buy/sell indicator; (d) delivery/receipt location; (e) transaction date; (f) and term (next day or next month).

Verification of accuracy

- The employees responsible for reporting trade data to independent price index developers shall exercise due diligence to provide accurate and factual information and shall not knowingly submit false or misleading information or omit material information from such reports.

Error resolution process

- Errors in reporting data shall be corrected by SCS as soon as practicable in accordance with the error resolution process established by SCS. SCS will also cooperate with the index developers through the index developers' established error resolution process. Like the original data submission, this function will be carried out by the independent department that carries out the reporting function.

Complete set of data elements

- SCS will submit to the index developers a complete set of data elements or fields for each particular index, in accordance with the index developers' published template.

No aggregation of transactions

- SCS will provide data to the index developers for each transaction of gas and electricity separately.

Document retention

- SCS will retain all relevant data relating to the reported trades for no fewer than three (3) years.

Independent audit

- At least once annually, an internal and/or external audit will be performed. SCS will make the audit results available to the index developers, and will allow them to recommend changes to SCS's price reporting processes.

Dissemination of Code of Conduct

- SCS will make this Code of Conduct available to its employees and to the public on its Web site.