

**Southern Company Generation & Energy Marketing**  
**MD&A Disclosure on Trading Activities for ASC 815 (previously SFAS 133)**  
**March 31, 2010**

*The changes in fair value of energy-related derivative contracts for the ... were as follows:*

Q1 Change in Fair Value	Total	Consol Elim.	APC	GPC	Gulf	MPC	SPC
Fair Value of Contracts Outstanding as of 12/31/09	\$ (178,290,062.00)	\$-	\$ (44,335,589.00)	\$ (75,039,147.00)	\$ (13,687,422.00)	\$ (41,734,145.00)	\$ (3,493,759.00)
Contracts realized or otherwise settled during period	\$ (43,712,107)	\$ -	\$ (14,102,121.87)	\$ (19,400,711.18)	\$ (3,978,644.67)	\$ (5,742,980.09)	\$ (487,649.11)
Fair Value of new contracts when entered into during period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Changes in Fair Value attributable to changes in valuation techniques	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other changes in Fair Values	\$ (137,345,523)	\$ -	\$ (36,544,163.87)	\$ (69,294,887.18)	\$ (11,229,574.67)	\$ (23,443,727.09)	\$ 3,166,829.89
<b>Fair Value of Contracts Outstanding as of 03/31/10</b>	<b>\$ (271,923,478.00)</b>	<b>\$ -</b>	<b>\$ (66,777,631.00)</b>	<b>\$ (124,933,323.00)</b>	<b>\$ (20,938,352.00)</b>	<b>\$ (59,434,892.00)</b>	<b>\$ 160,720.00</b>

YTD Change in Fair Value	Total	Consol Elim.	APC	GPC	Gulf	MPC	SPC
Fair Value of Contracts Outstanding as of 12/31/09	\$ (178,290,062.00)	\$-	\$ (44,335,589.00)	\$ (75,039,147.00)	\$ (13,687,422.00)	\$ (41,734,145.00)	\$ (3,493,759.00)
Contracts realized or otherwise settled during period	\$ (43,712,106.91)	\$ -	\$ (14,102,121.87)	\$ (19,400,711.18)	\$ (3,978,644.67)	\$ (5,742,980.09)	\$ (487,649.11)
Fair Value of new contracts when entered into during period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Changes in Fair Value attributable to changes in valuation techniques	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other changes in Fair Values	\$ (137,345,522.91)	\$ -	\$ (36,544,163.87)	\$ (69,294,887.18)	\$ (11,229,574.67)	\$ (23,443,727.09)	\$ 3,166,829.89
<b>Fair Value of Contracts Outstanding as of 12/31/10</b>	<b>\$ (271,923,478.00)</b>	<b>\$ -</b>	<b>\$ (66,777,631.00)</b>	<b>\$ (124,933,323.00)</b>	<b>\$ (20,938,352.00)</b>	<b>\$ (59,434,892.00)</b>	<b>\$ 160,720.00</b>

**Contract vs. Market Price Comparison**

Use the chart below to update the paragraph accordingly. See associated colored columns to determine correct values.

The change in the fair value positions of the energy-related derivative contracts for the three months ended March 31, 2010 was an **increase/decrease** of \$A, substantially all of which is due to natural gas positions. The change is attributable to both the volume of million British thermal units (mmBtu) and prices of natural gas. At March 31, 2010, the Company had a net hedge volume of **B thousand/million** mmBtu with a weighted average contract cost approximately \$C per mmBtu **above/below** market prices, and **D thousand/million** mmBtu at December 31, 2009 with a weighted average contract cost approximately \$E per mmBtu **above/below** market prices. The majority of the natural gas hedges are recovered through the fuel cost recovery clauses.

	A	B	C	D	E				
						3/31/2010		12/31/2009	
						Total 3 Month Change	Net Hedge Volume (in millions)	Weighted Avg. Contract Cost	Net Hedge Volume (in millions)
APC	\$ (22,442,041)	3.35	\$ 2.01	3.73	\$ 1.20				
GPC	\$ (49,894,176)	7.37	\$ 1.71	7.07	\$ 1.08				
GULF	\$ (7,250,930)	1.04	\$ 2.04	1.10	\$ 1.26				
MPC	\$ (17,700,746)	2.34	\$ 2.58	2.37	\$ 1.80				
SPC	\$ 3,654,478	0.81	\$ 0.24	1.09	\$ 0.23				
<b>TOTAL</b>	<b>\$ (93,633,415)</b>	<b>14.91</b>	<b>\$ 1.95</b>	<b>15.35</b>	<b>\$ 1.17</b>		* Includes 1.2 basis as of 3/31/10 and 1.95 basis as of 12/31/09.		

*At [current quarter-end], the fair value of energy-related derivative contracts by hedge designation ...*

	MTM Balance	Income	OCI	RA	Option premium
Alabama	\$ (66,777,631)	\$ -	\$ 149,526	\$ (66,927,157)	
Georgia *	\$ (124,933,323)	\$ -	\$ -	\$ (124,933,323)	
Gulf	\$ (20,938,352)	\$ -	\$ -	\$ (20,938,352)	
Mississippi *	\$ (59,434,892)	\$ -	\$ 32,182	\$ (59,467,074)	
Southern Power *	\$ 160,720	\$ (1,709,193)	\$ 1,869,913	\$ -	
	<b>\$ (271,923,478)</b>	<b>\$ (1,709,193)</b>	<b>\$ 2,051,621</b>	<b>\$ (272,265,906)</b>	<b>\$ -</b>
Option Adjusted Totals	<b>\$ (271,923,478)</b>	<b>\$ (1,709,193)</b>	<b>\$ 2,051,621</b>	<b>\$ (272,265,906)</b>	

\* Note - MPC option premiums affect OCI, and SPC option premiums affect Income.

\* Note - GPC BG put option does not have an option premium. It is covered under the fuel clause as it is a physical gas swap.

**10 Q & K Net Income Reporting**

MTM Income Change - Gross	Q1 2009	Q2 2009	6 YTD 2009	Q3 2009	9 YTD 2009	Q4 2009	12 YTD 2010
Alabama	\$ (55,203)		\$ (55,203)		\$ (55,203)		\$ (55,203)
Georgia	\$ (72,587)		\$ (72,587)		\$ (72,587)		\$ (72,587)
Gulf	\$ (11,559)		\$ (11,559)		\$ (11,559)		\$ (11,559)
Mississippi	\$ (11,672)		\$ (11,672)		\$ (11,672)		\$ (11,672)
Southern Power Company	\$ (692,286)		\$ (692,286)		\$ (692,286)		\$ (692,286)
<b>TOTAL SOCO NET Income Change</b>	<b>\$ (843,307)</b>	<b>\$ -</b>	<b>\$ (843,307)</b>	<b>\$ -</b>	<b>\$ (843,307)</b>	<b>\$ -</b>	<b>\$ (843,307)</b>

**Fair Value Measurements by Level & Maturity**

See ASC820 tab

**Southern Company Generation & Energy Marketing  
ASC 820 (previously SFAS 157) Disclosures & Footnote Data  
March 31, 2010**

Use the table below for the MD&A ASC 820 disclosure and following footnotes:  
MD&A ASC 820 Maturities Disclosure, Note (C) Fair Value Measurements, Note (E/11) Derivatives: Derivative Financial Statement Presentation and Amounts,  
Note - there are no Level 1 energy-related derivatives and no material 3 energy-related derivatives as of 3/31/2010.

Reporting Group Name	Association Code Description	Mar-2010		Total	4/1/10 - 3/31/11	4/1/11 - 3/31/13	4/1/13 - 3/31/15	4/1/15 +	Total
		Debit	Credit						
APC	Hedge deriv asset (U)	\$ 12,421.51	\$ 9,852.37	\$ 12,421.51	\$ 150,633.27	\$ 7,955.52	\$ 4,625.99	\$ -	\$ 163,054.78
	Hedge deriv asset (S)	\$ -	\$ (16,622.76)	\$ (16,622.76)	\$ (49,010,243.03)	\$ (17,914,627.62)	\$ (15,820.80)	\$ -	\$ (68,940,691.35)
	Hedge deriv lia (U)	\$ 14,393,514.11	\$ (17,930,448.32)	\$ (3,536,934.21)	\$ (48,859,609.76)	\$ (17,906,832.00)	\$ (11,194.61)	\$ -	\$ (66,777,636.57)
	Hedge deriv lia (S)	\$ 35,884,201.61	\$ (49,010,243.03)	\$ (13,126,041.42)	\$ -	\$ -	\$ -	\$ -	\$ -
	Non-hedge deriv asset (S)	\$ -	\$ (102,805.46)	\$ (102,805.46)	\$ -	\$ -	\$ -	\$ -	\$ -
GPC	Hedge Reg deriv asset (U)	\$ 16,003.34	\$ (30,625.54)	\$ (14,622.20)	\$ 198,485.00	\$ 9,911.73	\$ 6,091.61	\$ -	\$ 214,488.34
	Hedge Reg deriv asset (S)	\$ 198,485.00	\$ (136,615.62)	\$ 61,869.38	\$ (71,231,903.02)	\$ (63,445,481.99)	\$ (265,928.88)	\$ (204,487.49)	\$ (125,147,811.38)
	Hedge Reg deriv lia (U)	\$ 40,040,869.01	\$ (53,783,307.47)	\$ (13,742,438.46)	\$ (71,033,418.02)	\$ (53,435,580.26)	\$ (259,637.27)	\$ (204,487.49)	\$ (124,933,323.05)
	Hedge Reg deriv lia (S)	\$ 52,744,849.65	\$ (71,231,903.02)	\$ (18,487,053.37)	\$ -	\$ -	\$ -	\$ -	\$ -
	Non-hedge deriv asset (S)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GULF	Hedge Reg deriv asset (U)	\$ 2,773.05	\$ (9,260.73)	\$ (6,487.68)	\$ 31,628.65	\$ 2,773.05	\$ -	\$ -	\$ 34,401.70
	Hedge Reg deriv asset (S)	\$ 31,628.65	\$ (25,396.65)	\$ 6,232.00	\$ (14,081,119.67)	\$ (6,439,125.74)	\$ (452,510.65)	\$ -	\$ (20,972,756.06)
	Hedge Reg deriv lia (U)	\$ 5,680,915.46	\$ (6,891,636.39)	\$ (1,210,720.93)	\$ (14,049,491.02)	\$ (6,436,352.69)	\$ (452,510.65)	\$ -	\$ (20,938,354.36)
	Hedge Reg deriv lia (S)	\$ 10,196,220.17	\$ (14,081,119.67)	\$ (3,884,899.50)	\$ -	\$ -	\$ -	\$ -	\$ -
	Non-hedge deriv asset (S)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MPC	Hedge deriv asset (U)	\$ 6,988.03	\$ (6,273.73)	\$ 714.30	\$ 32,182.24	\$ 5,234.71	\$ 1,753.32	\$ -	\$ 39,170.27
	Hedge deriv asset (S)	\$ 32,182.24	\$ (39,259.65)	\$ (7,077.41)	\$ (29,619,300.16)	\$ (29,337,506.00)	\$ (517,258.70)	\$ -	\$ (59,474,064.86)
	Hedge deriv lia (U)	\$ 26,358,636.99	\$ (29,854,764.70)	\$ (3,496,127.71)	\$ (29,587,117.92)	\$ (29,332,271.29)	\$ (515,505.38)	\$ -	\$ (59,434,894.59)
	Hedge deriv lia (S)	\$ 23,109,001.08	\$ (29,619,300.16)	\$ (6,510,299.08)	\$ -	\$ -	\$ -	\$ -	\$ -
	Non-hedge deriv asset (S)	\$ -	\$ (22,131.85)	\$ (22,131.85)	\$ -	\$ -	\$ -	\$ -	\$ -
SOCOGAS	Non-hedge deriv lia (U)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Non-hedge deriv asset (S)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Non-hedge deriv lia (S)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Non-hedge deriv asset (U)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Non-hedge deriv lia (U)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SPC	Hedge deriv asset (U)	\$ 11,776,971.50	\$ (7,384,076.01)	\$ 4,392,895.49	\$ 16,040,325.26	\$ 23,615.75	\$ 59,425.90	\$ 96,907.11	\$ 16,220,274.03
	Hedge deriv asset (S)	\$ 528,422.14	\$ (770,924.64)	\$ (242,502.50)	\$ (15,076,869.17)	\$ (976,348.35)	\$ (5,848.11)	\$ (491.19)	\$ (16,059,566.81)
	Hedge deriv lia (U)	\$ 5,524,574.15	\$ (8,566,010.79)	\$ (3,041,436.64)	\$ 963,456.09	\$ (952,732.59)	\$ 53,577.80	\$ -	\$ 160,717.21
	Hedge deriv lia (S)	\$ 179,950.26	\$ (183,927.05)	\$ (3,976.79)	\$ -	\$ -	\$ -	\$ -	\$ -
	Non-hedge deriv asset (U)	\$ 4,263,363.76	\$ (2,896,056.30)	\$ 1,367,297.46	\$ -	\$ -	\$ -	\$ -	\$ -
Total	Non-hedge deriv asset (S)	\$ 111,494.08	\$ (211,766.16)	\$ (100,274.08)	\$ -	\$ -	\$ -	\$ -	\$ -
	Non-hedge deriv lia (U)	\$ 3,219,512.53	\$ (6,510,858.38)	\$ (3,291,345.85)	\$ -	\$ -	\$ -	\$ -	\$ -
	Non-hedge deriv lia (S)	\$ 234,463,601.59	\$ (289,317,904.22)	\$ (54,854,302.63)	\$ -	\$ -	\$ -	\$ -	\$ -
	Assets	\$ 16,453,254.42	\$ 49,330.77	\$ 16,471,185.19	\$ 16,040,325.26	\$ 23,615.75	\$ 59,425.90	\$ 96,907.11	\$ 16,671,389.11
	Liabilities	\$ (179,019,435.05)	\$ (108,113,099.60)	\$ (287,132,534.65)	\$ (15,076,869.17)	\$ (976,348.35)	\$ (5,848.11)	\$ (491.19)	\$ (16,059,566.81)

pink = long term

Note (11/E) Financing: Energy Related Derivatives

As of March 31, 2010:	Power				Gas			
	Net Sold MWH	Longest Hedge Date	Longest Non- Hedge Date	Longest Non- Hedge Date	Net Purchased mmBtu	Longest Hedge Date	Longest Non- Hedge Date	Longest Non- Hedge Date
	<i>(in millions)</i>							
Southern Company	1.7	2010	2013	2013	149	*	2013	2013
Alabama Power	0.2	-	-	-	34		2013	-
Georgia Power	0.3	-	-	-	74		2013	-
Gulf Power	0	-	-	-	10		2013	-
Mississippi Power	0	-	-	-	23		2013	-
Southern Power	1.2	2010	2013	2013	8	*	2012	2013

\* Includes location basis of 1.2 million mmBtu.

For cash flow hedges, the amounts expected to be reclassified from other comprehensive income to revenue and fuel expense for the next