

Proposed Form of Parent Guaranty

Guaranty, dated as of _____, 20___, by _____, a _____ ("Guarantor"), in favor of Counterparty. As used in this Guaranty, "Counterparty" means Beneficiary, SCS and the Co's jointly and severally; "Beneficiary" means Southern Company Services, Inc., acting solely as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company and Mississippi Power Company; "Co's" means Alabama Power Company, Georgia Power Company, Gulf Power Company and Mississippi Power Company, jointly and severally; and "SCS" means Southern Company Services, Inc.

1. **Guaranty.** In consideration of Counterparty having executed, entered into, or now or hereafter executing or entering into contracts, agreements and/or arrangements with _____ ("Company"), a subsidiary of Guarantor, for or relating to the transmission or transportation of electricity, electric power or other energy commodities and/or related services (collectively as may be amended, restated or replaced, the "Guaranteed Contracts"), Guarantor absolutely, irrevocably and unconditionally guarantees and promises to pay to Counterparty, its successors and assigns, when due all of Company's present and future obligations, debts and liabilities of all kinds to Counterparty under or relating to the Guaranteed Contracts (as may be extended, amended, restated or replaced, the "Obligations"). Guarantor acknowledges that it will benefit directly or indirectly from the transactions entered or to be entered into between the Counterparty and Company.

2. **Nature of Guaranty.** This Guaranty constitutes a guarantee of payment and not merely of collection. The Guarantor's obligations hereunder shall not be reduced or discharged by any circumstances relating to the Obligations that might otherwise constitute a legal or equitable discharge or defense to the Guarantor. The Guarantor agrees that the Counterparty may resort to the Guarantor for payment of the Obligations whether or not the Counterparty shall have resorted to any collateral therefor or shall have proceeded against Company or any other obligor principally or secondarily obligated with respect to any of the Obligations. The Counterparty shall not be obligated to file any claim relating to the Obligations in the event that Company or Guarantor becomes subject to a bankruptcy, reorganization or similar proceeding, and the failure of the Counterparty to so file and any bankruptcy or insolvency or related discharge or release of Company or Guarantor shall not affect the Guarantor's obligations hereunder. In the event that any payment of Company or Guarantor in respect of any Obligations is voided, rescinded or recovered from Counterparty for any reason, for example, as a preference or fraudulent transfer under the United States Bankruptcy Code, or any applicable state law or otherwise, Guarantor shall remain liable hereunder in respect to such Obligations as if such payment had not been made and/or this Guaranty shall be reinstated as necessary. This Guaranty shall continue to be effective if Company or Guarantor merges or consolidates with or into another entity, loses its separate legal identity or ceases to exist.

3. **Consents, Waivers and Renewals.** Guarantor agrees that Counterparty may, at any time and from time to time, without notice to or consent of Guarantor and without impairing, reducing or releasing this Guaranty or the obligations of Guarantor hereunder: (1) extend the time of payment of any Obligations or take, exchange or surrender any collateral or security for any Obligations or renew or make any change in the terms of any Guaranteed Contracts, Obligations or liability of Company or Guarantor to Counterparty, (2) take or fail to take any action of any kind in respect of any security for any Obligation or liability of Company or Guarantor to Counterparty, (3) waive or release or exercise or refrain from exercising any rights against Company or Guarantor or others, (4) create, renew, modify, discharge, release, compromise or subordinate any Guaranteed Contracts, Obligations or any liability of Company or Guarantor or any other person to Counterparty or any security therefor, or (5) enter into, amend, replace or release any agreement effecting or modifying any of the foregoing.

4. **Expenses.** Guarantor agrees to pay to Counterparty on demand all fees and out-of-pocket expenses (including the reasonable fees and expenses of Counterparty's counsel) in any way relating to the enforcement or protection of the rights of Counterparty hereunder; provided, that Guarantor shall not be liable for any expenses of Counterparty if no payment under this Guaranty is due.

5. **Subrogation.** Guarantor waives and will not exercise any rights which it may acquire by way of subrogation until all the Obligations shall have been irrevocably paid in full and this Guaranty shall have been terminated. Subject to the foregoing, upon irrevocable payment of all the Obligations and termination of this Guaranty (but not before), Guarantor shall be subrogated to the rights of Counterparty against Company in respect of payments made by Guarantor under this Guaranty and Counterparty agrees to take such steps as Guarantor may reasonably request, at Guarantor's expense, to implement such subrogation.

6. **Setoffs and Counterclaims.** Guarantor reserves to itself all defenses which Company is entitled to under the terms of the Guaranteed Contracts, except for defenses waived in this Guaranty and except for any defenses arising out of or related to the bankruptcy, insolvency, dissolution or liquidation of Company or the power or authority of Company to enter into the Guaranteed Contracts or to perform its Obligations thereunder, or any lack of validity or enforceability of the Guaranteed Contracts, the Obligations or any other documents executed in connection with the Guaranteed Contracts.

7. **No Waiver; Cumulative Rights.** No failure or delay on the part of Counterparty to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Counterparty of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Each and every right, remedy and power hereby granted to Counterparty or allowed Counterparty by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Counterparty at any time or from time to time. Without limiting the foregoing: (i) this Guaranty shall not release, modify, revoke or terminate any other guaranty heretofore, now or hereafter executed by Guarantor; nor shall any other guaranty heretofore, now or hereafter executed by Guarantor release, modify, revoke or terminate this Guaranty, and (ii) all of Guarantor's liabilities and obligations and Counterparty's rights and remedies under this Guaranty are in addition to and cumulative with those under any other guaranty executed by Guarantor in favor of Counterparty on or about the date hereof or at any other time.

8. **Waivers.** Guarantor waives notice of any Guaranteed Contracts or Obligations, the acceptance of this Guaranty, presentment, suretyship defenses, all rights of exemption, demand, notice of dishonor or default, protest, notice of protest, notice of any sale of collateral security, notice of the release or discharge of any person or collateral and all other notices whatsoever.

9. **Representation and Warranties.** Guarantor represents and warrants to Counterparty the following:

- (a) Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has full power to execute, deliver and perform this Guaranty.
- (b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary action and do not contravene any provision of law or of Guarantor's organizational documents or any contractual restriction binding on Guarantor or its assets.

- (c) This Guaranty constitutes the legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms.
- (d) Company is and will remain a subsidiary of the Guarantor so long as this Guaranty is in effect.
- (e) The person signing on behalf of the Guarantor below is duly authorized and empowered to execute and deliver this Guaranty on behalf of the Guarantor.
- (f) No consents, approvals or filings are required to be made or obtained in connection with the execution, delivery and performance of this Guaranty which have not been made or obtained.

10. **Assignment.** Guarantor shall not assign or delegate its rights, interests or obligations hereunder without the prior written consent of the Counterparty.

11. **Notices.** All notices or other communications to Guarantor or Counterparty shall be in writing and shall be effective when received and shall be delivered by hand or registered mail or by facsimile (if such facsimile is promptly confirmed by registered mail). Guarantor's address for notices is as follows:

 Attn: _____
 Fax: _____

The Counterparty's address for notices is as follows:

Southern Company Services, Inc., as agent
 600 North 18th Street
 P. O. Box 2641
 Birmingham, Alabama 35291-8210
 Attn: SCS Transmission Services Manager

or such other address as either Guarantor or Counterparty shall from time to time specify to the other in accordance herewith.

12. **Termination.** This is a continuing Guaranty of all present and future Obligations. This Guaranty shall terminate as to future transactions only after the ninetieth (90th) day after the date of receipt by the Counterparty of Guarantor's written notice of termination of this Guaranty but this Guaranty may not otherwise be terminated. Notwithstanding the foregoing, and despite any termination of this Guaranty, this Guaranty shall remain in full force and effect and shall continue to apply to (i) all Obligations outstanding or contracted for before the effective date of termination, (ii) all Obligations then or at any time existing or arising pursuant to any Guaranteed Contracts entered into before the effective date of termination and (iii) all of Guarantor's obligations under Section 4 of this Guaranty.

13. **GOVERNING LAW.** This Guaranty shall be governed by and construed in accordance with the laws of the State of Alabama without reference to choice of law doctrine.

14. **Waiver of Right to Trial by Jury.** Guarantor irrevocably waives any and all rights to trial by jury with respect to any legal proceeding arising out of or relating to this Guaranty or any Obligations arising under the Guaranteed Contracts.

IN WITNESS WHEREOF, Guarantor has executed and delivered this Guaranty as of the date first above written.

GUARANTOR:

By: _____

Its: _____