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SOUTHERN COMPANY
Energy to Serve Your World℠

September 5, 2008

VIA E-MAIL AND U.S. MAIL

Ms. Florence Harmon
Acting Secretary
Securities and Exchange Commission
100 F. Street, NE
Washington, DC 20549

Re: File No. S7-18-08

Dear Ms. Harmon:

The Southern Company ("Southern Company") is pleased to have the opportunity to offer comments in response to the proposed rule amendments – *Security Ratings* – released by the Securities and Exchange Commission (the "Commission") under File Number S7-18-08 and published in the Federal Register on July 11, 2008. As described further herein, Southern Company concurs with the comments submitted by the Edison Electric Institute ("EEI") on behalf of the electric utility industry in general. Southern Company believes the change to the Form S-3 eligibility requirements will impact a significant number of electric utilities, including three Southern Company subsidiaries, and is unnecessary with respect to traditional corporate debt securities and preferred and preference stock. In addition, Southern Company believes the proposed $1 billion debt issuance threshold is not an appropriate alternative standard for Form S-3 eligibility.

Southern Company (NYSE: SO) is a well-known seasoned issuer ("WKSI") with a market capitalization of approximately $29 billion. Southern Company is one of the largest public utility holding companies, with four state-regulated electric utility subsidiaries – Alabama Power Company ("Alabama Power"), Georgia Power Company ("Georgia Power"), Gulf Power Company ("Gulf Power") and Mississippi Power Company ("Mississippi Power" and, together with Alabama Power, Georgia Power and Gulf Power, the "traditional operating companies"). In addition, Southern Company owns a growing competitive generation subsidiary, Southern Power Company ("Southern Power"), as well as certain non-energy related businesses.

Each of the traditional operating companies and Southern Power are reporting companies under the Securities Exchange Act of 1934, as amended, and maintain shelf registration statements on Form S-3 for the public offering of investment grade debt securities and investment grade preferred and preference stock. These Form S-3 registration statements have provided the traditional operating companies and Southern Power with significant flexibility in accessing the capital markets. This need for flexibility has been highlighted with the difficult conditions in the debt capital markets over the last year.

If the changes to the Form S-3 eligibility requirements are adopted as proposed, each of Gulf Power, Mississippi Power and Southern Power will lose its ability to offer investment grade securities through Form S-3 registration statements. Instead, these issuers will be required to use the more expensive and less flexible Form S-1 registration statement or conduct unregistered offerings limited to qualified institutional buyers under Rule 144A. This is particularly troubling for Gulf Power and Mississippi Power, who, along with the other traditional operating companies, periodically conduct public offerings of debt securities that are available to retail accounts and are listed on the New York Stock Exchange.

As was highlighted in the EEI comment letter, Southern Company expects that many other utility holding company systems will experience a similar result if the investment-grade securities eligibility standard is eliminated from Form S-3. Southern Company concurs with the view of EEI that the rule change is simply unnecessary with respect to traditional corporate debt securities and preferred and preference stock. If any changes are to be made to the Form S-3 eligibility requirements, they should be limited to the complex, asset-backed securities that have been at the center of the current market downturn.

As a final matter, if changes are made to the Form S-3 eligibility requirements for all securities, Southern Company agrees with EEI that the proposed $1 billion debt issuance test is not an appropriate alternative standard of eligibility. Southern Company believes that each of its subsidiary reporting companies is well known in the market and should remain eligible for short-form registration. Southern Company is one of the largest and most widely held public utility holding companies. In evaluating an investment in Southern Company, analysts closely follow the operations of each of the traditional operating companies, which together comprise approximately 90% of Southern Company's annual consolidated net income, and Southern Power, given its alternative business model and significant size. Southern Company believes that any subsidiary of a WKSI that is an SEC reporting company and is of significant size (for example, each of Gulf Power, Mississippi and Southern Power has assets in excess of $1 billion) will be closely followed by analysts in evaluating an investment in the WKSI parent.

In addition to being important components of Southern Company's consolidated operations, Gulf Power, Mississippi Power and Southern Power are well-known on the basis of their own outstanding securities. Southern Power has outstanding approximately $1.3 billion of publicly traded senior notes. Each of Gulf Power and Mississippi Power has multiple outstanding series of publicly traded senior notes, some of which are listed on the New York Stock Exchange. Southern Company concurs with EEI's position that debt float could be an appropriate alternative test for Form S-3 eligibility, as any company with exchange listed debt securities or that otherwise has a significant amount of publicly traded debt securities would be widely followed in the market.

In conclusion, Southern Company appreciates the efforts of the Commission to improve the credit ratings process, but believes that any changes to the Form S-3 eligibility requirements should not impact the ability of companies to efficiently issue traditional investment grade corporate debt securities and preferred stock. If the Commission has any questions regarding this letter, please contact Wayne Boston at (404) 506-0149.

Very truly yours,

W. Paul Bowers
Executive Vice President and
Chief Financial Officer