The Southern Company
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Atlanta, Georgia 30308

December 8, 2009

VIA E-EMAIL

Ms. Elizabeth Murphy
Secretary
Securities and Exchange Commission
100 F. Street, NE
Washington, DC 20549

Re: File No. S7-18-08

Dear Ms. Murphy,

The Southern Company ("Southern Company") is pleased to have the opportunity to offer further comments in response to the amendments to the eligibility requirements for Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), proposed by the Securities and Exchange Commission (the "Commission") under File Number S7-18-08 and published in the Federal Register on July 11, 2008. The proposed amendments would eliminate the provision in Form S-3 that allows issuers of investment grade debt securities and preferred and preference stock to use Form S-3. Instead, only entities that have issued $1 billion or more in such securities over a period of three years would be permitted to use Form S-3. On October 9, 2009, the Commission published a release in the Federal Register to request further comments on the proposed amendments (the "2009 Release").

Southern Company (NYSE: SO) is a well-known seasoned issuer ("WKSI") with a market capitalization of approximately $26 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 has registered offerings of investment grade debt securities and preferred and preference stock on Form S-3.

On September 5, 2008, Southern Company submitted comments to the Commission regarding the proposed amendments to the Form S-3 eligibility requirements. Southern Company's comments were consistent with those of the Edison Electric Institute ("EEI"), which were in opposition to the proposed amendments. Southern Company also concurs with EEI's December 2009 comment letter submitted in response to the Commission's request for additional comments.

As described in Southern Company's September 5, 2008 comment letter, Southern Company believes the changes to the Form S-3 eligibility requirements will impact a significant number of electric utilities, including Gulf Power, Mississippi Power and Southern Power, and is unnecessary with respect to traditional corporate debt securities and preferred and preference stock. The proposed amendments would require these issuers to use the more expensive and less flexible Form S-1 registration statement or conduct offerings limited to qualified institutional buyers under Rule 144A. This may limit the ability of electric utilities to obtain the most cost effective source of funding, and is likely to reduce the number of traditional corporate debt securities offerings listed on the New York Stock Exchange and available to retail investors. Southern Company concurs with the view of EEI that any changes to the Form S-3 eligibility requirements should be limited to the complex, asset-backed securities that were at the center of the financial crisis.

In addition, Southern Company believes changes to the Form S-3 eligibility requirements will not reduce investor reliance on securities ratings. Underwriters and investors will continue to require ratings letters in traditional corporate debt and preferred and preference stock offerings, regardless of whether the offering is registered on Form S-1 or Form S-3, or conducted without registration under Rule 144A. Southern Company believes that rules requiring additional disclosures about credit ratings and the credit rating process, as proposed by the Commission in October 2009, will more appropriately address the Commission's concerns regarding investor reliance on security ratings. Southern Company believes it is premature for the Commission to change the Form S-3 eligibility requirements prior to implementing and analyzing the impact of the proposed credit rating disclosure rules.

If the Commission decides to make changes to the Form S-3 eligibility requirements for traditional corporate debt securities and preferred and preference stock, Southern Company continues to believe the proposed $1 billion debt issuance threshold is not an appropriate alternative standard of eligibility. In the 2009 Release, the Commission requested alternatives to the $1 billion debt issuance standard of eligibility. Southern Company continues to believe the alternative standards of eligibility set forth in the comments submitted by Southern Company and EEI in September 2008 would provide more appropriate eligibility standards for Form S-3. These alternatives generally covered entities that were widely followed in the market or that were regulated issuers of high quality debt securities and preferred and preference stock.

As discussed in the prior comment letters of Southern Company and EEI, Form S-3 eligibility should remain available to any entity that is widely followed in the market. While the $1 billion debt issuance may provide an appropriate standard for eligibility for automatically effective shelf registration, it does not capture many widely followed entities. Any subsidiary of a WKSI that is also a reporting company and is of significant size (for example, $1 billion in assets) will be

widely followed by investors analyzing the WKSI parent and should remain eligible to use Form S-3. Further, any entity with substantial amounts of outstanding publicly traded debt securities (for example, $1 billion or more) or with debt securities that are traded on a national securities exchange will be widely followed by fixed-income investors and should remain eligible to use Form S-3.

In addition, any entity that is subject to separate state or federal regulation with respect to the issuance of securities should remain eligible to use Form S-3. For example, electric utilities must receive the approval Federal Energy Regulatory Commission or a state public service commission prior to the issuance of securities. These regulated entities are generally issuers of high quality debt securities and preferred and preference stock and have relied significantly on the current investment grade eligibility standard.

Southern Company believes the alternative standards of eligibility described above would continue to provide a bright-line standard and would be generally comparable in scope to the existing investment grade standard of eligibility. Southern Company believes that any issuer that satisfies any one or more of these standards should remain eligible to use Form S-3 for offerings of debt securities and preferred and preference stock.

In conclusion, Southern Company appreciates the efforts of the Commission to improve the credit ratings process, including rule proposals requiring additional disclosures regarding credit ratings and the credit ratings process, but believes that changes to the Form S-3 eligibility rules are unnecessary for traditional corporate debt securities and preferred and preference stock. In the event changes are made to the Form S-3 eligibility requirements, those changes should not impact the ability of companies to efficiently issue traditional investment grade corporate debt securities and preferred and preference stock. If the Commission has any questions regarding this letter, please contact undersigned at (404) 506-5000.

Very truly yours,

Melissa K. Caen

Melissa K. Caen
Assistant Secretary