MFRH-10

Natural Gas Hedging

Docket No. 39638

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. SCS utilizes fixed for floating financial swaps as well as financial options in its hedging activities. These transactions are executed "over-the-counter" primarily with financial institutions.

SCS executes hedge transactions as agent for Alabama Power, Georgia Power, Gulf Power, and Mississippi 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 Attaché Financial, 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 (Attaché Financial). Pages 2 and 3 contain a summary of the administrative costs of the hedging program and a summary of hedging gains and losses.

Additionally, SCS operates per the applicable hedging orders issued by each Public Service Commission. In 2007, the Georgia Public Service Commission issued a Hedging Policy Statement as an amendment to the ongoing Hedging Program in Docket No. 22403. In accordance with the amended order, the Company provides an Implementation schedule to the Staff before the beginning of each quarter. In 2012, the Georgia Public Service Commission revised the Hedging Policy Statement in Docket No. 16134 which further modified the types of financial instruments the Company can utlize and instituted a budget cap on premiums and net settlements.

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

MFRH-10
PUBLIC DISCLOSURE
Docket No. 39638

Natural Gas Hedging

Administrative Costs

	Georgia Power
March-12	REDACTED
April-12	REDACTED
May-12	REDACTED
June-12	REDACTED
July-12	REDACTED
August-12	REDACTED
September-12	REDACTED
October-12	REDACTED
November-12	REDACTED
December-12	REDACTED
January-13	REDACTED
February-13	REDACTED
March-13	REDACTED
April-13	REDACTED
May-13	REDACTED
June-13	REDACTED
July-13	REDACTED
August-13	REDACTED
September-13	REDACTED
October-13	REDACTED
November-13	REDACTED
December-13	REDACTED
January-14	REDACTED
February-14	REDACTED
March-14	REDACTED
April-14	REDACTED
May-14	REDACTED
June-14	REDACTED
July-14	REDACTED
August-14	REDACTED
September-14	REDACTED
October-14	REDACTED
November-14	REDACTED
December-14	REDACTED
January-15	REDACTED
February-15	REDACTED
March-15	REDACTED
April-15	REDACTED
May-15	REDACTED
June-15	REDACTED
July-15	REDACTED

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

MFRH-10
PUBLIC DISCLOSURE
Docket No. 39638

Natural Gas Hedging

Realized Hedging Gains/Losses:

	Total Hedge Savings (Losses)*
March-12	REDACTED
April-12	REDACTED
May-12	REDACTED
June-12	REDACTED
July-12	REDACTED
August-12	REDACTED
September-12	REDACTED
October-12	REDACTED
November-12	REDACTED
December-12	REDACTED
January-13	REDACTED
Feburary-13	REDACTED
March-13	REDACTED
April-13	REDACTED
May-13	REDACTED
June-13	REDACTED
July-13	REDACTED
August-13	REDACTED
September-13	REDACTED
October-13	REDACTED
November-13	REDACTED
January-14	REDACTED
Feburary-14	REDACTED
February-14	REDACTED
March-14	REDACTED
April-14	REDACTED
May-14	REDACTED
June-14	REDACTED
July-14	REDACTED
August-14	REDACTED
September-14	REDACTED
October-14	REDACTED
November-14	REDACTED
December-14	REDACTED
January-15	REDACTED
Feburary-15	REDACTED
March-15	REDACTED
April-15	REDACTED
May-15	REDACTED
June-15	REDACTED
July-15	REDACTED

* Includes option premiums