

Letter of Comment No: 34
File Reference: 1099-001

July 30, 2004

Mr. Lawrence Smith
Director – Technical Application & Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Subject: File Reference No. 1099-001

Dear Mr. Smith:

Southern Company (NYSE: SO) is a public utility holding company and the largest generator of electricity in the United States. Southern is the parent firm of Alabama Power, Georgia Power, Gulf Power, Mississippi Power and Savannah Electric, all integrated, cost-based regulated utility companies, as well as Southern Power, a market-based generation company.

We appreciate the opportunity to provide comments concerning the changes outlined in the Financial Accounting Standards Board's (FASB or the Board) Exposure Draft of a Proposed Interpretation, "Accounting for Conditional Asset Retirement Obligations an interpretation of FASB Statement No. 143" (ED). However, we are concerned that the ED will result in additional legal complexities and inaccurate expense recognition by requiring companies to speculate on future legal obligations. Consequently, we support the conclusions in Edison Electric Institute's comment letter to you and hope that the information will be adequate to understand the detrimental effect this ED would have on our industry and the public it serves.

We would welcome the opportunity to discuss these issues further should you need additional information.

(Original signed by W. D. Hudson)

W. Dean Hudson
Southern Company Services Comptroller and CFO