MFRH-10

Natural Gas Hedging

Docket No. 22403-U

SUMMARY OF UTILITY FUEL HEDGING PRACTICES:

Each of the Southern Company operating companies (OPCOs), including Southern Power, utilize hedging instruments to manage fuel price risks. Most hedge transactions are simple fixed-for-float financial swaps executed with a financial institution, or bank with whom SCS hedges. Occasionally, call or put options might also be executed.

SCS executes hedge transactions as agent for Alabama Power, Georgia Power, Gulf Power, Mississippi Power, and Savannah Electric and Power.* SCS assists in planning, analyzing and identifying hedge opportunities for this group of operating companies. Execution of hedge transactions for this group occurs as a result of having received previous approval from the appropriate operating company executives. This approval provides SCS with the guidance and latitude to hedge certain quantities of gas within certain price ranges under specific hedge strategies. Once approval is granted, SCS may hedge within these approved limits.

Each gas trade is entered into GEM Trader, the SCS deal capture system for a specific operating company. SCS, as agent for each of the Southern Company OPCOs, enters into hedge transactions with financial counterparties for each specific OPCO individually, not as a group, and the costs for that particular hedge are assigned to and accounted for that specific company. For example, when SCS executes a hedge for Georgia Power, it is entered into Georgia Power's gas book via the SCS hedge accounting system (GEM Trader). The attached Microsoft Excel workbook contains a summary of the administrative costs of the hedging program and a summary of hedging gains and losses. In addition, the attached PowerPoint files include correspondence related to hedging strategy and recommendations.

* SCS executes hedge transactions for Southern Power at its direction.

MFRH-10
PUBLIC DISCLOSURE
Docket No. 22403-U

Natural Gas Hedging

Southern Company Services Administrative Costs of the Hedging Programs

	Savannah	Georgia Power
Jun-05	Redacted	Redacted
Jul-05	Redacted	Redacted
Aug-05	Redacted	Redacted
Sep-05	Redacted	Redacted
Oct-05	Redacted	Redacted
Nov-05	Redacted	Redacted
Dec-05	Redacted	Redacted
Jan-06	Redacted	Redacted

Note: SCS allocates a portion of the administrative costs of the Company's hedging program per the GPC Fuel Order (19142-U) issued May 2005.

MFRH-10
PUBLIC DISCLOSURE
Docket No. 22403-U

Natural Gas Hedging

From: George, Brian
Sent: Thursday, August 18, 2005 11:57 AM
To: Beattie, Arthur P.; Hinson, W. Ron; Labrato, Ronnie R.; Turnage, Frances V.; Flowers, Kimberly D.; Parsons, Earl B., III; Willis, Kirby
Cc: Smith, Zeke W.; Nunnally, William D.; Ball, H. Rusty; Walker, Shelby G.; White, Richard A.; Evans, Larry M.
Subject: Winter 2005-06 Hedge Recommendation - Prompt Response Required

Importance: High

Art, Ron, Ronnie, Frances, Kim, Earl and Kirby--

REDACTED TEXT AND ATTACHMENT

Please advise of your approval/rejection by using the voting buttons above.

Brian E. George
Southern Company Generation - Fuel Services
brgeorge@southernco.com
Office 205-257-6172
Fax 205-257-6803

MFRH-10
PUBLIC DISCLOSURE
Docket No. 22403-U

Natural Gas Hedging

	Savannah Electric Power Co. Hedges Gains (Losses)		Georgia Power Co. Hedges Gains (Losses)	
	Total Hedge Savings	**Hedge Savings to Fuel Clause**	**Total Hedge Savings**	**Hedge Savings to Fuel Clause**
	Redacted	Redacted	Redacted	Redacted
Jan-05	Redacted	Redacted	Redacted	Redacted
Feb-05	Redacted	Redacted	Redacted	Redacted
Mar-05	Redacted	Redacted	Redacted	Redacted
Apr-05	Redacted	Redacted	Redacted	Redacted
May-05	Redacted	Redacted	Redacted	Redacted
Jun-05	Redacted	Redacted	Redacted	Redacted
Jul-05	Redacted	Redacted	Redacted	Redacted
Aug-05	Redacted	Redacted	Redacted	Redacted
Sep-05	Redacted	Redacted	Redacted	Redacted
Oct-05	Redacted	Redacted	Redacted	Redacted
Nov-05	Redacted	Redacted	Redacted	Redacted
Dec-05	Redacted	Redacted	Redacted	Redacted
	Redacted	Redacted	Redacted	Redacted
Jan-06	Redacted		Redacted	

MFRH-10
PUBLIC DISCLOSURE
Docket No. 22403-U

Natural Gas Hedging

Winter Hedge Recommendations

		APC	GPC	Gulf	MPC	SAV	Total
Nov-05	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
Dec-05	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
Jan-06	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
Feb-06	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
Mar-06	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
		Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
		Redacted	Redacted	Redacted	Redacted	Redacted	Redacted

MFRH-10
PUBLIC DISCLOSURE
Docket No. 22403-U

Natural Gas Hedging

From: George, Brian
Sent: Friday, September 09, 2005 9:43 AM
To: Beattie, Arthur P.; Hinson, W. Ron; Labrato, Ronnie R.; Turnage, Frances V.; Flowers, Kimberly D.; Parsons, Earl B., III; Willis, Kirby
Cc: Mundy, Rodney O.; Patterson, Ronald Q.; Thrasher, Cliff S.; Nunnally, William D.; Pizzileo, Marlem; Ball, H. Rusty; McMillan, Richard J.; Walker, Shelby G.; Bond, Tammy L.; White, Richard A.; Evans, Larry M.; Haga, Carl H.; Schaffeld, Robert A.; Trotter, Sarah B.; George, Brian
Subject: RE: Hedge Transaction Recommendation - Request for Approval

Everyone--

REDACTED TEXT AND ATTACHMENT

Brian E. George
Southern Company Generation - Fuel Services
brgeorge@southernco.com
Office 205-257-6172
Fax 205-257-6803

-----Original Message-----
From: George, Brian
Sent: Thursday, September 08, 2005 6:32 PM
To: Beattie, Arthur P.; Hinson, W. Ron; Labrato, Ronnie R.; Turnage, Frances V.; Flowers, Kimberly D.; Parsons, Earl B., III; Willis, Kirby
Cc: Mundy, Rodney O.; Patterson, Ronald Q.; Thrasher, Cliff S.; Nunnally, William D.; Pizzileo, Marlem; Ball, H. Rusty; McMillan, Richard J.; Walker, Shelby G.; Bond, Tammy L.; White, Richard A.; Evans, Larry M.; Haga, Carl H.; Schaffeld, Robert A.; Trotter, Sarah B.
Subject: Hedge Transaction Recommendation - Request for Approval

Art, Ron, Ronnie, Frances, Kim, Earl and Kirby--

REDACTED TEXT AND ATTACHMENT

Natural Gas Hedging

Shelby, Frances and Kim--

REDACTED

Brian E. George
Southern Company Generation - Fuel Services
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Office 205-257-6172
Fax 205-257-6803

MFRH-10
PUBLIC DISCLOSURE
Docket No. 22403-U

Natural Gas Hedging

Hedge Proposal - Weekly Hedge Strategy

	Additional Volumes to Be Hedged Over Next Six Weeks						Weekly Hedge	Weekly NYMEX Contract	Current Market
	APC	GPC	Gulf	MPC	SAV	Total	Volume	Volume	Prices
Nov-05	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
Dec-05	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	
Percent Hedged - Current									Redacted
Percent Hedged - Post Transaction(s)									
Current Market Price									
Hedge Price - Current									
Hedge Price - Post Transaction(s)									
Jan-06	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
Feb-06	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
Mar-06	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
Apr-06	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
May-06	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
Jun-06	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
Jul-06	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted

MFRH-10
PUBLIC DISCLOSURE
Docket No. 22403-U

Natural Gas Hedging

Hedge Proposal - Weekly Hedge Strategy (continued)

	Additional Volumes to Be Hedged Over Next Six Weeks						Weekly Hedge	Weekly NYMEX Contract	Current Market
	APC	GPC	Gulf	MPC	SAV	Total	Volume	Volume	Prices
Aug-06	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
Sep-06	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
Oct-06	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
Nov-06	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
Dec-06	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	

Redacted

Percent Hedged - Current	
Percent Hedged - Post Transaction(s)	
Current Market Price	
Hedge Price - Current	
Hedge Price - Post Transaction(s)	

Redacted

Natural Gas Hedging

Attachment Redacted

MFRH-10
PUBLIC DISCLOSURE
Docket No. 22403-U

Natural Gas Hedging

Attachment Redacted

MFRH-10
PUBLIC DISCLOSURE
Docket No. 22403-U

Natural Gas Hedging

From: George, Brian
Sent: Friday, January 20, 2006 1:39 PM
To: Hinson, W. Ron; Thrasher, Cliff S.
Cc: Nunnally, William D.; Tate, Mark K.; Cacho, Marlem; Schaffeld, Robert A.; Trotter, Sarah B.; Parsons, Earl B., III
Subject: GPC Put Option Recommendation

Ron and Cliff--

REDACTED TEXT AND ATTACHMENT

Brian E. George
Southern Company Generation - Fuel Services
brgeorge@southernco.com
Office 205-257-6172
Fax 205-257-6803

Natural Gas Hedging

GPC Put Option Strategy for 2006

Summary of Issues

Redacted

Questions GPC Must Answer

Redacted

Natural Gas Hedging

GPC Put Option Analysis - Option 1

REDACTED

	Budget MMBtu	Total Hedged MMBtu	Percent Monthly Budget	Avg. Hedge Price $/MMBtu	Current Market Price $/MMBtu	Buy Puts for Approx. 50% of Current Hedge Position	Percent Montlhy Budget
1/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted		
2/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted		
3/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
4/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
5/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
6/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
7/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
8/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
9/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
10/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
11/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
12/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
	Redacted	Redacted				Redacted	

Percent - Annual Budget - 2006 46% 22%

Percent - Currently Hedged for 2006 47%

Premium Costs - $0.50/MMBtu $ 6,000,000

NOTE: Put option quotes are indicative and based on closing prices as of 1/19/2006.

BENEFITS

Redacted

DRAWBACKS

Redacted

Natural Gas Hedging

GPC Put Option Analysis - Option 2

REDACTED

	Budget MMBtu	Total Hedged MMBtu	Percent Monthly Budget	Avg. Hedge Price $/MMBtu	Current Market Price $/MMBtu	Buy Puts for Approx. 50% of Current Hedge Position	Percent Montlhy Budget
1/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted		
2/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted		
3/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
4/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
5/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
6/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
7/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
8/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
9/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
10/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
11/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
12/1/2006	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted	Redacted
	Redacted	Redacted				Redacted	

Percent - Annual Budget - 2006	46%		22%
Percent - Currently Hedged for 2006			47%
Premium Costs - $0.30/MMBtu		$ 3,600,000	

NOTE: Put option quotes are indicative and based on closing prices as of 1/19/2006.

BENEFITS

Redacted

DRAWBACKS

Redacted

Natural Gas Hedging

GPC Put Option Strategy for 2006

Conclusions

Redacted

Recommendation

Redacted

MFRH-10

Natural Gas Hedging

Docket No. 22403-U

From: Hinson, W. Ron
Sent: Friday, July 29, 2005 9:44 AM
To: George, Brian
Subject: Approve: Updated Hedge Strategy Presentation - July 2005

MFRH-10

Natural Gas Hedging

Docket No. 22403-U

From: Hinson, W. Ron
Sent: Thursday, August 18, 2005 12:11 PM
To: George, Brian
Subject: Approve: Winter 2005-06 Hedge Recommendation - Prompt Response Required

MFRH-10

Natural Gas Hedging

Docket No. 22403-U

From: Hinson, W. Ron
Sent: Friday, September 09, 2005 11:28 AM
To: George, Brian
Subject: Approve: Hedge Transaction Recommendation - Request for Approval

MFRH-10

Natural Gas Hedging

Docket No. 22403-U

From: Hinson, W. Ron
Sent: Friday, September 30, 2005 6:23 AM
To: George, Brian
Subject: Approve: Updated Hedge Strategy Presentation - September 2005

MFRH-10
PUBLIC DISCLOSURE
Docket No. 22403-U

Natural Gas Hedging

From: Hinson, W. Ron
Sent: Monday, October 24, 2005 6:53 AM
To: George, Brian
Subject: RE: OPCo Roll Transaction Proposal

approved

From: George, Brian
Sent: Friday, October 21, 2005 4:09 PM
To: Beattie, Arthur P.; Hinson, W. Ron; Labrato, Ronnie R.; Walker, Shelby G.; Turnage, Frances V.; Flowers, Kimberly D.; Parsons, Earl B., III; Willis, Kirby
Cc: Smith, Zeke W.; Patterson, Ronald Q.; Nunnally, William D.; Cacho, Marlem; Ball, H. Rusty; McMillan, Richard J.; Bond, Tammy L.; Evans, Larry M.; Schaffeld, Robert A.; Perkins, Todd A.; Markham, Robert F.; Spencer, Elliott L.; Trotter, Sarah B.; Haga, Carl H.
Subject: OPCo Roll Transaction Proposal
Importance: High

Art, Ron, Ronnie, Frances, Kim, Earl, Shelby and Kirby--

REDACTED

<< File: OPCO Hedge Roll Strategy Proposal Updated for 2005.ppt >>

Brian E. George
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brgeorge@southernco.com
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Fax 205-257-6803

MFRH-10

Natural Gas Hedging

Docket No. 22403-U

From: Hinson, W. Ron
Sent: Friday, December 16, 2005 7:42 AM
To: George, Brian
Subject: Approve: Updated Hedge Strategy Presentation - December 2005

MFRH-10

Natural Gas Hedging

Docket No. 22403-U

From: Willis, Kirby
Sent: Monday, December 19, 2005 7:02 AM
To: George, Brian
Subject: Approve: Updated Hedge Strategy Presentation - December 2005

MFRH-10
PUBLIC DISCLOSURE
Docket No. 22403-U

Natural Gas Hedging

From: Hinson, W. Ron
Sent: Friday, January 27, 2006 11:19 AM
To: George, Brian; Thrasher, Cliff S.
Cc: Nunnally, William D.; Tate, Mark K.; Cacho, Marlem; Schaffeld, Robert A.; Trotter, Sarah B.; Parsons, Earl B., III
Subject: RE: GPC Put Option Recommendation

Pursuant to our meeting and discussion today, please proceed to execute Option 1 at approximately 50% of the hedge portfolio.

From: George, Brian
Sent: Friday, January 20, 2006 2:39 PM
To: Hinson, W. Ron; Thrasher, Cliff S.
Cc: Nunnally, William D.; Tate, Mark K.; Cacho, Marlem; Schaffeld, Robert A.; Trotter, Sarah B.; Parsons, Earl B., III
Subject: GPC Put Option Recommendation

Ron and Cliff--

REDACTED

<< File: GPC Put Option Strategy Pres.xls >>

Brian E. George
Southern Company Generation - Fuel Services
brgeorge@southernco.com
Office 205-257-6172
Fax 205-257-6803

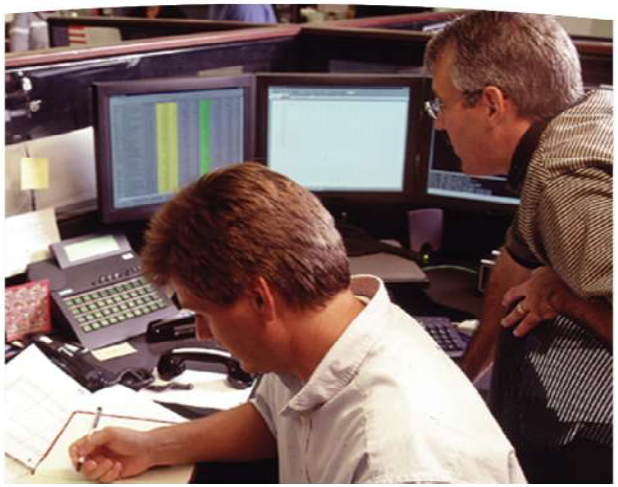
Natural Gas Hedging

Southern Company Generation

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Hedge Strategy – 2005 - 2007
July, 2005







Natural Gas Hedging

Southern Company Generation

Hedge Strategy Overview

Chart and/or Textbox Redacted

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Natural Gas Hedging

Southern Company Generation

Current Hedge Status – 2005 - 2007

Chart and/or Textbox Redacted

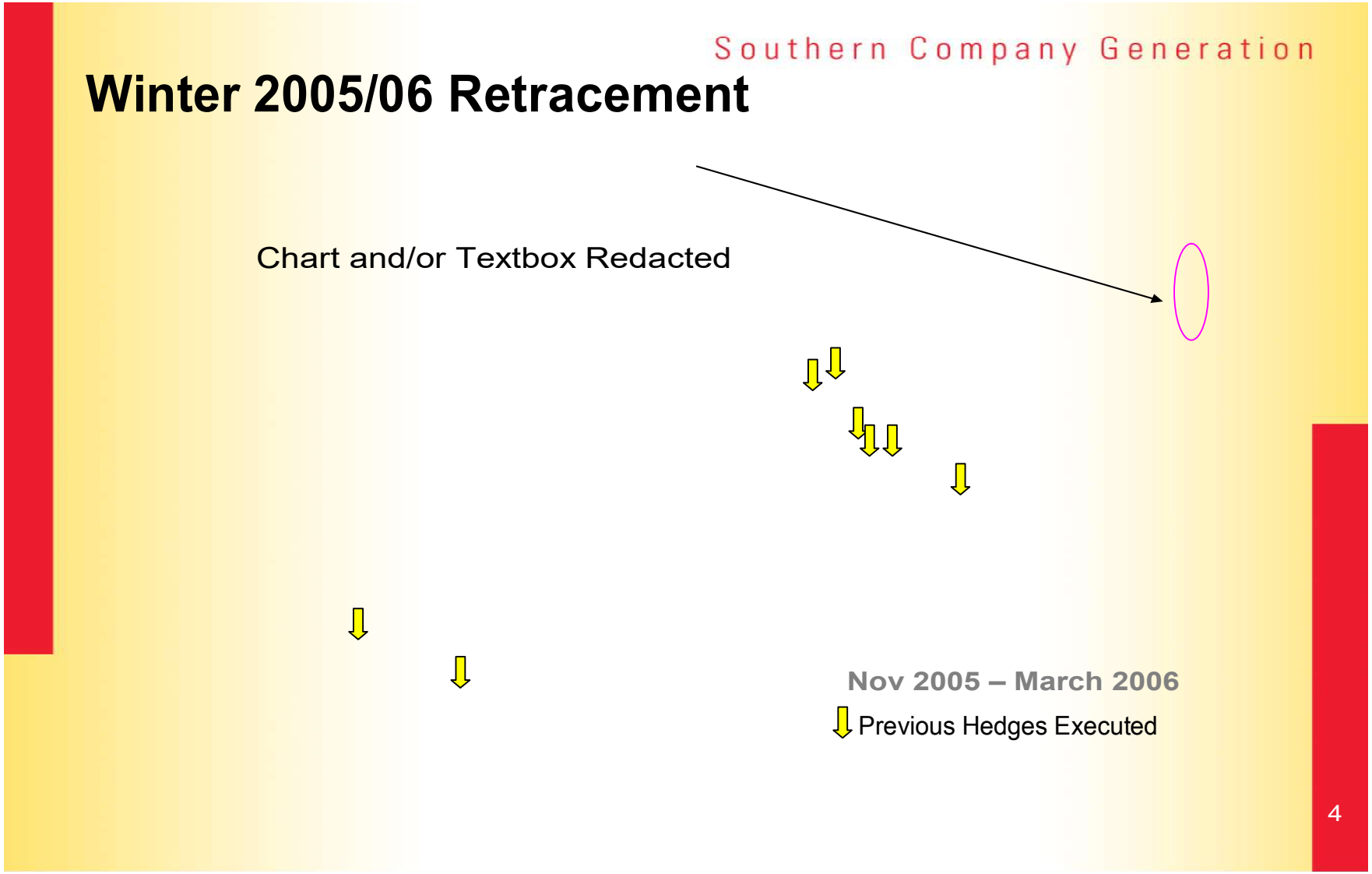
Note: Budget volumes based on 2005 Fuel Budget.

3

Natural Gas Hedging

Southern Company Generation

Winter 2005/06 Retracement



Natural Gas Hedging

Southern Company Generation

Winter 2005/06 Approvals Requested from OPCOs

Chart and/or Textbox Redacted

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Natural Gas Hedging

Southern Company Generation

Winter 2005/06 Put Options – Request Consideration from OPCOs

Chart and/or Textbox Redacted

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Natural Gas Hedging

Southern Company Generation

Summer 2006 Retracement

Chart and/or Textbox Redacted





April – Oct 2006

Previous Hedges Executed

7

Natural Gas Hedging

Southern Company Generation

Summer 2006 Approvals Requested from OPCOs

Chart and/or Textbox Redacted

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Natural Gas Hedging

Southern Company Generation

Winter 2006/07 Retracement

Chart and/or Textbox Redacted

Nov 2006 – March 2007

⇩ Previous Hedges Executed

9

Natural Gas Hedging

Southern Company Generation

Winter 2006/07 Approvals Requested from OPCOs

Chart and/or Textbox Redacted

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Natural Gas Hedging

Southern Company Generation

Summer 2007 Retracement

Chart and/or Textbox Redacted

April – Oct 2007

Previous Hedges Executed

11

Natural Gas Hedging

Southern Company Generation

Summer 2007 Approvals Requested from OPCOs

Chart and/or Textbox Redacted

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Natural Gas Hedging

Southern Company Generation

Chart and/or Textbox Redacted

13

Natural Gas Hedging

Southern Company Generation

Conclusions

Chart and/or Textbox Redacted

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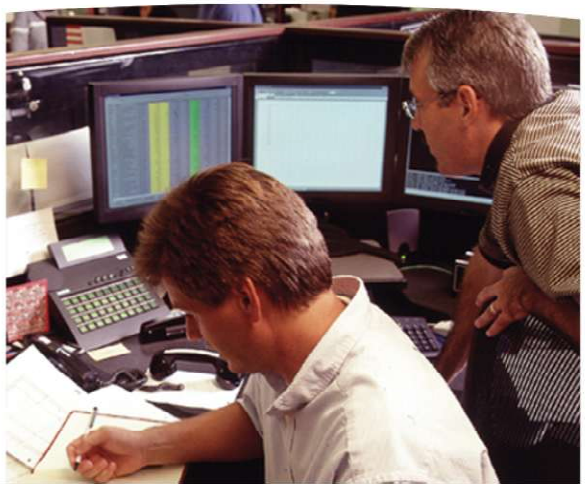
14

Natural Gas Hedging

Southern Company Generation

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Hedge Strategy – 2006 - 2008
September, 2005


Natural Gas Hedging

Southern Company Generation

Hedge Strategy Overview

Chart and/or Textbox Redacted

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2

Natural Gas Hedging

Southern Company Generation

Current Hedge Status – 2005 - 2007

Chart and/or Textbox Redacted

Note: Budget volumes based on 2005 Fuel Budget.

3

Natural Gas Hedging

Southern Company Generation

Summer 2006 Retracement

Chart and/or Textbox Redacted

April – Oct 2006

Previous Hedges Executed

4

Natural Gas Hedging

Southern Company Generation

Summer 2006 Approvals Requested from OPCOs

Chart and/or Textbox Redacted

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Natural Gas Hedging

Southern Company Generation

Winter 2006/07 Retracement

Chart and/or Textbox Redacted

Nov 2006 – March 2007

⇩ Previous Hedges Executed

6

MFRH-10
PUBLIC DISCLOSURE
Docket No. 22403-U

Natural Gas Hedging

Southern Company Generation

Winter 2006/07 Approvals Requested from OPCOs

Chart and/or Textbox Redacted

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Natural Gas Hedging

Southern Company Generation

Summer 2007 Retracement

Chart and/or Textbox Redacted

April – Oct 2007

Previous Hedges Executed

8

Natural Gas Hedging

Southern Company Generation

Summer 2007 Approvals Requested from OPCOs

Chart and/or Textbox Redacted

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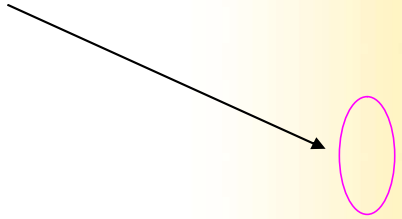
9

Natural Gas Hedging

Southern Company Generation

Summer 2008 Retracement

Chart and/or Textbox Redacted



April – Oct 2008

⇩ Previous Hedges Executed

10

Natural Gas Hedging

Southern Company Generation

Summer 2008 Approvals Requested from OPCOs

Chart and/or Textbox Redacted

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Natural Gas Hedging

Southern Company Generation

Chart and/or Textbox Redacted

12

Natural Gas Hedging

Southern Company Generation

Conclusions

Chart and/or Textbox Redacted

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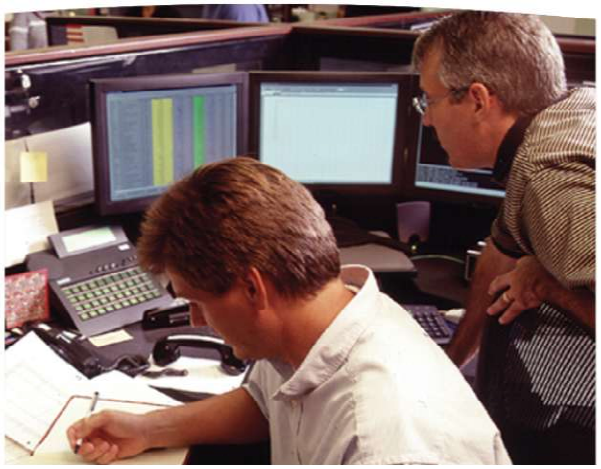
Natural Gas Hedging

Southern Company Generation

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Hedge Strategy – 2006 - 2008
December, 2005







Natural Gas Hedging

Southern Company Generation

Hedge Strategy Overview

Chart and/or Textbox Redacted

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Natural Gas Hedging

Southern Company Generation

Current Hedge Status – 2006 - 2008

Chart and/or Textbox Redacted

Note: Budget volumes based on 2006 Fuel Budget.

3

Natural Gas Hedging

Southern Company Generation

Summer 2006 Retracement

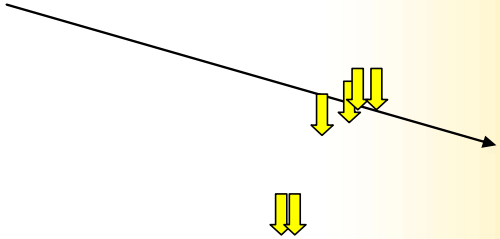


Chart and/or Textbox Redacted

April – Oct 2006

Previous Hedges Executed

4

Natural Gas Hedging

Southern Company Generation

Summer 2006 Approvals Requested from OPCOs

Chart and/or Textbox Redacted

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Natural Gas Hedging

Southern Company Generation

Winter 2006/07 Retracement



Chart and/or Textbox Redacted

Nov 2006 – March 2007

No Previous Hedges Executed

6

Natural Gas Hedging

Southern Company Generation

Winter 2006/07 Approvals Requested from OPCOs

Chart and/or Textbox Redacted

SOUTHERN COMPANY
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Natural Gas Hedging

Southern Company Generation

Summer 2007 Retracement

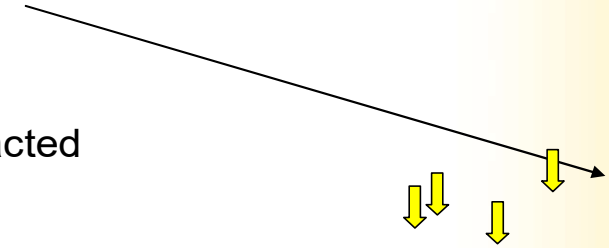


Chart and/or Textbox Redacted

April – Oct 2007

⇩ Previous Hedges Executed

⇩

8

Natural Gas Hedging

Southern Company Generation

Summer 2007 Approvals Requested from OPCOs

Chart and/or Textbox Redacted

SOUTHERN COMPANY
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9

Natural Gas Hedging

Southern Company Generation

Winter 2007/08 Retracement

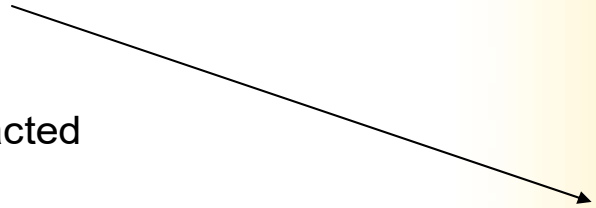


Chart and/or Textbox Redacted

Nov 2007 – March 2008

No Previous Hedges Executed

SOUTHERN COMPANY
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Natural Gas Hedging

Southern Company Generation

Winter 2007/08 Approvals Requested from OPCOs

Chart and/or Textbox Redacted

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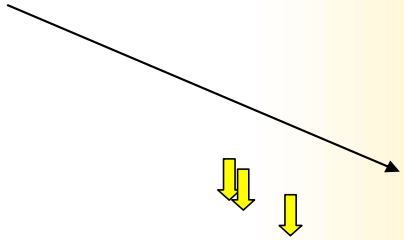
11

Natural Gas Hedging

Southern Company Generation

Summer 2008 Retracement

Chart and/or Textbox Redacted



April – Oct 2008

⇩ Previous Hedges Executed

12

Natural Gas Hedging

Southern Company Generation

Summer 2008 Approvals Requested from OPCOs

Chart and/or Textbox Redacted

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Natural Gas Hedging

Southern Company Generation

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Natural Gas Hedging

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Conclusions

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